

January 12, 2016

The Honorable Ron Ryckman, Jr., Chairperson
House Committee on Appropriations
Statehouse, Room 111-N
Topeka, Kansas 66612

Dear Representative Ryckman:

SUBJECT: Fiscal Note for HB 2437 by Representative Claeys

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2437 is respectfully submitted to your committee.

HB 2437 would require legislative approval before any state agency, state agent, or state employee could enter into any cost-sharing or grant agreement that obligates the state of Kansas to explicit or implied maintenance of effort requirements. The act would take effect upon publication in the statute book.

The 2015 Legislature approved FY 2016 and FY 2017 budgets for all state agencies. The approved budgets for many agencies contain federal grant funding, some of which have maintenance of effort requirements. The Division of Budget would assume that since the Legislature approved budgets for both years, the bill would not apply to those expenditures, but would require legislative approval for any new cost-sharing or grant agreements for FY 2017 and subsequent years. *The FY 2017 Governor's Budget Report* includes a statewide estimate of expenditures from all funding sources of \$16.1 billion. Of that amount, the federal funds amount is estimated to be 17.4 percent, or \$2.8 billion. The Division of the Budget is unable to estimate the amount of new federal cost-sharing or grant agreements that agencies would request that exceed the FY 2017 approved budget, or estimate what those requests would be in subsequent

The Honorable Ron Ryckman, Jr., Chairperson
January 12, 2016
Page 2—HB 2437

years. Any fiscal effect associated with HB 2437 is not reflected in *The FY 2017 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Aaron Dunkel, Health & Environment
Jackie Aubert, Children & Families
Ben Cleeves, Transportation
Dawn Palmberg, Department of Labor
Barb Turner, State Library
Jack Smith, Department of Revenue
Kelly Oliver, Board of Regents
Adam Pfannenstiel, Corrections
Pam Rodreguez, Veterans Affairs
Willie Prescott, Attorney General's Office
Cheri Froetschner, Adjutant General's Office
Kim Torrey, Highway Patrol
Shelia Sawyer-Tyler, KBI
Amy Gilbert, KCC
Justin Law, Agriculture
Dale Dennis, Education