

February 7, 2024

The Honorable Rick Billinger, Chairperson  
Senate Committee on Ways and Means  
Statehouse, Room 548-S  
Topeka, KS 66612

Dear Senator Billinger and Members of the Committee:

SUBJECT: Proponent Testimony on SB 382

Thank you for allowing me the opportunity to provide proponent testimony on SB 382. The primary purpose of this bill is to appropriate state general fund (SGF) in fiscal year 2024 to agencies that did not receive a sufficient amount of SGF to cover the expenses from the statewide pay adjustment approved during the 2023 legislative session. For agencies that are fee funded and have expenditure limitations, this bill will also increase the expenditure limitation to allow them to set the appropriate level of funding to effectuate the pay plan in fiscal year 2025.

The Division of the Budget stands in full support of the sections of this bill that provide adequate funding and expenditure authority to the agencies to meet their obligations that have been previously approved. Moving this bill forward will meet the commitment made by the State Finance Council (SFC) during their meeting on June 7, 2023, where the SFC acknowledged the shortfall, and committed to moving a bill forward early in the 2024 session.

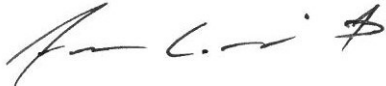
Section 18 of this bill would reallocate the remaining funds in the legislature employment security fund to fund the university of Kansas and Wichita state university health collaboration fund. The money in this section was initially appropriated with the 2023 Mega bill, but was subsequently lapsed due to a technicality contained in the 2023 Omnibus bill. The Division of the Budget would support the provisions of this section.

I would note that both the Division of the Budget, as well as the Governor's Office, have concerns with the language in sections 23 through 27 of this bill. These sections appear to redefine the allowability of the SGF that was set aside as matching dollars for local projects that are approved by the Build Kansas matching grant fund. The language in these sections would allow SGF to be used for projects that are not approved by the federal government, are not recommended by the

advisory committee, and do not receive local match. This runs counter to how the program was developed during deliberations in the 2023 legislative session.

I appreciate this committee's willingness to have a hearing on this important piece of legislation, and I look forward to the opportunity to partner with the legislature on the bill as it moves forward. I would be happy to answer any questions that the committee might have.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt". The signature is fluid and cursive, with a distinct flourish at the end.

Adam Proffitt  
Director of the Budget