

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

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

28 (c) All moneys received by the state of Kansas from the centers for
29 medicare and medicaid services pursuant to section 71401 of public law
30 119-21 for the rural health transformation program and any other federal
31 law that appropriates moneys to the state for the rural health
32 transformation program shall be deposited in the state treasury in
33 accordance with the provisions of K.S.A. 75-4215, and amendments
34 thereto, and credited to the rural health transformation fund.

35 (d) On or before the 10th day of each month, the director of accounts
36 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

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

Rural health transformation fund.....No limit

Sec. 13.

DEPARTMENT OF HEALTH AND ENVIRONMENT —
DIVISION OF PUBLIC HEALTH

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

Rural health transformation fund.....No limit

Sec. 14.

KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

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

Rural health transformation fund.....No limit

Sec. 15.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

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

Rural health transformation fund.....No limit

Sec. 16.

STATE DEPARTMENT OF EDUCATION

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

Rural health transformation fund.....No limit

Sec. 17.

DEPARTMENT OF CORRECTIONS

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

Rural health transformation fund.....No limit

Sec. 18.

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.