

SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 181

As Recommended by Senate Committee on
Ways and Means

Brief*

SB 181 would limit the annual growth of expenditures and transfers from the State General Fund (SGF) that may be approved by the Kansas Legislature to the previous year's SGF spending as adjusted for the Consumer Price Index (CPI) Midwest and Kansas population growth, starting in FY 2027. The Governor's recommendation would also be subject to the same limitation.

The limitation on expenditures and transfers from the SGF would be certified by the State Treasurer annually on or before September 1 in consultation with the Director of the Budget and the Director of Legislative Research. In the event that the combination of population change and CPI is negative, the budget for the following fiscal year would be the same as the immediately preceding fiscal year.

SGF transfers would include any demand transfer, revenue transfer, or any other transfer that would have the effect of changing the SGF balance.

The Governor, commencing with the 2026 Regular Session recommendation for FY 2027, would be required to submit a detailed budget proposal that incorporates any legislative measures that would not exceed the limit set by the State Treasurer for the Legislature.

*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/>

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, written-only **proponent** testimony was provided by a representative of Americans for Prosperity. The proponent indicated the bill would protect Kansas families and businesses from tax increases, stabilize the budget, and encourage economic growth.

Opponent testimony was provided by a representative of the Kansas Association of School Boards. The representative stated that the bill would make it difficult to fund K-12 education, specifically that the bill would freeze special education funding at its current level.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, enactment of the bill would prevent the Governor from proposing early debt retirement; making transfers to the budget stabilization fund; and responding to natural disasters, pandemics, or terrorist threats. The Division of the Budget, the Kansas Legislative Research Department, and the State Treasurer indicate enactment of the bill would have no direct effect on their operations.

Budget;limit