

## Appropriations; SB 28

**SB 28** contains supplemental funding in FY 2024, funding for most state agencies for FY 2025, and selected adjustments for FY 2026 through FY 2028. The bill does not include expenditures for K-12 education. [Note: Appropriations for K-12 education are enacted in House Sub. for SB 387.]

### **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 4.4 percent, and a SGF increase of \$1.2 billion, or 14.1 percent, above FY 2023 actual expenditures. Further, this represents an all funds decrease of \$432.2 million, or 1.7 percent, and a SGF decrease of \$442.6 million, or 4.3 percent, below the Governor's recommendation in FY 2024.

Major additions to the FY 2024 budget include the following:

- \$24.7 million SGF to pay off the remaining balance and debt obligation for bonds:
  - \$20.0 million SGF to call and pay off the remaining balance of Series 2016H bonds in FY 2024. These bonds refinanced prior obligations for a variety of capital improvement projects; and
  - \$4.7 million SGF to defease and pay off the remaining balance of Series 2020S bonds, which refinanced prior obligations for the National Bio and Agro-Defense Facility and renovations to the Kansas Statehouse. The bill includes language requiring State Finance Council approval before funds are released;
- \$20.0 million, all from the State Highway Fund, for the Central Dispatch facility and a firing range in FY 2024 with language directing the Kansas Highway Patrol to purchase up to 200 acres in Salina (\$900,000) and construct a Central Dispatch facility (\$11.0 million) and an indoor/outdoor firing range (\$7.5 million) on the purchased land;
- \$15.7 million SGF for a southwest border mission. The bill includes language directing that expenditures be made to respond to a request for assistance from the State of Texas pursuant to the Emergency Management Compact and that the Adjutant General collaborate with the Governor to activate, mobilize, and deploy state resources to prevent drug and human trafficking and other crimes contributing to an emergency;
- \$10.8 million, including \$10.2 million SGF, in FY 2024 and \$1.0 million for FY 2025 to address the pay plan shortfall in 2023 SB 25;

- \$10.0 million SGF for the Career Campus match for the Lansing Correctional Facility;
- \$7.0 million SGF for the centralized electronic credentials verification system required by 2023 SB 66;
- \$6.2 million SGF for one-time expenditures associated with furnishing and moving into the new Kansas Department of Health and Environment laboratory building;
- \$3.4 million SGF for expenditures related to a security incident at the Judicial Branch, including \$1.0 million SGF to provide one year of credit monitoring services to individuals impacted;
- \$2.5 million SGF to supplement federal grant funds for substance use disorder treatment for uninsured individuals;
- \$2.3 million SGF to develop and implement a data management system for Part C early intervention services (Tiny-K) to track referrals, service timelines, evaluations, and billing information; and
- \$1.0 million SGF and language for a constituent relationship management software.

### ***FY 2025***

The bill includes expenditures totaling \$25.1 billion, including \$10.4 billion SGF, for FY 2025. This is an all funds decrease of \$248.4 million, or 1.0 percent, but a SGF increase of \$423.2 million, or 4.3 percent, above FY 2024 recommended expenditures. Further, this represents a decrease of \$962.7 million, or 3.7 percent, and a SGF decrease of \$312.6 million, or 2.9 percent, below the Governor’s recommendation for FY 2025.

### ***Agriculture and Natural Resources Adjustments:***

- \$10.0 million SGF for small town infrastructure assistance grants to support technical assistance and drinking water and sewer system upgrades for towns with populations less than 1,000;
- \$4.0 million, all from federal American Rescue Plan Act (ARPA) funds, to provide small municipalities currently being served by a natural gas gathering field to design, construct, and install natural gas distribution lines that connect to a natural gas service provider; and
- \$3.5 million, all from the federal Highway Planning and Construction Fund, to continue development of the Flint Hills Trail.

### *General Government Adjustments:*

- \$36.0 million SGF to continue the development of maintenance, repair, and overhaul of airplanes at the airports in Salina (\$35.0 million with a \$1-for-\$1 match) and Topeka (\$1.0 million);
- \$10.0 million, all from federal ARPA funds, for the 2026 World Cup games. The bill also includes language requiring the FIFA World Cup Kansas City committee to provide an accounting report of all expenditures with an economic and fiscal impact report;
- \$9.6 million, all from federal ARPA funds, for retail economic development in northwest Kansas;
- \$7.3 million, all from special revenue funds, for housing economic development in northwest Kansas;
- \$7.5 million, all from the Kansas Fights Addiction Fund, for substance use disorder treatment among indigent individuals (\$5.0 million) and for the expansion of Valley Hope, a residential addiction treatment center in Atchison (\$2.5 million); and
- \$5.0 million, all from the State Highway Fund, for the Kansas Air Service Development Incentive program for grants to primary airports for FY 2025. The bill includes language directing the Department of Commerce to form a selection committee to evaluate such applications and limiting a single commercial service airport to be awarded no more than \$1.0 million.

### *Human Services Adjustments:*

- \$122.6 million, including \$45.9 million SGF, to implement the fall human services caseloads estimates;
- \$48.3 million, including \$18.6 million SGF, to increase the average reimbursement rate for agency-directed personal care services on the Frail Elderly (FE) waiver to \$30 per hour;
- \$47.0 million, including \$18.0 million SGF, to continue the Medicaid add-on for nursing facilities at a rate of \$15.40 per Medicaid day;
- \$45.8 million, including \$17.8 million SGF, to add 500 slots each to the Intellectual/Developmental Disability (I/DD) waiver and the Physical Disability (PD) waiver;
- \$30.0 million, including \$12.0 million SGF, to increase physician provider codes by 9.0 percent;

- \$17.0 million, including \$8.5 million SGF, to develop a new system compliant with federal Comprehensive Child Welfare Information System (CCWIS) requirements;
- \$13.5 million SGF to move the Mental Health Intervention Treatment (MHIT) pilot program from the State Department of Education to the Kansas Department for Aging and Disability Services, with language to lapse the funding if other legislation that funds the program becomes law;
- \$6.5 million, including \$1.6 million SGF, for a new employment data contract for Medicaid eligibility;
- \$5.0 million SGF in one-time expenditures to support hospitals in providing adult inpatient behavioral health services in Kansas; and
- \$5.0 million SGF for core funding for the Area Agencies on Aging.

*Higher Education Adjustments:*

- \$75.0 million SGF to construct a new cancer research facility at the University of Kansas Medical Center;
- \$25.0 million SGF for a state match for the Kansas State University Agriculture Innovation Initiative. This project relates to the university's \$208.0 million initiative on global food and agriculture research, teaching, and engagement;
- \$20.0 million SGF for capital renewal;
- \$15.8 million SGF for student success initiatives at community and technical colleges;
- \$15.0 million SGF for the Western Kansas Nursing Initiative at Fort Hays State University;
- \$10.5 million SGF for the Technical Colleges Operating Grant;
- \$9.0 million SGF to the Emporia State University investment model;
- \$8.1 million SGF for Emporia State University Memorial Union debt enhancement request;
- \$5.0 million SGF for community colleges' capital outlay aid for community colleges previously excluded from receiving aid;
- \$5.0 million SGF for the Kansas Comprehensive Grant;

- \$5.0 million SGF for the Kansas State University Kansas Water Institute;
- \$5.0 million SGF for aviation research at Wichita State University;
- \$5.0 million SGF for facility demolition; and
- \$10.0 million SGF for the career campus match for the Lansing Correctional Facility.

*Public Safety Adjustments:*

- \$4.6 million, all from the Kansas Highway Patrol Operating Fund, for a 10.0 percent increase to the Career Progression Plan for sworn officers. This would be financed by a transfer from the State Highway Fund; and
- \$6.9 million SGF and 30.0 FTE positions for the Fight Against Fentanyl effort.

*Other Statewide Adjustments:*

- \$141.0 million, including \$61.0 million SGF, to provide salary adjustments for state employees for FY 2025 based on the Department of Administration Market Survey;
- \$35.7 million SGF and language directing the funds to be distributed to the Regents Institutions after each executive officer certifies that the Institution has eliminated Diversity, Equity, and Inclusion requirements in the application, admissions, hiring, tenure, review, promotion, and training process for any employee or volunteer position for FY 2025. The bill includes language that if HB 2460 or another bill with similar provisions is signed into law, the funds will lapse back to the agencies (HB 2460 was not signed into law); and
- \$14.1 million SGF and language directing the funds to be distributed to the Regents Institutions after each executive officer certifies that the Kansas Comprehensive Grant has been distributed in the same proportions as in FY 2022.