

**As Amended by House Committee**

*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; **in certain**  
3 **specified circumstances; providing** temporary reallocations;  
4 establishing conditions and limitations therefor.

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

7 Section 1. **During any regular session of the legislature, if the**  
8 **legislature passes an appropriation bill providing for appropriations**  
9 **for the ensuing fiscal year or years for state agencies, the governor**  
10 **vetoed such appropriation bill in its entirety and the legislature fails to**  
11 **override such veto, then the provisions of this section shall take effect**  
12 **for the ensuing fiscal year.**

13 (a) Except as provided further, if the legislature does not amend, lapse  
14 or eliminate any existing appropriation in the current fiscal year on or  
15 before July 1 of any year, on July 1, such existing appropriations provided  
16 for the previous fiscal year shall be in effect in the new fiscal year and all  
17 subsequent fiscal years until amended, lapsed or eliminated by the  
18 legislature. If the biennial budget for state agencies listed in K.S.A. 75-  
19 3717(f), and amendments thereto, has not been enacted on or before June  
20 30 of any year, the department of administration may, for accounting  
21 purposes, adjust its appropriation account structure, beginning on July 1 of  
22 such year, to reflect the appropriation account structure in the biennial  
23 state agencies budget.

24 (b) All appropriations to any state agency, expenditures from which,  
25 by law, may be made only with the approval of the governor, state finance  
26 council, secretary of administration or other entity, shall be construed to be  
27 conditional appropriations, which shall become available only as  
28 contemplated expenditures therefrom are approved by the governor, state  
29 finance council, secretary of administration or other entity as required by  
30 law.

31 (c) Whenever a continuing appropriation from any account or fund  
32 has accomplished its purpose or is no longer deemed necessary for such  
33 purpose, the secretary of administration is authorized to lapse such  
34 appropriation balance or decrease the expenditure limitation, in whole or  
35 in part, to the account or fund from which it was appropriated upon  
36 consultation with the head of the state agency concerned. Prior to taking

1 any action under this subsection, the secretary of administration shall  
2 consult with the director of the budget and the director of legislative  
3 research. The provisions of this subsection shall not apply to any  
4 continuing appropriation of the legislative branch or the judicial branch.

5 (d) All continuing appropriations are subject to the specific provision  
6 that, when and if the federal government funding of any portion of a  
7 program is reduced or terminated, state participation in the program may  
8 be reduced by the secretary of administration, in the same proportion as  
9 such federal reduction, and such state reduction shall be implemented by  
10 the responsible state agency. Prior to taking any action under this  
11 subsection, the secretary of administration shall consult with the director  
12 of the budget and the director of legislative research. Notwithstanding any  
13 other provision of law, local units of government are hereby authorized to  
14 make similar proportional reductions in such local unit's support of such  
15 programs.

16 (e) If any continuing appropriation that is made to match or secure  
17 federal funds is in excess of the amount required to match or secure federal  
18 funds, the state agency that is responsible for the administration of such  
19 funds shall promptly notify the director of the budget, who shall promptly  
20 notify the governor and the state finance council. Such funds shall not be  
21 expended unless first approved by the state finance council. Such state  
22 finance council action on this matter is hereby characterized as a matter of  
23 legislative delegation and subject to the guidelines prescribed in K.S.A.  
24 75-3711c(c), and amendments thereto, except that such authorization also  
25 may be given while the legislature is in session.

26 (f) (1) Except as provided in paragraph (2), all continuing  
27 appropriations, accounts and special revenue fund balances within the state  
28 general fund or any special revenue fund may be made temporarily  
29 available for the purpose of allowing encumbrances or financing  
30 expenditures of other state general fund or any special revenue fund  
31 activities whenever there are insufficient moneys in the funds or accounts  
32 from which the activities are financed if there are accounts receivable  
33 balances or moneys anticipated to be received that will be sufficient to  
34 repay the fund or account from which moneys are transferred. The  
35 secretary of administration, in consultation with the appropriate state  
36 agency head, director of the budget and director of legislative research,  
37 shall determine the composition and allowability of the accounts  
38 receivable balances and anticipated moneys to be received for this purpose  
39 and, following approval by the state finance council, shall specifically  
40 approve the use of surplus moneys from the state general fund or any  
41 special revenue fund. Such funds shall not be expended unless first  
42 approved by the state finance council. Such state finance council action on  
43 this matter is hereby characterized as a matter of legislative delegation and

1 subject to the guidelines prescribed in K.S.A. 75-3711c(c), and  
2 amendments thereto, except that such authorization also may be given  
3 while the legislature is in session. The secretary of administration shall  
4 reallocate available moneys from the budget stabilization fund, established  
5 in K.S.A. 75-6706, and amendments thereto, prior to reallocating moneys  
6 from any other account or fund.

7 (2) (A) The secretary of administration shall limit the total amount of  
8 any temporary reallocations to an account or fund other than the state  
9 general fund to \$400,000,000.

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

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

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

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

28 (3) If a continuing appropriation to an account within the state  
29 general fund or a special revenue fund is transferred from an account or  
30 fund that by law is an interest-bearing account or fund, then on or before  
31 the 10<sup>th</sup> day of each month during any fiscal year of such continuing  
32 appropriation, the director of accounts and reports shall transfer from the  
33 state general fund to such interest-bearing account or fund interest  
34 earnings based on: (A) The average daily balance of such interest-bearing  
35 account or fund for the preceding month; and (B) the net earnings rate for  
36 the pooled money investment portfolio for the preceding month.

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

41 (5) If the secretary of administration exercises or proposes to exercise  
42 the authority granted in this subsection, the secretary shall publish and  
43 transmit a report to the members of the house committee on appropriations

1 and the senate committee on ways and means on a monthly basis  
2 specifying the date, amount, source and use of any outstanding temporary  
3 reallocation or proposed reallocation of moneys for the period covered by  
4 the report.

5 (g) **As used in this section, "continuing appropriation" means the**  
6 **appropriation provided for in the previous fiscal year.**

7 (h) If any provision or clause of this section or application thereof to  
8 any person or circumstance is held invalid, such invalidity shall not affect  
9 other provisions or applications of this section that can be given effect  
10 without the invalid provision or application, and to the end the provisions  
11 of this section are declared to be severable.

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