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ITEMS FOR OMNIBUS CONSIDERATION

Board of Nursing

A. HB 2745, Occupational Licensing Fee Exemptions for Military Service Members (Law). HB 2745 exempts military service members and their spouses from fees associated with initial applications or renewals for occupational licenses. The Board of Nursing requests a one-time expenditure increase of \$30,000, all from the Board of Nursing Fee Fund, for a software vendor to create a new licensure category that ensures fees are waived. The agency's current licensure software lacks the capability to exempt applicants from specific independent licensure fees. To comply with the law, the agency will need to establish a distinct license category for spouses of active service members and military service members that reflects licensure fee exemption.

Kansas Endowment for Youth

A. Tobacco Settlement Revenue Estimates. The Kansas Legislative Research Department, the Division of the Budget, and the Office of the Attorney General met on April 22, 2023, to discuss the projected revenue from the tobacco settlement. The consensus estimate for receipts from the tobacco settlement agreement for FY 2024 is \$49.9 million, which is a decrease of \$0.1 million below the fall 2023 estimate. The consensus estimate for FY 2025 totals \$45.0 million, which is a decrease of \$2.0 million below the fall 2023 consensus estimate.

B. Transfer to the Children's Initiatives Fund. SB 387, the K-12 education bill, includes expenditures of \$5.0 million from the Children's Initiatives Fund (CIF) for the Children's Cabinet public-private partnership pilot program. If approved by the Legislature, the bill would require a transfer of \$5.0 million from the Kansas Endowment for Youth Fund to the CIF to support this appropriation.

Kansas Department of Health and Environment—Division of Health

A. HB 2749, Requiring Medical Care Facilities and Providers to Report the Reasons for Each Abortion Performed (Veto). HB 2749 would amend reporting requirements for abortions in Kansas by requiring medical care facilities and persons licensed to practice medicine and surgery to submit a written report of pregnancies lawfully terminated to the Secretary of Health and Environment on a biannual basis. The agency would be required to add additional fields to the electronic reporting system for abortion data and update paper forms. The agency requests \$10,000 SGF in FY 2024 to ensure compliance if the bill becomes effective. *This funding is not included in SB 28.*

B. Consider Adding \$12.0 Million SGF to Expand the Services Offered by Equifax Workforce Solutions to Assist in Benefit Eligibility Determinations and Verifications for FY 2025 (House and Senate Committees). Equifax Workforce Solutions (Equifax) reports that this service would allow the State to continuously leverage data points, including identity validation, address validation, household composition, incarceration status, asset verification, and death records for each applicant or beneficiary to a benefit program. Kansas Department of Health and Environment (KDHE) reports that it currently monitors each of these eligibility data points, but not all are monitored on a continuous basis because the state Medicaid program has continuous eligibility (eligibility for one year regardless of change in life circumstance) for all populations.

KDHE and the Department for Children and Families currently contract with Equifax to verify employment and income for applicants and recipients of benefits, including Medicaid, Supplemental Nutrition Assistance Program, and Temporary Assistance for Needy Families. The previous contract began in 2018 and ran through the current contract, which began February 1, 2024, and runs through January 31, 2029. The cost for the first year is \$6.2 million, with the cost increasing each year to \$17.5 million in year five. *This funding is not included in SB 28.*

C. Consider Adding \$4.8 Million, Including \$1.9 Million SGF, to Extend Medicaid Coverage for Dental Exams, X-rays, and Cleanings for FY 2025 (Conference Committee). These services are currently “value-added” services in KanCare, which means the Managed Care Organizations (MCOs) can choose whether to provide them. This funding would add these as required services, ensuring that they would be offered by all MCOs. *This funding is not included in SB 28.*

D. Consider the Addition of \$3.0 Million SGF for Primary Health Projects for Community-based Primary Care Grants (Safety Net Clinics) for FY 2025 (House Committee). These clinics provide medical, dental, pharmacy, mental health, substance use disorder, case management, and wrap-around services to uninsured and under-insured individuals. The Conference Committee added \$3.0 million SGF for this item in SB 28. *This funding is included in SB 28.*

E. Consider the Addition of \$2.0 Million SGF to Increase the Availability of Early Intervention Services Provided Through the Infant and Toddler Program (Tiny-K) for FY 2025 (House Committee). Tiny-K provides services such as speech therapy, physical therapy, and special education for families with children ages birth to 3 with a developmental delay. The Conference Committee added \$2.0 million SGF to the Tiny-K program in SB 28. This funding is included in SB 28.

F. SB 19, Provisions Regarding Cardiac Response Plans for Schools (Law). Among other provisions, SB 19 requires the Secretary of Health and Environment to develop statewide standards for cardiac emergency response plans in accordance with nationally recognized guidelines and requires school districts to adopt cardiac emergency response plans based on these statewide standards. The agency requests \$100,016 SGF and 1.0 FTE position to manage the program. The amount includes salaries and wages, along with any necessary IT equipment. The responsibilities of the position will be to develop state guidelines, amend them as needed, and review response plans as submitted by each school district. *This funding is not included in SB 28.*

G. GBA No. 2, Item 5, Page 5 - Human Services Consensus Caseloads. For the Kansas Department of Health and Environment, add \$19.0 million, including \$10.5 million SGF in FY 2024 to reflect changes in human services caseloads. Add \$32.5 million, including \$27.4 million SGF, for FY 2025 for this purpose. Please refer to the Spring 2024 Human Services Consensus Caseload memo for additional details.

H. GBA No. 2, Item 8, Page 7 - HIV Testing and Supplies. Add \$121,500 SGF in FY 2024 and \$48,600 SGF for FY 2025 for HIV testing and supplies.

I. GBA No. 2, Item 9, Page 7 - Bureau of Facilities and Licensing. Add \$741,000 SGF in FY 2025 and for FY 2025 for the KDHE-Health Bureau of Facilities and Licensing.

Department for Children and Families

A. HB 2536, Establishing the SOUL Family Legal Permanency Option (Law). HB 2536 establishes a new legal permanency option for children 16 years of age and older who are in the custody of the Secretary for Children and Families.

A Support, Opportunity, Unity, Legal (SOUL) family legal permanency option can be selected by the youth and then appointed by the courts for children 16 years of age and older if the child's parents consent (unless parental rights have been terminated). A SOUL family legal permanency custodian would stand in *loco parentis* to the child and exercise all the rights and responsibilities of a parent but could not consent to an adoption of the child. The custodian would not be responsible for child support or medical support and could be subject to other limitations imposed by the court. Prior to this bill, children in custody of the Department for Children and Families (DCF) had three options for permanency: adoption, reintegration, and appointment of a custodian.

The DCF worked with the Annie E. Casey Foundation and Mainspring Consult to determine implementation costs for this new permanency option. Based on trend data provided by DCF, the workgroup estimated 91 youths will choose this option for FY 2025, and a full implementation of the program will result in approximately 135 youth choosing the option in FY 2026.

Based on these estimates, the agency requests an additional appropriation of \$464,687 SGF for FY 2025. The agency states this money would be used for non-recurring expenses and one-time payments made to caregivers, a caregiver subsidy, and post-secondary educational benefit costs.

B. GBA No. 2, Item 5, Page 4: Human Services Consensus Caseloads. For Department for Children and Families, add \$1.4 million all funds, including \$4.9 million SGF in FY 2024 to reflect changes in human services caseloads. Add \$39.3 million all funds, including \$35.7 million SGF, for FY 2025 for this purpose. Please refer to the Spring 2024 Human Services Consensus Caseload memo for additional details.

Kansas State School for the Blind and Kansas State School for the Deaf

A. Review the Funding of 1.0 FTE Cybersecurity/IT Position at each school (House Committee). The House Committee deleted \$100,000 SGF and 1.0 FTE position for this item at both schools and requested a review during Omnibus. The Conference Committee funded \$100,000 SGF and 1.0 FTE position at the Kansas State School for the Deaf (KSSD), with a recommendation that both KSSD and Kansas State School for the Blind (KSSB) share the position.

Each school initially requested \$100,000 SGF and an additional 1.0 FTE position for an Information Technology (IT) professional to support blind-specific and deaf-specific adaptive technology solutions. For KSSB, this includes screen readers, braille embossing, adaptive peripherals,

and larger screens on various platforms and operating systems. For KSSD, this includes augment and alternative communication devices. Both schools noted that accommodation and support of devices and adaptive technology issued to students from their local school district is a regular request to both KSSB and KSSD. The schools note that adaptive software often requires special network configurations to ensure devices function appropriately and the network remains secure.

Currently, KSSB has 1.7 FTE positions dedicated to IT; 1 FTE position is dedicated exclusively to KSSB, while the other 0.7 FTE position is shared with KSSD. KSSD has has 2.3 FTE positions dedicated to IT; 1 FTE position is dedicated exclusively to KSSD, while the other 1.3 FTE positions are shared with KSSB.

Kansas Department for Aging and Disability Services

A. Consider the Addition of Funding for Behavioral Health Training Programs at Wichita State University and University of Kansas School of Medicine (Conference Committee). The Senate Committee added \$5.4 million SGF for behavioral health training programs at Wichita State University and University of Kansas (KU) School of Medicine—Wichita for FY 2025. The funding would flow through the Kansas Department for Aging and Disability Services (KDADS) to Community Behavioral Health, which is the organization coordinating the Kansas Behavioral Health Center of Excellence. The Conference Committee deleted this funding and requested a review at Omnibus. This one-time funding would be used for the following behavioral health training programs:

- \$3.0 million for three residency positions specializing in child and adolescent psychiatry at KU School of Medicine—Wichita. Funding would support costs for the residents, as well as faculty and staff associated with the positions;
- \$1.1 million for four addiction medicine fellows, which would provide training and expertise in treatment of substance use disorders to physicians;
- \$380,000 for one professor and two fellows to develop a forensic psychology degree program;
- \$390,000 for one licensed psychologist and six psychology interns to offer paid internship and practicum opportunities;
- \$48,000 for \$1,000 stipends to physician providers willing to precept the 48 Physician Associate (PA) students on behavioral health rotations;
- \$175,000 for one faculty member and one staff person to start a post-graduate behavioral health PA fellowship program, which would provide additional behavioral health training to PA graduates; and
- \$300,000 for two faculty and one staff person to develop a PA doctorate degree curriculum with a behavioral health pathway.

B. Review the Addition of Funding for Primary Care Services at Community Mental Health Centers and Community Behavioral Health Clinics in Counties not Served by Federally

Qualified Health Clinics, and Review Language Concerning a Study of Areas in Kansas Currently Underserved by Primary Care Safety Net Services (Senate Subcommittee). The Senate Subcommittee on Human Services requested to review the addition of \$2.0 million SGF for primary care services provided at community mental health centers (CMHCs) and certified community behavioral health clinics (CCBHCs) in counties that are not served by federally qualified health clinics (FQHCs) or FQHC “look-a-likes.” The Subcommittee also requested a review of language directing KDADS and KDHE to conduct a study of areas in Kansas currently underserved by primary care safety net services.

The Association of Community Mental Health Centers of Kansas (Association) provided testimony that approximately 60.0 percent of Kansas counties, primarily those rural or frontier in nature, do not have a primary care safety net clinic.

The Association suggested that KDADS and KDHE be directed to study areas of Kansas that are currently underserved by primary care safety net services, including a lack of primary care services for rural and frontier counties, for individuals with a severe mental illness; barriers to increasing access; strategies for increasing access; and how qualified providers might be able to access state or federal funding.

The Association requested \$2.0 million SGF in grant funding in FY 2025 for six CMHC/CCBHCs that are providing primary care services in counties where there is not an FQHC or FQHC look-a-like.

SB 28 includes a total of \$4.0 million, which provides \$1.0 million per year, for this purpose.

C. Review the Addition of \$600,000 SGF for Respite Care Funding for Individuals with Alzheimer's Disease, up to \$1,000 per Person, with 10.0 Percent Dedicated to the Area Agencies on Aging for Administrative Costs (House Committee). SB 28 includes \$600,000 SGF for this purpose.

D. Review the Addition of \$5.0 million SGF for One-time Grants to Increase Wages in 14c Settings, and to Assist Providers in Providing Competitive Wages in Anticipation of the Federal Government Eliminating the 14c Exception (House Committee). SB 28 includes \$5.0 million SGF for this purpose.

E. Review Information Concerning the Addition of \$60.9 Million, Including \$23.4 Million SGF, in One-time Funding to Continue the Medicaid Add-on Payment to Nursing Facilities Based on the Number of Medicaid Patients Served for FY 2025 Only (House Committee). SB 28 includes \$47.0 million, including \$18.0 million SGF, for this purpose. This would provide an add-on to nursing facility Medicaid reimbursement rates of approximately \$15.

F. Consider the Addition of \$2.4 million SGF to Provide \$7,000 Base Pay Increases and \$2,500 Retention Bonuses to Nursing Faculty at Community and Technical Colleges for FY 2025 (House Subcommittee on Contract Nursing). The House Subcommittee on Contract Nursing received testimony from the Association of Community Mental Health Centers of Kansas concerning the Kansas Behavioral Health Center of Excellence and its initiatives to address behavioral health workforce in Kansas. The Subcommittee recommends the House Committee on Appropriations and the Senate Committee on Way and Means consider adding \$2.4 million SGF to provide a \$7,000 base pay increase and \$2,500 recruitment and retention bonuses to 256 full-time nursing faculty members at community and technical colleges.

G. Consider Revising the Supplemental Nursing Staff Proviso Language to Include Supplemental Nursing Staff Agencies, Temporary Nursing Staff Agencies, and Technology Platforms that Connect Families with Temporary Staff (House Subcommittee on Contract Nursing). The House Subcommittee on Contract Nursing received testimony from KARE, a staffing agency technology platform company, which recommended revising the proviso language in SB 28 concerning regulation of supplemental nursing staff agencies. The revised language would replace "supplemental nursing services agency" with "supplemental health care services agency," include registration of "temporary nursing staff agencies," provide definitions of these two terms, and include technology platforms within those definitions.

H. SB 15, Creating the Sheltered Workshop Transition Grant Program (Law). Among other provisions, SB 15 authorizes a transfer of \$1.0 million annually from the Economic Development Initiatives Fund (EDIF) to the Kansas Sheltered Workshop Transition Fund at the Kansas Department of Labor (KDOL), beginning in FY 2025. This funding provides grants to assist Kansas sheltered workshop employers moving away from employing individuals with disabilities under a 214(c) Certificate and toward paying all such employees a minimum wage. Recipients of the grants are required to provide a transition plan demonstrating how they would utilize the funding, and are required to match the grants on a dollar-for-dollar basis. Based on current estimates, this transfer will contribute to EDIF expenditures exceeding projected revenue for FY 2025 by \$1.2 million.

KDOL is in the process of negotiating a memorandum of understanding with KDADS for KDADS to administer the SB 15 grants. KDADS requests \$197,400 SGF and 2.0 FTE positions to administer the grant program. One FTE position would be a Program Grants Manager (\$58,000 base salary plus benefits) to oversee the distribution of grants and monitor transition plans. The other FTE position would be a Fiscal Analyst (\$60,000 base salary plus benefits) to track and monitor the distribution of grant funding. KDOL does not request additional funding to implement SB 15.

I. SB 115, Child Advocate Act (Law). SB 115 creates the Office of the Child Advocate (OCA) as an independent state agency. The bill requires the OCA to investigate and resolve complaints made by or on behalf of children as they relate to state agencies, service providers, juvenile courts.

KDADS states that enactment of the bill would require the Department to have a dedicated staff person to research, track, and timely respond to complaint inquiries received from the OCA regarding children who have crossed over from the Department for Children and Families into KDADS licensed facilities or have been placed by a court into KDADS custody for care and treatment. The agency requests 1.0 FTE position and \$93,000 SGF for FY 2025.

To enact the provisions of the bill, the OCA also needs to be added to an appropriations bill and the funds for the agency appropriated.

J. HB 2784, Transferring Authority for Certification of Continuing Care Retirement Communities (Conference). HB 2784 would transfer authority for certification of continuing care retirement communities from the Kansas Insurance Department to KDADS. KDADS requests \$196,800 SGF for 2.0 FTE positions for FY 2025. One FTE position would be in charge of surveying and certification of retirement communities, while the other FTE position would manage the certification program. Conferees are appointed but no Conference Committee Report is available.

K. GBA No. 2, Item 5, Page 4 - Human Services Consensus Caseloads. For the Kansas Department for Aging and Disability Services, add \$9.8 million all funds, including \$4.2 million SGF in FY 2024 to reflect changes in human services caseloads. Add \$49.9 million all funds, including \$15.8 million SGF, for FY 2025 for this purpose. Please refer to the Spring 2024 Human Services Consensus Caseload memo for additional details.

State Institutions for Mental Health

A. Review the Deletion of Funding for Contract Nursing at the State Institutions for Mental Health for FY 2025 (Conference Committee). The House Committee deleted \$25.4 million SGF for contract nursing expenditures at the State Institutions for Mental Health, including \$9.9 million SGF at Larned State Hospital and \$15.5 million SGF at Osawatomie State Hospital, for FY 2025 and requested a review at Omnibus subsequent to the work of a House Subcommittee on Contract Nursing. The Conference Committee concurred with the House Committee's deletion and agreed to a review at Omnibus.

The Subcommittee requested that a number of items be reviewed at Omnibus. Such items are reflected in this memo under the Kansas Board of Regents and the Kansas Department for Aging and Disability Services (KDADS).

The Subcommittee recommended the House Committee on Appropriations consider the following items proposed by KDADS:

- Approve HB 2277 or SB 151 to amend KSA 75-37,105, to authorize hiring and recruitment and retention bonuses for state employees, and raise the maximum bonus cap from \$3,500 to \$10,000 per fiscal year, among other things;
- Add a 5.0 percent pay increase for all state employees, set a minimum starting rate of \$15 per hour for all state employees, and make the 24/7 Pay Plan permanent; [*Note*: SB 28 includes a pay plan for all state employees, as well as language increasing the minimum starting rate to \$15 per hour and making the 24/7 Pay Plan permanent.]
- Add \$5.4 million, to be distributed through Community Behavioral Health as the coordinator of the Kansas Behavioral Health Center of Excellence, for behavioral health workforce programs at Wichita State University and University of Kansas School of Medicine—Wichita for FY 2025; [*Note*: This item appears in the KDADS section of the Omnibus Memo because the Conference Committee on SB 28 separately requested to review this item at Omnibus.]
- Add state funding for tuition reimbursement or student loan repayment programs involving state employees; and
- Ensure state employees can take advantage of flexible scheduling while maintaining benefit eligibility, such as schedule options allowing three 12-hour shifts per week or one weekend per month.

B. Consider Adding Funding to Employ a Primary Care Medical Staff Member at Larned State Hospital for FY 2025 (House Committee). The House Committee requested to consider adding \$326,454 SGF to employ a primary care physician (\$249,600 base salary plus benefits) for the Sexual Predator Treatment Program (SPTP) at Larned State Hospital (LSH) for FY 2025. LSH reports that the population of the SPTP is aging and, consequently, has increased medical needs. LSH reports that medical appointments for these patients increased from 814 in FY 2021 to 1,136 in FY 2023. *This item is not included in SB 28.*

During the budget hearing in the House Committee on Social Services Budget, the Superintendent of LSH stated that LSH has utilized contract staff and advanced practice registered nurses (APRNs) to fill the gap concerning primary care physicians. The Superintendent also stated

LSH would prioritize hiring a primary care physician, but would use the funding to hire an APRN if it was unable to find a physician to fill the position.

Kansas Lottery

A. GBA No. 2, Item 7, Page 5 - Message on Lottery, Gaming, and Sports Wagering Revenues. Following the meeting of the Consensus Revenue Estimating Group on Gaming Revenues, the message on lottery includes:

- Increase payments from state-owned casino revenues by \$2.7 million in FY 2024, including \$105,000 to cities and counties and \$2.6 million to casino managers. Increase payments by \$1.4 million for FY 2025, including \$57,000 to cities and counties and \$1.4 million to casino managers;
- Reduce an SGF transfer to the Expanded Lottery Act Revenues Fund (ELARF) by \$770,000 in FY 2024 due to higher estimated ELARF revenue; and
- Due to an increase the sports wagering revenue estimate, increase payments to casino manager by \$4.5 million in FY 2024 and increase transfers to Attracting Professional Sports to Kansas Fund and the Problem Gambling and Addictions Grant Fund by a total of \$500,000 for FY 2025.

Office of Information Technology Services

A. GBA No. 2, Item 14, Page 9 - IT Restructuring and Cybersecurity Initiatives. Add \$750,000 SGF for FY 2025 for 6.0 FTE positions.

Statewide Cybersecurity Plan

A. House Sub. for SB 291, State Government Information Technology and Cybersecurity Services (Conference). Among its provisions, House Sub. for SB 291 would require certain agencies to appoint a Chief Information Security Officer (CISO), develop cybersecurity programs that comply with national standards, require the Judicial Branch to estimate project costs for providing IT services to both state- and county-funded district court employees, and require all branch or agency websites migrate to a ".gov" domain.

The bill would have the following fiscal effects:

- **Executive Branch Cybersecurity Services.** The bill would appropriate \$15.0 million SGF to the Kansas Information Security Office (KISO) for FY 2026 for delivery of all Executive Branch cybersecurity services;
- **Cybersecurity Service Funding Sources.** The bill would require the Director of the Budget, in consultation with the Executive Branch Chief Information Technology Officer (CITO) and CISO, to determine the five-year average of each state agency's cybersecurity service cost financed with SGF and special revenue funds, lapse the

certified SGF amount, and transfer appropriate special revenues to a new fund at the KISO that the bill would create;

- **Judicial Branch Cybersecurity Services.** The bill would appropriate \$659,368 SGF and 3.0 FTE positions beginning in FY 2025 for contract labor to assist with the migration of websites to a ".gov" domain (\$500,000) and salaries and wages for IT professionals to begin planning development of a cybersecurity program compliant with the National Institute of Standards of Technology (NIST) Cybersecurity Framework 2.0 (\$159,368);
- **Adjutant General's Department.** The bill would appropriate \$250,000 SGF and 2.0 FTE positions beginning in FY 2025 for additional Kansas Intelligence Fusion Center personnel; and
- **Independent Agency Costs (FY 2025).** The provisions requiring appointment of a CISO and the preparation or adoption of cybersecurity programs will impact several state agencies, as follows:
 - The **Office of the Attorney General** requests an additional \$340,000 SGF and 2.0 FTE positions beginning in FY 2025 for a CISO (\$160,000, 1.0 FTE position), IT professional (\$80,000, 1.0 FTE position), and expenses related to auditing requirements (\$100,000);
 - The **Insurance Department** requests an additional \$483,756, all from special revenue funds, and 1.0 FTE position beginning in FY 2025. Included in this estimate are salaries and wages for a CISO and funding for infrastructure upgrades;
 - The **Kansas Bureau of Investigation** requests \$147,985 SGF and 1.0 FTE position for a CITO beginning in FY 2025; and
 - The **Office of the Secretary of State** indicates compliance with NIST standards could have significant cost but was unable to provide an estimate.

Kansas Department of Corrections

A. Consider Deleting \$18.0 Million SGF from the Evidence-based Juvenile Program for FY 2025 (House Committee). The Evidence-based Juvenile Program has been appropriated \$12.5 million SGF annually since FY 2019. Actual expenditures during that time have averaged \$7.7 million SGF, and the funds have reappropriated with a current ending balance of \$53.7 million SGF. The House Committee wanted to discuss the possible deletion of \$18.0 million SGF from the account.

B. Funding of SB 275 (Joint Committee on State Building Construction). The Joint Committee on State Building Construction recommended adding the additional transfer of funds from traditional Lottery sales to the Correctional Institutions Building Fund within the Department of Corrections if SB 275 were to become effective. SB 275 would change the transfer amount as stated in KSA 79-4803; however, SB 275 has not been reported out of the Senate Committee on Ways and Means.

C. Senate Sub. for HB 2144 (Law). HB 2144 creates the crime of organized retail crime and the crime of encouraging suicide. The bill establishes penalties for both under the Kansas Criminal

Code. According to the Department of Corrections, the cost to house the estimated additional nine inmates would be \$34,438 SGF for FY 2025.

D. SB 414 (Conference). SB 414 would amend the penalties for unlawful distribution of a controlled substance. According to the Department of Corrections, the cost to house the estimated additional 11 inmates would be \$42,091 SGF for FY 2025.

E. SB 413 (Conference). SB 413 would amend the penalties for unlawful distribution of fentanyl by dosage unit. According to the Department of Corrections, the cost to house the estimated additional four inmates would be \$15,306 SGF for FY 2025.

F. SB 419 (Conference). SB 419 would amend the crime and penalties for aggravated endangering of a child. According to the Department of Corrections, the cost to house the estimated additional five inmates would be \$19,132 SGF for FY 2025.

G. HB 2522 (Conference). HB 2522 would require the Secretary of Corrections to assist inmates with obtaining identification and employment-related documents prior to release from custody. The Secretary would be required to make a reasonable effort to provide the inmate with a certified copy of a birth certificate and a Social Security card and issue the inmate a state ID, records of work, and vocational training or educational certification. According to the Department of Corrections, the fiscal impact of HB 2522 would be \$175,854 SGF and 3.0 FTE positions for FY 2025.

H. GBA No. 2, Item 2, Page 2 - Shrinkage Reduction. Add \$4.0 million SGF in FY 2024 and \$21.1 million SGF for FY 2025 to reduce the shrinkage rate.

I. GBA No. 2, Item 3, Page 2 - Cell Phone Detection System. Add \$792,000 SGF for FY 2025 for cell phone detection services.

Adjutant General's Department

A. Review the Deletion of Funding for Website Hosting (Conference Committee). The Conference Committee deleted \$22,217 SGF in FY 2024 and the same amount for FY 2025 for hosting services involving websites for the Adjutant General's Department and the Kansas Division of Emergency Management and requested a review during Omnibus.

The agency requested this enhancement to support annual website maintenance involving a year-to-year agreement with CivicPlus of Manhattan, Kansas. The websites were redesigned in 2023 to provide enhanced functionality and security, and the maintenance would sustain online access to services, including:

- Recruiting, retirement planning, and chaplain counseling for National Guard members;
- Training facilities for public safety entities in Kansas and from other states;
- Sexual Assault Prevention and Response resources;
- Military funeral honors;
- Information on declared disasters, emergency planning, and recovery resources; and
- Education benefits, including scholarships and STARBASE Youth programs.

While the agency frequently consults with the Office of Information Technology Services, it traditionally utilizes website services outside the state framework due the complexities of complying

with U.S. Department of Defense and Federal Emergency Management Agency standards. The Adjutant General's Department is granted some autonomous authorities for this under the Kansas Cybersecurity Act (KSA 75-7237).

According to the agency, the Chief Information Technology Officer for the State of Kansas confirmed that a cost between \$12,000 and \$25,000 annually for maintenance of these websites is reasonable.

Emergency Medical Services Board

A. GBA No. 2, Item 12, Page 8 - Personnel Reorganization. Add \$220,924, all from special revenue funds, for a personnel organization effort for FY 2025.

Kansas Bureau of Investigation

A. HB 2745, Occupational Licensing Fee Exemptions for Military Service Members (Law). HB 2745 exempts military service members and their spouses from fees, including criminal background report fees, associated with initial applications or renewals for occupational licenses.

The Kansas Bureau of Investigation requests the addition of \$48,621 SGF to offset decreased revenue resulting from the exemption from criminal background report fees. The agency estimates that more than 850 fingerprint-based records checks are conducted annually for military service members and their spouses who are seeking occupational licenses at state agencies, for a cost of \$57 per check. The cost includes staff time, IT support, database services, and a \$35 fee paid to the Federal Bureau of Investigation for access to federal background records.

Kansas Department of Transportation

A. HB 2481, Bridge and Highway Designations (Law). Among other provisions, HB 2481 designates the following highways and a bridge:

- A portion of K-96 highway within the city of Haven in Reno County as the PFC Henry Lee Fisher Memorial Highway;
- A portion of K-96 highway near the city of Nickerson in Reno County as the 96th Infantry Division Memorial Highway;
- A portion of US-69 highway in Bourbon and Crawford counties as the Ken W Brock Memorial Highway;
- A portion of US-81 highway in Republic County as the Merle Miller Memorial Highway;
- A portion of US-281 highway in Russell County as the First Responders Memorial Highway; and
- A certain bridge in Sumner County as the SrA Derek Scott Martin Memorial Highway.

The bill requires the agency to place suitable signs along the highways indicating these designations.

The agency requests an increase of \$31,440, all from the State Highway Fund, to manufacture and install a total of 12 signs for FY 2025. Pursuant to KSA 68-10,144, a total of \$46,160 from gifts and donations must be received prior to installing the signs to reimburse the agency for initial and future costs.

B. HB 2498, Transfers to the Public Use General Aviation Airport Development Fund (Law). HB 2498 increases demand transfers from the State Highway Fund to the Public Use General Aviation Airport Development Fund (Aviation Fund) from \$5.0 million to \$15.0 million annually, starting in FY 2025. The Aviation Fund supports the Kansas Airport Improvement Program (KAIP), which makes grants to local airports for runway and facility improvements. The bill also increases the minimum amount that must be expended from the Aviation Fund for KAIP from \$5.0 million to \$15.0 million annually.

The Governor recommended expenditures of \$10.0 million from the Aviation Fund for KAIP for FY 2025. The Conference Committee added a transfer of \$5.0 million from the State Highway Fund to the Aviation Fund in SB 28 for FY 2025 and language to eliminate this transfer if SB 272, or substantially similar legislation transferring moneys to the Aviation Fund, is passed by the 2024 Legislature. The provisions of SB 28 provide a total of \$15.0 million for KAIP in FY 2025.

The 2024 Legislature passed HB 2498, which is substantially similar to SB 272 in that it increases demand transfers from the State Highway Fund to the Aviation Fund annually. Due to the passage of HB 2498, the proviso transfer contained in SB 28 is eliminated and declared void. This action leaves funding for the KAIP at \$15.0 million for FY 2025.

C. SB 28, Provisions Concerning Passenger Rail Service (Governor). Provisions of SB 28 would transfer \$5.0 million from the State Highway Fund to the Passenger Rail Service Revolving Fund (Revolving Fund) to support an intercity rail service, such as the Amtrak Heartland Flyer extension, for FY 2025. The bill would also authorize the agency to make grants and loans from the Revolving Fund for the costs of qualifying projects and operating support for Amtrak or any common rail carrier approved by the Federal Railroad Administration that would connect passenger rail in Kansas to regional or national rail systems. Expenditures from the Revolving Fund are subject to State Finance Council approval.

The agency requests an increase of \$92,661, all from the State Highway Fund, and 1.0 FTE position for a Public Service Executive to manage the intercity passenger rail initiative for FY 2025. This amount includes salaries and wages (\$64,285) and benefits (\$28,376).

D. SB 28, Provisions Concerning a Culvert Improvement Project in Augusta (Governor). Provisions of SB 28 would direct the agency to conduct a feasibility study regarding a culvert improvement project on US-400 Highway in Augusta. The project would address flooding issues surrounding an industrial park and commercial property. The bill would require the agency to submit a report to the House Committee on Appropriations and the Senate Committee on Ways and Means by April 24, 2024, concerning the feasibility and costs for the project.

Kansas Highway Patrol

A. House Sub. for SB 271, Prohibiting the Purchase of Drones Produced in a Country of Concern (Veto). Among other provisions, House Sub. for SB 271 would prohibit governmental agencies from purchasing drones whose critical components were produced in a county of concern, or

whose critical components were produced by a foreign principal. The prohibition would generally apply after July 1, 2024.

The bill defines a "country of concern" to mean the People's Republic of China, the Islamic Republic of Iran, North Korea, the Russian Federation, Republic of Cuba, and the Bolivarian Republic of Venezuela. The definition of "foreign principal" includes, but is not limited to, a corporation or its subsidiary having a principal place of business in a country of concern.

The Kansas Highway Patrol requests the addition of \$225,985, all from special revenue funds, for the purchase of replacement drones in FY 2024 that comply with the provisions of the bill. This includes:

- \$157,277, all from Motor Carrier Safety Assistance Funds, to replace ten small drones utilized by Critical Highway Accident Response Teams in Troop O to map and reconstruct commercial vehicle accident sites; and
- \$68,708, all from the State Forfeiture Fund, to replace four large drones utilized by Special Operations Teams in Troop S for fugitive pursuits and drug interdiction.

Office of the Attorney General

A. Consider Deleting Federal Funding and an FTE Position for the Child Death Review Board (Conference Committee). The Conference Committee requested possible deletion of \$83,066 in FY 2024 and \$87,952 for FY 2025, all from federal funds, and 1.0 FTE Epidemiologist position for the Child Death Review Board if HB 2629 was passed by the 2024 Legislature.

The Child Death Review Board (Board), which is administered by the Office of the Attorney General, examines circumstances surrounding the deaths of children in Kansas, including those involving abuse or neglect, pursuant to KSA 22a-243. On average, 400 deaths are reviewed annually, which includes analysis of medical records, law enforcement reports, autopsy findings, and school records. The types of death considered include homicide; unintentional injury; Sudden Unexpected Infant Death (SUID); and natural causes, such as infection.

The agency added \$83,066 in FY 2024 and \$87,952 for FY 2025, all from federal funds, and 1.0 FTE position for an Epidemiologist assigned to the Board. This funding is provided through a grant from the federal Centers for Disease Control and Prevention to improve case ascertainment, data completeness, and reporting of SUID. According to the agency, epidemiologists are utilized by most state child death review boards across the country. State boards without an epidemiologist, such as Kansas, are encouraged to use this funding for such a position to verify data accuracy. Federal funding for this position is expected to be ongoing.

HB 2629, which was signed by the Governor, amends law pertaining to the Child Death Review Board. Among other provisions, the bill does the following:

- Requires the Board to review the deaths of Kansas children less than 18 years of age, regardless where the death occurred, and review the deaths of non-Kansas children if the death occurred in Kansas;
- Increases the number of Board members from three to four and increases the number of board members who must be physicians;

- Allows board members to receive compensation, including mileage, for attending meetings; and
- Allows for the disclosure of statistics and conclusions of the Board for the purpose of receiving grants.

B. SB 394, Age Verification Concerning Internet Websites Harmful to Minors (Law). SB 394 requires the use of age verification technology to permit access to internet websites containing material harmful to minors. The bill requires any commercial entity sharing such material on a website to verify any person who is located in Kansas attempting to access the site is at least 18 years of age.

The bill directs the Attorney General to:

- Approve methods of age verification utilized by commercial entities;
- Receive reports from any person who is able to access a website without age verification; and
- Investigate, seek injunctive relief, or impose a civil penalty on the commercial entity in violation.

The agency estimates it would require the addition of \$210,000 SGF and 2.0 FTE positions to investigate violations and bring actions against offenders. This includes 1.0 FTE position for an attorney and 1.0 FTE position for a legal assistant.

C. SB 345, Commercial Financing Disclosure Act (Law). SB 345 requires the disclosure of certain commercial financing product transaction information between a provider and a business and establishes civil penalties for violations. A commercial financial transaction includes commercial loans or commercial open-end credit plans.

The bill requires the Attorney General to enforce the Act. Violations are punishable by a civil penalty of \$500. Any person who received written notice of a prior violation from the Attorney General and subsequently violates the Act will receive a civil penalty of \$1,000.

The agency estimates it would require the addition of \$104,442 SGF and 1.0 FTE position for an Assistant Attorney General to manage and investigate cases.

D. Senate Sub. for HB 2144, Provisions Concerning Organized Retail Crime (Law). Senate Sub. for HB 2144 would create the crime of organized retail crime and establish penalties for such crime. Organized retail crime would generally include the following:

- Acting in concert with others to deal in stolen merchandise with an aggregate value of \$5,000 or more;
- Taking merchandise with an aggregate value of \$5,000 or more from multiple retailers within a 12-month period, as part of an organized plan to commit theft; and
- Recruiting or organizing others to undertake the above actions.

The bill would include the crime in the Kansas Racketeer Influenced and Corrupt Organization Act and modify the authority of the Attorney General primarily to allow prosecution of organized retail crime concurrently with any county or district attorney.

The agency estimates it would require the addition of \$240,000 SGF and 2.5 FTE positions to prosecute the new crime for FY 2025. This includes 1.0 FTE position for a legal assistant and 1.5 FTE positions for attorneys.

E. SB 115, Child Advocate Act (Law). SB 115 creates the Office of the Child Advocate (OCA) as an independent state agency. The bill requires the OCA to investigate and resolve complaints made by or on behalf of children as they relate to state agencies, service providers, juvenile courts.

The bill directs the Abuse, Neglect, and Exploitation Unit at the Office of the Attorney General to:

- Receive notification of referrals from the OCA to law enforcement agencies concerning child abuse or neglect if a criminal investigation is warranted; and
- File reports of findings of fact or conclusions of law, on behalf of the OCA, in a pending Child in Need of Care case, if appropriate.

The agency estimates it would require the addition of \$887,556 SGF and 10.0 FTE positions to file findings or conclusions regarding complaints and assist in the investigations of child abuse for FY 2025. This includes 3.0 FTE positions for attorneys, 3.0 FTE positions for investigators, and 4.0 FTE positions for program consultants, as well as operating expenditures.

F. House Sub. for SB 172, Kansas Land and Military Installation Protection Act (Conference). House Sub. for SB 172 would prohibit foreign principals from countries of concern from acquiring non-residential real property located within 100 miles of any military installation in Kansas, or receiving any economic development program benefits. Such installations primarily include land or buildings owned by the U.S. Department of Defense (DOD) or the Kansas National Guard. The prohibition would not apply to certain transactions and agreements involving the Committee on Foreign Investments in the United States (CFIUS) and the DOD.

Any foreign principal that owns or acquires real property within this proximity must register ownership with the Attorney General. All registered property would be required to be divested, with certain exceptions.

The bill would define a "country of concern" to mean any foreign adversary as described in certain federal regulations and any organization listed on the federal foreign terrorist list as amended by the Kansas Intelligence Fusion Center Oversight Board. The definition of "foreign principal" includes, but is not limited to, a corporation or its subsidiary having a principal place of business in a country of concern.

The bill would direct the Attorney General to do the following:

- Process documentation showing the divestiture of registered property or enter into divestiture agreements with foreign principals;
- Establish policies and procedures for reporting transactions involving foreign investments that are not voluntarily submitted to CFIUS for review, and submit a report to CFIUS, the Governor, Adjutant General, and certain legislative committees concerning such transactions;
- Investigate suspected violations and commence court action seeking divestment of real property, injunctive relief, and civil forfeiture;
- Submit an annual report to the Governor, Adjutant General, and certain legislative committees detailing implementation of the Act and recommendations concerning the definition of any county of concern;
- Receive an annual report, in conjunction with the Legislature, from Kansas State University detailing trends of foreign land holdings in Kansas; and

- Participate as a member of the Kansas Intelligence Fusion Center Oversight Board in the adoption of rules and regulations concerning foreign terrorist organizations.

The agency estimates it would require the addition of \$440,000 SGF and 5.0 FTE positions to process filings and notices, investigate reports, pursue legal action, and prepare annual reports for FY 2025. This includes 2.0 FTE positions for investigators (\$180,000), 1.0 FTE position for an attorney (\$110,000), 1.0 FTE position for a legal assistant (\$75,000), and 1.0 FTE position for an administrative assistant (\$75,000).

The Conference Committee Report on House Sub. for SB 172 was not adopted by the Senate, and third conferees were appointed.

Office of the Secretary of State

A. HB 2790, Oversight of Professional Employer Organizations (Law). HB 2790 transfers the compliance oversight and enforcement authority over professional employer organizations, as well as responsibility of the Professional Employer Organization Fee Fund, from the Insurance Department to the Office of the Secretary of State, effective January 1, 2025. An act of appropriation is needed to establish the fund within the Office of the Secretary of State for FY 2025.

Kansas Water Office

A. GBA No. 2, Item 4, Page 3 - HB 2302 Grants Programs Enhancement. Transfer \$10.0 million SGF to the State Water Plan Fund for FY 2025 to enhance funding for the Water Projects Grant Fund and the Water Technical Assistance Fund.

Kansas Department of Health and Environment - Environment.

A. GBA No. 2, Item 10, Page 7 - Small Town Infrastructure—Waste Water. Add \$1.2 million SGF for FY 2025 for the Small Town Infrastructure Assistance Grant Program.

B. GBA No. 2, Item 11, Page 8 - Small Town Infrastructure—Drinking Water. Add \$4.8 million SGF for FY 2025 for the Small Town Infrastructure Assistance Grant Program.

Kansas State Department of Education

A. Senate Sub. for HB 2036, Reduce School Finance Levy (Veto). Among its provisions, Senate Sub. for HB 2036 would reduce the 20-mill statewide school finance levy to 19.5 mills and would increase the residential exemption from that levy to \$100,000 of appraised value. The bill would also include a demand transfer from the SGF to the School District Finance Fund to offset these changes.

Enactment of Senate Sub. for HB 2036 would reduce the SGF appropriation for State Foundation Aid by \$5.2 million for FY 2025 and \$9.5 million for FY 2026.

B. Review the Deletion of SGF Enhancements (Senate Committee). The agency's budget is currently in House Sub. for SB 387, which is in conference. An agreement was reached before First Adjournment, but the Conference Committee Report has not been signed. Initially, the Governor recommended \$119.8 million, including \$213.2 million SGF, for agency enhancement requests for FY 2025. The Senate Committee deleted funding for the enhancement requests and requested a possible review of the enhancements during Omnibus.

The enhancements to review include:

- Special Education Services State Aid;
- Mental Health Intervention Team (MHIT) Pilot Program;
[*Staff Note:* SB 28 moved the MHIT program to Kansas Department for Aging and Disability Services for FY 2025, with a total appropriation of \$13.5 million SGF.]
- Professional Development State Aid;
- Mentor Teacher Program;
- State Foundation Aid Adjustment;
- Parallel Test Virtual State Assessments;
- Public-private Partnership; and
- Child Care Accelerator Grant.

C. House Sub. for SB 387, Education Appropriations and Policy Changes (Conference). House Sub. for SB 387 currently contains both the agency's budget appropriations and policy changes for education. This bill is currently in conference. An agreement was reached before First Adjournment, but the Conference Committee Report has not been signed.

D. GBA No. 2, Item 6, Page 5 - K-12 Education Consensus. Delete \$1.7 million, including deleting \$9.1 million SGF, in FY 2024 to reflect changes to the education consensus. Add \$1.6 million, including the deletion of \$11.2 million SGF, for FY 2025 for this purpose. For FY 2026, add \$13.8 million, including the deletion of \$7.8 million, for this purpose.

Kansas Board of Regents

A. Review the Deletion of \$20.0 Million SGF for State Capital Renewal (House Committee). The Kansas Board of Regents (KBOR) requested \$20.0 million SGF to continue its Capital Renewal Initiative as a boost to improve state university facilities. The funds will be used by each university dependent on their refined capital priorities, based on KBOR's Facilities Capital Renewal Initiative, and will focus on renovation, infrastructure modernization, and building system upgrades. The Conference Committee added \$20.0 million SGF for this item in SB 28.

B. Review the Deletion of \$209,000 SGF and 2.0 FTE Positions for Kansas Board of Regents Support Staff (House Committee). The agency requested \$418,000 and 4.0 FTE positions to enhance support staff at KBOR in key areas, including Academic Affairs, Communication, Adult Education, and IT Systems development. The Governor's recommendation included \$209,000 SGF and 2.0 FTE positions for this purpose. This was deleted in conference. *This item is not included in SB 28.*

C. Consider Adding \$1.0 Million SGF to the Kansas Nursing Initiative Grant and \$1.0 Million SGF to the Kansas Nursing Services Scholarship Program (House Subcommittee on Contract Nursing). The Subcommittee recommends adding \$2.0 million, as well as a provision requiring that receiving students commit to remain in Kansas after graduation for a number of years equal to the number of years the student receives a scholarship. *This item is not included in SB 28.*

Currently in SB 28, the Kansas Nursing Service Scholarship has received \$417,255 SGF for FY 2025 to fund scholarships for 50 students. Scholarship recipients agree to work one year full-time in Kansas for each year of scholarship support. The program has previously required students to get an employer sponsor, but SB 438 would remove this obligation.

Currently in SB 28, the Kansas Nursing Grant Initiative has received \$3.7 million SGF for FY 2025. In order to be eligible for the grant, an institution's nursing program must be approved by the Kansas Board of Nursing and with national accreditation; have National Council Licensure Examination (NCLEX) scores that are at or above the three-year national average, and articulation of the institution's program to more advanced nursing credentials. A portion of state funds are set aside to assist those programs not meeting the criteria to earn their national accreditation or to improve student NCLEX test scores.

D. Consider Adding Provisions to the Promise Act Scholarship for Allied Health Professions (House Subcommittee on Contract Nursing). The Subcommittee would like to create a provision within the Promise Act Scholarship that would partially mirror the Graduate Medical Education (GME) program. However, unlike the GME program, it would not target rural Kansans. The proposed provision would provide a scholarship available to students pursuing allied health professions, including nurses, laboratory technicians and assistants, respiratory therapists, occupational therapists, and mental health professionals. *This item was not included in SB 28.*

Currently, the fields of study eligible for the Promise Act include information technology and security, mental and physical health care, advanced manufacturing and building trades, and early childhood education and development. In order to apply and remain eligible for the Kansas Promise Act, students must agree to reside and work in the State of Kansas for two consecutive years.

E. SB 438, Kansas Blueprint for Literacy (Law). SB 438 contains the contents of SB 544, HB 2843, and HB 2646, which have a fiscal effect on student financial aid within KBOR. Fiscal impacts include:

- **Kansas Blueprint for Literacy:** This provides for the Kansas Blueprint for Literacy Fund and \$10.0 million SGF to KBOR for the purposes of implementing the Blueprint. *The fund and funding are not included in SB 28 and would require an act of appropriation if SB 438 becomes law.*
- **Kansas Education Opportunity Scholarship (SB 544 and HB 2843):** SB 438 would replace the Kansas Ethnic Minority Scholarship with the Kansas Education Opportunity Scholarship. This new scholarship would target first-generation students and students who have a parent employed in Kansas as a teacher or paraprofessional for grades Pre-K–12. KBOR requests \$1.7 million SGF for the continued support of students who are currently eligible and those who will be eligible under the new provisions. *This funding is not included in SB 28.*

- **Hero's Act Scholarships (HB 2646).** SB 438 would amend the eligibility standards for the Kansas Hero's Scholarship to include spouses and dependents of military service members who died while in service or sustained an injury or disability that rendered the service member incapable of continuing such service. The bill would also remove provisions on the timeline of death or injury occurring after September 11, 2001, from statute; remove the reimbursement limit of \$500,000 per year for educational institutions; and add a provision that requires institutions to grant waivers based on the annual appropriated amount for paid reimbursements. KBOR requests \$1.0 million SGF for FY 2025 and \$1.7 million SGF for FY 2026 to support the new eligibility standards for the Kansas Hero's Scholarship. *This item was not included in SB 28.*

F. SB 19, Kansas National Guard Education Master's for Enhanced Readiness and Global Excellence (Law). SB 19 creates the Education Master's for Enhanced Readiness and Global Excellence (EMERGE) program to provide financial assistance to Kansas National Guard members pursuing a master's degree at a Kansas educational institution.

Provisions of SB 19 require that on or before July 1 of each academic year, the Adjutant General select up to 100 eligible National Guard members to receive assistance who have applied to the EMERGE program. The bill would cap the number of eligible National Guard members in the program at 200 members in any one school year.

KBOR requests \$1.1 million SGF to finance tuition payments for 100 students for FY 2025 and \$2.2 million SGF, which includes an additional 100 students, for FY 2026. *This item is not included in SB 28.*

G. 2023 SB 123, Adult Learner Grant. During the 2023 Session, the Legislature funded SB 123 for the Adult Learner Grant Act at \$1.0 million SGF. During the 2023 Omnibus Session, KBOR requested an additional \$187,427 SGF for salaries and benefits and 2.0 FTE positions for FY 2024, which were not funded by the Legislature.

For FY 2025, KBOR requests \$1.0 million SGF to finance the program next year and \$196,798 to fund 2.0 FTE positions (financial aid and information technology) to support the expansion of the Adult Learner Grant and other scholarship programs, such as the Promise Scholarship, the Kansas Hero's Scholarship, and the Osteopathic Medical Service Scholarship. *This item is not included in SB 28.*

H. GBA No. 2, Item 13, Page 8 - Kansas Adult Learner Grant Program. Transfer \$1.0 million SGF to the Kansas Adult Learner Grant Program Fund for FY 2025.

I. GBA No. 2, Item 16, Page 10 - Need-Based Aid for Public Universities. Add \$2.5 million SGF for Need-Based Aid at public universities for FY 2025.

Fort Hays State University

A. Review the Addition of \$15.0 Million for the Fort Hays State University Western Kansas Nursing Workforce Development Facility Improvements (House Committee). The Conference Committee concurred with the House to add \$15.0 million SGF for the Fort Hays State University Western Kansas Nursing Workforce Development facility improvements for classrooms and laboratory spaces for FY 2025. The facility renovations include a two-story expansion with an additional classroom, simulation laboratory, and clinical laboratory.

Kansas State University

A. Consider Adding \$3.1 Million SGF for the Dairy Facility Debt Service (Conference Committee). The Senate Committee added \$3.1 million SGF for Dairy Debt Service at Kansas State University (KSU) for FY 2025. The Conference Committee deleted the funding and requested additional information on the project from KSU.

B. Consider Adding Bonding Authority Language for the Dairy Facility Debt Service (Conference Committee). The Senate Committee added language authorizing bonding authority of \$40.0 million, all from special revenue funds, for capital improvement projects for the Dairy Facility at the Manhattan campus for FY 2025. The Conference Committee removed the bonding authority language and requested additional information on the project.

University of Kansas

A. HB 2491, Abolishing the Kansas Law Enforcement Training Center Fund (Law). HB 2491 abolished the Kansas Law Enforcement Training Center (KLETC) Fund and will shift fees previously credited to the KLETC Fund to the SGF, which is estimated to be \$7.3 million for FY 2025. According to the University of Kansas, KLETC has estimated yearly operating costs of \$12.0 million for FY 2025. The agency is requesting a new SGF operating account and \$12.0 million SGF for FY 2025 to maintain operation of KLETC.

Board of Indigents' Defense Services

A. HB 2583, Increasing the Criminal Penalties for Harming or Killing Certain Dogs and Horses and Requiring Restitution for Such Offense to Include Certain Expenses (Veto). The Board of Indigents' Defense Services (Board) indicates that the bill would increase agency expenditures on legal counsel and support staff by an unknown amount. The Board estimates that on average, a severity level 4 person felony case requires 35 to 57 hours of direct work by an attorney, or \$1,834 to \$2,640 per case. The Board also estimates that on average, a severity level 3 person felony case requires 64 hours of defense attorney work, or \$5,335 to \$7,680 per case. The Board also indicates that it may request 1.0 new FTE attorney position and additional support staff in the future depending on the outcome of the bill.

B. Review the Deletion of \$3.3 Million SGF to not Partially Fund the Agency's Enhancement Request for Recruitment and Retention for FY 2025 (House Committee). The agency requested and the Governor did not recommend the adoption of \$6.7 million SGF for recruitment and retention for FY 2025. The adjustment would create pay parity with prosecutor offices and includes a 28.0 percent adjustment for attorneys and a 10.0 percent average adjustment for non-attorney staff. The House Committee on Transportation and Public Safety Budget recommended adding \$3.3 million to create pay parity with prosecutor officers for FY 2025, which is half of the agency's request, and the House Committee on Appropriations did not recommend adding the \$3.3 million for this item.

C. HB 2605, Increasing the Maximum Rate Paid to Appointed Counsel for an Indigent Person (Law). HB 2065 allows the Board to increase the maximum rate paid to assigned counsel up

to \$140.00 per hour. The agency estimates it would need an additional \$3.8 million SGF for FY 2025 if the Board approves the increase.

D. Senate Sub. for HB 2144, Provisions Creating the Crime of Encouraging Suicide (Law). Among other provisions, HB 2144 create the crime of encouraging suicide. The Board estimates that on average, a severity level 9 person felony case requires 35 hours of defense attorney work, or \$2,918 to \$4,200 per case. The Board also estimates that on average, a severity level 4 or 5 person felony case requires 57 hours of defense attorney work, or \$4,752 to \$6,840 SGF per case. These amounts are based on the assigned counsel rate of \$120.00 per hour and the public defender rate of \$83.36 per hour. The Board also indicates that it may request 1.0 new FTE attorney position and additional support staff in the future depending on the outcome of the bill.

E. SB 414, Provisions Concerning Unlawful Distribution of Fentanyl (Conference Committee). Among other provisions, SB 414, as amended, would make certain changes to the crimes of drug possession, distribution, or aggravated endangerment of a child, when fentanyl is involved. The Board indicates that the bill would increase agency expenditures on legal counsel and support staff by an unknown amount. The Board also estimates that on average, a severity level 9 person felony case requires 35 hours of defense attorney work, or \$2,918 to \$4,200 SGF per case. The Board estimates that on average, a severity level 2, 3, 4 or, 5 person felony case requires 57 hours of defense attorney work, or \$4,752 to \$6,840 SGF per case. The Board indicates that each new drug severity level 1 felony case would result in \$8,253 to \$11,880 SGF based on 99 hours of defense attorney work estimated.

Conferees are appointed, but no Conference Committee Report is available.

Kansas Department of Commerce

A. HB 2097, Kansas Film and Digital Media Production Development Act (Conference). Among other provisions, HB 2097 would create two funds:

- The Kansas Film and Digital Media Production Development Act Education Fund to develop, expand, and improve Kansas education programs that will aid development and support of the film and digital media industry in Kansas.
- The Kansas Film and Digital Media Production Development Act Workforce Training and Business Development Fund, for the purpose of providing workforce development grants and loans for certified projects, including apprenticeship programming and crew training for Kansas residents.

The bill would provide a yearly transfer of \$1.0 million SGF to each of these funds and would allow any unexpended funds to remain credited to the funds for use in the next fiscal year. Any unencumbered moneys remaining in the funds on January 1, 2033, would be transferred to the SGF, at which time the funds would be abolished. HB 2234 also includes the Kansas Film and Digital Media Production Development Act.

In order for expenditures to be made from these funds, they will need to be included in an act of appropriation.

B. Review the Addition of \$36.0 Million SGF to Continue the Development of Maintenance, Repair, and Overhaul of Airplanes at the Airports in Salina (\$35.0 Million with a Dollar-to-Dollar Match) and Topeka (\$1.0 Million) for FY 2025 (Conference Committee). This item

supports an initiative in the Kansas Framework for Growth. The National Institute for Aviation Research (NIAR) Program, established at Wichita State University in 1985, has received funding from the State to increase research and development capabilities in the aerospace industry. This location has a maintenance, repair, and overhaul (MRO) facility. NIAR in Wichita is providing MRO efforts over three phases and is operational. Funding for Salina will begin hangar instruction. Funding for Topeka will be used for site design and land acquisition.

C. GBA No.2, Item 17, Page 10 - Attracting Powerful Economic Expansion Act (APEX) Funds. Lapse \$6.3 million SGF in FY 2024. Transfer \$13.2 million SGF for FY 2025 to three new funds as follows: \$5.0 million to the Attracting Powerful Economic Expansion Payroll Incentive Fund, \$7.0 million to the Attracting Powerful Economic Expansion New Employee Training and Education Fund, and \$1.2 million to the Attracting Powerful Economic Expansion Kansas Residency Incentive Fund.

Office of the State Treasurer

A. Review Funding for the STAR Bond Sales Tax Revenue Replacement Fund in FY 2024 and FY 2025 (Senate Committee). The Governor recommended a transfer of \$3.0 million SGF to the STAR Bond Sales Tax Replacement Fund in FY 2024, which is a decrease of \$1.7 million below the agency's request. Further, the Governor recommended a transfer of \$7.3 million SGF to the STAR Bond Sales Tax Replacement Fund for FY 2025, which is a decrease of \$400,000 below the agency's request. Based on actual food and food ingredients state sales tax data from STAR bond districts across the state from the Department of Revenue, the Office of the State Treasurer has reduced the amount needed to hold STAR Bond districts harmless from the reduction and eventual elimination of state sales tax on food and food ingredients.

Among other provisions, SB 467 would provide funding for STAR Bond districts to replace lost food sales tax revenue. SB 467 would require the director of taxation to certify the amount of revenue that would have been generated from sales of food and food ingredients if the sales tax had been 6.5 percent. The State Treasurer would be directed to pay the amount certified to the appropriate city or county bond finance, debt service, or reserve fund from the STAR Bonds Food Sales Tax Revenue Replacement Fund. The House has adopted the Conference Committee Report and is awaiting adoption in the Senate.

The FY 2024 transfer was \$2.9 million. The Department of Commerce estimates \$5.1 million being necessary for this purpose based on the 2.0 percent food sales tax rate and the FY 2024 transfer.

B. Review Funding for the Local Ad Valorem Tax Reduction Fund for FY 2025 (Senate Committee). The Governor recommended adding \$54.0 million to provide a portion of sales tax dollars to city and county government. The Senate and House Committees deleted this item. HB 2036 would abolish the Local Ad Valorem Tax Reduction Fund.

C. GBA No. 2, Item 15, Page 9 - STAR Bond Food Sales Tax Revenue Replacement Fund. Add \$7.3 million in expenditures from the STAR Bonds Food Sales Tax Revenue Replacement Fund for FY 2025 and \$7.4 million for FY 2026.

Board of Tax Appeals

A. GBA No. 2, Item 1, Page 2 - Board Member Salaries and Wages Increase. Add \$118,837 SGF for FY 2025 to fund a salaries and wages increase for members of the Board of Tax Appeals.

Office of the Governor

A. Victims of Crime Assistance Grants (House Committee). The federal Crime Victims Fund was established at the U.S. Department of Justice (USDOJ) in 1984 and financed by fines and penalties from convictions of criminal defendants in federal cases. Grants from the fund reimburse victims of crime for certain expenses incurred as a result of a crime. Annually, the first \$20.0 million in distributions from the fund are for child abuse prevention and treatment, 47.5 percent is for victim compensation, 47.5 percent for victim assistance, and 5.0 percent is for discretionary grants. Subrecipients must contribute 20.0 percent of the total project cost for each project funded by the Victims of Crime Assistance (VOCA) grants. Match contributions may be cash or in-kind.

From federal fiscal year (FFY) 2007 through 2014, distributions to the states from the fund were capped between \$625.0 million and \$745.0 million. During this time, the balance of the fund at the USDOJ grew to \$13.1 billion in FFY 2017. In FFY 2015, the federal government increased the cap on distributions varying from \$2.4 billion in FFY 2015 to a highwater mark of \$4.4 billion in FFY 2018. Increased distributions to states and declining revenue resulted in a reduction of the fund balance to \$1.3 billion in FFY 2024. In response to the reductions in the fund balance, the federal government has cut VOCA grant distributions.

In Kansas, Crime Victims Assistance grants have been in decline since FY 2022:

- FY 2019: \$14.2 million
- FY 2020: \$17.6 million
- FY 2021: \$19.9 million
- FY 2022: \$20.7 million
- FY 2023: \$19.3 million
- FY 2024 (SB 28 approved): \$16.2 million
- FY 2025 (SB 28 approved): \$10.9 million

For FY 2025, the Governor recommended and the Legislature approved the addition of \$5.9 million SGF for a total of \$21.1 million for Domestic Violence Prevention Grants, \$1.1 million for at total of \$4.2 million SGF for Child Advocacy Center Grants, and \$634,000 for a total of \$1.2 million SGF for the Court Appointed Special Advocate program to partially offset the shortfall. Funding for these grants programs is traditionally derived from federal VOCA distributions to states.

Other Statewide Adjustments

A. Technical Adjustments to SB 28

- **Board of Tax Appeals.** Delete \$250,000 SGF to comply with a Conference Committee adjustment that replaced these expenditures with special revenue funds in FY 2024.

- **Judicial Branch.** Add \$1.0 million SGF in FY 2024 to account for pay plan shortfall funding omitted from SB 28 and \$6.8 million SGF for FY 2025 due to double counting Conference Committee adjustments to the Governor's recommendation.
- **Department of Administration.** Correct date reference in proviso language for Series 2016H and 2020S debt payoff funding in FY 2024 and for FY 2025. Further, appropriate \$6.2 million SGF for FY 2025 to account for scheduled payment for Series 2016H.
- **Kansas Department of Commerce.** Void language concerning a lapse of \$3.0 million for an Airport Authority payment in FY 2024. Provisions of 2023 HB 2184 included language to lapse \$3.0 million SGF for this payment if federal American Rescue Plan Act (ARPA) funds were available. ARPA funds were determined available on June 15, 2023, and the SGF was lapsed. The Conference Committee added language in 2024 SB 28 that would duplicate this SGF lapse.
- **Kansas Department of Health and Environment—Division of Public Health.** Adjust language for the Primary Health Project Fund that not less than \$18.8 million, rather than \$20.8 million, be distributed for grants in FY 2024 and for FY 2025. The adjusted amounts reflect the total appropriations to the fund each fiscal year. SB 28 correctly appropriated amounts to the fund, but subsequent text was not correct.
- **Kansas State Department of Education.** Add language to reappropriate unspent funds in the Mental Health Intervention Team Pilot Fund at the Kansas State Department of Education in FY 2024 to the Mental Health Intervention Team Pilot Fund at the Kansas Department for Aging and Disability Services for FY 2025.

Department of Administration

A. SB 431, Emil Joseph Kapaun Memorial (Law). Among other provisions, SB 431 establishes the Emil Joseph Kapaun Memorial Fund for the purpose of financing the creation of a permanent memorial located on the State Capital grounds honoring the life of Emil Joseph Kapaun. In order for expenditures to be made from this fund, it will need to be included in an act of appropriation. [Note: Father Emil Joseph Kapaun was born in Pilsen, Kansas, and served as a U.S. Army Chaplain in World War II and the Korean War, where he became a prisoner of war and died in captivity. He was awarded the Medal of Honor posthumously in 2013.]

B. GBA No.2, Item 18, Page 11 - Breast Cancer Diagnostic Mammography. Add \$75,000 SGF for FY 2025 to prohibit cost-sharing requirements for diagnostic and supplementary breast examinations to qualified individuals through the State Employee Health Benefits Plan.

Kansas Public Employees Retirement System

A. HB 2711, Lump-sum Death Benefit (Law). Among its provisions, HB 2711 increases the lump-sum death benefit for a Kansas Public Employees Retirement System (KPERS) retiree from \$4,000 to \$6,000, beginning on July 1, 2024. According to updated fiscal information provided by

KPERS, the KPERS actuary indicates the bill increases the total unfunded actuarial liability by approximately \$106.1 million, including \$77.5 million for State employers and \$28.6 million for Local employers. The actuarial cost to State employers could be funded with a one-time payment of \$77.5 million or amortized over a 20-year period for a State cost of \$6.98 million for FY 2025.

HB 2711—Estimated Fiscal Effect			
(Dollars in Millions)			
KPERS Group	UAL Est. Increase	Additional Contributions	
		FY 2024	FY 2025
State/School	\$ 76.60	\$ 6.76	\$ 6.90
KP&F (State)	0.60	0.05	0.05
Judges	0.30	0.03	0.03
<i>Subtotal—State</i>	<i>\$ 77.50</i>	<i>\$ 6.84</i>	<i>\$ 6.98</i>
Local	\$ 24.90	\$ 2.24	\$ 2.33
KP&F (Local)	3.70	0.33	0.35
<i>Subtotal—Local</i>	<i>\$ 28.60</i>	<i>\$ 2.57</i>	<i>\$ 2.68</i>
TOTAL	\$ 106.10	\$ 9.41	\$ 9.66

[Note: HB 2711 also includes provisions relating to countries of concern, KPERS working-after-retirement requirements, and statutory limitations on alternative investments. None of these provisions have a fiscal impact that requires additional funding for KPERS.]

State Employee Pay

A. SB 28, State Employee Pay Adjustments (Approved with Line Item Vetoes). Among other provisions, SB 28 appropriates \$141.0 million, including \$61.0 million SGF, to provide salary adjustments for state employees for FY 2025 based on the Department of Administration Market Survey and using the following criteria:

- Employees that are under market pay by 10.0 percent or more would receive either an increase to bring salaries to 10.0 under market pay or a 5.0 percent increase, whichever is greater.
- Employees that are under market by less than 10.0 and employees that are over market by 10.0 percent or less would receive a 5.0 percent increase.
- Employees that are over market by more than 10.0 percent would receive a 2.5 percent increase.
- Employees with job classifications not reflected in the Market Survey would receive a 5.0 percent increase.

Certain state employees would receive adjustment instead of market adjustments:

- Employees with Capitol Area Guard job classifications would receive a 5.0 percent increase.
- Employees of Legislative agencies and non-judge employees of the Judicial Branch would receive a 5.0 percent increase, distributed as a merit pool.
- Employees at the Board of Regents and postsecondary institutions would receive a 2.5 percent increase, distributed as a merit pool.
- Employees at the Kansas Bureau of Investigation and Kansas Highway Patrol that are on a formal career progression plan would receive adjustments to reduce the time required to reach the plan's salary cap by five years.

Additionally, employees earning less than \$15.03 per hour would receive an increase to reach \$15.03 per hour.

The following employees would be excluded from all provisions of this adjustment: judges and justices, statewide elected officials, legislators, teachers and licensed personnel of the Kansas State Schools for the Blind and Deaf, part-time non-benefits eligible employees, and employees on a formal written career progression plan that are not otherwise named in these adjustments.