

MEMORANDUM

TO: Governor Mark Parkinson

FROM: Duane A. Goossen, Secretary of Administration and Director of the Budget

DATE: July 2, 2009

SUBJECT: FY 2010 State General Fund Allotment

After considering current revenue information, the FY 2010 approved budget, and other pertinent information, it appears that the resources of the State General Fund are likely to be insufficient to cover the appropriations made against the State General Fund. Therefore, I advise that the use of an allotment plan as provided for in K.S.A. 75-3722 is necessary and beneficial to the state.

At the close of FY 2009, the State General Fund had a preliminary ending balance of \$66 million. However, \$73 million of FY 2009 school finance bills were carried forward for payment in FY 2010, and \$31 million of tax refunds that normally would have been paid in FY 2009 will be paid in FY 2010. In addition, the Judiciary will need a supplemental appropriation of \$8 million in FY 2010 in order to keep the courts operating. Taking into account these factors, estimated revenues, and approved expenditures, the FY 2010 State General Fund ending balance will be approximately \$160 million below zero unless corrective action is taken.