

SENATE BILL No. 14

AN ACT concerning the state budget; providing for a continuous budget until amended, lapsed or eliminated by the legislature; providing temporary reallocations; establishing conditions and limitations therefor; repealing section 1 of 2025 Senate Bill No. 14.

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

Section 1. (a) 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 listed in K.S.A. 75-3717(f), and amendments thereto, 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, beginning on July 1 of such year, to reflect the appropriation account structure in the biennial state agencies budget.

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

(c) 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. 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. The provisions of this subsection shall not apply to any continuing appropriation of the legislative branch or the judicial branch.

(d) 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. Notwithstanding any other provision of law, local units of government are hereby authorized to make similar proportional reductions in such local unit's support of such programs.

(e) 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 state finance council. Such funds shall not be expended unless first approved by the state finance council. Such state finance council action on this matter is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto, except that such authorization also may be given while the legislature is in session.

(f) (1) Except as provided in paragraph (2), 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 financing expenditures of other state general fund or any special revenue fund activities whenever there are insufficient moneys in the funds or accounts from which the activities are financed 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. 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 state finance council, shall specifically approve the use of surplus moneys from the state general fund or any special revenue fund. Such funds shall not be expended unless first approved by the state finance council. Such state finance council action on this matter is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto, except that such authorization also may be given while the legislature is in session. The secretary of administration shall reallocate available moneys from the budget stabilization fund, established in K.S.A. 75-6706, and amendments thereto, prior to reallocating moneys from any other account or fund.

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

(B) 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.

(C) In addition to the amount permitted for temporary reallocations in subparagraph (B), the secretary may permit an additional 3% 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, to be used for temporary reallocations to the state general fund but only if the reallocation is for a period not to exceed 30 days. Reallocations may not be made under this subparagraph for consecutive periods.

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

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

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

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

(5) If the secretary of administration exercises or proposes to

exercise the authority granted in this subsection, 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.

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

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

Sec. 2. On July 1, 2030, section 1 of 2025 Senate Bill No. 14 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.

I hereby certify that the above BILL originated in the
SENATE, and passed that body

SENATE adopted
Conference Committee Report _____

President of the Senate.

Secretary of the Senate.

Passed the HOUSE
as amended _____

HOUSE adopted
Conference Committee Report _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.