

State Budget—Omnibus Appropriations; HB 2510

HB 2510, the Omnibus Appropriations Bill, includes various mid-year expenditure adjustments as well as funding for bills enacted by the 2022 Legislature. [Note: The bill does not include funding for K-12 education, which is contained in Senate Sub. for HB 2567.]

The bill takes effect upon publication in the *Kansas Register*.

FY 2022 Adjustments

The bill adds \$390.3 million; including \$373.7 million from the State General Fund (SGF) for FY 2022. Items include:

- Department of Administration – Adds \$332.2 million SGF for the early payoff of Series 2015A and 2015G bonds;
- Office of the Governor – Adds \$15.0 million, from federal American Rescue Plan Act of 2021 (ARPA) funds, to provide funding to nursing facilities to cover rising costs associated with staffing shortages for facilities;
- Human Services Caseloads – Adopts the Governor’s Budget Amendment (GBA) No. 2, Item 1 for Human Services Caseloads to add \$110.4 million, including the deletion of \$12.6 million SGF; and
- Kansas Bureau of Investigation – Adds \$41.5 million SGF for the early payoff of bonds related to the Forensic Science Laboratory.

FY 2023 Adjustments

The bill adds \$119.8 million, including \$60.1 million SGF, for FY 2023, for items including those listed below.

Human Services:

- **Kansas Department for Aging and Disability Services** – Adds \$10.0 million SGF to fund 988 hotline operations. The bill includes language to lapse the funding if House Sub. for SB 19 is enacted.
- **Kansas Commission on Veterans Affairs Office** – Adopts GBA No. 2, Item 4, to add language for updated debt service estimates for a new veterans home and increase the bonding authority for the project up to \$17.2 million SGF.
- **Human Services Caseloads** – Adds \$221.5 million, including \$61.3 million SGF, to adopt GBA No. 2 Item 1 for Human Services Caseloads.

General Government:

- **Office of the Governor** – Adds \$62.9 million, all from federal and special revenue funds, including:
 - \$25.8 million, all from federal ARPA funds, for certain state universities, community colleges, and technical colleges; and
 - \$35.6 million, including \$34.6 million from federal ARPA funds, for other housing and economic development projects.
- **Judicial Branch** – Adds \$17.3 million SGF and deletes \$17.3 million from special revenue funds for FY 2023 to account for the provisions of HB 2541, which redirects deposit of the judicial surcharge and docket fees to the SGF.
- **Legislature** – Adds \$5.1 million SGF and 6.0 full-time equivalent positions to assist with the KLISS modernization project for FY 2023.
- **Salary Adjustments:**
 - Adds \$4.0 million SGF to provide a 5.0 percent salary adjustment to participants in the 24/7 pay plan who did not receive a base salary adjustment;
 - Adds \$841,113 SGF as aid to local community corrections agencies for the purpose of providing a 5.0 percent salary increase consistent with the statewide pay increase; and
 - Adds \$1.0 million, including \$800,000 SGF, to restore the 5.0 percent salary adjustment for the Board of Indigents' Defense Services and the State Fire Marshal.

Higher Education:

- **Board of Regents** – Adds \$12.5 million SGF to the Postsecondary Education Operating Grant for FY 2023 and removes the language in House Sub. for Sub. for SB 267 to not increase tuition.
- **Wichita State University** – Transfers \$10.0 million, all from federal ARPA funds, from the Office of the Governor to the federal Digital Transformation Fund.

Agriculture and Natural Resources:

- **Kansas State Fair** – Adds \$14.6 million SGF for FY 2023 to update the Bison Arena (\$10.0 million), mill and overlay asphalt areas (\$2.5 million), and complete other projects (\$2.0 million).

Summary of Approved FY 2022 and FY 2023 Revenue Adjustments

FY 2022

- Transfers an additional \$250.0 million from the SGF to the Budget Stabilization Fund for a total transfer of \$750.0 million in FY 2022; and
- Transfers \$4.0 million to the Job Creation Program Fund to prepare land for economic development associated with enactment of the Attracting Powerful Economic Expansion Act (APEX), SB 347.

FY 2023

- Transfers \$3.5 million from the SGF to the STAR Bond Sales Tax Refund Fund to defray the cost of reducing the food sales tax; and
- Deletes \$26.4 million in SGF receipts for HB 2237, which extends the Rural Opportunity Zone program and provides for additional child care tax benefits.

The summary table on the following page reflects all changes to SGF receipts and SGF expenditures contained in HB 2510.

STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES

**HB 2510 – Profile
(Dollars in Millions)**

	<u>Actual FY 2021</u>	<u>HB 2510 FY 2022</u>	<u>HB 2510 FY 2023</u>
Beginning Balance	\$ 495.0	\$ 2,094.8	\$ 2,131.1
Receipts (November 2021 Consensus)	8,867.6	8,802.9	9,455.7
Governor’s Revenue Adjustments	0.0	0.0	(10.0)
Legislative Tax Adjustments	0.0	0.0	(26.4)
Legislative Receipt Adjustments	0.0	(254.0)	(3.5)
Adjusted Receipts	<u>8,867.6</u>	<u>8,548.9</u>	<u>9,415.8</u>
Total Available	\$ <u>9,362.6</u>	\$ <u>10,643.7</u>	\$ <u>11,546.9</u>
Less Expenditures	7,267.8	8,592.6	4,698.8
Education GBA	0.0	11.1	30.0
Senate Sub. for HB 2567 - Education	0.0	(91.1)	4,450.3
Ending Balance	<u><u>\$ 2,094.8</u></u>	<u><u>\$ 2,131.1</u></u>	<u><u>\$ 2,367.8</u></u>
Ending Balance as a % of Expenditures	28.8 %	25.0 %	25.8 %

[Note: This profile includes FY 2022 adjustments and FY 2023 expenditures for the State Department of Education and aid to school districts included in Senate Sub. for HB 2567.]