

Report of the Special Committee on the State Budget to the 2026 Kansas Legislature

CHAIRPERSON: Senator Rick Billinger

VICE-CHAIRPERSON: Representative Troy Waymaster

OTHER MEMBERS: Senators Renee Erickson, Michael Fagg, Cindy Holscher, Jeff Klemp, Rick Kloos, Stephen Owens, Virgil Peck, Pat Pettey, and Dinah Sykes; and Representatives Avery Anderson, Barbara Ballard, David Buehler, Pam Curtis, Jason W. Goetz, Kyle Hoffman, Jo Ella Hoye, Lisa M. Moser, Jarrod Ousley, Adam Turk, and Barb Wasinger

STUDY TOPIC

The Committee is directed to to develop a Legislative Budget Recommendation for FY 2026, FY 2027, and FY 2028 for select agencies. This recommendation is to serve as the starting point for legislative deliberation of the budget during the 2026 Legislative Session.

January 2026

Special Committee on the State Budget

REPORT

Conclusions and Recommendations

The Special Committee on the State Budget (Committee) recommends the following adjustments be made to the FY 2026 and FY 2027 agency budgets requests:

- Remove any requests by agencies to restore the 1.5 percent operating reductions contained in 2025 SB 125 for FY 2026 or FY 2027;
- Remove any requests for the addition of FTE and associated funding above the FY 2026 approved level;
- Remove agency-requested salary increases unless directed by law or part of a formal career progression plan for FY 2026 and FY 2027;
- Remove reappropriations from all appropriated funds, excluding capital improvements, education caseloads, human services caseloads, and assigned counsel caseloads in FY 2026;
- Remove all enhancements and supplemental spending requested by state agencies for FY 2026 and FY 2027;
- Adopt the Fall Human Services Consensus Caseload Estimate for FY 2026 and FY 2027;
- Adopt the Fall Education Consensus Estimates for FY 2026, FY 2027, and FY 2028;
- Adopt the Fall Board of Indigents' Defense Services Assigned Counsel Caseloads for FY 2026 and FY 2027; and
- Adopt the fall Kansas Lottery revised revenue estimates as reflected in the fall consensus revenue estimate.

Proposed Legislation: The Committee recommends bills be introduced in the House Committee on Appropriations and Senate Committee on Ways and Means incorporating the agency-requested budgets as amended by the recommendations above.

BACKGROUND

The Special Committee on Legislative Budget (Committee) was created by the Legislative Coordinating Council (LCC) to hear agency budgets prior to the 2026 Session with the goal of allowing for a more informed legislative body and

beginning budget deliberations as close to the first day of the 2026 Session as possible.

The LCC authorized the Committee to meet for five days, and it met at the Statehouse on November 4, 24, and 25 and December 9 and 10, 2025.

COMMITTEE ACTIVITIES

Budget Overview

At the November 4 meeting, the Assistant Director for Fiscal Affairs for the Kansas Legislative Research Department (KLRD) provided an overview of agencies' revised budget requests for FY 2026 and the first budget for most state agencies for FY 2027.

The FY 2026 budget approved by the 2025 Legislature was \$10.6 billion from the State General Fund (SGF) for FY 2026, and \$517.3 million in SGF reappropriations were added to this amount for funds not expended in FY 2025 that carried forward into FY 2026, for a total of \$11.1 billion. The FY 2026 revised budget request by state agencies totals \$11.1 billion, an increase of \$4.7 million, or less than 0.1 percent, above the FY 2026 approved budget.

At each of the meetings, KLRD staff presented agency budgets. Several agency representatives also presented information on budget requests.

FY 2026 Budget Requests

The FY 2026 agency request includes supplemental spending requests of \$64.0 million, including \$53.0 million SGF. The agency requests also include SGF fund lapses totaling \$94.3 million, mostly from reappropriations.

Education

The education function total request is a decrease of \$41.5 million SGF, predominantly attributable to the State Department of Education request including a reduction of \$38.9 million SGF for the Spring Education Consensus Estimate for K-12 education. The Legislature adjourned prior to adopting the estimate in 2025. This estimated reduction has not yet been updated to reflect the fall caseload estimate.

Human Services

The human services function request is an increase of \$42.8 million SGF, predominantly attributable to these requests:

- Larned State Hospital – Includes an increase of \$33.4 million SGF due to

agency supplemental requests for contract nursing (\$32.2 million) and the State Security Program Competency Unit (\$1.1 million); and

- Osawatomi State Hospital – Includes an increase of \$7.0 million SGF for contract nursing.

Public Safety

The overall public safety function request contains a decrease of \$3.5 million SGF, predominantly attributable to two requests:

- Adjutant General's Department – Includes a decrease of \$3.4 million in budgeted disaster relief funding; and
- Kansas Juvenile Correctional Complex – Includes a decrease of \$1.3 million SGF in operating expenditures.

General Government

The general government function contains an increase of \$5.1 million SGF, attributable to these requests:

- State Board of Indigents' Defense Services – Includes an increase of \$8.3 million SGF, due to the following: Assigned Counsel Fees Preliminary – \$5.0 million SGF; Expert Witness Fees Enhancement – \$3.0 million SGF; and IT Security Enhancement – \$160,931 SGF;
- Department of Administration – Includes a decrease of \$1.6 million SGF for a decrease in projected debt service payments on the 2025 A/B Bond issuance and lapsed SGF reappropriations;
- Legislative Agencies – Includes a decrease of \$1.3 million SGF in operating expenditures related to lapsed reappropriations; and
- Office of Governor – Includes a decrease of \$489,332 SGF in operating expenditures.

FY 2027 Budget Requests

For FY 2027, agencies have requested \$11.0 billion SGF, a decrease of \$158.9 million SGF, or 1.4 percent, below the FY 2026 total agency request. This estimate is based on requested agency expenditures only and does not include any below-the-line adjustments, such as state employee pay. The request does include \$450.4 million in SGF enhancement requests.

Education

The overall education function request contains an increase of \$45.5 million, or 0.7 percent, above the FY 2026 agency request, primarily due to the following items:

- Department of Education – Includes an increase of \$216.0 million SGF. The increase is partially due to projected K–12 education caseloads and has not yet been updated to reflect a revised Fall Education Consensus Estimate for FY 2027. The request also includes \$111.4 million in enhancement requests, including Special Education (\$92.2 million), Safe and Secure School Grants (\$15.0 million), Professional Development (\$1.8 million), Mentor Teacher Program (\$1.3 million), and others;
- State Board of Regents – Includes a decrease of \$21.8 million SGF due to the elimination of one-time expenditures for student success initiatives (\$10.5 million SGF), National Institute for Student Success Playbook (\$5.8 million SGF), Kansas Campus Restoration Act (\$30.2 million), and others. The one-time reductions were partially offset by enhancement requests totaling \$40.3 million SGF;
- University of Kansas Medical Center and Wichita State University – Includes a decrease of \$100.1 million SGF for one-time expenditures related to a joint health sciences center plus reductions for aviation research and building demolition;
- Kansas State University – Includes a decrease of \$14.3 million SGF, mostly in

capital renewal and demolition, as well as \$1.6 million in one-time expenditures for the Central Immersive Training Hub; and

- Pittsburg State University – Includes a decrease of \$8.6 million SGF, mostly in one-time expenditures for the American Center for Reading facility (\$2.0 million), National Institute for Materials Advancement Manufacturing prove-out facility (\$3.2 million), and capital renewal and demolition.

Human Services

The overall request for the human services function includes a decrease of \$135.3 million SGF, or 4.0 percent, below the FY 2026 agency request. The decrease is attributable to:

- South Central Regional Mental Health Hospital – Includes an increase of \$43.9 million SGF for operating expenditures at the new facility for FY 2027;
- Kansas Department for Aging and Disability Services – Includes a decrease of \$175.0 million SGF, or 10.7 percent, from the FY 2026 agency request. It adds \$46.7 million SGF in enhancement requests for waiver services. It deletes \$85.0 million SGF for one-time costs in FY 2026 related to the South Central Regional Mental Health Hospital construction, \$33.3 million SGF in one-time Home and Community Based Services SGF savings related to the COVID-19 Public Health Emergency, and \$58.2 million SGF for KanCare Caseloads. The caseloads amount has not been updated to reflect the fall consensus caseload estimate; and
- Department for Children and Families – Includes a decrease of \$8.2 million SGF, or 4.2 percent, from the FY 2026 agency request for SGF operating expenditures for FY 2027. This is predominantly attributable to FY 2026 including re-appropriated dollars to cover higher year-one startup costs for the Comprehensive Child Welfare Information System

(CCWIS) project. The agency budgeted \$36.5 million all funds, including \$18.3 million SGF, in FY 2026 for the CCWIS project. The agency budgeted \$21.1 million all funds, including \$10.6 million SGF, for FY 2027 for this purpose.

General Government

The general government function includes a decrease of \$64.2 million SGF, or 9.5 percent, below the FY 2026 agency request. The decrease is attributable to:

- Department of Commerce – Includes a decrease of \$50.7 million SGF due to one-time spending in FY 2026: Cybersecurity Center for Excellence – \$3.0 million SGF; Maintenance, Repair, and Overhaul of Airplanes – \$44.0 million SGF; Statewide Marketing Campaign for High Demand Wage – \$2.0 million SGF; Purple Unmanned Aircraft Systems (UAS) Certification – \$1.0 million SGF; and other – \$700,00 SGF;
- Office of the State Treasurer – Includes decreases of \$13.0 million SGF, for the Aviation Jobs Loan Program (\$10.0 million) and Pregnancy Compassion Awareness Program (\$3.0 million);
- Office of the Attorney General – Includes a decrease of \$10.4 million SGF predominantly attributable to expenditures for the Safe and Secure Firearm Detection Program (\$10.0 million); and
- Department of Administration – Includes a decrease of \$16.1 million SGF for the following: Docking State Office Building Renovation – \$5.0 million SGF; KPERS Bonds Debt Service – \$2.1 million SGF; and the Licensing Verification Portal – \$8.4 million SGF.

Agriculture and Natural Resources

The agriculture and natural resources function includes a decrease of \$2.0 million SGF, mostly attributable to a decrease in the Kansas Department of Agriculture for a one-time

expenditure in FY 2026 for Beyond Visual Line of Sight UAS operations (\$3.0 million).

CONCLUSIONS AND RECOMMENDATIONS

The Committee made nine recommendations to adjust the FY 2026 and FY 2027 agency requested budgets. These recommendations delete \$556.5 million SGF and 363.0 FTE positions in FY 2026 and \$601.0 million and 794.0 FTE positions for FY 2027. The recommendations are to:

- Remove any requests by agencies to restore the 1.5 percent operating reductions contained in 2025 SB 125 for FY 2026 or FY 2027;
- Remove any requests for the addition of FTE and associated funding above the FY 2026 approved level;
- Remove agency-requested salary increases unless directed by current law or part of a formal career progression plan for FY 2026 and FY 2027;
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