SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 14

As Recommended by Senate Committee on Ways and Means

Brief*

SB 14 would establish a system of continuing appropriation where 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. The Secretary would also be able 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 be able to 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

---

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at https://klrd.gov/

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 the funds have the authority to 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.

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, **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.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Department of Administration indicates enactment of the bill would not have a fiscal effect on the operations of the agency. 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 KPERS Employer rates, workers compensation assessments, office space rental, among others.

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

Budget; appropriations