

SENATE BILL No. 181

By Committee on Ways and Means

2-4

1 AN ACT concerning state finances; limiting the annual amount of
2 expenditures and transfers from the state general fund; requiring
3 certification by the state treasurer; providing for additional
4 requirements on the governor's and legislature's budget plans and
5 legislative measures; amending K.S.A. 75-3721 and repealing the
6 existing section.
7

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

9 New Section 1. (a) Commencing with fiscal year 2027, except as
10 provided further, the maximum amount of expenditures and transfers from
11 the state general fund that may be authorized by an act of the legislature
12 during the 2026 regular session of the legislature, and each regular session
13 of the legislature thereafter, shall not exceed an amount equal to the total
14 amount of moneys authorized to be expended or transferred from the state
15 general fund during the immediately preceding fiscal year multiplied by an
16 amount equal to the consumer price index for all urban consumers in the
17 midwest region as published by the bureau of labor statistics of the United
18 States department of labor during the immediately preceding fiscal year
19 plus any percentage change in population in the preceding fiscal year as
20 established in K.S.A. 11-201, and amendments thereto.

21 (b) Such product shall be the maximum amount of expenditures and
22 transfers from the state general fund that may be authorized for such fiscal
23 year by an act of the legislature during the regular session of the
24 legislature. Annually, on or before September 1, the maximum amount for
25 the ensuing fiscal year shall be certified by the state treasurer in
26 consultation with the director of the budget and the director of legislative
27 research.

28 (c) If the multiplier established in subsection (b) is a negative
29 number, the total amount of moneys authorized to be expended or
30 transferred from the state general fund for the ensuing fiscal year shall not
31 exceed the total amount authorized in the immediately preceding fiscal
32 year.

33 (d) Commencing with fiscal year 2027, if the legislature or any
34 committee thereof, submits a draft of a legislative measure or measures
35 reflecting the legislature's budget for the ensuing fiscal year, such measure
36 or measures shall not exceed the maximum amount of expenditures and

1 transfers from the state general fund certified by the state treasurer
2 pursuant to subsection (b).

3 (e) As used in this section, "transfer" shall include any demand
4 transfer, revenue transfer or any other transfer from the state general fund
5 to a state general fund account or any special revenue fund authorized by
6 law.

7 Sec. 2. K.S.A. 75-3721 is hereby amended to read as follows: 75-
8 3721. (a) On or before the eighth calendar day of each regular legislative
9 session, the governor shall submit the budget report to the legislature,
10 except that in the case of the regular legislative session immediately
11 following the election of a governor who was elected to the office of
12 governor for the first time, that governor shall submit the budget report to
13 the legislature on or before the 21st calendar day of that regular legislative
14 session.

15 (b) *Subject to the provisions of subsection (i)*, the budget report of the
16 governor shall be set up in three parts, the nature and contents of which
17 shall include the following:

18 (1) Part one shall consist of a budget message by such governor,
19 including the governor's recommendations with reference to the fiscal
20 policy of the state government for the current fiscal year and the ensuing
21 fiscal year, describing the important features of the budget plan for each of
22 the fiscal years included, embracing a general budget summary setting
23 forth the aggregate figures of the budget so as to show the balanced
24 relation between the total proposed expenditures and the total anticipated
25 income for the current fiscal year and the ensuing fiscal year, with the
26 basis and factors upon which the estimates were made, and the means of
27 financing the budget plan for each of the fiscal years included, compared
28 with the corresponding figures for at least the last completed fiscal year,
29 and the director of the budget shall prepare the figures for the governor for
30 such comparisons.

31 (A) The budget plan shall not include: (i) Any proposed expenditures
32 of anticipated income attributable to proposed legislation that would
33 provide additional revenues from either current or new sources of revenue;
34 or (ii) any proposed expenditures of moneys in the ending balance in the
35 state general fund required by K.S.A. 75-6702, and amendments thereto.

36 (B) The general budget summary may be supported by explanatory
37 schedules or statements, classifying the expenditures contained therein by
38 state agencies, objects; and funds, and the income by state agencies, funds,
39 sources and types. The general budget summary shall include all special or
40 fee funds as well as the state general fund; and shall include the estimated
41 amounts of federal aids, for whatever purpose provided, together with
42 estimated expenditures therefrom.

43 (2) Part two shall embrace the detailed budget estimates for each of

1 the fiscal years included, both of expenditures and revenues, showing the
2 requests of the state agencies, if any, and the governor's recommendations
3 thereon, which shall include amounts for payments by the state board of
4 regents pursuant to K.S.A. 75-4364, and amendments thereto.—~~H~~ *Such*
5 *budget estimates* shall also include statements of the bonded indebtedness
6 of the state, showing the actual amount of the debt service for at least the
7 last completed fiscal year, and the estimated amount for the current fiscal
8 year and for each of the ensuing fiscal years included, the debt authorized
9 and unissued, and the condition of the sinking funds.

10 (3) Part three shall consist of a draft of a legislative measure or
11 measures reflecting the governor's budget for all of the fiscal years
12 included in the budget report.

13 (c) The division of the budget shall compile a children's budget
14 document consisting of the information contained in agency budget
15 estimates regarding programs that provide services for children and their
16 families. Such document shall be provided to the Kansas children's cabinet
17 established by K.S.A. 38-1901, and amendments thereto, and other
18 persons or entities on request.

19 (d) The division of the budget, upon request, shall furnish the
20 governor or the legislature with any further information required
21 concerning the budget.

22 (e) Nothing in this section shall be construed to restrict or limit the
23 privilege of the governor to present supplemental budget messages or
24 amendments to previous budget messages, which may include proposals
25 for expenditure of new or increased sources of revenue derived from
26 proposed legislation.

27 (f) The budget estimate for the judicial branch of state government as
28 submitted to the director of the budget pursuant to K.S.A. 20-158, and
29 amendments thereto, shall be included in the governor's budget report.

30 (g) The division of the budget shall compile a Kansas homeland
31 security budget document consisting of the information contained in
32 agency budget estimates under K.S.A. 75-3717(a)(3), and amendments
33 thereto. Such document shall be provided to the house of representatives
34 committee on appropriations, the senate committee on ways and means
35 and such other committees upon request.

36 (h) Commencing with fiscal year 2018, the ending balance in the state
37 general fund in any fiscal year shall include the unexpended and
38 unencumbered balances in the:

39 (1) State general fund; and

40 (2) budget stabilization fund, established in K.S.A. 75-6706, and
41 amendments thereto.

42 (i) *Commencing with the 2026 regular session of the legislature and*
43 *each regular session of the legislature thereafter, the governor shall*

1 *submit a detailed budget plan and any legislative measure or measures for*
2 *the ensuing fiscal year that does not exceed the maximum amount of*
3 *expenditures and transfers from the state general fund certified by the*
4 *state treasurer pursuant to section 1(b), and amendments thereto.*

5 Sec. 3. K.S.A. 75-3721 is hereby repealed.

6 Sec. 4. This act shall take effect and be in force from and after its
7 publication in the statute book.