

## **State Budget—Omnibus Appropriations; HB 2551**

**HB 2551** contains selected expenditure and funding adjustments in FY 2024 through FY 2027. The bill supplements appropriations included in SB 28 (appropriations for state agencies other than the Kansas State Department of Education), House Sub. for SB 387 (appropriations for the Kansas State Department of Education), and SB 438 (relating to the Kansas Blueprint for Literacy). Line items that were vetoed by the Governor and overridden are included below.

### ***FY 2024***

The bill adjusts total state expenditures to \$25.4 billion, including \$10.0 billion from the State General Fund (SGF), in FY 2024. This is an all funds increase of \$1.1 billion, or 4.5 percent, and a SGF increase of \$1.2 billion, or 14.2 percent, above FY 2023 actual expenditures. Furthermore, this represents an all funds decrease of \$445.4 million, or 1.7 percent, and a SGF decrease of \$440.1 million, or 4.2 percent, below the Governor's recommendation in FY 2024. Major additions include the following:

- \$30.2 million, including \$19.6 million SGF, to adjust the Spring 2024 Human Services Consensus Caseloads for a total of \$5.0 billion, including \$1.5 billion SGF in FY 2024;
- \$5.0 million SGF for child and adult behavioral health beds;
- \$4.0 million SGF to reduce shrinkage and increase operating expenditures at the Department of Corrections; and
- \$2.5 million SGF for Mirror, Inc., to create a regional inpatient juvenile substance use treatment center in south central Kansas.

### ***FY 2025***

The bill adjusts total state expenditures to \$25.4 billion, including \$10.6 billion SGF, for FY 2025. This is an all funds increase of \$52.8 million, or 0.2 percent, and a SGF increase of \$622.4 million, or 6.2 percent, above FY 2024 recommended expenditures. Furthermore, this represents a decrease of \$825.1 million, or 3.1 percent, and a SGF decrease of \$200.6 million, or 1.9 percent, below the Governor's recommendation for FY 2025. Major additions, by function of government, include the following:

- **Agriculture and Natural Resources**
  - \$6.0 million SGF for small town infrastructure drinking and wastewater projects for towns with a population under 1,000; and
  - Language to disburse moneys from the Division of Conservation, Kansas Department of Agriculture to conservation districts that have submitted the amount of money allocated by county commissioners for such districts

at a rate of \$2 to \$1 state moneys to county moneys with a maximum distribution of \$50,000 per conservation district.

- **General Government**

- \$5.0 million SGF for the Eisenhower Library Educational Facility and language requiring a \$2-to-\$1 match;
- \$3.0 million SGF for domestic violence prevention grants;
- \$904,442 SGF and 8.5 FTE positions in the Office of the Attorney General for Medicaid Inspection and to enforce new laws regarding organized retail crime, age verification of websites harmful to minors, and commercial financing disclosures;
- Language to delay enforcement of the Kansas Consumer Protection Act against drug manufacturers participating in the 340B drug rebate program until the U.S. Supreme Court issues an opinion on related litigation;
- Language requesting the State Employee Health Benefits Plan to provide a study on the affordability of employee cost-sharing related to diagnostic and supplementary breast cancer mammograms;
- Language to distribute revenue above \$71.5 million from the State Gaming Revenue Fund to the Attracting Professional Sports to Kansas Fund. The bill also contains this language for FY 2026; and
- Language to amend the Build Kansas Matching Grant program to allow a community to request funding for water, transportation, energy, cybersecurity, or broadband infrastructure projects that are also eligible for federal funding requiring a match. The bill also contains this language for FY 2026 and FY 2027.

- **Highways and Other Transportation**

- \$5.0 million, all from the State Highway Fund, for the Kansas Air Service Development Incentive initiative to make grants to commercial airports for new air routes for FY 2025; and
- \$31,440, all from the State Highway Fund, to manufacture and install memorial highway and bridge designation signs for FY 2025.

- **Human Services**

- \$121.7 million, including \$79.0 million SGF, to adjust the Spring 2024 Human Services Consensus Caseload Estimate for a total of \$5.4 billion, including \$1.6 billion SGF, for FY 2025;
- \$26.5 million SGF to construct the Sedgwick County regional psychiatric hospital with a footprint that would allow for expansion to 104 beds;

- \$25.4 million SGF to restore funding for contract nursing staff at the state mental health hospitals;
  - \$4.8 million, including \$1.9 million SGF, to extend Medicaid coverage for dental exams, x-rays, and cleanings;
  - \$4.5 million SGF and language concerning the operation of the Mental Health Intervention Team program;
  - \$2.5 million SGF for Valley Hope, including language that 10.0 percent of the beds at the Atchison facility be used for Medicaid-eligible individuals; and
  - Language to authorize hiring and recruitment retention bonuses for state employees at the state hospitals and to raise the maximum bonus cap from \$3,500 to \$10,000 per fiscal year.
- **Education**
    - \$12.0 million SGF for the Kansas Law Enforcement Training Center;
    - \$10.0 million SGF for rural family physician residency program expansion grants and language requiring a \$2-to-\$1 match of non-state or private moneys;
    - \$9.0 million SGF for the Emporia State Investment Model;
    - \$4.0 million SGF for the Central Immersive Training Hub at Kansas State University;
    - \$1.6 million, including the deletion of \$11.2 million SGF, to adopt the Spring 2024 Education Consensus Estimate;
    - Language authorizing bonding authority of \$34.0 million, all from special revenue funds, including a 15.0 percent match of raised funds for capital improvement projects for the dairy facility at the Kansas State University Manhattan Campus;
    - Language authorizing bonding authority of up to \$20.0 million, all from special revenue funds, for the construction and equipment of the National Institute for Aviation Research technology and innovation building on the Innovation Campus of Wichita State University; and
    - Language requesting an interim committee to evaluate the market pay for employees at state universities.
  - **Public Safety**
    - \$21.1 million SGF to reduce shrinkage and increase operating expenditures at the Department of Corrections;
    - \$2.0 million SGF to lease and outfit a regional Kansas Bureau of Investigation office on the Innovation Campus at Wichita State University; and

- \$2.0 million, all from the State Highway Fund, for a license plate reader system pilot program;

The bill also includes the following transfers:

- \$10.0 million from the SGF to the State Water Plan Fund (SWPF);
- \$7.5 million from the SWPF to the Water Projects Grant Fund;
- \$2.5 million from the SWPF to the Water Technical Assistance Fund of the Kansas Water Office; and
- \$5.0 million from the SGF to the Attracting Powerful Economic Expansion (APEX) Payroll Incentive Fund.

**STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES**  
**HB 2551 – Profile**  
**(Dollars in Millions)**

	<b>Actual FY 2023</b>	<b>HB 2551 FY 2024</b>	<b>HB 2551 FY 2025</b>
Beginning Balance	\$ 1,834.5	\$ 2,410.4	\$ 2,610.5
Receipts (April 2024 Consensus)	9,303.1	10,183.2	10,403.5
Governor’s Revenue Adjustments	0.0	29.4	(136.1)
Legislative Tax Adjustments*	0.0	(12.2)	(51.6)
Legislative Receipt Adjustments	0.0	(30.0)	73.3
Adjusted Receipts	9,303.1	10,170.4	10,289.1
<b>Total Available</b>	<b>\$ 11,137.6</b>	<b>\$ 12,580.8</b>	<b>\$ 12,899.6</b>
Governor Recommended Expenditures	8,727.2	10,409.9	10,792.8
SB 28 – Mega Bill	0.0	(442.1)	(271.5)
SB 438 – Blueprint for Literacy	0.0	0.0	10.0
SB 387 – Education Bill	0.0	0.0	(68.2)
HB 2551 – Omnibus Bill	0.0	2.5	129.0
<b>Total Expenditures</b>	<b>\$ 8,727.2</b>	<b>\$ 9,970.3</b>	<b>\$ 10,592.2</b>
<b>Ending Balance</b>	<b>\$ 2,410.4</b>	<b>\$ 2,610.5</b>	<b>\$ 2,307.4</b>
Ending Balance as a % of Expenditures	27.6 %	26.2 %	21.7 %
<b>Budget Stabilization Fund Balance</b>	<b>\$ 1,610.3</b>	<b>\$ 1,693.6</b>	<b>\$ 1,773.6</b>

\* Legislative tax adjustments includes HB 2097 film tax incentives, SB 410 employee retention and net operating loss adjustments, and SB 18 higher education deferred maintenance.