



Governor Laura Kelly's Budget Recommendation

Fiscal Year 2026

Presented By:

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Agenda

- Budget Priorities
- Total Revenues and Spending
- Education
- Water
- Human Services
- State Employee Pay
- Review and SGF Outlook

Building on Momentum

~Partnering Together to Maintain Budgetary Stability~

- Minimize year-over-year spending increases
- Healthy ending balances – SGF and Stabilization Fund
- Focus on high impact policy areas
 - Education
 - Water
 - Maintaining Waiver Funding
 - Community Support Waiver
 - Medicaid Expansion

Revenue and Spending Changes

Consensus Revenue Estimates – Adjusted for Gov Rec

| | FY 2024 Actual | | FY 2025 Gov. Rec. | | FY 2026 Gov. Rec. | |
|-------------------------------|----------------------|----------------|---------------------|----------------|---------------------|--------------|
| | Amount | % Change | Amount | % Change | Amount | % Change |
| Income Taxes: | | | | | | |
| Individual | \$ 4,503,615 | (0.1) % | \$ 4,300,000 | (4.5) % | \$ 4,500,000 | 4.7 % |
| Corporation | 1,419,201 | (5.7) | 1,350,000 | (4.9) | 1,360,000 | 0.7 |
| Financial Institutions | 46,580 | (18.2) | 44,000 | (5.5) | 45,000 | 2.3 |
| Total | \$ 5,969,396 | (1.6) % | \$ 5,694,000 | (4.6) % | \$ 5,905,000 | 3.7 % |
| Sales & Use Taxes: | | | | | | |
| Retail Sales | \$ 2,678,278 | (3.6) % | \$ 2,575,000 | (3.9) % | \$ 2,550,000 | (1.0) % |
| Compensating Use | 861,205 | 7.2 | 890,000 | 3.3 | 920,000 | 3.4 |
| Total | \$ 3,539,483 | (1.1) % | \$ 3,465,000 | (2.1) % | \$ 3,470,000 | 0.1 % |
| Other Excise Taxes: | | | | | | |
| Cigarette | \$ 90,094 | (8.5) % | \$ 84,000 | (6.8) % | \$ 80,000 | (4.8) % |
| Tobacco Products | 10,509 | 1.5 | 10,200 | (2.9) | 10,300 | 1.0 |
| Liquor Gallonage | 24,703 | 1.4 | 24,000 | (2.8) | 24,000 | -- |
| Liquor Enforcement | 83,715 | 0.0 | 84,000 | 0.3 | 84,200 | 0.2 |
| Liquor Drink | 15,225 | 1.8 | 15,400 | 1.1 | 15,500 | 0.6 |
| Gas Severance | (1,617) | (107.7) | 1,600 | 199.0 | 5,100 | 218.8 |
| Oil Severance | 25,924 | (30.4) | 23,000 | (11.3) | 20,900 | (9.1) |
| Total | \$ 248,553 | (14.3) % | \$ 242,200 | (2.6) % | \$ 240,000 | (0.9) % |
| Other Excise Taxes: | | | | | | |
| Insurance Premium | \$ 220,680 | 12.9 % | \$ 222,000 | 0.6 % | \$ 222,000 | -- % |
| Motor Carrier | 11,786 | (1.6) | 11,800 | 0.1 | 11,800 | -- |
| Corporate Franchise | 8,224 | (10.5) | 9,500 | 15.5 | 9,200 | (3.2) |
| Miscellaneous | 5,712 | 9.3 | 5,600 | (2.0) | 5,600 | -- |
| Total | \$ 246,402 | 11.0 % | \$ 248,900 | 1.0 % | \$ 248,600 | (0.1) % |
| Total Taxes | \$ 10,003,834 | (1.5) % | \$ 9,650,100 | (3.5) % | \$ 9,863,600 | 2.2 % |
| Other Revenues: | | | | | | |
| Interest | \$ 395,775 | 97.4 % | \$ 348,300 | (12.0) % | \$ 218,600 | (37.2) % |
| Net Transfers | (371,151) | 68.9 | (373,100) | (0.5) | (356,600) | 4.4 |
| Agency Earnings | 111,103 | (4.7) | 117,000 | 5.3 | 110,000 | (6.0) |
| Total Other Revenue | \$ 135,727 | 115.5 % | \$ 92,200 | (32.1) % | \$ (28,000) | (130.4) % |
| Total Receipts | \$ 10,139,561 | 9.2 % | \$ 9,742,300 | (3.9) % | \$ 9,835,600 | 1.0 % |

Totals may not add because of rounding.

Manage Reappropriations

Lapse Unnecessary Reappropriations *~Return Non-Essential Reappropriations to the SGF~*

- FY25 saw \$619.5mil of reappropriations carried over from FY24
 - Total lapses in FY25 equal \$375.0mil
- Not all reappropriations can be avoided
 - Many are tied to capital projects, or otherwise represent timing mismatches
- Reappropriations **do not** automatically increase base expenditures

Example of reappropriation into FY25, which does not build into FY26 base expenditures

| Agency | FY25 Omnibus Plus Reappropriation | | | Governor Recommended | | |
|------------------|-----------------------------------|-----------------|----------------------|----------------------|--------------|--------------|
| | FY25 Legislative Approved | FY25 Reapprop * | FY25 New Approved | FY25 Supplemental | FY25 Gov Rec | FY26 Gov Rec |
| Adjutant General | 13,407,256 | 19,121,123 | 32,528,379 | 2,000,000 | 34,528,379 | 15,184,475 |

* Hays Armory and Disaster Payments not yet closed out

Minimize New Spending

Keep FY 2026 Spending as Close to Flat as Possible

~Total FY26 SGF 0.7% Increase Over FY25 Legislative Approved~

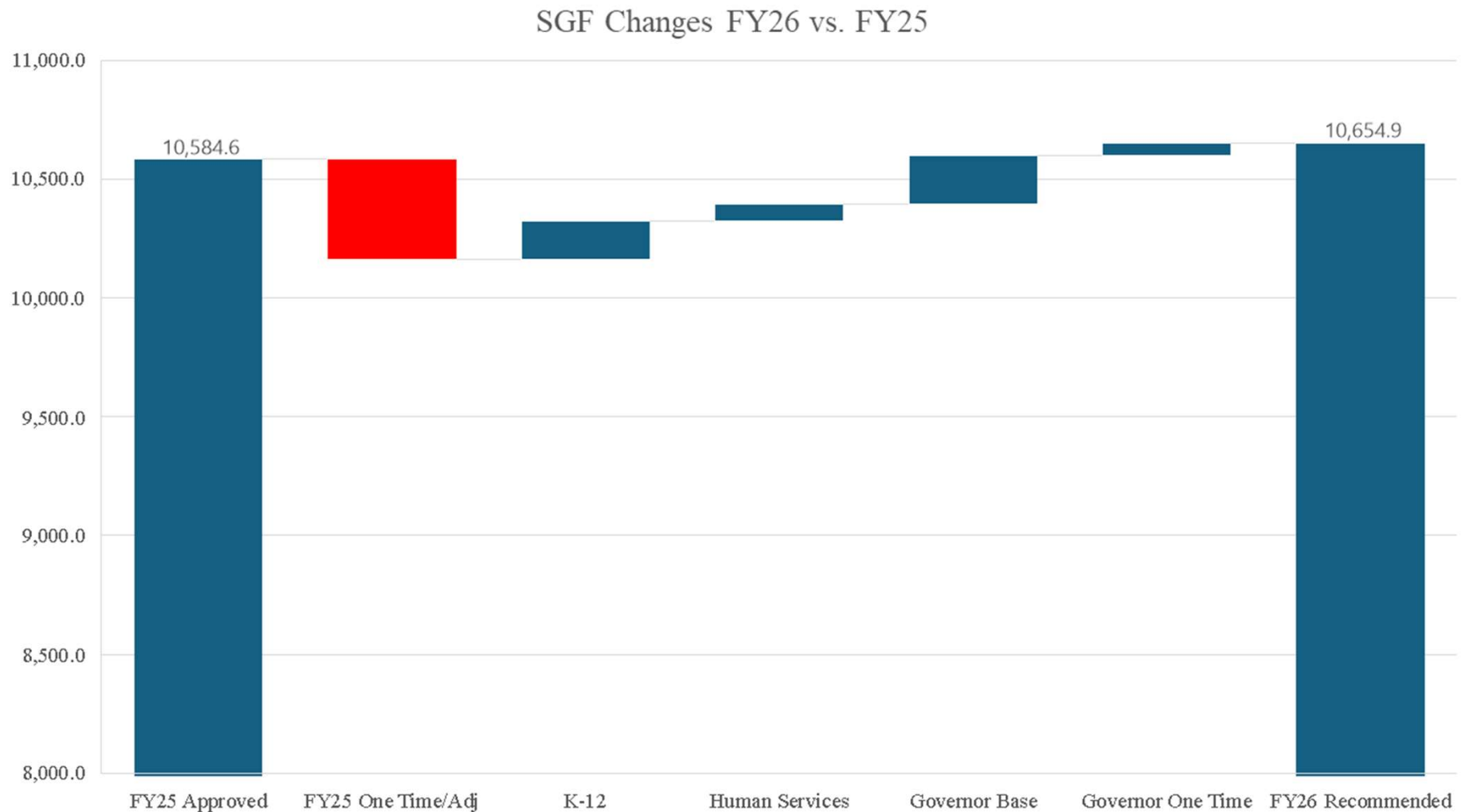
| SGF Expenditures | FY25 Legislative Approved | FY26 Governor Recommended | Increase / (Decrease) | |
|----------------------------------|------------------------------|------------------------------|-----------------------|--------|
| | | | \$ | % |
| General Government | 445.3 | 373.5 | (71.8) | -16.1% |
| Judiciary | 211.0 | 239.6 | 28.6 | 13.5% |
| Human Services | 1,313.8 | 1,381.6 | 67.8 | 5.2% |
| Health/Human Service Caseloads | 1,651.5 | 1,677.4 | 25.8 | 1.6% |
| K-12 Education | 4,928.2 | 5,088.4 | 160.2 | 3.3% |
| Higher Education | 1,329.4 | 1,184.9 | (144.6) | -10.9% |
| Public Safety | 670.1 | 651.1 | (19.1) | -2.8% |
| Agriculture & Natural Resources* | 35.3 | 20.4 | (14.9) | -42.1% |
| State Employee Pay Plan | | 38.1 | 38.1 | 0.0% |
| Total | 10,584.6 | 10,654.9 | 70.3 | 0.7% |

* Does not include proposal to infuse \$30.0 million of interest into Water Plan

Minimize New Spending

Hold FY26 Expenditures in Check

~Governor's Base Additions Represent 2.0% Increase Over FY25 Approved~



Education

Early Childhood Education and Care

Continue Investments in Early Childhood Education and Care *~Investing in Child Care is an Investment in Workforce Development~*

- \$10.0mil SGF for childcare capacity accelerator grants (one-time)
 - Have previously provided \$55.0mil through one-time federal funds and private & local partners
 - Has funded 5,655 new childcare slots across the state
- \$1.3mil SGF for childcare health and safety grants
 - Administered by KDHE to assist providers with small renovations to ensure facility compliance and safety
- \$1.1mil SGF to continue childcare workforce registry

Continue to Fully Fund K-12 at Constitutional Levels *~Marks the 7th Consecutive Year of Fully Funding K-12~*

- Recommending full funding for FY26 and FY27
 - Allows for predictability for school districts when extending contract offers
- \$5.5mil SGF to eliminate co-payments for students on reduced lunch
 - Current co-pay for each meal is \$0.40 for lunch, and \$0.30 for breakfast
 - Will provide access to free meals to nearly 36k students
- \$0.5mil SGF to waive AP exam fees for low-income students
 - AP computer science, AP English seminar, and other exams
 - Assists with teacher professional development

Special Education

Continue With Plan to Fully Fund Special Education at Level Required by Law

~Add Incremental \$72.6mil Each of Next 4 Years~

- State increased SGF funding for SPED by \$72.9mil for FY25 (plus \$2.5mil federal aid)
 - Improved excess cost percentage from 69.3% in FY24 to 75.4% in FY25
- Adding \$72.6mil incremental SGF in FY26 brings the funding for excess costs to 80.7%
 - Will build to full statutory funding by FY29

| 4 Year Phase In | FY26 | FY27 | FY28 | FY29 |
|------------------|---------------|---------------|---------------|---------------|
| New SGF \$ | \$ 72,632,866 | \$ 72,632,866 | \$ 72,632,866 | \$ 72,632,866 |
| % of Excess Cost | 80.7% | 84.9% | 88.7% | 92.0% |

- If no incremental SGF is added for FY26, the funding for excess costs falls to 72.0%
- K.S.A. 72-3422 details the calculation by which the state is required to fund Special Education:
 - Section (a)(11) says “multiply the remainder obtained under subsection (a)(10) by 92%. The computed amount is the amount of state aid for the provision of special education and related services aid a **school district is entitled to receive for the ensuing year.**”

Special Education

Continue With Plan to Fully Fund Special Education at Level Required by Law ~State Has Not Met Statutory Obligation Since FY11~

| Special Education Services State Aid, FY 2009-FY 2026 | | | | |
|---|-------------------|----------------------|------------------|---------------------|
| <u>Fiscal Year</u> | <u>State Aid*</u> | <u>Federal Aid**</u> | <u>Total Aid</u> | <u>Excess Costs</u> |
| 2009 | \$427,718,409 | \$— | \$427,718,409 | 89.5% |
| 2010 | 367,427,058 | 56,517,430 | 423,944,488 | 92.0% |
| 2011 | 388,982,076 | 54,453,996 | 443,436,072 | 95.7%*** |
| 2012 | 428,133,154 | 396,920 | 428,530,074 | 86.6% |
| 2013 | 430,426,151 | — | 430,426,151 | 84.7% |
| 2014 | 428,702,584 | — | 428,702,584 | 82.9% |
| 2015 | 428,360,566 | — | 428,360,566 | 82.2% |
| 2016 | 434,754,409 | — | 434,754,409 | 83.3% |
| 2017 | 435,469,632 | — | 435,469,632 | 80.9% |
| 2018 | 445,981,646 | — | 445,981,646 | 79.2% |
| 2019 | 490,366,856 | — | 490,366,856 | 80.9% |
| 2020 | 497,709,133 | — | 497,709,133 | 76.0% |
| 2021 | 505,416,348 | 6,339,663 | 511,756,011 | 77.6% |
| 2022 | 512,892,374 | 26,095,428 | 538,987,802 | 80.6% |
| 2023 | 522,877,065 | 21,945,515 | 544,822,580 | 76.5% |
| 2024 Est. | 528,136,955 | 5,496,839 | 533,633,794 | 69.3% |
| 2025 Est. | 601,042,693 | 2,500,000 | 603,542,693 | 75.4% |
| 2026 Allocation | 601,018,818 | — | 601,018,818 | 72.0% |

* State Aid includes transfers from SHF in FY14 – FY18

** Includes funding from ARRA in FY10 – FY12, and includes funding from ARPA in FY21 – FY23

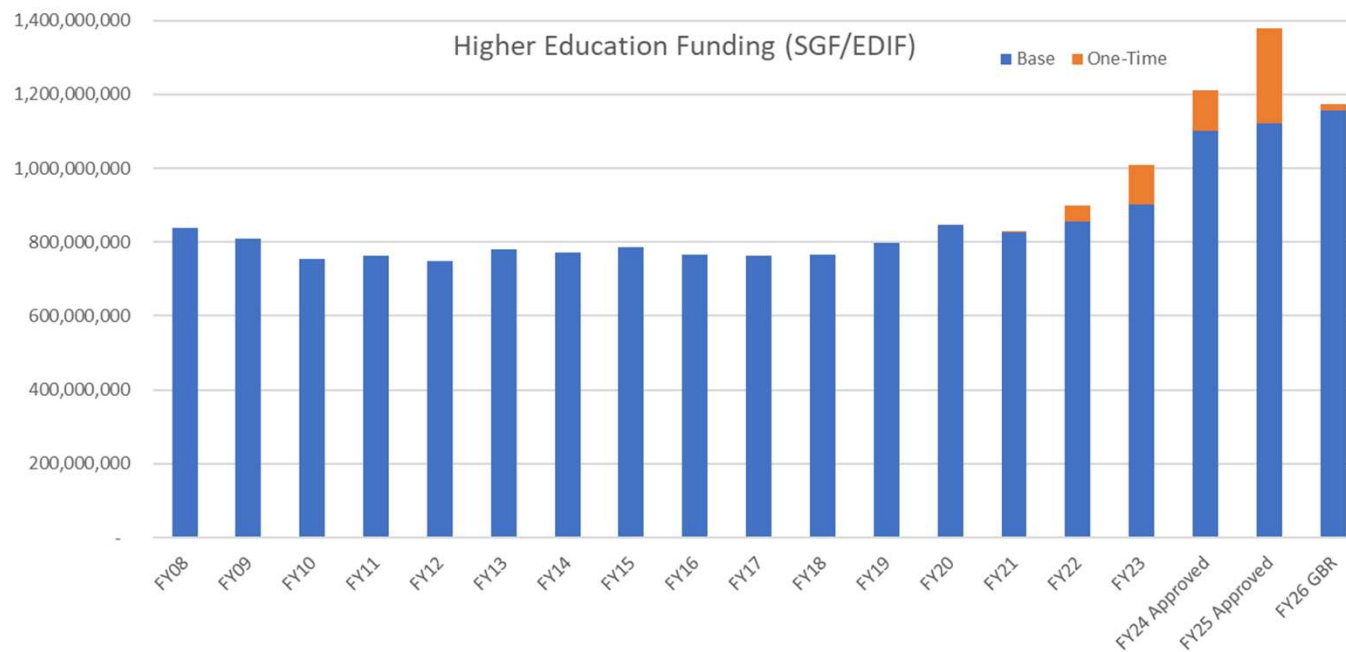
*** Amount exceeded 92% due to funding to close shortfall in State's required maintenance of financial support

Post Secondary Education

Targeted Enhancements for Post-Secondary Education

~Continues Recent Investments in Higher Education, After Years of Stagnant Funding~

- \$14.4mil SGF for need-based aid
- \$10.0mil for infrastructure and cybersecurity (one-time)
 - \$5.0mil for the public universities, and \$5.0mil for two-year colleges
- \$6.4mil for NISS playbooks; start of phase-out for this program
- \$2.0mil to expand KUMC medical student loan program
- \$2.2mil for Osteopathic medical service scholarship



Water

Investing in the State's Water Supply

Continue to Make Water a Priority

~Statewide Effort to Preserve and Increase Both Quantity and Quality~

- Congress passed the Water Resources Development Act of 2024
 - Changed interest calculation for Milford and Perry from “compound” to “simple”
 - Will yield a **\$41.0mil savings** for Kansas when contracts are due in 2034 and 2041 ¹
- Fully fund state water plan fund for fourth year in a row (\$6.0mil of SGF and \$2.0mil of EDIF)
 - Still recovering from years of underfunding
 - Recommendation includes \$35.0mil of SGF from 2023 HB 2302

SGF & EDIF Transfers to the State Water Plan Fund

| | SGF | EDIF |
|-------------------|---------------|--------------|
| FY 2014 | \$ -- | \$ -- |
| FY 2015 | \$ -- | \$ 750,000 |
| FY 2016 | \$ -- | \$ -- |
| FY 2017 | \$ -- | \$ -- |
| FY 2018 | \$ 1,400,000 | \$ -- |
| FY 2019 | \$ 2,750,000 | \$ 500,000 |
| FY 2020 | \$ 4,005,632 | \$ 500,000 |
| FY 2021 | \$ 6,000,000 | \$ 913,325 |
| FY 2022 | \$ 4,005,632 | \$ 1,719,264 |
| FY 2023 | \$ 6,000,000 | \$ 2,000,000 |
| FY 2024 | \$ 41,000,000 | \$ 2,000,000 |
| FY 2025 Gov. Rec. | \$ 51,000,000 | \$ 2,000,000 |
| FY 2026 Gov. Rec. | \$ 41,000,000 | \$ 2,000,000 |

State Water Plan Fund

| | FY 2024 Actual | FY 2025 Gov. Rec. | FY 2026 Gov. Rec. |
|---------------------------------------|-------------------|----------------------|----------------------|
| Beginning Balance | \$ 17,308,603 | \$ 28,620,859 | \$ 198,028 |
| Released Encumbrances | 153,297 | -- | -- |
| Adjusted Balance | \$ 17,461,900 | \$ 28,620,859 | \$ 198,028 |
| Revenues | | | |
| State General Fund Transfer | 41,000,000 | 51,000,000 | 41,000,000 |
| Budget Stabilization Fund Transfer | -- | -- | 30,000,000 |
| EDIF Transfer | 2,000,000 | 2,000,000 | 2,000,000 |
| Water Technical Assist. Fund Transfer | (5,000,000) | (7,500,000) | (7,000,000) |
| Water Projects Grants Fund Transfer | (13,000,000) | (19,500,000) | (19,000,000) |
| Fee Revenue | 13,336,557 | 12,975,027 | 13,566,727 |
| Total Available | \$ 55,798,457 | \$ 67,595,886 | \$ 60,764,755 |
| Expenditures | | | |
| Agency Expenditures | 27,177,598 | 67,397,858 | 60,731,569 |
| Ending Balance | \$ 28,620,859 | \$ 198,028 | \$ 33,186 |

¹ <https://kansasreflector.com/2024/12/12/kansas-delegation-to-u-s-house-backs-41-million-savings-on-reservoir-water-contracts/>

Investing in the State's Water Supply

Develop Strategic 10-Year Plan for Priority Investments

~Statewide Effort to Preserve and Increase Both Quantity and Quality~

- Partner with Legislature this session to develop 10-year water program
 - Kansas Water Authority and state agencies held 14 regional meetings over the summer/fall to collect feedback on local water priorities and ideas
 - Agencies have already started reallocating FY25 funds to meet recommendations
 - Demand for water investments is high and we need to develop long-term, dedicated funding source to ensure water is available for future generations
- Will focus on five priority areas for investment in the State Water Plan
 - Similar structure to 10-year highway plan, with all projects fitting within a priority area
 - Line-item reporting will still be available and will accompany every project
 - All initiatives will be held accountable to specific metrics and outcomes
 - Independent evaluation cycle of programs to ensure adequate ROI

IKE Priority Areas

Regular Maintenance
Preservation
Modernization
Expansion / Enhancement

Water Priority Areas

Water Quantity / Aquifer
Water Quality
Reservoirs
Resiliency
Research and Education

Investing in the State's Water Supply

Large Investment in FY26 to Address Short-Term Needs

~Utilize Interest Earned from Stabilization Fund as Seed Money; Does Not Touch Balance~

- Invest \$30mil in targeted projects to kickstart the program and address key short-term needs
 - Utilize interest earnings on Budget Stabilization Fund as bridge until dedicated revenue source identified
 - Does **not** reduce the balance in the fund – will use monthly interest earnings as they accrue

| <u>Fiscal Year</u> | <u>Interest \$ Earned</u> |
|--------------------|---------------------------|
| FY 2021 | 62,324 |
| FY 2022 | 169,355 |
| FY 2023 | 28,108,635 |
| FY 2024 | 76,818,865 |
| FY 2025 (to date)* | 27,465,378 |
| Total | 132,624,557 |

* Only 6 months of earnings

| | <u>Budget Stabilization Fund Balance</u> | | | | | |
|-----------------------|--|----------------|----------------|------------------|------------------|------------------|
| | <u>FY 2022</u> | <u>FY 2023</u> | <u>FY 2024</u> | <u>FY 2025</u> | <u>FY 2026</u> | <u>FY 2027</u> |
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Estimated</u> | <u>Estimated</u> | <u>Estimated</u> |
| \$ Balance | 969.2 | 1,610.3 | 1,687.1 | 1,763.6 | 1,784.3 * | 1,832.4 |
| % of Expenditures | 12.2% | 17.3% | 16.6% | 18.1% | 18.1% | 18.2% |
| Year / Year \$ Change | | 641.1 | 76.8 | 76.5 | 20.7 * | 48.2 |

* Includes transferring \$30.0mil of interest earned to State Water Plan

Investing in the State's Water Supply

| Priority Areas | FY 2025 Allocated | FY 2026 Base Proposed | FY26 Enhancement | FY26 Total (Base + Enhancement) |
|--------------------------|---------------------|-----------------------|---------------------|---------------------------------|
| Water Quality | \$20,291,855 | \$10,280,081 | \$2,500,000 | \$12,780,081 |
| Water Quantity + Aquifer | \$30,263,390 | \$15,842,617 | \$5,300,000 | \$21,142,617 |
| Reservoirs | \$5,172,628 | \$5,477,419 | \$3,000,000 | \$8,477,419 |
| Resiliency | \$5,077,060 | \$22,425,000 | \$16,650,000 | \$39,075,000 |
| Research and Education | \$6,592,925 | \$3,641,255 | \$2,550,000 | \$6,191,255 |
| Total | \$67,397,858 | \$57,666,372 | \$30,000,000 | \$87,666,372 |

| FY26 Water Enhancement Summary | |
|--|---------------------|
| Water Quality | \$2,500,000 |
| <i>Water Quality and BMP Partnerships</i> | \$1,000,000 |
| <i>Contamination Remediation</i> | \$1,000,000 |
| <i>Rural and Private Groundwater Protection Support</i> | \$500,000 |
| Water Quantity + Aquifer | \$5,550,000 |
| <i>Irrigation Conservation and Partnerships</i> | \$500,000 |
| <i>Voluntary Water Rights Retirements</i> | \$1,000,000 |
| <i>Aid to Conservation Districts (Staffing and Operational Aid)</i> | \$1,750,000 |
| <i>Conservation Districts - Water Resources Cost-Share</i> | \$500,000 |
| <i>Aquifer Innovation and Partnerships (Stockwater Efficiency Program)</i> | \$1,000,000 |
| <i>Aquifer Monitoring and Modeling - AEM Mapping</i> | \$800,000 |
| Reservoirs | \$3,000,000 |
| <i>Hydrosuction Pilot Project + Reservoir Sedimentation Planning</i> | \$3,000,000 |
| Resiliency | \$16,400,000 |
| <i>Water Planning and Project Development</i> | \$2,750,000 |
| <i>Dam Construction and Rehabilitation</i> | \$2,650,000 |
| <i>HB 2302 Projects and Technical Assistance</i> | \$10,000,000 |
| <i>New: KDHE District Engineer Program</i> | \$1,000,000 |
| Research and Education | \$2,550,000 |
| <i>New: Independent Program Accountability and Evaluation</i> | \$550,000 |
| <i>New: Sorghum Research Match</i> | \$1,000,000 |
| <i>New: Domestic Water Rights Quantification</i> | \$1,000,000 |
| Additional Funding Recommended: | \$30,000,000 |

Human Services

Funding for Waivers

Continue Providing Funding for HCBS Waivers

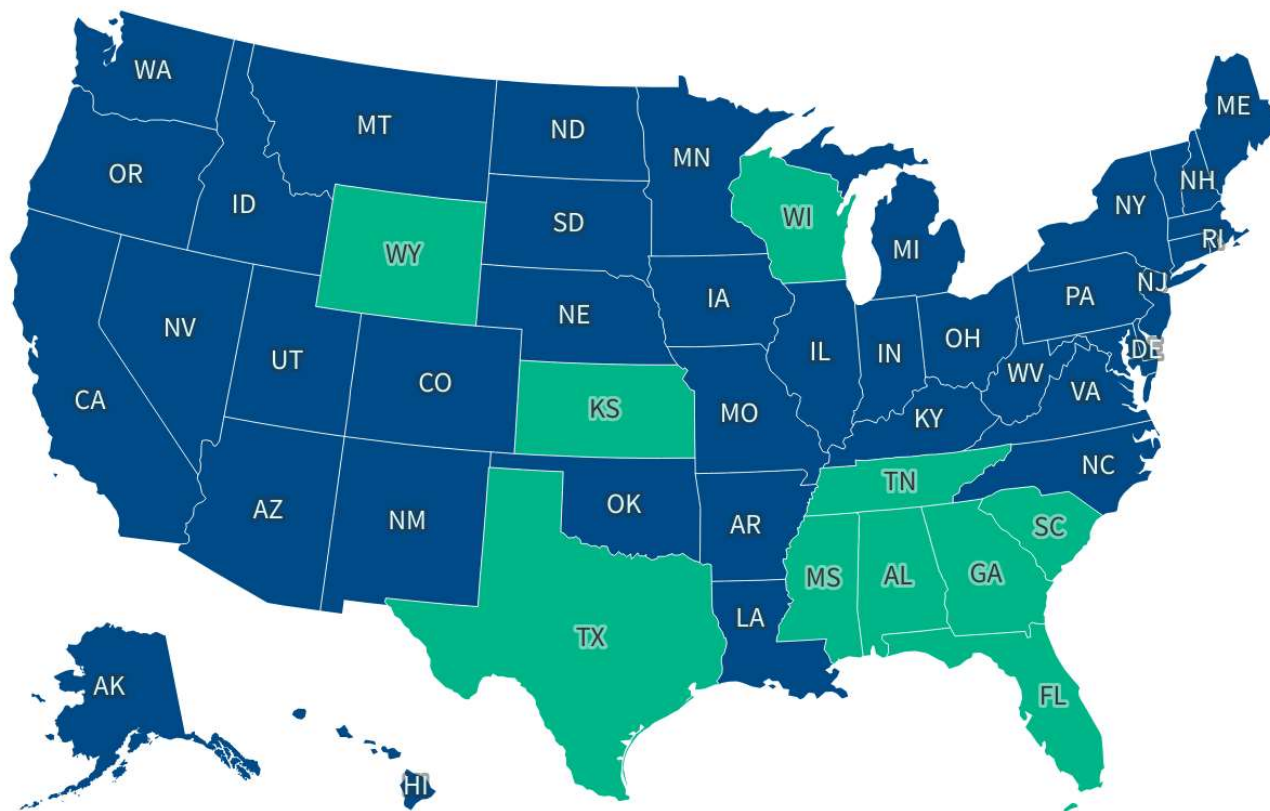
~Fund Increases in Utilization for Current Waivers and Stand-Up New CS Waiver~

- Provide funding for growth in Frail/Elderly, Brain Injury, and Technology Assistance waiver utilization
 - Eligible participants for these waivers have increased by 7%, 11%, and 6%, respectively
 - F/E Waiver: \$6.3mil SGF / \$16.1mil All Funds
 - TA Waiver: \$1.7mil SGF / \$4.5mil All Funds
 - BI Waiver: \$0.8mil SGF / \$1.8mil All Funds
- Provide \$20mil SGF (one-time) for Home and Community Based Services provider grants
 - \$10mil to address federal compliance mandates related to conflict of interest
 - \$10mil for expanding HCBS provider capacity
- Funding to complete stand-up of the Community Support Waiver (CSW)
 - \$1.5mil of one-time SGF to complete the administrative components to obtain CMS approval
 - \$0.9mil SGF / \$2.5mil All Funds to open 500 slots on the CSW in FY26, beginning in Q4
 - Anticipate 1,000 participants in FY27; \$7.8mil SGF / \$20.0mil All Funds

Medicaid Expansion

Status of State Action on the Medicaid Expansion Decision

■ Adopted and implemented (41 states including DC) ■ Not adopted (10 states)



Source: KFF tracking and analysis of state actions related to adoption of the ACA Medicaid expansion

KFF

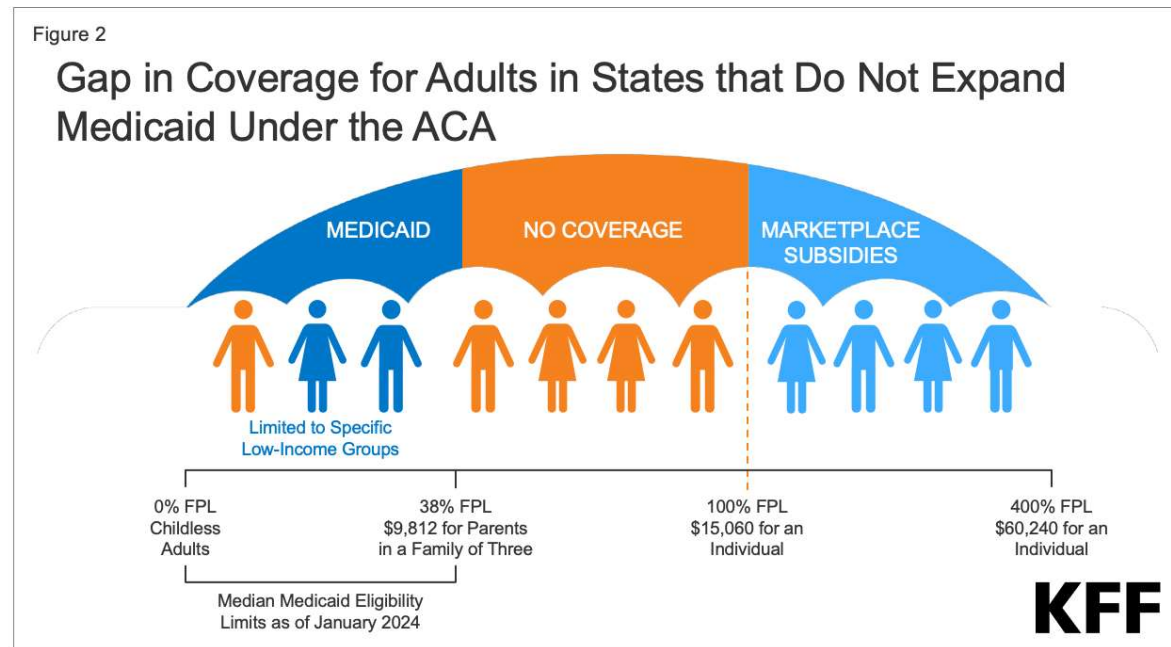
- Note: Wisconsin provides Medicaid coverage for parents, and childless adults, up to 100% of FPL

Medicaid Expansion

Governor Recommending Medicaid Expansion to Begin 01/01/26

~Will Provide Access to High Quality Health Care for Approximately 150k Kansans~

- Kansas is now one of 10 states that has not yet expanded Medicaid
 - Every state that shares a border with Kansas has expanded Medicaid
 - Missouri, Nebraska, Oklahoma, and South Dakota approved expansion via voter referendum
 - 70% - 80% of Kansas citizens are in favor of Medicaid expansion ¹
- Federal incentives will increase federal share of cost assistance by ~\$450mil over eight quarters
 - Reduces total SGF expenditures for entire Medicaid program for several years



¹ <https://www.fhsu.edu/docking/Kansas-Speaks/2024-kansas-speaks-report-finalv3-corrections-10.28.24-execsum-final-bullet-and-10.31.24-appendix-c-crosstabs-table-17-title.pdf>

State Employee Pay

Recognize State Employee Contributions with 2.5% Statewide Pay Adjustment *~Continue to Keep Pace With Strong Labor Market~*

- Apply statewide 2.5% pay adjustment for state employees ¹
 - Have brought employee pay more in-line with market over past several budget cycles
 - Closely aligned with inflation target
 - \$37.2mil SGF, and \$90.9mil all funds budget impact
- Provide incremental 5.0% pay adjustment for salaried employees at 24/7 facilities
 - Other than one-time bonus in FY22, salaried staff have not received additional targeted pay increases
 - \$0.9mil budget impact – all from SGF

¹ Excludes elected officials, Teachers at KSSB and KSSD, and employees on an approved career progression plan

Expenditures by Category and SGF Outlook

Funding Cleanup

- Continue review of programs funded through non-SGF sources to determine if there is a more appropriate funding source
 - Better aligns program outcome with funding source
 - **Does not reduce agency funding – moves it to SGF**
- Cleanup EDIF and shift portions of funding to be from SGF
 - Shift \$4.2mil of funding to KBOR to come from SGF
 - Shift \$0.3mil of funding for KSU – ESARP to come from SGF
 - Shift \$1.0mil of funding for Sheltered Workshops to come from SGF
- CIF
 - Shift \$1.3mil for childcare health and safety grants to come from SGF
 - Shift \$1.1mil for workforce registry to come from SGF

Tables and Outlook

Hold FY26 Expenditures in Check

| Item | SGF |
|----------------------------|--------------|
| SPED | 72.6 |
| Post Secondary Education | 51.9 |
| Contract Nursing | 43.7 |
| State Employee Pay Plan | 38.1 |
| Waivers | 11.2 |
| Medicaid Expansion | (78.3) |
| Short Term Items (3 years) | 26.0 |
| Balance / Other | 40.8 |
| Total Base Additions | <u>206.1</u> |
| One Time | 54.0 |
| Total Governor Additions | <u>260.1</u> |

One-Time Expenditures

| Item | FY25 SGF | FY25 AF | FY26 SGF | FY26 AF |
|---|------------|-------------|-------------|-------------|
| KDADS HCBS Compliance Grants | -- | -- | 20.0 | 20.0 |
| KSDE Child Care Capacity Accelerator Grant | -- | -- | 10.0 | 10.0 |
| KBOR NISS Playbooks | -- | -- | 6.4 | 6.4 |
| Commerce Bombardier SSA Funding | 5.8 | 5.8 | -- | -- |
| KBOR Cybersecurity and IT Universities | -- | -- | 5.0 | 5.0 |
| KBOR Cybersecurity and IT Two-Year Colleges | -- | -- | 5.0 | 5.0 |
| DOC Deferred Maintenance Projects | -- | -- | 4.0 | 4.0 |
| KDADS Community Support Waiver Consultant | -- | -- | 1.5 | 2.0 |
| KHS Kansas Museum of History Gallery Project | 0.9 | 0.9 | -- | -- |
| Att Gen Natural Gas Litigation | 0.8 | 0.8 | -- | -- |
| KDHE-E Hazardous Waste Fund Stabilization | 0.4 | 0.4 | 0.4 | 0.4 |
| KBI Offender Registration | -- | -- | 0.5 | 0.5 |
| Att Gen Memorial Hall Agency Move | -- | -- | 0.5 | 0.5 |
| KDHE-E KEIMS Database Implementation | -- | -- | 0.4 | 0.4 |
| Dept. of Admin. Mail Scanning Equipment/Building | 0.4 | 0.4 | -- | -- |
| KBOR Statutory Workforce Development Programs | 0.4 | 0.4 | -- | -- |
| KHS Kansas Museum of History Mobile Shelving | -- | -- | 0.3 | 0.3 |
| KDOL AC Units | 0.3 | 0.4 | -- | -- |
| KHS Parking Improvements at Grinter Place | -- | -- | 0.1 | 0.2 |
| KDHE-E Livestock Waste Management (partial \$40k) | -- | -- | 0.0 | 0.0 |
| DOC Lansing Razing SIBF | -- | -- | -- | 5.5 |
| DOC Lansing Warehouse SIBF | -- | -- | -- | 5.5 |
| KHP Bodycams SHF | -- | 2.6 | -- | -- |
| KHP Life/Safety Salina Repairs SHF | -- | 1.1 | -- | -- |
| KHP IT Infrastructure | -- | -- | -- | 1.4 |
| Total | 8.9 | 12.7 | 54.1 | 67.0 |

Numbers in Millions

SGF Expenditures

FY 2025 State General Fund (Dollars in Millions)

| | |
|---|-------------|
| Beginning Balance | \$ 3,220.7 |
| Revenue: | |
| November Consensus Revenue Est. | 9,731.8 |
| Governor's Transfer Adjustments | 10.5 |
| Total Available | \$ 12,963.0 |
| Expenditures: | |
| FY 2025 Budget-Total Expenditures | \$ 10,889.1 |
| Key Adjustments Included in Total: | |
| Reappropriations | 619.5 |
| Health/Human Service Caseloads | (22.7) |
| K-12 Caseloads | (18.3) |
| BIDS Assigned Counsel Caseload | 1.7 |
| BIDS Lapse Reappropriation | (1.5) |
| State Hospital Contract Nursing Services | 43.7 |
| Counties and Hospital Reimbursements | (3.0) |
| Disaster Relief Funding | 1.6 |
| Kansas History Museum Rehab & Repair** | 0.9 |
| Bombardier SSA Funding** | 5.8 |
| KBI and KSU Lapse Debt Service | (6.2) |
| KHP Salina Campus Maintenance | 1.1 |
| Medicaid Administration Costs | 4.6 |
| Attorney General Natural Gas Litigation** | 0.8 |
| DOC Healthcare Contract | 5.4 |
| Mail Scanning Machine** | 0.4 |
| All Other Expenditure Adjustments (\$1.0**) | 1.7 |
| Ending Balance | \$ 2,073.9 |

Totals may not add because of rounding.

**Represents one-time expenditures or adjustments

FY 2026 State General Fund (Dollars in Millions)

| | |
|---|-------------|
| Beginning Balance | \$ 2,073.9 |
| Revenue: | |
| November Consensus Revenue Est. | 9,845.9 |
| Governor's Transfer Adjustments | (10.3) |
| Total Available | \$ 11,909.5 |
| Expenditures: | |
| FY 2026 Budget-Total Expenditures | \$ 10,654.9 |
| Key Adjustments Included in Total: | |
| K-12 Caseloads | (53.4) |
| Health/Human Service Caseloads | 134.9 |
| BIDS Assigned Counsel Caseload | 4.8 |
| BIDS Recruitment & Retention | 1.7 |
| Disaster Relief Funding | 2.3 |
| Adjutant General Initiatives | 0.5 |
| Enterprise Resource Planning | 26.0 |
| State Debt Service | 1.6 |
| OITS Emergency Funding | 2.0 |
| Attorney General Initiatives (\$0.4**) | 0.9 |
| Special Education 4-Year Plan to 92% | 72.6 |
| K-12 Initiatives (\$10.0**) | 16.0 |
| Higher Education Initiatives (\$16.4**) | 52.2 |
| State Library Initiatives | 0.7 |
| Historical Society (\$0.4**) | 1.0 |
| KDADS Counties/Hospital Reimbursements | (3.0) |
| KDADS HCBS Programs (\$21.5**) | 31.2 |
| Senior Nutrition Services | 1.0 |
| State Hospital Contract Nursing Services | 43.7 |
| State Hospital Operating | 1.6 |
| Medicaid Expansion | (78.3) |
| KDHE Health Initiatives | 10.7 |
| KDHE Environment Initiatives (\$0.8**) | 1.0 |
| Dept. for Children & Families Initiatives | 19.2 |
| DOC Initiatives (\$4.0**) | 14.0 |
| Sentencing Commission SB 123 Rates | 1.1 |
| KBI Initiatives (\$0.5**) | 1.6 |
| Office of the Child Advocate 2 FTE | 0.2 |
| Dept. of Agriculture Initiatives | 0.4 |
| State Employee Pay Plan | 38.1 |
| Ending Balance | \$ 1,254.5 |

Totals may not add because of rounding.

**Represents one-time expenditures or adjustments

State Building Funds

Status of State Building Funds

| | FY 2023 <u>Actual</u> | FY 2024 <u>Actual</u> | FY 2025 <u>Gov. Rec.</u> | FY 2026 <u>Gov. Rec.</u> |
|--|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Educational Building Fund | | | | |
| Beginning Balance | \$ 45,536,170 | \$ 57,124,155 | \$ 60,202,946 | \$ 3,561,705 |
| Released Encumbrances/Adjustment | 5,793 | 18,909 | -- | -- |
| Property Tax | 44,303,002 | 48,119,640 | 50,150,000 | 51,840,000 |
| Motor Vehicle Taxes | 3,999,874 | 4,090,570 | 4,172,381 | 4,255,829 |
| Resources Available | \$ 93,844,839 | \$ 109,353,273 | \$ 114,525,328 | \$ 59,657,533 |
| Expenditures | 36,720,684 | 49,150,327 | 110,963,623 | 58,500,000 |
| Ending Balance | <u>\$ 57,124,155</u> | <u>\$ 60,202,946</u> | <u>\$ 3,561,705</u> | <u>\$ 1,157,533</u> |
| State Institutions Building Fund | | | | |
| Beginning Balance | \$ 26,364,188 | \$ 32,913,537 | \$ 37,692,306 | \$ 14,516,731 |
| Released Encumbrances/Adjustment | 1,427,840 | 60,967 | -- | -- |
| Property Tax | 22,137,033 | 23,926,821 | 25,920,000 | 26,530,000 |
| Motor Vehicle Taxes | 1,999,637 | 2,044,978 | 2,085,878 | 2,127,595 |
| Resources Available | \$ 51,928,698 | \$ 58,946,304 | \$ 65,698,184 | \$ 43,174,326 |
| Expenditures | 19,015,161 | 21,253,998 | 51,181,453 | 35,438,734 |
| Ending Balance | <u>\$ 32,913,537</u> | <u>\$ 37,692,306</u> | <u>\$ 14,516,731</u> | <u>\$ 7,735,592</u> |
| Correctional Institutions Building Fund | | | | |
| Beginning Balance | \$ 2,495,490 | \$ 2,425,027 | \$ 1,758,418 | \$ 21,605 |
| Released Encumbrances/Adjustment | 21,408 | 6 | -- | -- |
| Gaming Revenues | 4,992,000 | 4,992,000 | 4,992,000 | 4,992,000 |
| Resources Available | \$ 7,508,898 | \$ 7,417,033 | \$ 6,750,418 | \$ 5,013,605 |
| Expenditures | 5,083,871 | 5,658,615 | 6,728,813 | 4,992,000 |
| Ending Balance | <u>\$ 2,425,027</u> | <u>\$ 1,758,418</u> | <u>\$ 21,605</u> | <u>\$ 21,605</u> |

- Building Funds are used explicitly for capital projects for certain agencies

State General Fund Outlook

(Dollars in Millions)

| | FY 2021 Actual | FY 2022 Actual | FY 2023 Actual | FY 2024 Actual | FY 2025 Gov. Rec. | FY 2026 Gov. Rec. |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|
| Beginning Balance | \$ 495.0 | \$ 2,094.8 | \$ 1,834.7 | \$ 2,410.4 | \$ 3,220.7 | \$ 2,073.9 |
| Revenues | | | | | | |
| Taxes | 8,908.6 | 9,758.1 | 10,180.2 | 10,039.8 | 9,650.1 | 9,863.6 |
| Interest | 7.8 | 2.8 | 200.5 | 395.8 | 348.3 | 218.6 |
| Agency Earnings | 64.8 | 89.7 | 116.6 | 111.1 | 117.0 | 110.0 |
| Transfers | | | | | | |
| School Capital Improvement Aid ¹ | (195.0) | (200.7) | (196.6) | -- | -- | -- |
| Highway Fund | 133.7 | 66.9 | -- | -- | -- | -- |
| Budget Stabilization Fund | -- | (969.1) | (613.0) | -- | -- | -- |
| PMIB Bridge Funding | (66.1) | (66.1) | -- | -- | -- | -- |
| KPERS | -- | (853.7) | (271.1) | -- | -- | -- |
| All Other Transfers | 13.8 | 107.8 | (113.7) | (371.2) | (373.1) | (356.6) |
| Total Revenues | \$ 8,867.7 | \$ 7,935.8 | \$ 9,302.8 | \$ 10,175.5 | \$ 9,742.3 | \$ 9,835.6 |
| Total Available | \$ 9,362.7 | \$ 10,030.6 | \$ 11,137.5 | \$ 12,585.9 | \$ 12,963.0 | \$ 11,909.5 |
| Expenditures | | | | | | |
| General Government | 249.5 | 584.8 | 403.8 | 324.0 | 438.0 | 373.5 |
| Judiciary | 110.5 | 138.0 | 172.5 | 186.5 | 211.9 | 239.6 |
| Human Services | 683.9 | 711.0 | 977.7 | 1,114.9 | 1,498.0 | 1,381.6 |
| Health/Human Service Caseloads | 994.4 | 1,134.7 | 1,217.4 | 1,412.4 | 1,700.0 | 1,677.4 |
| K-12 Education | 3,946.0 | 4,133.9 | 4,388.8 | 4,569.8 | 4,818.8 | 5,088.4 |
| Higher Education | 833.4 | 902.3 | 1,012.7 | 1,149.4 | 1,450.7 | 1,184.9 |
| Public Safety | 432.8 | 498.3 | 535.3 | 581.4 | 726.9 | 651.1 |
| Agriculture & Natural Resources | 17.5 | 92.9 | 19.0 | 26.8 | 44.8 | 20.4 |
| State Employee Pay Plan | -- | -- | -- | -- | -- | 38.1 |
| Total Expenditures | \$ 7,267.8 | \$ 8,195.9 | \$ 8,727.1 | \$ 9,365.2 | \$ 10,889.1 | \$ 10,654.9 |
| Ending Balance | \$ 2,094.8 | \$ 1,834.7 | \$ 2,410.4 | \$ 3,220.7 | \$ 2,073.9 | \$ 1,254.5 |
| As Percentage of Expenditures | 28.8% | 22.4% | 27.6% | 34.4% | 19.0% | 11.8% |
| Budget Stabilization Fund Balance | \$ 81.9 | \$ 969.2 | \$ 1,610.3 | \$ 1,687.1 | \$ 1,763.6 | \$ 1,784.3 |
| One-Time Expenditures/Adjustments | | \$ 1,048.5 | \$ 1,055.1 | \$ 37.8 | \$ 476.5 | \$ 54.1 |

Totals may not add because of rounding.

Revenues for FY 2025 & FY 2026 Recommendations reflect the November 2024 Consensus Revenue Estimate as adjusted by the Governor.

Expenditures for the Recommendations reflect the November 2024 Human Services Consensus Caseload Estimate.

¹ Capital Improvement Aid shifted from a revenue transfer to become a demand transfer in FY 2024, thus moving from revenues to expenditures.

GBR Volume 1 and Volume 2

Detailed Analysis of GBR Available on DOB Website

~Accompanies Budget Bill to Provide Narrative and Context~

- GBR Volume 1 and Volume 2 to be posted on DOB website by 1:00, 01/17/25
 - Nearly 900 pages of analysis on GBR by agency/division/program
 - Provides historical context on funding, FTE, program, and performance-based budgeting
- Volume 1
 - Descriptions and Budget Schedules
 - Detailed narrative on budget recommendation – revenues and expenditures
 - Schedules in the back provide detailed tables for each of the state’s funds, as well as FTE by agency
- Volume 2
 - Agency Detail
 - Expenditures by Object/Program/Fund
 - Detailed expenditures by subprogram and division
 - Provides look at FY24 actuals, FY25/26 agency request, and FY25/26 Gov Rec



Budget.Kansas.Gov