SESSION OF 2025

CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 14

As Agreed to March 13, 2025

Brief*

SB 14 would establish a system of continuing appropriation by which existing appropriations would carry forward into the subsequent fiscal year unless the Legislature adjusts them.

The Secretary of Administration (Secretary), in consultation with the Director of the Budget and the Director of Legislative Research, would have the authority to lapse Executive Branch continuing appropriations where they are determined to be unnecessary. Continuing appropriations would be defined as appropriations provided for in the previous fiscal year. The Secretary would also have the authority to adjust continuing appropriations that match federal funding and reduce them to match reductions in federal funding. State agencies would be charged with notifying the Director of the Budget, who would notify the Governor and State Finance Council, when an excess of state funds to draw a federal match is identified.

The Secretary, in consultation with the Director of the Budget and the Director of Legislative Research, would have the authority to make temporary allocations (borrow) between appropriated funds and special revenue funds when the balance of a fund is determined to be insufficient to meet its obligations. Such borrowing would require approval of the State Finance Council. Non-State General Fund (SGF) borrowing would be limited to no more than $400.0 million. The SGF borrowing would be limited to 9.0 percent of total SGF expenditures in that fiscal year. If that amount is insufficient, the Secretary would have the authority to borrow up to an additional 3.0 percent for up to 30 days. If the Secretary of Administration determines that borrowing between funds and accounts is warranted, the first fund to be considered as a source of funds would be the Budget Stabilization Fund. Funds that are borrowed would be reimbursed for any lost interest revenue in the event that statutes specify the funds retain such revenue.

The Secretary of Administration would report any borrowing of funds to the House Committee on Appropriations and the Senate Committee on Ways and Means on a monthly basis, with the details of such borrowing.

The bill would be in effect upon publication in the *Kansas Register* and would sunset as of July 1, 2030.

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*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at https://klrd.gov/

Conference Committee Action

The Conference Committee agreed to the contents of SB 14 as passed by the House with the following modifications:

- Remove provisions stating the bill would take effect only when an appropriations bill for state agencies for the ensuing fiscal year is vetoed and that veto is sustained;
- Remove the suspension of compensation for legislators and the Governor if the provisions of the bill take effect, until an appropriations bill for the ensuing fiscal year is passed and signed into law; and
- Added language to repeal the provisions of this bill as of July 1, 2030.

Background

The bill was introduced by the Senate Committee on Ways and Means at the request of Senator Billinger.

Senate Committee on Ways and Means

In the Senate Committee hearing on January 28, 2025, **proponent** testimony was provided by a representative of Americans for Prosperity Kansas. The proponent stated the bill would limit budget growth and strengthen the position of the Legislature on the budget.

Written-only **opponent** testimony was provided by a representative of the Disability Rights Center. The opponent stated that the bill would potentially harm disabled persons by limiting funding for social services programs for disabled people. The representative also stated the bill was unconstitutional as a violation of Article 2 Section 24 of the *Kansas Constitution*, which requires specific appropriations.

No other testimony was provided.

House Committee on Appropriations

In the House Committee hearing on March 5, 2025, **proponent** testimony was provided by Senator Masterson, who stated the bill would prevent a government shutdown by creating a safety mechanism to ensure government activities, such as state agency operations and planned transfers, can occur if an appropriations bill is not passed.

Opponent testimony was provided by a representative of the Kansas Association of School Boards. The opponent stated the bill could jeopardize predictable and adequate funding for public schools.

No other testimony was provided.

The House Committee amended the bill to state that the provisions of the bill would take effect only when an appropriations bill for state agencies for the ensuing fiscal year is vetoed and that veto is sustained, and to define “continuing appropriation.” [*Note:* The Conference Committee did not retain this amendment.]

House Committee of the Whole

The House Committee of the Whole amended the bill to suspend compensation for legislators and the Governor if the provisions of the bill take effect, until an appropriations bill for the ensuing fiscal year is passed and signed into law. [*Note:* The Conference Committee did not retain this amendment.]

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Department of Administration indicates enactment of the bill would not have a fiscal effect on agency operations. However, the Division of the Budget notes that enactment of the bill could jeopardize certain financial obligations, such as debt service and human services caseloads, if prior fiscal year appropriation levels are used to fulfill future obligations.

In addition, prior fiscal year appropriations may not account for changes in revenue forecasting that would require adjustments to SGF appropriation levels to remain solvent or to remain compliant with state law. Budget Cost Indices rates would also not be included in prior fiscal year appropriations levels that could require agencies to reallocate funding for other purposes to cover potential increases in operating costs, such as Kansas Public Employees Retirement System Employer rates, workers’ compensation assessments, and office space rental, among others.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor’s Budget Report*.

Budget; appropriations

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