

Session of 2025

SENATE BILL No. 14

By Committee on Ways and Means

1-16

1 AN ACT concerning the state budget; providing for a continuous budget
2 until amended, lapsed or eliminated by the legislature; temporary
3 reallocations; establishing conditions and limitations therefor.

in certain specified circumstances; providing

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. (a) Except as provided further, if the legislature does not
7 amend, lapse or eliminate any existing appropriation in the current fiscal
8 year on or before July 1 of any year, on July 1, such existing
9 appropriations provided for the previous fiscal year shall be in effect in the
10 new fiscal year and all subsequent fiscal years until amended, lapsed or
11 eliminated by the legislature. If the biennial budget for state agencies listed
12 in K.S.A. 75-3717(f), and amendments thereto, has not been enacted on or
13 before June 30 of any year, the department of administration may, for
14 accounting purposes, adjust its appropriation account structure, beginning
15 on July 1 of such year, to reflect the appropriation account structure in the
16 biennial state agencies budget.

During any regular session of the legislature, if the legislature passes an appropriation bill providing for appropriations for the ensuing fiscal year or years for state agencies, the governor vetoes such appropriation bill in its entirety and the legislature fails to override such veto, then the provisions of this section shall take effect for the ensuing fiscal year.

17 (b) All appropriations to any state agency, expenditures from which,
18 by law, may be made only with the approval of the governor, state finance
19 council, secretary of administration or other entity, shall be construed to be
20 conditional appropriations, which shall become available only as
21 contemplated expenditures therefrom are approved by the governor, state
22 finance council, secretary of administration or other entity as required by
23 law.

24 (c) Whenever a continuing appropriation from any account or fund
25 has accomplished its purpose or is no longer deemed necessary for such
26 purpose, the secretary of administration is authorized to lapse such
27 appropriation balance or decrease the expenditure limitation, in whole or
28 in part, to the account or fund from which it was appropriated upon
29 consultation with the head of the state agency concerned. Prior to taking
30 any action under this subsection, the secretary of administration shall
31 consult with the director of the budget and the director of legislative
32 research. The provisions of this subsection shall not apply to any
33 continuing appropriation of the legislative branch or the judicial branch.

34 (d) All continuing appropriations are subject to the specific provision
35 that, when and if the federal government funding of any portion of a
36 program is reduced or terminated, state participation in the program may

1 be reduced by the secretary of administration, in the same proportion as
2 such federal reduction, and such state reduction shall be implemented by
3 the responsible state agency. Prior to taking any action under this
4 subsection, the secretary of administration shall consult with the director
5 of the budget and the director of legislative research. Notwithstanding any
6 other provision of law, local units of government are hereby authorized to
7 make similar proportional reductions in such local unit's support of such
8 programs.

9 (e) If any continuing appropriation that is made to match or secure
10 federal funds is in excess of the amount required to match or secure federal
11 funds, the state agency that is responsible for the administration of such
12 funds shall promptly notify the director of the budget, who shall promptly
13 notify the governor and the state finance council. Such funds shall not be
14 expended unless first approved by the state finance council. Such state
15 finance council action on this matter is hereby characterized as a matter of
16 legislative delegation and subject to the guidelines prescribed in K.S.A.
17 75-3711c(c), and amendments thereto, except that such authorization also
18 may be given while the legislature is in session.

19 (f) (1) Except as provided in paragraph (2), all continuing
20 appropriations, accounts and special revenue fund balances within the state
21 general fund or any special revenue fund may be made temporarily
22 available for the purpose of allowing encumbrances or financing
23 expenditures of other state general fund or any special revenue fund
24 activities whenever there are insufficient moneys in the funds or accounts
25 from which the activities are financed if there are accounts receivable
26 balances or moneys anticipated to be received that will be sufficient to
27 repay the fund or account from which moneys are transferred. The
28 secretary of administration, in consultation with the appropriate state
29 agency head, director of the budget and director of legislative research,
30 shall determine the composition and allowability of the accounts
31 receivable balances and anticipated moneys to be received for this purpose
32 and, following approval by the state finance council, shall specifically
33 approve the use of surplus moneys from the state general fund or any
34 special revenue fund. Such funds shall not be expended unless first
35 approved by the state finance council. Such state finance council action on
36 this matter is hereby characterized as a matter of legislative delegation and
37 subject to the guidelines prescribed in K.S.A. 75-3711c(c), and
38 amendments thereto, except that such authorization also may be given
39 while the legislature is in session. The secretary of administration shall
40 reallocate available moneys from the budget stabilization fund, established
41 in K.S.A. 75-6706, and amendments thereto, prior to reallocating moneys
42 from any other account or fund.

43 (2) (A) The secretary of administration shall limit the total amount of

1 any temporary reallocations to an account or fund other than the state
2 general fund to \$400,000,000.

3 (B) The secretary of administration shall limit the total amount of any
4 temporary reallocations to the state general fund at any one time during a
5 fiscal year to an amount equal to 9% of the total amount authorized to be
6 expended or transferred by demand transfer from the state general fund,
7 calculated by the secretary as of that time and for that fiscal year.

8 (C) In addition to the amount permitted for temporary reallocations in
9 subparagraph (B), the secretary may permit an additional 3% of the total
10 amount authorized to be expended or transferred by demand transfer from
11 the state general fund, calculated by the secretary as of that time and for
12 that fiscal year, to be used for temporary reallocations to the state general
13 fund but only if the reallocation is for a period not to exceed 30 days.
14 Reallocations may not be made under this subparagraph for consecutive
15 periods.

16 (D) This paragraph does not apply to reallocations from the budget
17 stabilization fund to the state general fund.

18 (E) Prior to taking any action under this paragraph, the secretary of
19 administration shall consult with the director of the budget and the director
20 of legislative research.

21 (3) If a continuing appropriation to an account within the state
22 general fund or a special revenue fund is transferred from an account or
23 fund that by law is an interest-bearing account or fund, then on or before
24 the 10th day of each month during any fiscal year of such continuing
25 appropriation, the director of accounts and reports shall transfer from the
26 state general fund to such interest-bearing account or fund interest
27 earnings based on: (A) The average daily balance of such interest-bearing
28 account or fund for the preceding month; and (B) the net earnings rate for
29 the pooled money investment portfolio for the preceding month.

30 (4) The secretary of administration shall not exercise the authority
31 granted in this subsection if a temporary reallocation would jeopardize the
32 cash flow of any fund or account from which a temporary reallocation
33 would be made.

34 (5) If the secretary of administration exercises or proposes to exercise
35 the authority granted in this subsection, the secretary shall publish and
36 transmit a report to the members of the house committee on appropriations
37 and the senate committee on ways and means on a monthly basis
38 specifying the date, amount, source and use of any outstanding temporary
39 reallocation or proposed reallocation of moneys for the period covered by
40 the report.

41 (g) If any provision or clause of this section or application thereof to
42 any person or circumstance is held invalid, such invalidity shall not affect
43 other provisions or applications of this section that can be given effect

1 without the invalid provision or application, and to the end the provisions
2 of this section are declared to be severable.

3 Sec. 2. This act shall take effect and be in force from and after its
4 publication in the statute book.