

State Budget—Appropriations; SB 25

SB 25 contains FY 2023 supplemental funding and FY 2024 and FY 2025 expenditure adjustments for certain state agencies. An overview of the Governor’s amended budget recommendations for FY 2023 through FY 2024 and the Omnibus Conference Committee’s adjustments to the Governor’s amended recommendations are reflected below. The bill will become effective upon publication in the *Kansas Register*. [Note: This bill does not include most of the funding for K-12 education, which is separately contained in House Sub. for SB 113.]

FY 2023 Approved Budget

The FY 2023 budget approved by the Legislature totals \$18.1 billion, including \$4.8 billion State General Fund (SGF). The recommendation is an all funds decrease of \$7.5 billion, and an SGF decrease of \$5.2 billion, below the Governor’s FY 2023 recommendation. Major adjustments to the FY 2023 approved budget include the following:

- Do not adopt GBA No. 1, Item 17, and delete \$820.0 million SGF in FY 2023 to not implement a one-time tax rebate of \$450 to Kansas residents who filed a timely tax return in calendar year 2022;
- Do not adopt GBA No. 1, Item 8, to add \$2.5 million SGF to expand the Program of All-inclusive Care for the Elderly (PACE) program in FY 2023;
- Add \$2.0 million SGF for the Gage Park Improvement District Fund in FY 2023; and
- Add language that increases the proportion of tax revenue to the SGF necessary to suspend transfers to the Budget Stabilization Fund from 15.0 percent to 20.0 percent in FY 2023.

FY 2024 Approved Budget

The FY 2024 budget approved by the Legislature totals \$17.1 billion, including \$4.9 billion SGF. The recommendation is an all funds decrease of \$7.1 billion, and an SGF decrease of \$4.5 billion, below the Governor’s FY 2024 recommendation. Major adjustments to the FY 2024 approved budget include the following:

- **Statewide** - Add \$120.0 million, including \$46.0 million SGF, to provide salary adjustments to state employees for FY 2024 based on the Department of Administration Market Survey;
- **Board of Regents:**
 - Add \$8.5 million SGF for the NISS Academic Playbook for FY 2024;
 - Add \$13.0 million SGF for a Health Science joint project between the University of Kansas (KU) Medical Center and Wichita State University for FY 2024;

- Add \$6.0 million SGF for the construction of the Student Success Center at Fort Hays State University for FY 2024; and
- Add language to create the Comprehensive Grant for Private and Independent Colleges, funded with \$5.0 million of the existing appropriation of the Comprehensive Grant for FY 2024;
- **Secretary of State** - Add \$4.7 million SGF for FY 2024 to implement Senate Sub. for HB 2053, which creates the presidential preference primary;
- **Kansas Water Office** - Add \$18.0 million, all from the State Water Plan Fund, and add language authorizing transfers from the Fund to the Department of Wildlife and Parks and KU for FY 2024, with State Finance Council approval;
- **KDOT** - Add \$5.0 million, all from the Rail Service Improvement Fund, for FY 2024 to align with the provisions of HB 2335, which increases assistance to short line railroads;
- **State Treasurer:**
 - Transfer \$50.0 million SGF to the Build Kansas Matching Grant Fund for FY 2024; add language that caps technical support at \$5.0 million; require a means test being developed and used for those local communities applying for the infrastructure grants; create the Build Kansas Joint Legislative Committee to review the applications; require the Build Kansas Joint Legislative Committee to be made up of nine individuals, the composition of which will include one legislative representative named by the Governor, three individuals chosen by the Speaker of the House, three individuals chosen by the President of the Senate, one individual chosen by the House Minority Leader, and one individual chosen by the Senate Minority leader; require the State Finance Council to approve any request to exceed the \$55.0 million annual cap; and require an annual report from each state agency assisting local communities with the process to the Senate Committee on Ways and Means and House Committee on Appropriations on expenditures, expenditure requests, and approved projects; and transfers of \$55.0 million will occur in FY 2025 – FY 2027; and
 - Lapse the transfer of \$52.0 million SGF appropriated in HB 2302 for FY 2024;
- **Kansas Department for Aging and Disability Services** - Add \$5.0 million SGF in caseloads savings to reimburse healthcare providers, law enforcement agencies, and counties on an hourly basis for patient observation and transportation following an evaluation and approval for stay at a state mental health hospital and admission to the state hospital for FY 2024; and
- **Department of Education** - Add \$13.5 million SGF for the Mental Health Intervention Pilot program for FY 2024. In addition, add language to provide greater access to behavioral health services for students and establish a

coherent structure between school districts and community mental health centers to optimize behavioral health resources and workforce.

STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES

SB 25 – Profile (Dollars in Millions)

	Actual FY 2022	SB 25 FY 2023	SB 25 FY 2024
Beginning Balance	\$ 2,094.6	\$ 2,094.8	\$ 1,861.6
Receipts (April 2023 Consensus)	7,935.9	9,829.4	10,233.7
Governor’s Revenue Adjustments	0.0	(770.0)	193.4
Legislative Tax Adjustments	0.0	0.0	(90.6)
Legislative Receipt Adjustments	0.0	168.8	(85.2)
Adjusted Receipts	7,935.9	9,228.2	10,251.3
Total Available	\$ 10,030.7	\$ 11,062.7	\$ 12,112.9
Less Expenditures	8,196.2	4,741.2	4,928.1
HB 2302 – Milford and Perry Reservoirs	0.0	52.0	0.0
Education – House Sub. for SB 113	0.0	4,407.8	4,595.1
Ending Balance	\$ 2,094.8	\$ 1,861.6	\$ 2,589.7
Ending Balance as a % of Expenditures	22.4 %	20.3 %	27.2 %