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COMMISSION ON REVENUE ALLOCATION

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**CRA RECOMMENDATION TO THE SENATE
ON RECURRENT EXPENDITURE BUDGET
CEILINGS FOR COUNTY ASSEMBLIES AND
EXECUTIVES FOR THE FINANCIAL YEAR**

2019/2020

MARCH 2019

NOTES ON THE RECURRENT EXPENDITURE BUDGET CEILINGS FOR COUNTIES FOR THE FINANCIAL YEAR 2019/20

The Commission on Revenue Allocation (CRA) hereby makes recommendations to the Senate on the recurrent expenditure budget ceilings for both the county assemblies and the county executives for the financial year 2019/20. The recommendations are in fulfilment of the requirement of Articles 216 (2) and (3) of the Constitution of Kenya 2010 and Section 107 (2) (a) of the Public Finance Management Act (PFMA) 2012.

In arriving at the recommended amounts, the Commission considered the following;

- County budgets and expenditures for 2013/2014- 2018/2019
- Discussions between CRA and the counties on the 2014/2015 ceilings
- Reports by counties to CRA and other oversight institutions.
- Court ruling on Petition No. 9 of 2018 quashing the Gazette Notice No. 6518 of July 2017. This affected the salaries and other benefits to the Governors, Deputy Governors, MCAs and CECMs, mileage and plenary sitting allowances.
- Implementation of Phase 1 Salary review for the County Assembly employees based on the job evaluation results as per SRC Circular Ref. SRC/TS/JE/CG/3/33/6 Vol.II (134) dated 18th September 2017.
- Discussions held with the Senate and individual counties in the process of arriving at the 2015/2016 - 2018/2019 recurrent expenditure budget ceilings.
- Consultations with the Clerks of County Assemblies held at Travellers Beach Hotel, Mombasa on 28th February 2019.
- Input by the counties in a one-day consultative workshop held at the Safari Park Hotel on the 14th March 2019. The following issues were raised: -
 1. Provisions for fringe benefit taxes,
 2. Provision for support staff for the Deputy Governors, and
 3. Running costs for the ward offices. While they are provided for in the current, the amount needs to be specific for the purpose of budgeting.

These issues were considered and in appreciating the fiscal consolidation policy adopted by the country as outlined in the Budget Policy Statement hence the proposal to decrease the resource envelope from Kshs. 314B in 2018/19 to Kshs. 310B in 2019/20, the Commission believes that these can be easily accommodated within the ceilings. Specifically, the Fringe Benefits tax should be charged to the loans fund which is considered outside the ceilings. In line with the Budget Policy statement which sets the County Equitable share at Kshs. 310B down from Kshs 314B, a drop of 1.3%, we have adjusted the Operations and Maintenance budget downwards by 1.3%.

Consultations for the purpose of developing the recurrent expenditure ceilings for 2019 /2020 financial year have also incorporated the inputs of Office of the Controller of Budgets (OCOB), the Salaries and Remuneration Commission (SRC), Ethics and Anti- Corruption Commission (EACC), Council of Governors (COG), Parliamentary Budget Office (PBO) and the Society of Clerks at the Table (SOCATT).

The table below shows the recurrent expenditure ceilings for the counties for the last five years;

FISCAL YEAR		CRA CEILING	SENATE / CRA ADJUSTMENT	TOTAL PROVIDED
2014/15	AMOUNTS IN KSHS. MILLIONS			
	EXECUTIVE	13,356	0	13,356
	ASSEMBLY	16,877	2,740	19,617
	TOTAL	30,233	2,740	32,973
2015/16	EXECUTIVE	20,663	0	20,663
	ASSEMBLY	24,993	2,500	27,493
	TOTAL	45,656	2,500	48,156
2016/17	EXECUTIVE	20,843	0	20,843
	ASSEMBLY	28,986	74	29,060
	TOTAL	49,829	74	49,903
2017/18	EXECUTIVE	25,886	0	25,886
	ASSEMBLY	28,897	0	28,897
	TOTAL	54,783	0	54,783
2018/19	EXECUTIVE	26,779	0	26,779
	ASSEMBLY	31,031	1,752	32,783
	TOTAL	57,810	1,752	59,562
2019/20	EXECUTIVE	26,708		
	ASSEMBLY	33,248		
	TOTAL	60,187		

Proposed recurrent expenditure ceilings for the county assemblies as per **Table 1** attached amount to Kshs. 33,247,585,463.00 and includes:

- Salaries, Allowances, Mileage, Insurance & Gratuity for Speakers and MCAs.
- Salaries, Allowances, Insurance and pension for County Assembly staff.
- Salaries, allowances and Gratuity for the County Assembly Service Board and Secretariat.
- Salaries and allowances for partisan staff for all the MCAs.
- Provision for Operations and Maintenance based on the 2018 / 2019 figure.
- Provision for oversight and Public Participation.
- Provision for training of Assemblies.
- Provision for the operationalization of an Audit Committee based on SRC circular.

Proposed recurrent expenditure ceilings for the county executives as per **Table 2** attached amount to Kshs. 26,708,080,067.00 and includes:

- Salaries, Allowances, Insurance & Gratuity for Governor and Deputy Governor.
- Salaries, Allowances, Insurance & Gratuity for County Secretary and the County Executive Committee members.
- Salaries, Allowances, Insurance and Pension for County Administration staff.
- Salaries and allowances Governor and Deputy Governor's allocated staff.
- Salaries, allowances and Gratuity for the County Public Service Board.
- Provision for the operationalization of an Audit Committee based on SRC circular.
- Provision for Operations and Maintenance based on the 2018 / 2019 figure.
- Provision for training of Executives.
- Provision for operationalization of the County Budget Economic Forum (CBEF) based on National Treasury SRC guidelines.

Table: 1**RECOMMENDED RECURRENT EXPENDITURE CEILINGS FOR COUNTY ASSEMBLIES**

	COUNTY	2018-19	2019-20	DIFFERENCE
1.	Baringo	745,949,448	687,926,864	(58,022,584)
2.	Bomet	593,549,397	606,321,526	12,772,129
3.	Bungoma	830,129,329	852,697,315	22,567,986
4.	Busia	728,502,747	738,972,659	10,469,912
5.	Elgeyo-Marakwet	566,844,007	572,974,781	6,130,774
6.	Embu	568,744,226	580,057,624	11,313,398
7.	Garissa	747,191,067	758,771,695	11,580,628
8.	Homa-Bay	837,888,910	852,232,576	14,343,666
9.	Isiolo	415,766,822	421,383,160	5,616,338
10.	Kajiado	656,834,585	666,147,523	9,312,938
11.	Kakamega	1,061,364,590	1,066,936,774	5,572,184
12.	Kericho	680,496,881	692,058,978	11,562,097
13.	Kiambu	1,072,824,374	1,085,527,936	12,703,562
14.	Kilifi	753,514,171	756,635,440	3,121,269
15.	Kirinyaga	556,734,809	569,393,333	12,658,524
16.	Kisii	907,969,871	919,508,597	11,538,726
17.	Kisumu	684,802,036	701,921,494	17,119,458
18.	Kitui	811,797,246	836,025,472	24,228,226
19.	Kwale	584,760,053	591,895,413	7,135,360
20.	Laikipia	441,560,603	452,388,054	10,827,451
21.	Lamu	404,937,595	405,697,936	760,341
22.	Machakos	831,776,339	841,145,156	9,368,817
23.	Makueni	746,360,207	703,984,829	(42,375,378)
24.	Mandera	728,474,208	726,834,897	(1,639,311)
25.	Marsabit	597,578,513	640,182,991	42,604,478
26.	Meru	925,216,546	914,997,229	(10,219,317)
27.	Migori	828,127,065	836,834,225	8,707,160
28.	Mombasa	646,914,950	658,609,194	11,694,244
29.	Murang'a	724,534,618	735,143,240	10,608,622
30.	Nairobi City	1,386,671,700	1,409,977,879	23,306,179
31.	Nakuru	969,538,825	983,219,236	13,680,411
32.	Nandi	631,178,919	649,760,252	18,581,333
33.	Narok	708,556,511	709,598,198	1,041,687
34.	Nyamira	587,432,863	596,107,510	8,674,647
35.	Nyandarua	623,474,296	633,970,935	10,496,639
36.	Nyeri	659,447,249	676,085,232	16,637,983
37.	Samburu	474,065,548	490,297,034	16,231,486
38.	Siaya	648,656,207	666,308,584	17,652,377
39.	Taita-Taveta	585,350,779	601,130,595	15,779,816
40.	Tana-River	472,819,158	486,497,243	13,678,085
41.	Tharaka-Nithi	424,689,934	423,104,928	(1,585,006)
42.	Trans-Nzoia	614,078,431	628,139,110	14,060,679
43.	Turkana	743,352,347	767,192,392	23,840,045
44.	Uasin-Gishu	671,972,798	686,014,946	14,042,148
45.	Vihiga	607,253,791	621,955,167	14,701,376
46.	Wajir	719,759,837	760,194,403	40,434,566
47.	West Pokot	573,674,197	584,824,909	11,150,712
48.	TOTAL	32,783,118,603	33,247,585,463	464,466,860

Table: 2

RECOMMENDED RECURRENT EXPENDITURE CEILINGS FOR COUNTY EXECUTIVES				
	COUNTY	2018-19	2019-20	DIFFERENCE
1.	Baringo	571,077,976	569,787,017	(1,290,959)
2.	Bomet	553,757,614	552,531,315	(1,226,299)
3.	Bungoma	623,039,058	621,554,119	(1,484,939)
4.	Busia	588,398,337	587,042,718	(1,355,619)
5.	Elgeyo-Marakwet	536,437,254	535,275,615	(1,161,639)
6.	Embu	536,437,254	535,275,615	(1,161,639)
7.	Garissa	571,077,976	569,787,017	(1,290,959)
8.	Homa-Bay	605,718,697	604,298,418	(1,420,279)
9.	Isiolo	466,512,829	463,713,275	(2,799,554)
10.	Kajiado	530,235,145	527,830,690	(2,404,455)
11.	Kakamega	675,000,140	673,321,221	(1,678,919)
12.	Kericho	571,077,976	569,787,017	(1,290,959)
13.	Kiambu	675,000,140	673,321,221	(1,678,919)
14.	Kilifi	588,398,337	587,042,718	(1,355,619)
15.	Kirinyaga	524,676,019	522,925,302	(1,750,717)
16.	Kisii	623,039,058	621,554,119	(1,484,939)
17.	Kisumu	588,398,337	587,042,718	(1,355,619)
18.	Kitui	605,718,697	604,298,418	(1,420,279)
19.	Kwale	536,437,254	535,275,615	(1,161,639)
20.	Laikipia	495,594,424	493,319,288	(2,275,136)
21.	Lamu	466,512,829	463,713,275	(2,799,554)
22.	Machakos	605,718,697	604,298,418	(1,420,279)
23.	Makueni	571,077,976	569,787,017	(1,290,959)
24.	Mandera	580,289,418	578,963,987	(1,325,431)
25.	Marsabit	536,437,254	535,275,615	(1,161,639)
26.	Meru	623,039,058	621,554,119	(1,484,939)
27.	Migori	605,718,697	604,298,418	(1,420,279)
28.	Mombasa	571,077,976	569,787,017	(1,290,959)
29.	Murang'a	588,398,337	587,042,718	(1,355,619)
30.	Nairobi City	761,601,944	759,599,725	(2,002,219)
31.	Nakuru	657,679,779	656,065,520	(1,614,259)
32.	Nandi	571,077,976	569,787,017	(1,290,959)
33.	Narok	571,077,976	569,787,017	(1,290,959)
34.	Nyamira	536,437,254	535,275,615	(1,161,639)
35.	Nyandarua	553,757,614	552,531,315	(1,226,299)
36.	Nyeri	571,077,976	569,787,017	(1,290,959)
37.	Samburu	483,833,189	480,968,975	(2,864,214)
38.	Siaya	571,077,976	569,787,017	(1,290,959)
39.	Taita-Taveta	536,437,254	535,275,615	(1,161,639)
40.	Tana-River	507,355,659	505,669,601	(1,686,058)
41.	Tharaka-Nithi	495,594,424	493,319,288	(2,275,136)
42.	Trans-Nzoia	553,757,614	552,531,315	(1,226,299)
43.	Turkana	571,077,976	569,787,017	(1,290,959)
44.	Uasin-Gishu	571,077,976	569,787,017	(1,290,959)
45.	Vihiga	553,757,614	552,531,315	(1,226,299)
46.	Wajir	561,866,534	560,610,046	(1,256,488)
47.	West Pokot	536,437,254	535,275,615	(1,161,639)
48.	TOTAL	26,779,286,753	26,708,080,067	(71,206,686)

Table: 3

COMPARISON BETWEEN RECURRENT CEILINGS FOR FY 2018/19 AND 2019/20

COUNTY	COUNTY ASSEMBLY			COUNTY EXECUTIVE		
	2018/19	2019/20	DIFFERENCE	2018/19	2019/20	DIFFERENCE
Baringo	745,949,448	687,926,864	(58,022,584)	571,077,976	569,787,017	(1,290,959)
Bomet	593,549,397	606,321,526	12,772,129	553,757,614	552,531,315	(1,226,299)
Bungoma	830,129,329	852,697,315	22,567,986	623,039,058	621,554,119	(1,484,939)
Busia	728,502,747	738,972,659	10,469,912	588,398,337	587,042,718	(1,355,619)
Elgeyo-Marakwet	566,844,007	572,974,781	6,130,774	536,437,254	535,275,615	(1,161,639)
Embu	568,744,226	580,057,624	11,313,398	536,437,254	535,275,615	(1,161,639)
Garissa	747,191,067	758,771,695	11,580,628	571,077,976	569,787,017	(1,290,959)
Homa-Bay	837,888,910	852,232,576	14,343,666	605,718,697	604,298,418	(1,420,279)
Isiolo	415,766,822	421,383,160	5,616,338	466,512,829	463,713,275	(2,799,554)
Kajiado	656,834,585	666,147,523	9,312,938	530,235,145	527,830,690	(2,404,455)
Kakamega	1,061,364,590	1,066,936,774	5,572,184	675,000,140	673,321,221	(1,678,919)
Kericho	680,496,881	692,058,978	11,562,097	571,077,976	569,787,017	(1,290,959)
Kiambu	1,072,824,374	1,085,527,936	12,703,562	675,000,140	673,321,221	(1,678,919)
Kilifi	753,514,171	756,635,440	3,121,269	588,398,337	587,042,718	(1,355,619)
Kirinyaga	556,734,809	569,393,333	12,658,524	524,676,019	522,925,302	(1,750,717)
Kisii	907,969,871	919,508,597	11,538,726	623,039,058	621,554,119	(1,484,939)
Kisumu	684,802,036	701,921,494	17,119,458	588,398,337	587,042,718	(1,355,619)
Kitui	811,797,246	836,025,472	24,228,226	605,718,697	604,298,418	(1,420,279)
Kwale	584,760,053	591,895,413	7,135,360	536,437,254	535,275,615	(1,161,639)
Laikipia	441,560,603	452,388,054	10,827,451	495,594,424	493,319,288	(2,275,136)
Lamu	404,937,595	405,697,936	760,341	466,512,829	463,713,275	(2,799,554)
Machakos	831,776,339	841,145,156	9,368,817	605,718,697	604,298,418	(1,420,279)
Makueni	746,360,207	703,984,829	(42,375,378)	571,077,976	569,787,017	(1,290,959)
Mandera	728,474,208	726,834,897	(1,639,311)	580,289,418	578,963,987	(1,325,431)
Marsabit	597,578,513	640,182,991	42,604,478	536,437,254	535,275,615	(1,161,639)
Meru	925,216,546	914,997,229	(10,219,317)	623,039,058	621,554,119	(1,484,939)
Migori	828,127,065	836,834,225	8,707,160	605,718,697	604,298,418	(1,420,279)
Mombasa	646,914,950	658,609,194	11,694,244	571,077,976	569,787,017	(1,290,959)
Murang'a	724,534,618	735,143,240	10,608,622	588,398,337	587,042,718	(1,355,619)
Nairobi City	1,386,671,700	1,409,977,879	23,306,179	761,601,944	759,599,725	(2,002,219)
Nakuru	969,538,825	983,219,236	13,680,411	657,679,779	656,065,520	(1,614,259)
Nandi	631,178,919	649,760,252	18,581,333	571,077,976	569,787,017	(1,290,959)
Narok	708,556,511	709,598,198	1,041,687	571,077,976	569,787,017	(1,290,959)
Nyamira	587,432,863	596,107,510	8,674,647	536,437,254	535,275,615	(1,161,639)
Nyandarua	623,474,296	633,970,935	10,496,639	553,757,614	552,531,315	(1,226,299)
Nyeri	659,447,249	676,085,232	16,637,983	571,077,976	569,787,017	(1,290,959)
Samburu	474,065,548	490,297,034	16,231,486	483,833,189	480,968,975	(2,864,214)
Siaya	648,656,207	666,308,584	17,652,377	571,077,976	569,787,017	(1,290,959)
Taita-Taveta	585,350,779	601,130,595	15,779,816	536,437,254	535,275,615	(1,161,639)
Tana-River	472,819,158	486,497,243	13,678,085	507,355,659	505,669,601	(1,686,058)
Tharaka-Nithi	424,689,934	423,104,928	(1,585,006)	495,594,424	493,319,288	(2,275,136)
Trans-Nzoia	614,078,431	628,139,110	14,060,679	553,757,614	552,531,315	(1,226,299)
Turkana	743,352,347	767,192,392	23,840,045	571,077,976	569,787,017	(1,290,959)
Uasin-Gishu	671,972,798	686,014,946	14,042,148	571,077,976	569,787,017	(1,290,959)
Vihiga	607,253,791	621,955,167	14,701,376	553,757,614	552,531,315	(1,226,299)
Wajir	719,759,837	760,194,403	40,434,566	561,866,534	560,610,046	(1,256,488)
West Pokot	573,674,197	584,824,909	11,150,712	536,437,254	535,275,615	(1,161,639)
TOTAL	32,783,118,603	33,247,585,463	464,466,860	26,779,286,753	26,708,080,067	(71,206,686)



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