

KANSAS OFFICE *of*
REVISOR *of* STATUTES

LEGISLATURE *of* THE STATE *of* KANSAS
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MEMORANDUM

To: Senate Committee on Ways and Means
From: Office of Revisor of Statutes
Date: January 28, 2025
Subject: Senate Bill No. 14, as introduced

Senate Bill No. 14 provides for a continuing budget for ensuing fiscal years when the legislature and Governor do not enact a new budget bill into law. The existing appropriations provided for the previous fiscal year are in effect in the new fiscal year and all subsequent fiscal years until amended, lapsed or eliminated by the legislature. Under the bill, no action is needed by the State Finance Council (SFC) to continue the existing appropriations.

SFC action is required in the following instances: (1) If any continuing appropriation that is made to match or secure federal funds is in excess of the amount required to match or secure federal funds, such funds shall not be expended unless first approved by the SFC; (2) temporary reallocations may be made for SGF accounts and special revenue funds to allow expenditures whenever there are insufficient moneys in the funds or accounts IF there are accounts receivable balances or moneys anticipated to be received that will be sufficient to repay the fund or account from which moneys are transferred following approval by the SFC.

Except as provided further, if the legislature does not amend, lapse or eliminate any existing appropriation in the current fiscal year on or before July 1 of any year, on July 1, such existing appropriations provided for the previous fiscal year shall be in effect in the new fiscal year and all subsequent fiscal years until amended, lapsed or eliminated by the legislature. If the biennial budget for state agencies has not been enacted on or before June 30 of any year, the department of administration may, for accounting purposes, adjust its appropriation account structure to reflect the appropriation account structure in the biennial state agencies budget. All appropriations to any state agency, expenditures from which, by law, may be made only with the approval of the governor, SFC, secretary of administration or other entity, shall be conditional appropriations, and only available as when approved by the governor, SFC, secretary of administration or other entity as required by law.

Whenever a continuing appropriation from any account or fund has accomplished its purpose or is no longer deemed necessary for such purpose, the secretary of administration is authorized to lapse such appropriation balance or decrease the expenditure limitation, in whole or in part, to the account or fund from which it was appropriated upon consultation with the head of the state agency concerned, the director of the budget and the director of legislative research. The

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provisions of this paragraph shall not apply to any continuing appropriation of the legislative branch or the judicial branch.

All continuing appropriations are subject to the specific provision that, when and if the federal government funding of any portion of a program is reduced or terminated, state participation in the program may be reduced by the secretary of administration, in the same proportion as such federal reduction, and such state reduction shall be implemented by the responsible state agency. Prior to taking any action under this subsection, the secretary of administration shall consult with the director of the budget and the director of legislative research. Local units of government are authorized to make similar proportional reductions in such local unit's support of such programs.

If any continuing appropriation that is made to match or secure federal funds is in excess of the amount required to match or secure federal funds, the state agency that is responsible for the administration of such funds shall promptly notify the director of the budget, who shall promptly notify the governor and the SFC. Such funds shall not be expended unless first approved by the SFC.

Except as provided further, all continuing appropriations, accounts and special revenue fund balances within the state general fund or any special revenue fund may be made temporarily available for the purpose of allowing encumbrances or expenditures of other state general fund or any special revenue fund activities whenever there are insufficient moneys in the funds or accounts IF there are accounts receivable balances or moneys anticipated to be received that will be sufficient to repay such fund or account. The secretary of administration, in consultation with the appropriate state agency head, director of the budget and director of legislative research, shall determine the composition and allowability of the accounts receivable balances and anticipated moneys to be received for this purpose and, following approval by the SFC, shall specifically approve the use of surplus moneys from the state general fund or any special revenue fund. The secretary of administration shall reallocate available moneys from the budget stabilization fund prior to reallocating moneys from any other account or fund. The total amount of any temporary reallocations to an account or fund other than the state general fund is limited to \$400,000,000. Further, the secretary of administration shall limit the total amount of any temporary reallocations to the state general fund at any one time during a fiscal year to an amount equal to 9% of the total amount authorized to be expended or transferred by demand transfer from the state general fund, calculated by the secretary as of that time and for that fiscal year. The bill provides for an additional one-time temporary reallocation for an additional 3% of the total amount authorized to be expended or transferred by demand transfer from the state general fund, but only if the reallocation is for a period not to exceed 30 days. Reallocations may not be made for consecutive periods. The provisions of this paragraph do not apply to reallocations from the budget stabilization fund to the state general fund.

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If a continuing appropriation to a state general fund account or a special revenue fund is interest earning, such interest earnings shall continue to be transferred from the state general fund to such account or fund.

The secretary of administration shall not authorize a temporary reallocation if such action would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

If the secretary of administration exercises or proposes to exercise the authority temporary reallocation, the secretary shall publish and transmit a report to the members of the house committee on appropriations and the senate committee on ways and means on a monthly basis specifying the date, amount, source and use of any outstanding temporary reallocation or proposed reallocation of moneys for the period covered by the report.