

State Budget—Appropriations; HB 2184

HB 2184 contains FY 2023 supplemental funding, FY 2024 funding for most state agencies, and FY 2025 expenditures for certain state agencies. The bill also contains some FY 2025 appropriations for the Kansas Board of Regents and claims against the State.

K-12 expenditures have been deleted from the bill and added to House Sub. for SB 113 and House Sub. for SB 83.

FY 2023 Approved Budget

The bill includes expenditures of \$17.9 billion, including \$4.8 billion from the State General Fund (SGF) and excluding K-12 education, in FY 2023. This is an all funds decrease of \$6.8 billion, including \$4.4 billion SGF.

Major adjustments include:

- Deleting \$6.8 billion, including \$4.4 billion SGF, and 258.2 full-time equivalent (FTE) positions to remove the Department of Education budget present in HB 2274 and inserting the FY 2023 Department of Education budget into a separate bill, as recommended by the House Committee on K-12 Education Budget;
- Deleting \$53.0 million SGF to not adopt the Governor’s recommendation to pay off water storage debt associated with the Milford and Perry Lake reservoirs in FY 2023 and adding \$52.0 million SGF to a new investment fund for water storage debt payments associated with Milford and Perry reservoirs in FY 2023;
- Deleting \$49.4 million, all federal American Rescue Plan Act (ARPA) funds, from business closure rebates in FY 2023; and
- Making the following revenue adjustments:
 - Deleting the transfer of \$50.0 million from the SGF to the Office of the Governor in FY 2023 for state match for agencies applying for federal grant programs;
 - Deleting the transfer of \$220.0 million SGF to the Office of the Governor for communities to use as state match when accessing federal Bipartisan Infrastructure Law funding. This transfer has been replaced by an annual transfer of \$55.0 million to the Office of the Treasurer for four years starting in FY 2024 for a similar purpose; and
 - Adding language to increase the maximum transfer from lottery vending machines for crisis stabilization services and the Clubhouse model program to \$9.0 million in FY 2023.

FY 2024 Approved Budget

The bill contains expenditures of \$16.8 billion, including \$4.8 billion SGF, for FY 2024. This is an all funds decrease of \$7.3 billion and a SGF decrease of \$4.8 billion below the Governor's FY 2024 recommendation.

Major adjustments include:

- **Department of Education.** Deleting \$6.8 billion, including \$4.7 billion SGF, and 258.2 FTE positions to remove the Department of Education budget from HB 2273 and insert the FY 2024 Department of Education budget into a separate bill, as recommended by the House Committee on K-12 Education Budget:
 - The deletion for FY 2025 totals \$4.0 billion, including \$2.7 billion SGF, to remove the Department of Education budget.
- **Kansas Department of Health and Environment—Health.** Deleting \$645.3 million and adding \$85.1 million SGF:
 - Deleting \$671.4 million, including the addition of \$71.5 million SGF, to remove funding for Medicaid expansion for FY 2024. The all funds deletion includes \$703.4 million from federal funds and \$39.4 million from special revenue funds; and
 - Adding \$7.9 million, including \$3.2 million SGF, to increase emergency medical service rates for FY 2024.
- **Kansas Department for Aging and Disability Services—**Adding \$132.7 million, including \$36.8 million SGF:
 - Adding \$61.6 million, including \$24.6 million SGF, to fund additional payments to nursing facilities based on the number of Medicaid residents served for FY 2024;
 - Adding \$34.4 million, including \$14.0 million SGF, to fully rebase the daily Medicaid rate for nursing facilities for FY 2024;
 - Adding \$13.0 million, including \$5.2 million SGF, to increase the Home and Community Based Services (HCBS) Frail Elderly (FE) waiver reimbursement rates by 10.0 percent for FY 2024;
 - Adding \$7.4 million, including \$3.0 million SGF, to increase the targeted case management reimbursement rate to \$75.00 per hour for FY 2024; and
 - Deleting \$22.0 million SGF and adding \$22.0 million from federal ARPA funds to expand the Ascension Via Christi emergency room for FY 2024. The \$22.0 million ARPA funds will be taken from the ARPA funds appropriated to the Department of Administration by the 2022 Legislature.
- **Department for Children and Families—**Adding \$15.2 million, including \$12.8 million SGF:

- Adding \$6.0 million, including \$5.1 million SGF, for Children’s Alliance of Kansas to fund development of a Foster Care Therapeutic Program for Child Placing Agencies to recruit, train, and retain therapeutic foster homes for FY 2024; and
- Adding \$2.5 million SGF for software as a service for FY 2024.
- **Kansas Highway Patrol**—Adding \$6.9 million in special revenue funds and increasing the transfer from the State Highway Fund to the Aircraft Fund by the same amount, to purchase and equip a new law enforcement helicopter for FY 2024. The bill also requires that, upon delivery of the new helicopter, at least one helicopter must be stationed at the Troop T location in the Wichita area.
- **Wichita State University and University of Kansas**—Adding \$142.0 million federal ARPA funds for the KU and WSU Health Science Center joint project.
- **Kansas Board of Regents**—Adding \$14.3 million SGF for community colleges to expand registered apprenticeships, technical education, businesses, and industry partnership, with distribution based on the FTE student count at each college for FY 2024.
- **Department of Commerce**—Adding \$5.5 million from the Economic Development Initiatives Fund (EDIF):
 - Adding \$3.0 million EDIF for the Sunflower Summer Program for FY 2024. The bill requires the agency to expend funds to recruit and add new venues geographically located across the state to participate in the program and allow a participating venue that does not require an admission price or requests a small donation for admission to be reimbursed \$5.00 for each program ticket used for admission;
 - Adding \$2.5 million federal ARPA funds for upgrades to a public television broadcasting studio in western Kansas for FY 2024;
 - Adding language allowing the approval of a Sales Tax and Revenue (STAR) Bond project for a major amusement park and allowing the project to be eligible for financing by special obligation bonds for FY 2024; and
 - Adding language to increase the bonding authority for a rural development project without the issuance of special obligation bonds up to \$25.0 million.
- **State Treasurer:**
 - Adding \$2.0 million SGF to the Alternatives to Abortion Program account to establish a statewide program to enhance and increase resources that promote childbirth instead of abortion to women facing unplanned pregnancies and to offer a full range of services, including pregnancy support centers, adoption assistance, and maternity homes for FY 2024; and

- Transferring \$50.0 million SGF for FY 2024 and \$55.0 million SGF for FY 2025–2027 to the Build Kansas matching grant fund. The bill adds language that caps technical support at \$5.0 million for FY 2025–FY 2027; allows money to remain in the special revenue fund; requires a means test to be developed and used for those local communities applying for the infrastructure grants; creates the Build Kansas Joint Committee; requires the Build Kansas Joint Committee to approve the projects, subject to the approval of the State Finance Council; requires the State Finance Council to approve any request to exceed the \$55.0 million annual cap; and requires an annual report from each state agency assisting local communities with the process to the Senate Committee on Ways and Means and House Committee on Appropriations on expenditures, expenditure requests, and approved projects.
- **Judicial Branch**—Deleting \$16.3 million SGF for salary adjustments for FY 2024.
- **State Employee Pay**—Deleting \$169.5 million, including \$65.5 million SGF, to not implement a statewide 5.0 percent salary increase among state employees for FY 2024.

The bill also includes the following revenue adjustments:

- Transferring \$50.0 million SGF to the Build Kansas Matching Grant Fund;
- Transferring \$4.2 million SGF to the Special City and County Highway Fund;
- Adding \$100.0 million SGF to the transfer to the Budget Stabilization Fund for a total of \$600.0 million for FY 2024; and
- Increasing the transfer from lottery ticket vending machines to \$9.0 million from \$8.0 million.

STATE GENERAL FUND RECEIPTS, EXPENDITURES, AND BALANCES

HB 2184 – Profile (Dollars in Millions)

	Actual FY 2022	HB 2184 FY 2023	HB 2184 FY 2024
Beginning Balance	\$ 2,094.8	\$ 1,834.5	\$ 1,793.3
Receipts (November 2022 Consensus)	7,935.9	9,701.2	10,124.4
Governor's Revenue Adjustments	0.0	(770.0)	193.4
Legislative Tax Adjustments	0.0	0.0	(256.9)
Legislative Receipt Adjustments	0.0	268.8	(155.2)
Adjusted Receipts	7,935.9	9,200.0	9,905.7
Total Available	\$ 10,030.7	\$ 11,034.5	\$ 11,699.0
Less Expenditures	8,196.2	4,824.0	4,828.2
Education Base Budget	0.0	4,417.2	4,722.6
Ending Balance	\$ 1,834.5	\$ 1,793.3	\$ 2,148.2
Ending Balance as a % of Expenditures	22.4 %	19.4 %	22.5 %

[Note: This profile includes the Governor's recommendation for the Department of Education in FY 2023 and FY 2024, pending legislative adjustments and tax adjustments.]