

February 6, 2024

The Honorable Rick Billinger, Chairperson
Senate Committee on Ways and Means
300 SW 10th Avenue, Room 548-S
Topeka, Kansas 66612

Dear Senator Billinger:

SUBJECT: Fiscal Note for SB 382 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 382 is respectfully submitted to your committee.

SB 382 would appropriate \$11.2 million from the State General Fund to various state agencies in FY 2024 for the state employee pay plan shortfall. The bill would increase the expenditure limitation on various regulatory boards by \$1.0 million to cover the pay plan in FY 2025.

The bill would transfer a total of \$41.0 million from the Legislative Coordinating Council's Legislature Employment Security Fund to the University of Kansas and Wichita State University with each institution receiving \$20.5 million in FY 2024. The bill would also transfer \$30.0 million from the Legislature Employment Security Fund to the State General Fund in FY 2024.

The bill would also authorize the State Treasurer to expend funds from the Build Kansas Matching Grant Fund for projects that do not qualify for federal funding under the federal Infrastructure Investment and Jobs Act. The authorization would run through FY 2028. The bill would take effect upon its publication in the *Kansas Register*.

The Division of the Budget states that the State General Fund appropriations for the pay plan shortfall in FY 2024 and for the expenditure limitation increases for the regulatory boards for the pay plan in FY 2025 are included in *The FY 2025 Governor's Budget Report*.

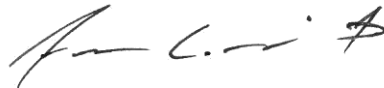
The Division of the Budget states that in *The FY 2025 Governor's Budget Report* a total of \$30.0 million is transferred from the University of Kansas and Wichita State University Health Collaboration Funds to the State General Fund in FY 2024. Also, the Governor recommends transferring \$71.0 million in federal American Rescue Plan Act funds from the Legislative

Coordinating Council to the University of Kansas and Wichita State University, with each institution receiving \$35.5 million in FY 2024.

The Office of the State Treasurer states that 2023 SB 25 included provisions to establish a mechanism for eligible entities to receive matching grant funding from the Build Kansas Matching Grant Fund. Under SB 25, the State Treasurer is authorized to grant state funds to match federal grants to qualifying entities under the federal Infrastructure Investment and Jobs Act. The agency indicates that SB 382 would authorize the agency to expend funds from the Build Kansas Matching Grant Fund for projects that do not qualify for federal funding under the federal Infrastructure and Investment Jobs Act. The agency states it cannot estimate a precise fiscal effect if the bill is enacted. However, the agency estimates additional administrative duties associated with additional projects that would be funded under the bill, if enacted, could be accomplished within existing agency resources. The agency notes that this estimate assumes that salaries and wages and other operating expenditures incurred by state agencies would continue to be paid from the transfer from the State General Fund authorized in 2023 SB 25.

Regarding the State Treasurer provisions in the bill, any fiscal effect associated with those provisions is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" followed by a stylized flourish.

Adam C. Proffitt
Director of the Budget

cc: John Hedges, Office of the State Treasurer
Jeff Dewitt, University of Kansas
Werner Golling, Wichita State University