

## HOUSE BILL No. 2463

By Representative Waymaster

1-15

1 AN ACT concerning rural health; creating the rural health transformation  
2 fund; prescribing powers and duties of the state finance council  
3 concerning such fund and the rural health transformation program;  
4 crediting all federal moneys for the rural health transformation program  
5 to such fund; making and concerning appropriations for the fiscal years  
6 ending June 30, 2026, and June 30, 2027, for the state finance council  
7 and other state agencies; authorizing certain transfers, imposing certain  
8 restrictions and limitations and directing or authorizing certain receipts,  
9 disbursements, procedures and acts incidental to the foregoing.

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11 *Be it enacted by the Legislature of the State of Kansas:*

12

13 Section 1. (a) Consistent with section 24 of article 2 of the  
14 constitution of the state of Kansas and notwithstanding any other law, all  
15 federal funds received by the state of Kansas from the centers for medicare  
16 and medicaid services pursuant to section 71401 of public law 119-21 and  
17 any other federal law that appropriates moneys to the state for the rural  
18 health transformation program shall be available for expenditure only upon  
19 an act of appropriation by the legislature.

20

21 (b) There is hereby established in the state treasury the rural health  
22 transformation fund, which shall be administered by the state finance  
23 council. All expenditures from the rural health transformation fund shall be  
24 for the purposes of funding the rural health transformation program. All  
25 expenditures from the rural health transformation fund shall be made in  
26 accordance with appropriation acts upon warrants of the director of  
27 accounts and reports issued pursuant to vouchers approved by the  
28 chairperson of the state finance council or the chairperson's designee  
29 following the approval of such expenditure by the state finance council.

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31 (c) All moneys received by the state of Kansas from the centers for  
32 medicare and medicaid services pursuant to section 71401 of public law  
33 119-21 for the rural health transformation program and any other federal  
34 law that appropriates moneys to the state for the rural health  
35 transformation program shall be deposited in the state treasury in  
36 accordance with the provisions of K.S.A. 75-4215, and amendments  
thereto, and credited to the rural health transformation fund.

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38 (d) On or before the 10<sup>th</sup> day of each month, the director of accounts  
39 and reports shall transfer from the state general fund to the rural health

- 1 transformation fund interest earnings based on:
- 2     (1) The average daily balance of moneys in the rural health
- 3 transformation fund for the preceding month; and
- 4     (2) the net earnings rate of the pooled money investment portfolio for
- 5 the preceding month.
- 6     (e) The provisions of K.S.A. 75-3711a, and amendments thereto,
- 7 shall not apply to any moneys received by the state of Kansas from the
- 8 centers for medicare and medicaid services pursuant to section 71401 of
- 9 public law 119-21 for the rural health transformation program and any
- 10 other federal law that appropriates moneys to the state for the rural health
- 11 transformation program.
- 12     (f) As soon as practicable following the receipt of a grant application
- 13 from a partner, stakeholder or subawardee requesting moneys from the
- 14 rural health transformation fund and following review of such application
- 15 by the Kansas rural health innovation alliance, the authorized
- 16 organizational representative shall provide such application to the state
- 17 finance council. The council shall:
- 18         (1) Meet and review each grant application and request for funding
- 19 from the rural health transformation fund;
- 20         (2) confirm that such application and request are a permissible use of
- 21 funds that meet the required health-related activities provided in section
- 22 71401 of public law 119-21; and
- 23         (3) determine whether such grant shall be funded and the amount of
- 24 such funding.
- 25     (g) Concerning the redistribution of unexpended or unobligated funds
- 26 to be reviewed by the administrator not later than March 31, 2028, and
- 27 annually thereafter through March 31, 2032, pursuant to section 71401 of
- 28 public law 119-21, the council shall review and approve any submission
- 29 for such unexpended or unobligated funds by the authorized organizational
- 30 representative prior to submission to the administrator.
- 31     (h) Any report and other documentation required to be submitted by
- 32 the authorized organizational representative to the centers for medicare
- 33 and medicaid services pursuant to section 71401 of public law 119-21
- 34 shall be reviewed and approved by the council prior to submission.
- 35     (i) On October 1, 2032, the director of accounts and reports shall
- 36 return all unexpended or unobligated moneys in the rural health
- 37 transformation fund to the United States treasury pursuant to section
- 38 71401 of public law 119-21. On the date that all moneys in the rural health
- 39 transformation fund have been returned to the United States treasury or
- 40 expended, all liabilities of the rural health transformation fund are hereby
- 41 transferred to and imposed on the state general fund and the rural health
- 42 transformation fund is hereby abolished.
- 43     (j) All actions by the state finance council pursuant to this section are

1 hereby characterized as a matter of legislative delegation and subject to the  
2 guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto,  
3 except that such actions also may occur while the legislature is in session.

4 (k) As used in this section, "authorized organizational representative"  
5 is the person designated with the authority to act on behalf of the state of  
6 Kansas to apply for rural health transformation moneys from the centers  
7 for medicare and medicaid services and handle grants and cooperative  
8 agreements pursuant to section 71401 of public law 119-21.

9 Sec. 2.

#### 10 STATE FINANCE COUNCIL

11 (a) There is appropriated for the above agency from the following  
12 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
13 moneys now or hereafter lawfully credited to and available in such fund or  
14 funds, except that expenditures shall not exceed the following:

15 Rural health transformation fund.....No limit  
16 *Provided*, That during the fiscal year ending June 30, 2026, all  
17 expenditures made from and obligations incurred against the rural health  
18 transformation fund shall be subject to the provisions of section 1, and  
19 amendments thereto.

20 Sec. 3. On the effective date of this act, during the fiscal year ending  
21 June 30, 2026, the provisions of section 214 of chapter 117 of the 2025  
22 Session Laws of Kansas shall not apply to the rural health transformation  
23 fund of the state finance council.

24 Sec. 4.

#### 25 DEPARTMENT OF COMMERCE

26 (a) There is appropriated for the above agency from the following  
27 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
28 moneys now or hereafter lawfully credited to and available in such fund or  
29 funds, except that expenditures shall not exceed the following:

30 Rural health transformation fund.....No limit

31 Sec. 5.

#### 32 DEPARTMENT OF HEALTH AND ENVIRONMENT —

##### 33 DIVISION OF PUBLIC HEALTH

34 (a) There is appropriated for the above agency from the following  
35 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
36 moneys now or hereafter lawfully credited to and available in such fund or  
37 funds, except that expenditures shall not exceed the following:

38 Rural health transformation fund.....No limit

39 Sec. 6.

#### 40 KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

41 (a) There is appropriated for the above agency from the following  
42 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
43 moneys now or hereafter lawfully credited to and available in such fund or

1 funds, except that expenditures shall not exceed the following:  
2 Rural health transformation fund.....No limit

3 Sec. 7.

4 **KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES**

5 (a) There is appropriated for the above agency from the following  
6 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
7 moneys now or hereafter lawfully credited to and available in such fund or  
8 funds, except that expenditures shall not exceed the following:

9 Rural health transformation fund.....No limit  
10 Sec. 8.

11 **STATE DEPARTMENT OF EDUCATION**

12 (a) There is appropriated for the above agency from the following  
13 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
14 moneys now or hereafter lawfully credited to and available in such fund or  
15 funds, except that expenditures shall not exceed the following:

16 Rural health transformation fund.....No limit  
17 Sec. 9.

18 **DEPARTMENT OF CORRECTIONS**

19 (a) There is appropriated for the above agency from the following  
20 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
21 moneys now or hereafter lawfully credited to and available in such fund or  
22 funds, except that expenditures shall not exceed the following:

23 Rural health transformation fund.....No limit  
24 Sec. 10.

25 **DEPARTMENT OF TRANSPORTATION**

26 (a) There is appropriated for the above agency from the following  
27 special revenue fund or funds for the fiscal year ending June 30, 2026, all  
28 moneys now or hereafter lawfully credited to and available in such fund or  
29 funds, except that expenditures shall not exceed the following:

30 Rural health transformation fund.....No limit  
31 Sec. 11.

32 **STATE FINANCE COUNCIL**

33 (a) There is appropriated for the above agency from the following  
34 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
35 moneys now or hereafter lawfully credited to and available in such fund or  
36 funds, except that expenditures shall not exceed the following:

37 Rural health transformation fund.....No limit

38 *Provided*, That during the fiscal year ending June 30, 2027, all  
39 expenditures made from and obligations incurred against the rural health  
40 transformation fund shall be subject to the provisions of section 1, and  
41 amendments thereto.

42 Sec. 12.

43 **DEPARTMENT OF COMMERCE**

1       (a) There is appropriated for the above agency from the following  
2 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
3 moneys now or hereafter lawfully credited to and available in such fund or  
4 funds, except that expenditures shall not exceed the following:

5       Rural health transformation fund.....No limit

6       Sec. 13.

7                   DEPARTMENT OF HEALTH AND ENVIRONMENT —

8                    DIVISION OF PUBLIC HEALTH

9       (a) There is appropriated for the above agency from the following  
10 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
11 moneys now or hereafter lawfully credited to and available in such fund or  
12 funds, except that expenditures shall not exceed the following:

13       Rural health transformation fund.....No limit

14       Sec. 14.

15                   KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

16       (a) There is appropriated for the above agency from the following  
17 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
18 moneys now or hereafter lawfully credited to and available in such fund or  
19 funds, except that expenditures shall not exceed the following:

20       Rural health transformation fund.....No limit

21       Sec. 15.

22                   KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

23       (a) There is appropriated for the above agency from the following  
24 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
25 moneys now or hereafter lawfully credited to and available in such fund or  
26 funds, except that expenditures shall not exceed the following:

27       Rural health transformation fund.....No limit

28       Sec. 16.

29                   STATE DEPARTMENT OF EDUCATION

30       (a) There is appropriated for the above agency from the following  
31 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
32 moneys now or hereafter lawfully credited to and available in such fund or  
33 funds, except that expenditures shall not exceed the following:

34       Rural health transformation fund.....No limit

35       Sec. 17.

36                   DEPARTMENT OF CORRECTIONS

37       (a) There is appropriated for the above agency from the following  
38 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
39 moneys now or hereafter lawfully credited to and available in such fund or  
40 funds, except that expenditures shall not exceed the following:

41       Rural health transformation fund.....No limit

42       Sec. 18.

43                   DEPARTMENT OF TRANSPORTATION

- 1       (a) There is appropriated for the above agency from the following  
2 special revenue fund or funds for the fiscal year ending June 30, 2027, all  
3 moneys now or hereafter lawfully credited to and available in such fund or  
4 funds, except that expenditures shall not exceed the following:  
5       Rural health transformation fund.....No limit  
6       Sec. 19. This act shall take effect and be in force from and after its  
7 publication in the Kansas register.