BRIEFING BOOK

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This publication contains briefs on timely topics that may be relevant during the current Legislative Session. The design is intended to provide a concise and useful resource for legislators. Articles are written to efficiently convey the most important points about each topic, and graphics are included to illustrate large amounts of data in a concise format. The goal of this publication is to provide articles that are compact, easy to read, and relevant to even the most veteran lawmakers as a new session begins in the Statehouse.

Previous Briefing Book articles and more in-depth resources and memoranda continue to be updated with the latest information and are available on the Kansas Legislative Research Department website at *klrd.gov.*

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What is an Unmanned Aerial Vehicle?

The terms “unmanned aerial vehicles” (UAV), “unmanned aerial systems” (UAS), and “drones” include any flying vehicle that does not carry a human pilot on board. UAVs are typically controlled via a remote operator on the ground, though many now employ GPS mapping and artificial intelligence to allow the testing of autonomous operation. They are typically electric but can be powered by combustion engine or are hybrid.

Non-agricultural uses of UAVs, currently more common in urban areas, include: cargo transport (such as package delivery by companies like Amazon and Walmart); disaster response (the State Fire Marshal’s Office has three–one in Topeka, one to cover the western part of the state, and one to cover the eastern part of the state); and police search and rescue.

In agriculture, UAVs are used to monitor crop and livestock health, map and survey fields for crop planning, and apply seed, pesticides, or fertilizer. Proponents of the technology tout the efficiency and accuracy of such agricultural uses, stating that UAVs use less fuel, and their increased precision will lead to less waste and less pollution.

Kansas

Wichita claims the title of “Air Capital of the World” due to its history and prominence in aircraft manufacturing. It is home to some of the leading manufacturers of aircraft in the world including Textron Aviation, Bombardier, and Spirit AeroSystems. It is also where companies like Cessna, Beechcraft, and Learjet began.

The Kansas Departments of Commerce (Commerce), Transportation (KDOT), and Agriculture (KDA) have made supporting the agricultural drone industry a priority. Their goal is to make Kansas a leader in this industry worldwide in the same way that Kansas is a leader in the aircraft manufacturing industry.

Kansas State University (KSU), University of Kansas (KU), and Wichita State University (WSU) are heavily involved in UAV research and development in partnership with the Federal Aviation Administration’s (FAA) Alliance for System Safety of UAS Through Research Excellence (ASSURE) program. Most public universities in the state offer UAV-related classes, certifications, or degrees.

Kelly Hills Unmanned Systems, a company based in northeast Kansas, has the largest contiguous FAA-approved UAV test range in the country that shares airspace with four states. It is also home to the largest FAA-certified drone in the nation, the Pyka Pelican II. In partnership with KDOT’s Division of Aviation; KSU Salina; Commerce; and other private and community

partners, this drone made the state's first long-range beyond visual line of sight (BVLOS) medical supply delivery using a UAV on August 12, 2025. The flight was approximately 30 miles from Seneca, Kansas, to Community Healthcare Systems in Onaga, Kansas.

Kansas is also home to other leading manufacturers and operators of UAVs, including Saxon Unmanned, Kansas Drone Services, AgEagle Aerial Systems, Humminbyrd Drones, and many others offering a variety of services.

Infrastructure Needs

When electric vehicles began to be available to the public, infrastructure was needed in the form of charging stations, certified mechanics, and electrical energy to meet the needs of the advancements in technology. The increased use of UAVs in agriculture will also require a certain amount of infrastructure in place. This includes testing ranges, traffic management, communications, and airport electrification.

Regulations

The operation of UAVs is regulated by the FAA in 14 CFR Part 107. It is currently required that the operator must keep the UAV in sight at all times. There is a proposed rule, Part 108, that would regulate operation of UAVs BVLOS. It is scheduled to be in the Public Comment phase until October 6, 2025.

The FAA requires the passing of the Aeronautical Knowledge Test to obtain a Remote Pilot Certificate in order to fly a drone commercially. To fly a drone recreationally, the FAA requires the passing of the Recreational UAS Safety Test (TRUST).

Kansas requires any commercial agricultural pesticide sprayers to be certified through the KDA's Pesticide and Fertilizer Program. Commercial operators of UAVs that are used for pesticide application are regulated by these rules.

Recent Bills

2025 HB 2308

HB 2308 would enact the Aviation and Innovative Manufacturing in Kansas Act (AIM-K). The bill would create tax incentives and funds to attract businesses engaged in electric- or hydrogen-powered vehicle production and aircraft innovation, education, and manufacturing in Kansas. The bill was introduced by the House Committee on Commerce, Labor and Economic Development. The Committee held a hearing on March 4, 2025. No further action was taken on the bill.

2025 House Sub. for SB 9

House Sub. for SB 9 created the Kansas Land and Military Installation Protection Act. The bill contained certain amended provisions of HB 2293. The provisions relevant to UAVs prohibit Kansas government agencies from acquiring drones whose critical components were produced by a country of concern, or whose critical components were produced or owned by a foreign principal. House Sub. for SB 9 was signed into law by the Governor on April 7, 2025.

Other State Policies

In 2016, Kansas included the use of UAVs over or near any dwelling, occupied vehicle, or other place where one may reasonably expect to be safe from uninvited intrusion or surveillance as a prohibited form of harassment in the Protection from Stalking Act.

Local Policies

Municipalities and other local authorities in Kansas are free to make their own policies regarding UAVs. For example, the city of Wichita prohibits the use of UAVs near airports without the written permission of the airport director, and the city of Prairie Village prohibits the use of UAVs near a person in an offensive manner, over certain events, or over certain private property without consent.

AGRICULTURE AND NATURAL RESOURCES

Water Fluoridation

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On February 27, 2025, the House Committee on Water held an informational hearing on fluoridation of public water supply—when communities add additional fluoride to their water.

The Committee received information supporting water fluoridation from a dentist from Abilene, Kansas, and representatives of the Kansas Dental Association and Oral Health Kansas. The Committee also received testimony against water fluoridation from a dentist from Overland Park, Kansas, and a biological dentist from the Institute for Biological Dentistry.

Additionally, the Committee received information about the Kansas Department of Health and Environment (KDHE) Bureau of Water's role in fluoridation of public water supply systems.

What is Fluoride?

Fluoride is a chemical ion of fluorine, which is the 13th most common element in the Earth's crust. It is naturally found in almost all soil, water, and many rocks. It is released into the environment when rocks or soil containing fluoride are dissolved by water. It can also be released from volcanic emissions or through man-made processes.[1]

How Did Fluoridation of Public Water Supply First Occur?

In 1944, the Grand Rapids, Michigan, City Commission voted for Grand Rapids to become the first city in the world to add fluoride to its public water supply system, which occurred in 1945. [*Note:* Research in water sources related to dental health first began in the early 20th Century.]

The then-named National Institute of Dental Research conducted a 15-year study, monitoring the levels of tooth decay in the Grand Rapids' population of almost 30,000 schoolchildren.

After 11 years, the Institute announced that the rate of cavities in Grand Rapids' schoolchildren had dropped by 60.0 percent. This finding, given the large sample size, was considered a remarkable scientific achievement at the time, as it was believed to be the first time in history that tooth decay was found to be a preventable disease.[2]

Are there State Laws or Rules and Regulations that Require Water Fluoridation?

No. There is no state or federal requirement to add fluoride to public water supply systems. Water fluoridation is a local decision. The State of Kansas is precluded from requiring water fluoridation by KSA 68-171m, which explicitly states, "No primary drinking water standard or rule and regulation may require the addition of fluorides to public drinking water." [*Note:* The

1 Centers for Disease Control, Community Water Fluoridation FAQs, posted May 14, 2024.
2 National Institute of Dental and Craniofacial Research, "The Story of Fluoridation," reviewed December 2024.

statute was passed by the 1977 Legislature.]

KDHE's Bureau of Water monitors public water standards, but has stated it is neutral on fluoridation and its benefits, and ultimately, it is a local decision whether a community fluoridates its public water.[3]

Does the State Have a Role in the Fluoridation Addition Process?

Yes. KDHE's Bureau of Water approves the addition of fluoride for a public water supply system based on several factors that are reviewed by the agency, including the:

- Form of fluoride chemical to be added;
- Point of application;
- Feeding mechanism and rate of flow;
- Storage and handling;
- Automatic controls, safety precautions, and laboratory procedures;
- Designation of Class II (or higher) certified operator; and
- A copy of the city ordinance or rural water district resolution authorizing fluoridation.

KDHE has stated that its general principle regarding fluoridation projects is that it should not be undertaken without the full cooperation and approval of the local administration, the public water utility, and the local health department.[4]

Does the Federal Government Have a Role in Water Fluoridation?

Since 1962, federal agencies have recommended certain levels of drinking water fluoridation to promote dental health. Water fluoridation, however, is not required by federal law.[5] Federal agencies, including the U.S. Environmental Protection Agency (EPA), adopt standards for drinking water under the federal Safe Drinking Water Act.

What are the Recommended Fluoride Levels in Kansas for Public Water Supply Systems?

Kansas, like most states, adopts the drinking water standards set by the federal Safe Drinking Water Act and its regulations. In 1986, the EPA established a regulation under the Act that set the maximum enforceable level of 4.0 mg/L to protect against adverse health effects, which Kansas has adopted.[6]

The EPA has also issued National Secondary Water Supply Standards, which are non-enforceable guidelines for contaminants that may cause cosmetic or aesthetic effects. Should a public water supply system find fluoride levels to be higher than 2.0 mg/L but less than 4.0 mg/L, the EPA requires certain public notices to be made.[7] Kansas adheres to this standard.

For oral health standards, the U.S. Public Health Service has found the optimal concentration level of fluoride for oral health is 0.7 mg/L. Kansas adheres to this standard.

Who Monitors Fluoride Levels in Kansas?

All public water supply systems monitor for fluoride levels. That includes all community water systems, rural water districts, and non-transient, non-community systems (such as self-supplied schools or industry). There is a testing schedule for systems that fluoridate their water or not, surface water, and some groundwater sources.[8]

3 KDHE testimony provided to the House Committee on Water, February 27, 2025.

4 All information in this section is taken from KDHE testimony provided to the House Committee on Water on February 27, 2025.

5 Ibid.

6 Congressional Research Service, "The Development of Federal Recommendations and Regulations for Fluoride in Drinking Water," May 16, 2025.

7 EPA website, Drinking Water Regulations and Contaminants, updated January 25, 2025.

8 Congressional Research Service, ibid.

What Developments are there at the Federal Level?

In April 2025, the U.S. Department of Health and Human Services directed the Centers for Disease Control and Prevention to reconvene an independent panel to make new recommendations on fluoridating public water supplies, including the role it plays in public water systems and whether there are any negative affects to public health.

The EPA Administrator has stated publicly that the EPA would also review the scientific evidence regarding fluoride in public water supply and health outcomes based on fluoride consumption.[9]

9 NPR, Kansas Public Radio, “HHS will review guidance on the addition of fluoride to drinking water,” “https://www.npr.org/2025/04/10/g-s1-59452/hhs-rfk-fluoride-drinking-water-epa

AGRICULTURE AND NATURAL RESOURCES

Water Infrastructure Funding

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Financing Involved

Beginning in FY 2024, the Legislature began appropriating State Water Plan Fund (SWPF) moneys and directing transfers from the State General Fund (SGF) to the SWPF that were higher than historical averages. During this time, SWPF appropriations were directed at water infrastructure projects; however, SWPF was not the sole funding source directed to finance water infrastructure projects. The Legislature and the State Finance Council approved additional financing for water infrastructure projects from the SGF and the federal American Rescue Plan Act (ARPA) fund. These SWPF, SGF, and ARPA appropriations for water infrastructure projects were made to the Kansas Department of Health and Environment (KDHE)–Division of Environment and the Kansas Water Office (KWO).

Kansas Department of Health and Environment–Division of Environment

The Small Town Water and Sewer Infrastructure Grant Program (Program) is operated by the Bureau of Water within the Division of Environment, KDHE. The Program is made available to small towns with populations of less than 1,000 for technical and financial assistance to improve drinking water and sewage infrastructure. From FY 2024 to FY 2025, the Program has used a mix of ARPA, SWPF, and SGF to finance these grants. No additional appropriations have been made to the Program for FY 2026 or beyond.

ARPA. In FY 2024, the Program received a $10.0 million appropriation of State ARPA funds, of which $5.0 million was awarded to seven recipients for drinking water projects, and $5.0 million was awarded to nine recipients for sewage projects.

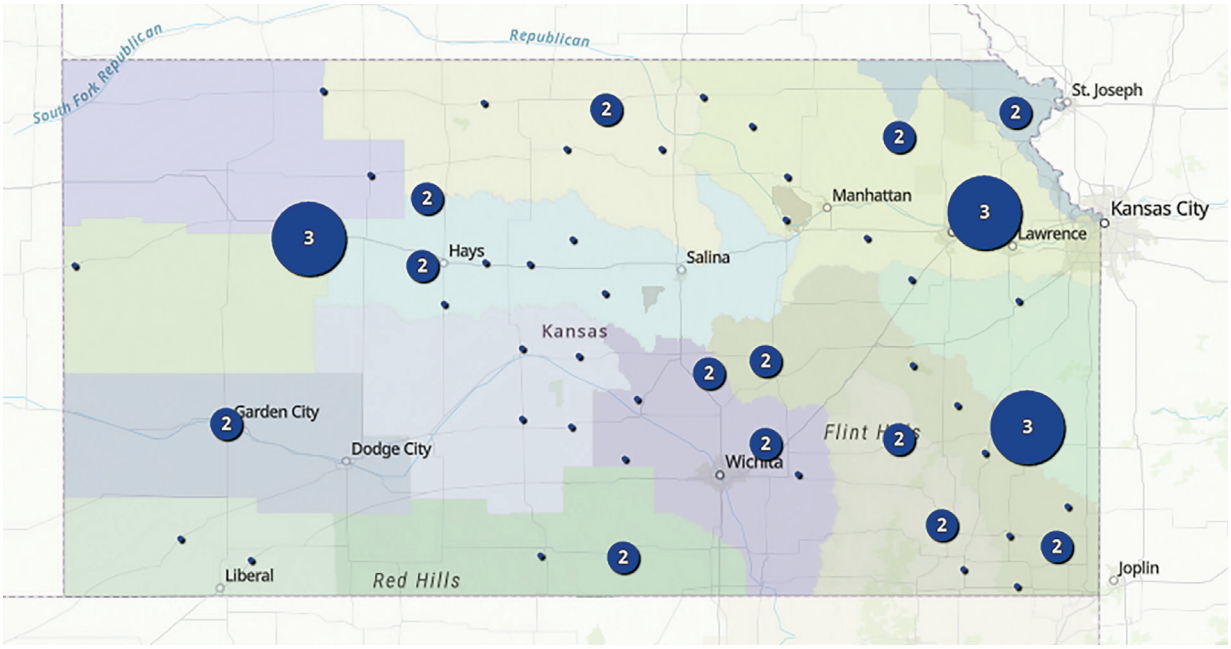
SWPF. In FY 2024, $3.2 million SWPF was approved for the Program. The moneys financed one drinking water project and two sewage projects.

SGF. In FY 2025, $16.0 million SGF was approved for the Program. The moneys financed six drinking water projects totaling $5.0 million and seven sewage projects totaling $11.0 million.

Kansas Water Office

The 2023 Legislature passed, and the Governor signed, Senate Sub. for HB 2302, which, among other things, created the Water Projects Grant Fund and the Technical Assistance Grant Fund to be administered by the KWO. The legislation was enacted into statute as KSA 82a-955 through 82a-957.

Technical Assistance Grant Fund. The 2023 Legislature directed transfers from the SWPF to the Technical Assistance Grant Fund totaling $5.0 million for FY 2024.



The Kansas Water Office funded 39 projects across the state in FY 2025.
See the interactive version of this map and several additional tables in the digital version of this article on klrd.gov/bb26.

For FY 2025 and FY 2026, approved transfers from the SWPF to the Technical Assistance Grant Fund total $7.5 million and $5.5 million, respectively. Transfers from the SWPF are the only source of revenue for the Technical Assistance Grant Fund.

To date, the Technical Assistance Grant Fund has been used to finance 58 grants. In FY 2024, a total of $5.0 million was awarded to 19 grants. The remaining 39 grants, totaling $7.4 million, were awarded in FY 2025.

Water Projects Grant Fund. The 2023 Legislature directed transfers from the SWPF to the Water Projects Grant Fund totaling $12.0 million for FY 2024. The 2025 Legislature added another $1.0 million transfer from the SWPF to the Water Projects Grant Fund for FY 2024.

For FY 2025 and FY 2026, approved transfers from the SWPF to the Water Projects Grant Fund total $19.5 million and $12.5 million, respectively. The Water Projects Grant Fund is exclusively funded by transfers from the SWPF.

To date, the Water Projects Grant Fund has been used to finance 9 grants totaling $11.9 million in FY 2024 and 24 grants totaling $16.8 million in FY 2025. The Fund has also provided funds for 6 loan assistance grants totaling $1.1 million in FY 2024, and another 7 loan assistance grants totaling $2.1 million in FY 2025.

Combined State Assistance

Across fiscal years 2024 and 2025, KDHE awarded a total of $29.2 million, from all funding sources, administering the Program.

Similarly, KWO has provided $12.3 million from the Technical Assistance Grant Fund and $31.9 million from the Water Projects Grant Fund for a total of $44.2 million in funding.

In aggregate, these initiatives have invested $73.5 million, from all funding sources, in water infrastructure projects in Kansas since the start of FY 2024.

COMMERCE, LABOR, AND ECONOMIC DEVELOPMENT

Occupational Licensing

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Introduction

Occupational licensing is a system of granting individuals permission to practice a particular kind of business activity. It is a form of credentialing intended to protect public interests by ensuring that licensed individuals are qualified and responsible for performing the regulated activity, subject to appropriate oversight.

Occupational Licensing in Kansas

In Kansas, occupational licensing at the state level is required by statute for various fields of professional practice. Statute establishes various requirements and conditions for such licenses but many requirements are provided through administrative regulations by the various agencies or licensing bodies charged with administering the respective credentials.

It is difficult to ascertain the exact number of occupational licenses required within Kansas, but statutory reports to the Legislature on occupational licensing are required by 21 regulatory bodies, who report on about 100 distinct licenses to the Kansas Legislative Research Department (KLRD) (see Reporting Requirements, below).

For many activities, requiring occupational licensing credentialing and oversight is a federal or local matter. For example, aircraft mechanics are regulated by the Federal Aviation Administration, while plumbers and electricians are licensed locally.

Interstate Licensing Compacts

For a variety of professions, Kansas law provides for state participation in interstate licensing compacts through enacted legislation. Such compacts are agreements governing licensure within particular professional fields, as a means of ensuring uniform standards of practice while reducing barriers to workforce participation through reciprocal licensure or privilege to practice in another compact member state.

Under such agreements, while many requirements are dictated by the terms of the compact, the regulatory authority of states to protect public health and safety are preserved; state licensing bodies are generally still responsible for administering credentialing programs and maintaining oversight and enforcement authority over practice within their respective fields.

Reporting Requirements

2021 HB 2066 introduced requirements for most agencies administering occupational licenses to make an annual report to the Legislature related to statutory requirements for expedited licensure. The report requires licensing bodies to provide information on the types of licenses issued with statistics on the time required for each license determination, the number of licenses issued or denied, and reasons for denial, among other information.

[*Note:* KLRD is required by 2021 HB 2066 (KSA

48-3406) to annually collect licensure information regarding expedited military and non-military licensure law and report that information to certain entities.]

Several state entities overseeing statutorily required occupational licenses are not required to make an annual report on licensing to the Legislature. Examples include weights and measures service technicians, regulated by the Department of Agriculture, and various emergency medical service provider types regulated by the Emergency Medical Services Board.

Occupational Licensing Reforms in Kansas

Since 2012, the Legislature has enacted a number of occupational licensing reforms.

Credentials for Non-resident Military Members and Military Spouses

Legislation enacted in 2012 provided for licensing of spouses of active-duty military members with out-of-state credentials regardless of whether the credentialing body otherwise recognized the equivalent credential in Kansas. Similar provisions were added for military veterans in 2013 and active-duty service members were added in 2015. Credentialing was extended to all spouses of military members, regardless of active-duty status, with enactment of HB 2066 in 2021.

Expedited Credentialing

A number of legislative efforts have reduced the time required to obtain licensure in Kansas for qualified individuals moving from out of state. The 2015 changes to law providing for reciprocal credentialing of active-duty military members also required credentialing bodies to issue licenses within 60 days for military members and military spouses. 2021 HB 2066 shortened the period of time in which regulatory bodies are required to issue occupational credentials to military service members or military spouses seeking to establish residency in Kansas to 30 days while also providing for expedited credentialing of non-military prospective residents, requiring credentials to be issued within 60 days for all qualified out-of-state applicants.

Temporary and Provisional Licensing

2021 HB 2066 also provided for temporary and provisional licensing for certain applicants with out-of-state credentials. Regulatory bodies are permitted to issue temporary occupational permits allowing applicants to lawfully practice their occupation while completing any specific requirements to practice in Kansas that were not required in the other state, provided the practice of the occupation by the individual would not jeopardize public health and safety.

Removal or Reduction of Fees

One of the ways states can ease the regulatory burden of obtaining occupational credentialing includes the reduction or removal of fees related to licensure. In line with the policy of making licensure easier for qualified military members and spouses, 2024 HB 2745 exempted military service members and spouses of active-duty military members from all fees for applications for any such credential assessed by the licensing body, including criminal background report fees, whether assessed by the licensing body or another agency, and any fees associated with initial applications or renewal of any credential. In 2025, with enactment of HB 2274, this fee waiver was extended to all spouses of military members, regardless of active-duty status.

Exemption from Regulation

There have also been a number of changes to policy in recent years that ease regulations on certain occupational practices, either by removing applicability of licensure requirements or removing or easing specific regulatory requirements.

2022 SB 440 authorized occupational therapists to provide limited services to patients without referral from a health care provider under certain

conditions. 2022 SB 348 removed certain threading (temporary hair removal by use of a strand of thread) methods from regulation under the licensure of cosmetologists. 2022 SB 453 permitted, with regard to licensure of specialist clinical social workers, supervised postgraduate experience in lieu of completion of a graduate-level supervised clinical practicum.

Easing of regulations that apply to licensure or specific practices are often complemented by other offsetting conditions. For example, the 2022 bill exempting threading from cosmetology licensure required threading practitioners to make available to clients a brochure including infection control guidelines with the practitioner's responses to a self-assessment of adherence to such guidelines.

2022 Senate Sub. for HB 2279 allowed advanced practice registered nurses (APRNs) to prescribe drugs without a written protocol authorized by a responsible physician, but added a requirement for APRNs to maintain malpractice insurance. Similarly, 2022 SB 440 required occupational therapists to maintain liability insurance while authorizing limited practice without requiring health care provider referrals.

Increased Participation in Interstate Licensing Compacts

Kansas has enacted compact legislation participation in a variety of interstate occupational licensing agreements in recent years to facilitate interstate practice of regulated professions.

Kansas enacted the Audiology and Speech-Language Pathology Interstate Compact in 2021 with SB 77 and the following eight additional interstate compacts between 2023 and 2025:

- Counseling Compact (2023 HB 2288);
- Cosmetologist Licensure Compact (2025 HB 2069);
- Dentist and Dental Hygienist Compact (2024 HB 2453);
- Dietitian Compact (2025 HB 2069);
- Interstate Teacher Mobility Compact (2023 SB 66);
- Physician Assistant Licensure Compact (2025 HB 2069);
- School Psychologist Compact (2025 HB 2069); and
- Social Work Licensure Compact (2024 HB 2484).

Notable interstate health care professional licensure compacts that have not been enacted in Kansas but have been enacted or are being considered in other states include the Advanced Practice Registered Nurse Compact, Occupational Therapy Licensure Compact, and Respiratory Care Interstate Compact.

Other Reform Efforts

2025 SB 30 was a recent attempt at additional substantive reforms to occupational licensing in Kansas. The bill would have required licensing bodies to annually provide a report of certain information to the Joint Committee on Administrative Rules and Regulations and for new occupational licenses and material changes to existing licenses adopted by certain state agencies to be approved by the Legislature.

Before consideration of any such adoption or material change, KLRD would have been required to conduct a review and submit a report with certain information relating to the rationale for the proposed requirement, comparison with requirements in other states, and alternative measures for achieving the intended purpose of the proposed requirement.

The Conference Committee Report for SB 30 was adopted by the House but was not taken up by the Senate.

EDUCATION

Blueprint for Literacy

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Overview

During the 2024 Legislative Session, The Kansas Blueprint for Literacy was established through enactment of SB 438, which also appropriated $10.0 million State General Fund (SGF) in FY 2025 to the Kansas Board of Regents (KBOR) for purposes of implementing the Blueprint.

The Blueprint makes literacy a state-level priority and investment to support families and businesses and finds that a comprehensive approach to equipping Kansas educators with training in the science of reading, structured literacy, and literacy screening and assessment tools is essential.

Literacy Advisory Committee

The Blueprint created the Literacy Advisory Committee (Advisory Committee) consisting of 15 voting members, the Commissioner of Education (or the Commissioner's designee), and any number of members appointed by the Director of Literacy Education (Director). The Advisory Committee, among other duties and responsibilities, is required to:

- Designate best practices for literacy training and monitor progress of literacy training for in-service and pre-service teachers and literacy education of elementary and secondary students;
- Be responsible for achieving the goal to have 100.0 percent of the Kansas elementary teacher workforce achieve a micro-credential in the science of reading and structured literacy by 2030, leading to 50.0 percent or more of 3rd through 8th graders achieving a level 3 or above and at least 90.0 percent of 3rd through 8th graders achieving a level 2 or above on the English language arts state assessment by 2033; and
- Submit a plan to KBOR on the establishment of the Centers of Excellence in Reading on or before January 1, 2025.

Director of Literacy Education

The Director is appointed by the Executive Officer of the KBOR and, among other duties and responsibilities, is required to:

- Implement and administer the Blueprint;
- Provide executive support to the Advisory Committee;
- Work with the State Board of Education and KBOR to ensure progress on the initiatives, objectives, and desired outcomes in the Blueprint; ensure the development and utilization of the comprehensive assessment system; and ensure postsecondary educational institutions and elementary and secondary schools are using tier I literacy methodologies;
- Encourage independent institutions to use tier I methodologies; and

- Establish a program to track the science of reading and structured literacy training progression of in-service and pre-service teachers and paraprofessionals, reading specialists, and early childhood and elementary administrators for all school districts in the state.

Postsecondary Educational Institutions; KBOR; State Board of Education

The Blueprint requires postsecondary educational institutions to designate practices based on the science of reading through structured literacy as the official tier I methodology and prohibits the use or teaching of any discredited methodologies, such as the three-cueing system. The Blueprint also requires postsecondary educational institutions to:

- Appoint one representative from each institution to conduct annual systemwide analysis of the curriculum maps across all literacy courses;
- Present a report on such systemwide analysis and any results from such analysis to the Advisory Committee;
- Design and implement courses to be included within the approved graduation requirements to earn a degree in elementary education;
- Implement a common performance-based assessment for such courses;
- Assist in the development of a science of reading and structured literacy micro-credential; and
- Provide information to the Advisory Committee.

The Blueprint directs KBOR to:

- Establish a comprehensive reading and literacy assessment system;
- Develop training modules for assessments;
- Support State Board of Education action to officially designate the science of reading as the official tier I literacy methodology;
- Support elementary and secondary schools as necessary to eliminate any discredited methodologies;
- Make recommendations to the State Board of Education on literacy-specific universal screening measures and assessments; and
- Approve reading instruction methodologies recommended by the Advisory Committee for state educational institutions.

The Blueprint further directs KBOR to collaborate with the State Board of Education to:

- Jointly approve a micro-credential for pre-service and in-service teachers;
- Develop professional development programs;
- Publish standards and course progression; and
- Provide data to the Director that tracks the science of reading and structured literacy training program of in-service and pre-service early childhood and elementary educators and administrators.

Centers of Excellence in Reading

The Blueprint requires the Advisory Committee to develop a plan to establish six regional centers of excellence in reading (Centers). The Blueprint requires the plan to:

- Provide evaluation and identification of reading difficulties and reading disabilities;
- Support the professional development and training of school-based instructional coaches;
- Pilot simulation laboratories for pre-service and in-service teachers;
- Identify projected costs and staffing needs;
- Collaborate with school districts, KBOR, State

Department of Education, and post secondary educational institutions; and

- Make recommendations and provide progress reports to the Advisory Committee.

The Advisory Committee submitted a plan for the Centers in December 2024. The plan included an implementation timeline, a catchment area map, data on the number of educators in each catchment area that need Language Essentials for Teachers of Reading and Spelling (LETRS) training, and a multi-year budget.

Reports to the 2025 Legislature

The Blueprint requires the Advisory Committee and the Director to make various reports to the Legislature regarding implementation and administration, progress on utilization of the science of reading and screening measures and assessments, and state assessment progress for each grade level and all defined subgroups.

During the 2025 Legislative Session, the Director reported to the House Committee on Education and Senate Committee on Education on the implementation progress of the Blueprint, the plan submitted by the Advisory Committee for the Centers, and a budget plan for the Blueprint for FY 2025 through FY 2029.

Appropriations

The 2024 Legislature appropriated $10.0 million SGF for FY 2025 to KBOR to implement and administer the Blueprint.

The 2025 Legislature did not fund the Blueprint for FY 2026; $10.0 million SGF was deleted from HB 2007, and no additional funding was included in SB 125.

EDUCATION

Cellphone Policies in K-12 Schools

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National Policy Landscape

First adopted by Florida in 2023, state action regarding the restriction or prohibition of personal communication devices has been taken in 31 states and the District of Columbia as of the start of the 2025–2026 school year. Personal communication devices can include, but are not limited to, cellphones, smart watches, and bluetooth headphones. These policies, as classified by Education Week, fall into four categories: statewide restrictions, policies required, incentive policies, and policies recommended[1].

[*Note:* For purposes of this article, the term "personal wireless communication device" will be referred to as "cellphone" even though these policies would or could include other items such as smart watches and bluetooth headphones.]

Statewide Restrictions

Four states have passed legislation that establishes statewide restrictions on the use of cellphones at school. The policies generally prohibit the use of cellphones during a specific time frame, such as instructional time, or in certain locations, such as on school property or at a school-sponsored activity. Additionally, the policies allow for exemptions for students needing cellphones for individual education programs (IEPs) or 504 plans, for medical reasons, in case of an emergency, or for educational purposes.

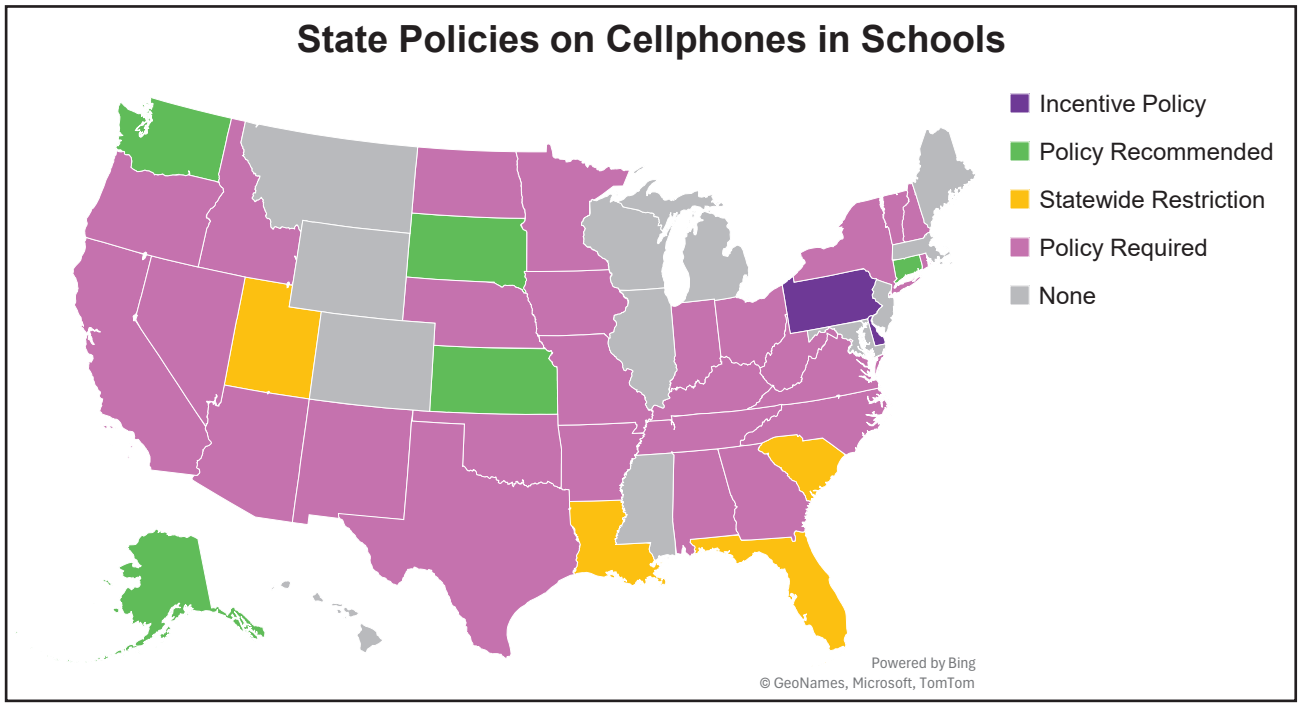
An outlier to the above generalities, the South Carolina General Assembly passed a budget proviso requiring the State Board of Education to adopt a model policy to prohibit access to cellphones by students during the school day. School districts are required to adopt the State Board of Education's policy in order for the school district to receive state aid.

Policy Required

The largest category, 27 states and the District of Columbia, have taken action that requires school districts or schools to implement policies related to the use of cellphones in schools. The specificity and requirements of what must be included in the policies varies widely by state. For example, Minnesota's requirement for districts is solely that the district has a policy governing a student's possession and use of a cellphone in school. Conversely, Texas's policy requires the school district's policy to prohibit students from using cellphones on school property during the school day. Additionally, district policy must include designated methods for storing student cellphones during the school day and what disciplinary measures would occur for violating said policies.

Similar to the states with statewide restrictions, most states with required policies do require exemptions for use by students with IEPs or 504

1 https://www.edweek.org/technology/which-states-ban-or-restrict-cellphones-in-schools/2024/06



plans, for medical purposes, for education purposes, or in case of an emergency.

Incentive Policies

Two states, Delaware and Pennsylvania, have adopted policies to incentivize districts to adopt cellphone restrictions.

The Delaware General Assembly established a pilot program for middle and high schools to apply for grant funding to purchase storage pouches for student's cellphones. The state's Department of Education is required to evaluate the effectiveness of the pilot program and submit a report to the General Assembly. The General Assembly appropriated $250,000 for the pilot program.

Pennsylvania allows funds from the State's existing School Safety and Mental Health grant program to be used for the purchase of lockable cellphone bags. However, to receive the grants, a school district would be required to adopt a cellphone use policy that prohibits cellphone usage during the school day.

Policy Recommended

Four states, including Kansas, have taken actions to recommend that school districts or schools establish cellphone policies but do not require it. In all but one state, South Dakota, the action was taken by the state's Board of Education to recommend adoption of policies.

Kansas

Blue Ribbon Task Force

The Blue Ribbon Task Force on Student Screen Time (Task Force) was established by the state Board of Education at the Board's July 2024 meeting. The Task Force was charged with providing recommendations regarding the use of personal devices in school, screen time, and mental health, and parental oversight of district-owned devices. The Task Force was composed of 36 members including, but not limited to, legislators, superintendents, teachers, students, and parents. The Task Force met weekly from August 22, 2024, through November 7, 2024.

The Task Force's report can be found on the State Department of Education's website and includes 22 recommendations[2]. Five of the recommendations involved cellphones in

2 https://www.ksde.gov/Agency/Office-of-the-Commissioner/BlueRibbonTaskForceOnScreenTime

school and include recommending districts implement a “bell-to-bell” cellphone policy and requiring cellphones to be secure and inaccessible to students during the school day. Four recommendations centered on screen time and mental health, such as providing “digital citizenship education” and districts sharing peer-reviewed research on excessive use of technology and software with students, families, and district staff. The remaining 13 recommendations centered on parental oversight of district-owned devices and included recommendations regarding parental supervision and district-operated content management.

The State Board of Education accepted the recommendations of the Task Force at its December 2024 meeting and tasked the State Department of Education with disseminating the report to school districts for review by local boards of education.

Kansas Legislature

The Kansas Legislature has, as of this article’s publication, not passed any legislation regarding cellphones in school.

Bills prohibiting cellphone usage in schools have been introduced in the 2024 and 2025 Legislative Sessions. In 2024, HB 2641 was introduced and received a hearing from the House Committee on Education, but no further action was taken. In 2025, HB 2186 was introduced and referred to the House Committee on Education, but no action has been taken.

EDUCATION

Kansas School Finance System Overview

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The State's current school finance system includes both the Kansas School Equity and Enhancement Act (KSEEA) and other school finance laws that cover six areas of focus:

- State Foundation Aid;
- Supplemental State Aid;
- Capital Outlay State Aid;
- Capital Improvement State Aid;
- Special Education State Aid; and
- Kansas Public Employees Retirement System (KPERS) employer contributions.

Each area contains its own unique funding formula or formulas.[1]

Kansas School Equity and Enhancement Act

KSEEA consists of two major areas of focus: State Foundation Aid and Supplemental State Aid. The 2017 Legislature enacted the KSEEA to replace the Classroom Learning Assuring Student Success Act (CLASS) Act. It will expire on July 1, 2027.[2]

The KSEEA was enacted as part of the Legislature's response to the *Gannon v. State* court cases, which started in 2010. The Kansas Supreme Court released jurisdiction of the Gannon case in February 2024.

An Education Funding Task Force was established during the 2025 Legislative Session to review the current school finance system and provide recommendations regarding the school finance formula after the expiration of KSEEA, Special Education State Aid, and any other recommendations related to school finance on or before January 11, 2027.

The Education Funding Task Force has already met several times during 2025 and will continue to meet through 2026.

State Foundation Aid

State Foundation Aid is the primary focus within the funding formula and provides the majority of state funding for the daily operation of schools. State Foundation Aid is a student-based funding model, where school districts receive a base amount of funding per student, with additional funding added to provide additional services and support to students with unique needs. In Kansas, State Foundation Aid calculations are based on two factors: the base aid for student excellence (BASE) and the weighted full-time equivalent (FTE) student enrollment of each school district.

1 A more in-depth memo on the current school finance system and its formulas for each area (Kansas School Finance System Memo, August 2025) can be found on the KLRD website: http://klrd.gov/policy-area/education

2 KSA 72-5176

BASE

BASE funding is set by statute and, as of school year (SY) 2023-2024, the BASE is the prior year's amount adjusted by the average percentage increase in the Consumer Price Index for the Midwest region during the three immediately preceding school years.

For SY 2025-2026, BASE is $5,615 per student.

Weightings

Weightings are added to each school district's regular FTE enrollment in order to reflect additional costs associated with serving certain student populations and to address other district characteristics. There are currently 11 weightings:

- At-risk students;
- High-density at-risk students;
- Bilingual students;
- Low enrollment;
- High enrollment;
- New school facilities;
- Ancillary school facilities;
- Cost-of-living;
- Career technical education;
- Special education; and
- Transportation.

The resulting weighted FTE enrollment is then multiplied by the BASE aid amount to calculate a school district's (district) Total Foundation Aid entitlement.[3]

While special education is listed as a weighting, the weighted FTE is backed into from the Special Education State Aid amount for each school district. This weighted FTE is not included in State Foundation Aid calculations for a school district, but is used to calculate Total Foundation Aid for the purposes of local option budget calculations.

Supplemental State Aid

Local school boards (boards) may adopt a local option budget (LOB) in addition to the annual State Foundation Aid a district receives from the State. LOB revenues are generated from local property taxes and Supplemental State Aid.

Because property valuations vary widely between school districts in Kansas, Supplemental State Aid is provided by the State as a form of equalization aid. The lower a school district's property values per student are, the more Supplemental State Aid it receives for its LOB. After the amount is determined, districts are then responsible for funding the rest of the LOB with local property taxes. Equalization, therefore, effectively serves as property tax relief for school districts with smaller tax bases.

Capital Outlay State Aid

Districts may levy a local property tax of no more than eight mills for the purpose of funding capital outlay expenditures. These funds may be used for the "acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, maintaining, and equipping of school district property and equipment necessary for school district purposes." Additionally, some school districts are eligible to receive Capital Outlay State Aid in a manner similar to Supplemental State Aid. However, unlike Supplemental State Aid, Capital Outlay State Aid does not replace local property taxes, but instead supplements local property taxes.

Capital Improvement State Aid

Districts may also issue bonds to finance construction of school facilities and receive Capital Improvement State Aid, if eligible, to help

3 Statute requires certain existing revenues, such as ending balances, to be subtracted from the Total Foundation Aid during calculations of state aid.

pay costs associated with these bonds as a form of equalization aid. Rates for these bonds are broken down into four different rate categories, which are:

- Bonds approved by voters prior to July 1, 2015;
- Bonds approved by voters on or after July 1, 2015, but prior to July 1, 2017;
- Bonds approved by voters on or after July 1, 2017, but prior to July 1, 2022; and
- Bonds approved by voters on or after July 1, 2022.

Each of these rates have different calculations for state aid, although all four rates are based on school districts' assessed valuation per pupil (AVPP), which is calculated yearly.

A district's state aid may be calculated using multiple rates depending on when the bonds were approved by voters.

Special Education State Aid

Calculation

Special Education State Aid is calculated as reimbursement for the "excess costs" associated with providing special education services. The State Department of Education determines the excess cost both statewide and, starting in SY 2024-2025, for each individual school district before distributing Special Education State Aid.

Statute requires a reimbursement rate for Special Education State Aid at 92.0 percent of total state excess costs, but provides for prorating state aid if the appropriation for Special Education State Aid does not equal 92.0 percent of excess costs.

Distribution

During the 2024 Legislative Session, the Legislature amended law governing the distribution of state aid for special education to require the Legislature to appropriate at least $601.0 million for special education for FY 2025 and every year thereafter. It also requires $528.0 million to be distributed based upon the existing statewide distribution system. This distribution includes four areas:

- Medicaid Replacement State Aid;
- Catastrophic Aid;
- Transportation Aid; and
- Special Education Teacher Aid.

The Special Education State Aid funding that is in excess of $528.0 million has its own distribution formula, which is established by the State Board of Education. Currently, funding is distributed proportionally based on each school district's local effort towards special education expenses.

KPERS Employer Contributions

The State pays the employer contributions to the Kansas Public Employees Retirement System (KPERS) for all KPERS-eligible school employees in Kansas. This part of the retirement system is known as KPERS–School and is composed of two parts: KPERS–USDs (United School Districts) and KPERS–Non-USDs. The obligation for employer contributions follows the schedule of contribution rates included in statute. KPERS–USDs is for public school employees, and KPERS–Non-USDs is for employees of community colleges, technical colleges, and school district interlocals.

EDUCATION

Tax Credit for Low Income Students Scholarship Program

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Overview

The Tax Credit for Low Income Students Scholarship (TCLISS) Program provides educational scholarships of up to $8,000 to eligible students to pay all or a portion of tuition to attend a qualified elementary or secondary school in Kansas. Contributions are made to scholarship granting organizations (SGOs), which provide the scholarships to students attending qualified schools of their parents' choice.

The program was enacted by the 2014 Legislature and went into effect on January 1, 2015. Statutory authority for the program can be found in KSA 72-4351 through 72-4357.

Scholarship Granting Organizations

A "scholarship granting organization" is an organization that complies with the requirements of the TCLISS program (including presenting proof of 501(c)(3) status) and provides educational scholarships to eligible students or to qualified schools in which parents have enrolled eligible students.

Each SGO must complete applications with both the Department of Revenue and State Department of Education to participate in the program. There have been 11 SGOs certified for the 2025 tax year.

Scholarship Disbursement

The SGOs disburse at least 90.0 percent of contributions received to eligible students (in the form of educational scholarships) within 36 months of receipt. Scholarships may not exceed $8,000 per eligible student for each school year. Scholarships must be used to cover the costs of tuition, fees, and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if transportation is provided by the school.

Scholarship Qualifications

Eligible Student

An "eligible student" means a child who resides in Kansas and:

- Has an annual family income that is less than or equal to 250.0 percent of the federal poverty guidelines; and
    - Was enrolled in kindergarten or any of the grades one through eight in any public school the previous school year in which an educational scholarship is first sought for the child; or
    - Is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of six years; or
- Has received an educational scholarship

under the program and has not graduated from high school or reached the age of 21 years.

As of January 2025, there had been 2,794 students from 105 public school districts deemed eligible for a scholarship since the start of the program in 2015.

Qualified School

A "qualified school" is any non-public school that provides education to elementary and secondary students, is accredited by the State Board of Education (State Board) or a national or regional accrediting agency that is recognized by the State Board for the purpose of satisfying the teaching performance assessment for professional licensure or is working in good faith toward such accreditation, and has notified the State Board of its intention to participate in the program and complies with the requirements of the program. For the 2023-2024 school year, there were 130 participating schools across Kansas.

Tax Credit

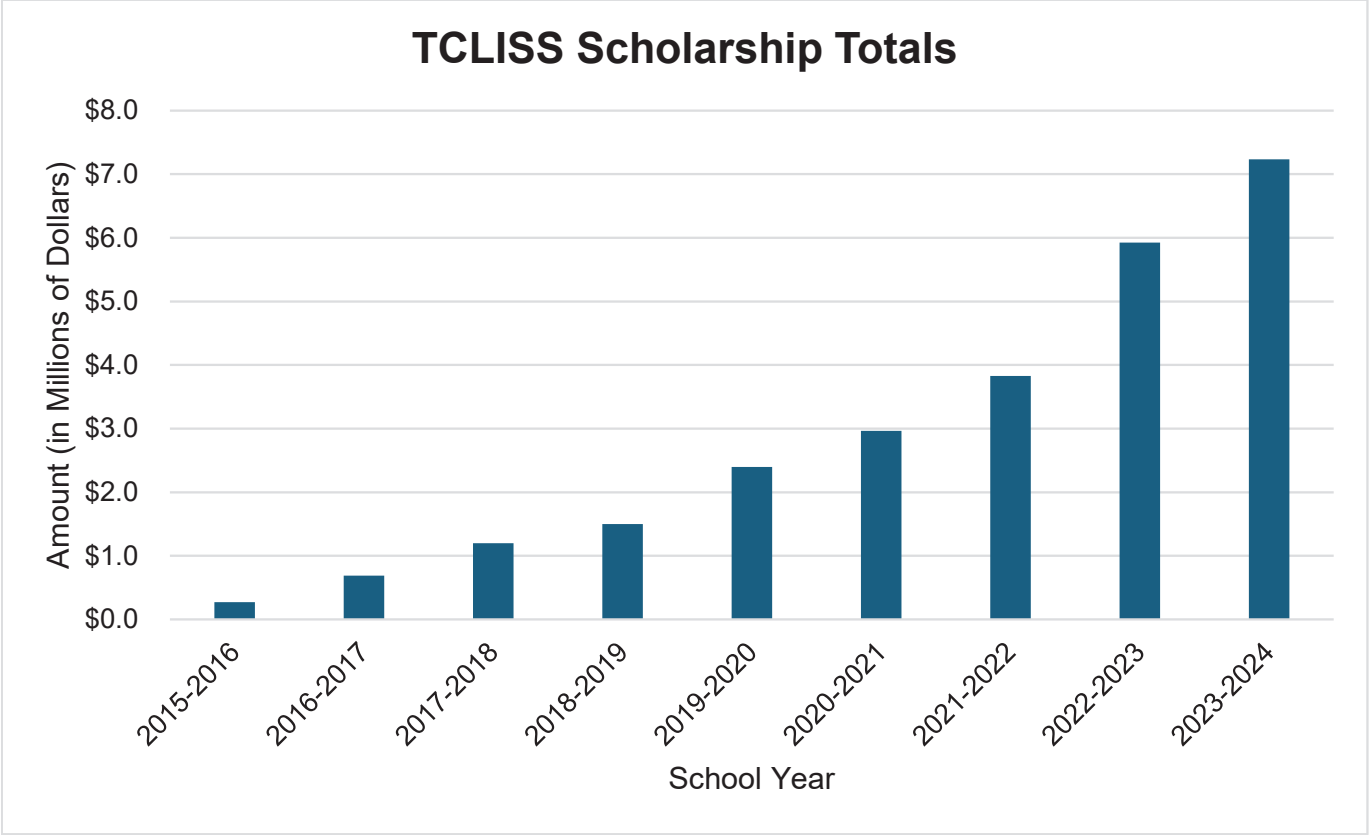
Eligible Contributors

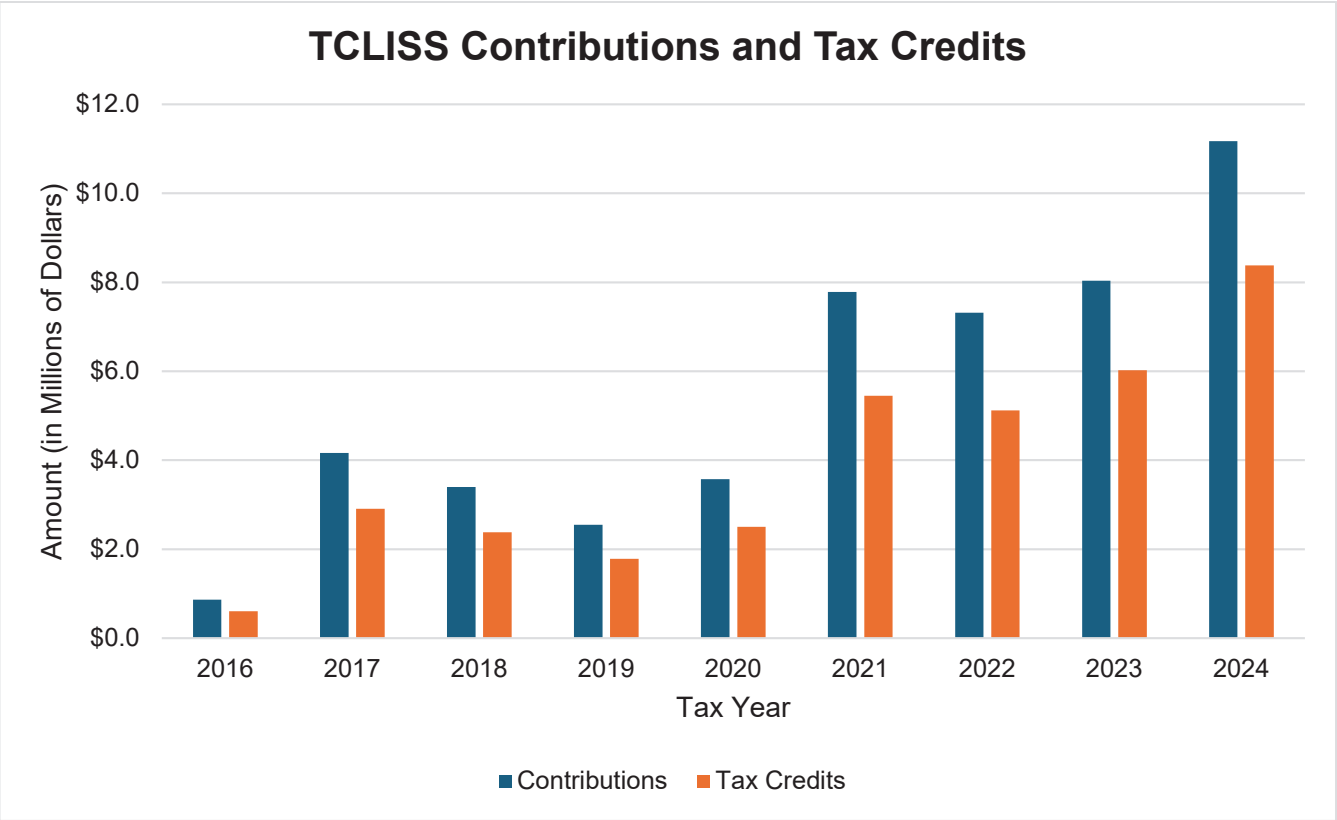
Contributors that are eligible to make contributions to a designated SGO include:

- Individuals filing an income tax return;
- Corporations filing a corporate income tax return;
- Taxpayers filing a privilege tax return; and
- Companies filing an insurance premium tax statement.

Tax Credit Amount

Contributors receive a tax credit equal to 75.0 percent of the contribution made to the SGO for





tax years starting January 1, 2023. For tax years 2015 through 2022, the credit amount was equal to 70.0 percent.

Limitation of Credit

For each tax year, the total amount of credits cannot exceed $10.0 million. Total contributions per contributor cannot exceed $500,000 for any one tax year.

If the amount of credit exceeds a contributor's tax liability in any one year, the remaining portion of the credit may be carried forward until the total amount is used.

2025 Legislative Action

During the 2025 Legislative Session, two bills—SB 87 and HB 2136—were introduced to expand student eligibility requirements under TCLISS, to increase the tax credit amount, and to increase the total aggregate credit limit.

SB 87 was amended by the Senate Committee on Education, Senate Committee of the Whole, and the House Committee on Education. HB 2136 received a hearing in the House Committee on Education. No further action was taken on either bill.

EDUCATION

University Bonding Authority

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Background

The Kansas Development Finance Authority (KDFA) was established by the Kansas Legislature in 1987 as a public organization to serve as the state's full-service finance authority. The primary functions of KDFA are to offer financial expertise, simplify the process of issuing debt, and help the State, as well as other public and private entities, carry out financial transactions more efficiently.

Relevant Statutes

KSA 74-8901 created the KDFA Act (Act), which includes the following relevant statutes:

- KSA 74-8902 defines words and terms used in the Act, including "bonds," which is defined as bonds, leases, notes, debentures, temporary certificates, grant or revenue anticipation notes, lease interests, certificates of participation in a lease, or any other type of debt, whether or not the interest is taxable under federal law;
- KSA 74-8905 authorizes agencies to issue bonds to raise money for certain projects, which can include a single project or multiple projects grouped together, for purposes such as educational facilities and health care facilities; and
- KSA 74-8905(b) authorizes the issuance of bonds for research facilities at state educational institutions and other state agencies upon request by the Secretary of Administration. Subsection (c) expands this authority, allowing bonds to be issued more broadly for educational and research facilities, including both public and private entities. The statute requires that any project financed through these bonds must provide a benefit to Kansas or its residents and that the institution or its affiliate maintains a presence or impact within the state.

Types of Bonding

There are generally four types of bonds used:

- User Fee Supported Revenue Bonds;
- Self-supporting Revenue Bonds;
- Tax-supported Revenue Bonds; and
- Units of University System.

State universities typically rely on User Fee Supported Revenue Bonds as their main source of bond funding, which are repaid using income generated by the facilities they help finance. For example, at state universities, the debt may be paid off using revenue from parking fees, housing fees, or other income generated by the institution.

These bonds are not backed by state tax revenues or the State General Fund (SGF). They also do not carry a general obligation

pledge or rely on yearly funding approved by the Legislature.

Facts on University Bonding

According to the KDFA, university debt has grown at a rate of 15.4 percent from 2005 to 2016.

In FY 2024, $180.4 million of debt was authorized by the Legislature for six projects, four of which were at state universities.

Appropriations Bill—SB 125

During the 2025 Legislative Session, six projects were authorized for state universities for FY 2026 totaling $687.5 million through the passage of SB 125. State universities are required to uphold ongoing maintenance for any buildings or projects being bonded.

Kansas State University

In SB 125, the Legislature authorized $23.5 million for capital improvement projects including the Animal Science Arena, Agronomy Research and Innovation Center, Global Center for Grain and Food Innovation, and Call and Weber halls. Additionally, $128.0 million was authorized for the construction of a Veterinary Diagnostic Laboratory on the Manhattan campus.

SB 125 included a proviso requiring the Kansas State University (K-State) Veterinary Medical Center to secure $2.0 million in private donations prior to bond issuance for this project.

SGF Debt Service

During the 2024 Legislative Session, the Legislature approved a $45.0 million bond to support the development of the Pure Imagination facility, officially known as the Kansas Advanced Immersive Research and Emerging Systems (KAIRES) Center. Unlike most bonding arrangements, which are typically funded through special revenue sources, this bond is backed by SGF.

As part of the funding process, SB 125 included a reallocation of $3.1 million in SGF appropriations for both FY 2025 and FY 2026. These funds were removed from the K-State budget and transferred to the Department of Administration to support the bond issuance.

While the bond provides funding for construction, K-State will retain responsibility for the ongoing maintenance and operation of the facility once it is completed.

University of Kansas and University of Kansas Medical Center

SB 125 allocated $100.0 million for new student housing on the University of Kansas (KU) Lawrence campus in response to increased enrollment. Additionally, a $276.0 million bond was approved to support the KU Central District development project. This funding will be used for the construction of a new integrated sciences building, a new student residence hall, a parking structure, and other infrastructure improvements.

The Legislature authorized $100.0 million for the KU Medical Center's Cancer Center project to fund construction and renovation efforts.

Wichita State University

SB 125 authorized $60.0 million for Wichita State University's University Stadium project, which will replace the existing Cessna Stadium.

Other Funding

State universities utilize multiple funding sources beyond bonding authority to support capital improvement projects. These funds are often requested as enhancements through the Kansas Board of Regents' (KBOR) budget. Most recently, the 2025 Legislature restructured previous funding for the Kansas Campus Restoration Act and appropriated $32.0 million from various funding sources.

Demolition Funds

The 2023 Legislature appropriated $10.0 million for the demolition of obsolete buildings on university campuses, with $750,000 allocated specifically for Washburn University, and the remaining funds designated for the state universities. This funding supports the removal of outdated facilities and helps reduce ongoing operating and maintenance costs. As a result of this appropriation, institutions have continued to identify additional obsolete structures.

Educational Building Funds

The Educational Building Fund (EBF) was established in 1941 primarily for the construction of new buildings at state universities. The EBF receives revenue from a mill levy on all tangible property in the state that is subject to ad valorem taxation. Currently, the EBF is primarily used for deferred maintenance projects at state universities. The KBOR calculates EBF appropriations using an adjusted square footage formula that considers the gross square footage, building age, and complexity of the physical plant.

State Capital Renewal Funds

The 2022 Legislature appropriated $35.0 million from the SGF to KBOR for the facilities capital renewal initiative at the state universities through House Sub. for Sub. for SB 267. The funding was designated for non-recurring investments to increase annual support for deferred maintenance, reduce the backlog, and maintain state university campuses in good repair. All projects supported by these funds required a dollar-for-dollar match from either the state educational institution or private sources.

Kansas Campus Restoration Act

The 2024 Kansas Campus Restoration Act (KCRA) supports capital renewal deferred maintenance at state universities and improvements at public coordinated institutions. Beginning in FY 2026, $32.7 million was to be transferred from the SGF to the Kansas Campus Restoration Fund for distribution by KBOR. Between FY 2026 and 2031, $30.0 million would be allocated to state universities, with $100,000 credited to each public community college, technical college, institute of technology, and municipal university. State universities must match expenditures dollar-for-dollar with non-state or private funds, except for demolition costs, while coordinated institutions have no matching requirement.

As noted previously, the 2025 Legislature adjusted the funding for $30.2 million, including $13.2 million transferred from Attracting Powerful Economic Expansion funds, $5.0 million transferred from American Rescue Plan Act interest funds, $5.0 million transferred from the water supply storage debt payment for Milford and Perry reservoirs, and $7.0 million SGF to the KCRA. This appropriation includes proviso language stating to distribute funds proportionately.

FEDERAL AND STATE AFFAIRS

Gray Machines

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Gray machines are unregulated gaming machines, sometimes referred to as "skill-based" games, that look much like their regulated counterparts, such as slot machines. The unregulated gaming machine market has grown significantly in recent years, becoming a cause for concern for policymakers as they are not subject to the same oversight and do not have the same player safeguards as regulated gaming machines.

Regulated Gaming versus Unregulated Gaming

Regulated gaming machines include casino slot machines, video poker machines, historical horse racing machines, and other electronic gaming machines that have received hardware and software approvals from authorized testing agencies and offer player protections, such as promised payback percentages.

In Kansas, electronic gaming machines must be approved by the Kansas Racing and Gaming Commission (KRGC) (KSA 74-8750). Each game prototype and the associated equipment are subject to testing and approval by KRGC and are evaluated based on overall integrity and compliance with Kansas statutes, regulations, and standards adopted by the KRGC, among other criteria (KAR 112-107-3).

According to the American Gaming Association (AGA), unregulated gaming machines are often referred to as "amusement" games and operate in a legal gray area—hence the term "gray" machine. Gray machines largely look and play much like traditional slot machines or casino games. According to Scientific Games, a lottery gaming vendor, gray machines are also called "skill-based" gaming machines because they typically offer an opportunity during the play experience to exercise a skill, such as memorizing a pattern or requiring speed and accuracy to unlock a bonus or another part of the game. Players are often given the option to engage with the skill-based portions of the game or skip them, but operators assert their inclusion in the game puts these machines in a legal gray area, outside the definition of a traditional, regulated gaming machine and the accompanying oversight.

Examples of unregulated gaming machines include:

- "Nudge" games where "a player can touch the screen to move a symbol into a winning position";
- "Sweepstakes machines" that mimic slot machines and allow players to receive a coupon in exchange for money to redeem for merchandise online; and
- "Zero chance" or "no chance" games that attempt to circumvent prohibitions on "chance" games. Zero-chance games sometimes include a feature that can reveal the outcome of the next play in advance, allegedly making them "skill" games that force players to make a decision in order to get an outcome.

The Unregulated Gaming Market

According to the AGA report, "Sizing the Illegal and Unregulated Gaming Markets in the United States," published in August 2025, Americans wager more than $673 billion each year with illegal and unregulated gambling operators. This estimate translates to $54 billion in annual lost revenue for the legal gaming industry and about $15 billion in lost tax receipts for state governments.

The AGA estimates that more than 625,000 unregulated gaming machines are currently in operation across the U.S., representing about 40 percent of all gaming machines in the country.

Consumer Protection and Other Concerns

Opponents of gray machines argue their unregulated nature creates increased risks for both consumers and operators. While unregulated gaming machines may operate in more concealed locations like private clubs or bars where patrons are limited by age, they are also often found in locations like convenience stores, malls, and gas stations, making them accessible to underage individuals. The AGA notes that consumers often cannot tell the difference between legal and illegal gaming machines, and this confusion can also be exploited at the consumer's expense.

The Philadelphia Inquirer notes "the issue of access for gambling addicts, who can put themselves on self-exclusion lists at casinos, but not at their local gas station where skill games are available."

Because they are not subject to regular oversight, gray machines cannot be ensured to have a particular payout guarantee, and customers who have an issue with their game may have no recourse to recoup their money.

Other concerns relating to the lack of regular oversight include improper security and increased likelihood of crime, including robbery and money laundering. Robberies related to gray machines have been reported in recent years in Pennsylvania and Virginia

Scientific Games notes, however, that gray machines "have been a boon to certain retailers, usually mom-and-pop operators of convenience stores and bars, who have benefited from the extra foot traffic the games bring in as well as the revenue they generate." Spectrum News 1 in Kentucky reported in September 2025 that small business owners were pushing the state to lift the current ban on gray machines in favor of regulation as they can be a "way for independent businessmen throughout the state of Kentucky to generate extra revenue."

The games are also popular for players looking for higher payouts. Scientific Games reports that gray machine payouts typically range from 75 percent to 93 percent, while the average instant lottery game payout is 75 percent and draw game payouts average between 50 and 58 percent.

Gray Machines in Kansas

According to the Kansas Lottery, there are an estimated 985 gray machines operating in Lottery retailers across the state as of September 2025. This estimate does not include any gray machines operating outside of Lottery retailer locations in the state.

Federal and State Regulation of Gray Machines

The Johnson Act (15 USC § 1175) generally prohibits the manufacture, possession, use, sale, or transportation of any gambling device in the United States and requires all persons manufacturing, using, selling, transporting, or providing gambling devices for the use of others to register with the U.S. Department of Justice and provide certain disclosures when such devices are shipped. However, enforcement of this federal law is inconsistent.

A few states have enacted legislation to regulate gray machines.

Nebraska

Nebraska allows “skill games” to operate as long as the operators apply for a site license and obtain a tax decal for each machine. The Nebraska Department of Revenue maintains a statewide database of games with a tax decal and reported that there were 5,413 registered skill games in July 2025, a 44 percent increase since 2022. Revenues from the gaming machines are taxed at 5 percent.

Georgia

The Georgia Lottery licenses “Coin Operated Amusement Machines,” which function similarly to slot machines. Gross revenue from the machines is taxed at 4 percent. The Georgia Lottery reported 41,119 active machines in 2025, a 4 percent increase from 2021.

Ohio

In 2015, the Ohio General Assembly expanded the authority of the Ohio Casino Control Commission (OCCC) to oversee licensing and reporting for all gray machine manufacturers, distributors, and operators. The OCCC licenses every skill game in the state, including those at family establishments, like Chuck E. Cheese. The widespread licensing has served as a strategy for the OCCC to identify bad actors and shut down illegal machines.

Pennsylvania

In Pennsylvania, legislation has been introduced during the 2025 Session to regulate gray machines. SB 756 would impose a 35 percent tax on skill games, limit terminals per establishment to 7, and delegate license oversight to the Pennsylvania Gaming Control Board. SB 626 would impose a 16 percent tax on gray machines, provide for establishments to house between 5 and 10 terminals, and delegate enforcement to the Bureau of Liquor Control Enforcement and the Pennsylvania State Police. Both bills remain in Senate Committee. In his budget, Pennsylvania Governor Josh Shapiro has proposed a 52 percent tax on skill games and limiting establishments to five terminals. Pennsylvania has a year-round Legislature and has not passed a budget for the 2025-2026 fiscal year as of September 2025. At the municipal level, the Philadelphia City Council voted unanimously in March 2024 to ban skill games from city businesses unless the business also has a casino or liquor license and an area for at least 30 patrons to eat or drink.

FEDERAL AND STATE AFFAIRS

Sports Wagering

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Background

U.S. Supreme Court Decision

In *Murphy v. NCAA*, the U.S. Supreme Court held a 1992 law prohibiting states from allowing betting on sporting events to be unconstitutional. The Professional and Amateur Sports Protection Act (PASPA) of 1992 had prohibited all sports lotteries except those allowed under state law at the time PASPA was passed, which included only Delaware, Montana, Nevada, and Oregon.

In 2018, the U.S. Supreme Court issued the *Murphy* ruling that PASPA was unconstitutional on the grounds that the federal law prohibited the modification or repeal of state law prohibitions and unlawfully regulated the actions of state legislatures.

State Action Since Murphy v. NCAA

As a result of the U.S. Supreme Court holding PASPA unconstitutional, states can legally regulate gambling on sporting events. Since the *Murphy* decision in May 2018, 39 states and the District of Columbia have legalized sports wagering. Kansas authorized sports wagering in 2022 through the enactment of House Sub. for Sub. for SB 84.

Review of 2022 House Sub. for Sub. for SB 84

In 2022, the Kansas Legislature passed House Sub. for Sub. for SB 84, which amended the Kansas Expanded Lottery Act (KELA) concerning sports wagering operations by the lottery gaming facilities, added new sections to KELA that are part of and supplemental to the Kansas Lottery Act (KLA), amended the Kansas Parimutuel Racing Act, and authorized operation of historical horse racing machines. The bill went into effect on July 1, 2022.

Sports Wagering Operations and Regulation

The bill authorized the Kansas Lottery (Lottery) to offer sports wagering in accordance with the KLA and KELA, through one or more lottery gaming facility managers (managers) who have contracted with the Lottery, and through one or more interactive sports wagering platforms (platforms) pursuant to a marketing agreement. Managers are allowed to offer sports wagering in-person at their facility or over the internet through websites and mobile device applications from up to three licensed platforms.

The bill also contained provisions regarding suppliers licenses, marketing agreements, advertisements, investigations, required records, and facility inspections and security measures.

The bill directed the Lottery to adopt rules and regulations regarding:

- The advertisement of sports wagering;
- Management contracts;
- The integrity of sports wagering operations;

- Permitting sports wagering managers and platforms to have employees located outside of Kansas;

- Permitting the establishment of online sports wagering accounts and the access to pre-established online accounts established in other states; and

- Allowing the carry-over of negative sports wagering revenues by managers.

The bill directed the Kansas Racing and Gaming Commission (KRGC) to adopt rules and regulations regarding:

- KELA and sports wagering;

- Certification requirements and enforcement procedures for persons owning at least 5.0 percent in a lottery gaming facility manager or racetrack gaming facility manager and an electronic gaming machine manufacturer, technology provider, or computer system provider who proposes to contract with a lottery gaming facility manager, a racetrack gaming facility manager, or the State for the provision of goods or services related to either gaming facility; and

- The suspension, revocation, or non-renewal of certification for certain employees involved in sports wagering.

Restrictions and Crimes Related to Sports Wagering

Compulsive Gambling and the Self-restriction List

The bill prohibited a manager from providing a line of credit to any person engaged in sports wagering and required managers to include information and tools to assist players in making responsible decisions. The bill also required a manager, upon request by an individual, to restrict such individual from placing sports wagers with such manager and take reasonable measures to prevent the individual from placing sports wagers.

Minimum Age

The bill prohibited any person under the age of 21 from directly or indirectly wagering on a sporting event.

Prohibited Wagering

The bill required sports wagering managers to use reasonable methods to prohibit certain persons, including, but not limited to, managers, owners, employees, athletes, coaches, and referees, from placing certain wagers. The bill also made it a Class A misdemeanor for certain persons to place a sports wager in the State of Kansas.

Crimes Related to Sports Wagering

The bill made amendments to and defined the following types of crimes:

- Misuse of nonpublic sports information;

- Sports bribery;

- Tampering with a sports contest;

- Conflicts of interest; and

- Gray machines.

[*Note*: For more information on gray machines, please see the article entitled “Gray Machines” in this publication.]

Funds

The bill created the Sports Wagering Receipts Fund, the Attracting Professional Sports to Kansas Fund, and the White Collar Crime Fund. The bill also amended law related to the Problem Gambling and Addictions Grant Fund.

Other Provisions

The bill authorized wagering on historical horse races and amended law related to simulcast racing to prohibit the licensing for and displaying

of simulcast greyhound races.

Recent Legislation

2023 Senate Sub. for HB 2058

Senate Sub. for HB 2058 amended state law to authorize any gaming compact concerning sports wagering to include provisions governing sports wagering outside the boundaries of Indian lands. The bill went into effect upon publication in the *Kansas Register* on April 27, 2023.

Tribal Gaming Compact Amendments

Since enactment of this bill, three of the four federally recognized Tribes in Kansas have negotiated with the State of Kansas to amend their gaming compacts to create and amend provisions concerning sports wagering on reservation lands. The Tribes include:

- Prairie Band Potawatomi Nation;
- Iowa Tribe of Kansas and Nebraska; and
- Sac and Fox Nation of Missouri in Kansas and Nebraska.

The Legislature approved these gaming compact amendments through the adoption of House and Senate Resolutions.

2025 SB 125 Proviso

The appropriations bill passed by the 2025 Legislature, SB 125, included proviso language prohibiting the Lottery from expending moneys to negotiate or to enter into any contract or extension of an existing contract or renewal of an existing contract for the management of sports wagering with any lottery gaming facility manager. The proviso language applies in FY 2025 and FY 2026.

[*Note*: The existing contracts between the Lottery and lottery gaming facility managers expire in August 2027.]

Sports Wagering Revenue

Sports wagering revenue is defined in KSA 74-8702 as total revenues from sports wagering, excluding voided tickets and after all prize-related payments are made and after federal excise taxes, free plays, or other promotional credits. Under 2022 House Sub. for Sub. for SB 84, management contracts for sports wagering include a provision stating that 10.0 percent of sports wagering revenue will be distributed to the Lottery Operating Fund and the remaining 90.0 percent of sports wagering revenue will be retained by the manager.

The state's 10.0 percent share distributed to the Lottery Operating Fund is further distributed accordingly:

- The first $750,000 is credited to the White Collar Crime Fund;
- 2.0 percent is credited to the Problem Gambling and Addictions Grant Fund;
- 80.0 percent is credited to the Attracting Professional Sports to Kansas Fund; and
- The remaining 18.0 percent is credited to the State Gaming Revenues Fund/State General Fund.

The following table details sports wagering revenue and the State's 10.0 percent share in FY 2023 through FY 2025. [*Note*: The table contains unaudited revenues from the Lottery's sports wagering monthly revenue reports.]

Sports Wagering Revenues FY 2023–FY 2025			
Year	Settled Wagers	Revenues	State Share
FY 2023	$1,676,590,108	$58,726,207	$5,872,621
FY 2024	$2,363,711,655	$117,159,060	$11,715,906
FY 2025	$2,672,881,517	$174,538,442	$17,453,844

FINANCIAL INSTITUTIONS AND INSURANCE

Approval Process for the Housing Deposit Loan Program

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Introduction

The 2008 Legislature established the Kansas Housing Loan Deposit Program (Program) with the purpose of providing incentives for the making of housing construction development loans. The 2012 Legislature added adult care home construction development loans to the Program.

The Program allows an eligible lending institution that agrees to receive a housing loan deposit to accept and review applications for loans from eligible developer borrowers.

The State Treasurer is required to submit an annual report outlining the status of the Program to the Governor and the Legislature.

Definitions

"Eligible lending institutions" are defined as a depository bank that agrees to participate in the Program and is eligible to be a depository of state funds.

"Eligible developer borrower" means any person, firm, or corporation:

- Building new houses;
- Building not-for-profit adult care homes;
- Rehabilitating existing houses; or
- Rehabilitating not-for-profit adult care homes.

"House" means a single-family or multi-family dwelling that initially sells or is appraised at or below the area purchase price safe harbor for the State of Kansas as established by the State Treasurer through rules and regulations based on the requirements of section 143(e) of the Internal Revenue Code of 1986 for homes that are eligible for mortgage revenue bonds.

"Adult care home" means any nursing facility, nursing facility for mental health, intermediate care facility for people with intellectual disability, assisted living facility, residential health care facility, home plus, boarding care home, or adult day care facility, all of which are classifications of adult care homes and are required to be licensed by the Secretary for Aging and Disability Services. Such facilities are further defined in KSA 39-923.

Housing Loan Deposit Loan Package

To participate in the Program, an eligible developer borrower must complete the housing loan deposit loan package (loan package), or the forms provided by the State Treasurer, and submit the documentation to an eligible lending institution.

Eligible developer borrowers with approved loan packages are:

- Limited to $2.0 million at any one time;
- Prevented from amortizing a loan for a house for a period of more than five years;
- Prohibited from amortizing a loan for an adult care home for a period of more than 20 years; and
- Required to certify on its loan application that the reduced rate loan will be used exclusively for the expenses involved in building houses.

The program allows up to $60.0 million of unencumbered funds to be granted. Aggregate loans for adult care homes must not exceed $24.0 million, or 40.0 percent, of the amount available unless loans are being used for assisted living, residential health care, or home plus facilities which must not exceed $54.0 million, or 90.0 percent, of the amount available.

Eligible Lending Institution Approval

The eligible lending institution reviews the application, applying all usual lending standards to determine the credit worthiness of eligible developer borrowers. The decision to approve or reject a loan package is based on the:

- Lending institution's evaluation of the eligible developer borrowers included in the loan package;
- The amount of the individual loan in the loan package; and
- Other appropriate considerations.

Approved loan packages are forwarded to the State Treasurer and must include information regarding the amount of the loan requested by each eligible developer borrower, a certificate by the applicant that the applicant is an eligible developer borrower, and anything else the State Treasurer requires.

State Treasurer Approval

The State Treasurer may accept or reject a loan package based on the State Treasurer's evaluation of whether the loan to the eligible developer borrower meets the purpose of the program.

If sufficient funds are not available, then the application may be considered in the order received when funds are once again available, subject to a review by the lending institution.

The State Treasurer must certify to the Director of Investments the amount required for the loan package. The Director of Investments places a housing loan deposit in the amount certified with the eligible lending institution at an interest rate that is 2.0 percent below the market rate. The minimum interest rate must be 0.5 percent, if the market rate is below 2.5 percent.

Agreement

The eligible lending institution enters into a housing loan deposit agreement with the State Treasurer, which must include requirements necessary for implementation, including:

- An agreement by the eligible lending institution to lend an amount equal to the housing loan deposit to eligible developer borrowers at an interest rate that is no more than 4.0 percent greater than the interest rate on housing loan deposits;
- Provisions for the housing loan deposit to be placed for a maturity considered appropriate in coordination with the underlying housing loan; and
- Provisions for the reduction of the housing loan deposit in an amount equal to any payment of loan principal by the eligible developer borrower.

Conclusion

Currently, there are 17 eligible lending institutions with current participation agreements throughout the state. The last active loan was paid out in FY 2024, and no further loans have been issued since that time.

FINANCIAL INSTITUTIONS AND INSURANCE

Stablecoin: Tracking the New Policy Approach

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Stablecoin Overview

Stablecoins are a form of cryptocurrency. Cryptocurrencies are a digital representation of value that relies on cryptography to secure transactions and functions similarly to most currencies by providing a medium of exchange, unit of account, and store of value. Most cryptocurrencies do not require intermediaries or government backing.

Stablecoins are a unique subset of cryptocurrency. Unlike Bitcoin and other similar cryptocurrencies, stablecoins attempt to maintain a fixed, or "pegged," exchange rate, in which their value is fixed against the value of another currency or asset with the aim of maintaining stability in value. [*Note*: A memo titled "Stablecoin Overview" is available on the KLRD website and provides additional information on stablecoin pegging methods.]

Unlike other cryptocurrencies whose current usage is mainly as an investment vehicle, stablecoins tend to be focused on facilitating transactions between parties. Currently, there are two major use cases for stablecoins:

- **International transfers:** Stablecoin users do not need multiple bank accounts in two countries to transfer money from one country to another; they just need one cryptocurrency wallet that transfers their stablecoin to another user's wallet; and
- **Peer-to-peer digital transfers:** Stablecoins allow users to complete digital transfers without the need for third parties to facilitate transactions.

Stablecoin Risks

While stablecoin usage continues to rise, there are risks to users and the financial sector, including:

- False claims that a stablecoin is fully backed by reserves;
- False claims that reserves are fully backed by a specific asset;
- Unauthorized use of consumer funds;
- Volatility in the reserve asset's price;
- A digital "bank run" on algorithm-backed stablecoins;
- A run on the bank holding a stablecoin's reserves;
- Inability to convert reserves into liquid assets to maintain the pegged exchange rate; and
- Use of stablecoins for illicit activities.

The GENIUS Act

In July 2025, the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act (Act) was signed into law, creating

a framework to regulate stablecoins in the United States. [*Note:* Additional details about the Act can be found on the Congressional Research Service Website.[1]]

The Act defines a payment stablecoin as a digital asset issued for payment or settlement and redeemable at a predetermined fixed amount.

Issuers would be required to hold at least $1 of permitted reserves for every $1 of stablecoins issued. The Act limits permitted reserves to:

- Coins and currency;
- Insured deposits held at banks and credit unions;
- Short-dated U.S. Treasury bills;
- Repurchase agreements (repos) and reverse repos backed by U.S. Treasury bills;
- Government money market funds;
- Central bank reserves; and
- Any other similar government-issued asset approved by regulators.

The Act requires federal and state regulators to issue tailored capital, liquidity, and risk management rules for federal and state stablecoin issuers but exempts stablecoin issuers from the regulatory capital standards applied to traditional banks.

Some of the consumer protection requirements in the Act include, among other items:

- Using reserve assets for certain activities;
- Establishing and disclosing stablecoin redemption procedures;
- Issuing periodic reports of outstanding stablecoins and reserve composition certified by executives and examined by registered public accounting firms;
- Requiring certain issuers to submit audited annual financial statements;
- Prohibiting paying interest to stablecoin holders; and
- Subjecting issuers to the Bank Secrecy Act (BSA) and Anti-money Laundering (AML) rules.

Option for State Regulation

The Act creates a state regulatory option for non-bank issuers with fewer than $10.0 billion in outstanding stablecoins, provided the regulatory regime is "substantially similar" to the federal regime as determined by the Stablecoin Certification Review Committee.

The Act would allow such issuers to opt in to a state regulatory regime and operate nationally. A non-bank that grows above the $10.0 billion threshold is required to transition to the federal regime unless granted a federal waiver.

State regulators would have supervisory, examination, and enforcement authority over all state issuers. The Act allows state regulators to cede these authorities to the Federal Reserve. The Act also allows the Federal Reserve or the Comptroller's Office to take enforcement actions against state issuers in unusual circumstances.

State Stablecoin Issuance

In August 2025, Wyoming introduced a state-backed stablecoin. The stablecoin will use cash and short-term U.S. treasury bills as the reserve asset, and Wyoming is assessing whether it will use the interest generated on those reserve assets to help fund Wyoming schools.

Wyoming states the stablecoin is not a Central Bank Digital Currency (CBDC) since it is backed by cash and U.S. treasury bills and is also not subject to certain provisions of the GENIUS Act since it is a state-backed stablecoin and not one

1 Stablecoin Legislation: An Overview of S. 1582, GENIUS Act of 2025, http://www.congress.gov/crs_external_products/IN/PDF/IN12553/IN12553.5.pdf

created by a corporation. At this time, it is unclear how courts may decide on those two issues.

State Stablecoin Regulation

California, Nebraska, and Texas enacted stablecoin legislation in the last few years. California's rule-making authority will have regulations effective on July 1, 2026, and is currently in the rule-making process.

Nebraska and Texas updated their controllable electronic record and money definitions, respectively, to include records or money backed by a reserve asset. [*Note*: the "Stablecoin Overview" memo on the KLRD website contains details and legislative citations for all three states.]

New York

Recent commentary noted the federal rule-making process resulting from the GENIUS Act will study New York's stablecoin regulatory framework to help guide its decision-making.

New York has been regulating cryptocurrencies since 2015. In 2022, the New York's Department of Financial Services (Department) issued guidance[2] indicating it would apply certain requirements to stablecoins backed by the U.S. dollar and issued under the Department's authorization. These stablecoin-specific regulations did not replace any other regulations related to the issuer or Department.

Key regulations from the guidance include the following:

- A stablecoin must be fully backed by a reserve of assets (1:1 backing) as of the end of each business day;
- Stablecoin reserves must be held with a U.S. state or federally chartered depository institution insured by the Federal Deposit Insurance Corporation (FDIC) or with pre-approved custodians;
- Stablecoin reserves can only be:
    - U.S. treasury bills with maturity dates of three months or fewer;
    - Reverse purchase agreements fully collateralized by U.S. treasury bills, notes, or bonds; or
    - Other Department-approved assets;
- Reserves must be subject to an examination at least once per month by an independent certified public accountant licensed in the United States who attests to certain reporting requirements; and
- Stablecoin issuers must adopt clear redemption policies approved in advance by the Department allowing the user to redeem the stablecoin from the issuer at a 1:1 exchange rate for the U.S. dollar net of any fees.

2 https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins

HEALTH AND SOCIAL SERVICES

Artificial Intelligence Use in Health Insurance

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As artificial intelligence (AI) has become an increasingly common presence in daily life, policymakers have been considering ways to ensure that the use of AI is not replacing human expertise and decision-making on complex topics. One of the areas of concern for both physicians and policymakers has been AI's use in health insurance, particularly the ways in which insurance companies have begun utilizing AI to assess benefit coverage decisions.

How AI is Being Used in Health Insurance

Health Insurers

In 2025, the National Association of Insurance Commissioners published its Artificial Intelligence and Machine Learning (AI/ML) Survey Report, representing feedback from 93 insurance companies in 16 states. Of the companies surveyed, 84 percent indicated they use AI/ML across product lines. Companies selling individual major medical health insurance reported currently using or exploring the use of AI/ML for:

- Utilization management practices (71.0 percent);
- Disease management programs (61.0 percent);
- Prior authorization for approval processes (68.0 percent);
- Claims fraud detection (50.0 percent);
- Medical provider fraud detection (51.0 percent);
- Sales and marketing solutions (45.0 percent); and
- Denying prior authorizations (12.0 percent).

One of the key ways that insurers have begun using AI in their work is through prior authorization. Prior authorization requires health care providers to obtain approval from a patient's health insurer before providing the prescribed item, service, or prescription.

A February 2025 study by the Medicaid and Children's Health Insurance Plan (CHIP) Payment and Access Commission (MACPAC) notes that some studies suggest prior authorization can "reduce health care costs without negatively impacting care quality," and it has been successfully used to reduce overutilization of some items, redirect care to less expensive treatments, and help ensure care aligns with accepted clinical standards by not covering experimental treatments or non-approved uses of medications. However, prior authorization can also cause necessary care to be delayed or denied, declines in health, and increased administrative burden and cost.

Physician Concerns

A survey conducted in 2024 by the American Medical Association found that 61.0 percent

of physicians surveyed reported concern that the use of AI by health plans is increasing prior authorization denials. With these increased denials, surveyed physicians also reported poor clinical outcomes for patients (94 percent), delayed care (93 percent), and increased administrative burden for physicians and staff.

Class Action Lawsuit

A federal class action lawsuit filed in Minnesota against UnitedHealthcare in 2023 claims the company is "wrongfully denying elderly patients care owed to them under Medicare Advantage Plans by overriding their treating physicians' determinations as to medically necessary care based on an AI model that Defendants know has a 90 percent error rate" (*Estate of Gene B. Lokken et al. v. UnitedHealth Group, Inc.*). In February 2025, the U.S. District Court for the District of Minnesota denied, in part, a request by UnitedHealthcare to dismiss the lawsuit. Portions of the lawsuit regarding breach of contract and breach of the implied covenant of faith and fair dealing were allowed to proceed. The Court also waived the requirement that plaintiffs must exhaust the Medicare appeals process prior to filing a lawsuit due to the potential for irreparable harm to many patients.

Policy Responses

Recent State Actions

Colorado. Colorado became the first state to implement regulations on AI and insurance on November 14, 2023. The regulations require life insurance companies to report how they review AI models and use External Consumer Data and Information Sources (ECDIS), which may include data like credit scores, social media habits, purchasing habits, home ownership, educational attainment, licensures, court records, and other information to supplement or supplant traditional underwriting factors. Life insurance companies are also required to develop a governance and risk management framework. Similar regulations are set to take effect for health and auto insurers in Colorado on October 15, 2025.

California. In 2024, the California Legislature passed SB 1120, the Physicians Make Decisions Act (Act), to restrict health insurers and disability insurers from using AI, algorithms, and similar tools as the sole means to deny, delay, or modify care based on medical necessity. The Act, enacted on January 1, 2025, provides that final medical necessity determinations may be made only by a licensed physician or licensed health care provider who is competent in the specific clinical issues and services requested by the provider.

The bill applies to prospective, retroactive, and concurrent utilization functions and creates requirements for AI, algorithms, and other tools used in health care. Under the bill, these tools must:

- Base decisions regarding medical necessity on the enrollee's medical or clinical history and circumstances;
- Be applied fairly and equitably;
- Be available to inspection for audit and compliance reviews by specified state agencies; and
- Be reviewed periodically to assess outcomes and ensure accuracy, reliability, and compliance with the Act.

2025 State Legislative Actions

During the 2025 Legislative Session, four states passed bills to prohibit payors from using AI to deny medical necessity or prior authorization determinations.

Arizona. HB 2175 requires that health care providers independently review claims and prior authorization requests prior to an insurer denial. The sole use of any other source to deny a claim or prior authorization is prohibited.

Maryland. HB 820 requires carriers to ensure that if an AI tool is used for utilization review, it must include medical history, individual circumstances, and other clinical information in

its determination. Such AI tools must be open for inspection and audit by the state, and patient data may not be used for any purpose beyond the intended utilization review.

Nebraska. LB 77 prohibits AI output from being the sole basis of evaluating medical necessity in order to deny, delay, or modify health care services. The use of AI in utilization review must be disclosed to health care providers and enrollees and communicated clearly on the payor's public website.

Texas. SB 815 prohibits the use of AI to make adverse determinations regarding medical necessity of services. Payors may only use AI for administrative support or fraud detection. The bill also requires any AI tools in use by payors to be subject to inspection by the Commissioner of Insurance.

Federal Actions

The Centers for Medicare and Medicaid Services (CMS) issued a Final Rule, effective January 2024, stating that Medicare Advantage (MA) plans may use AI, algorithms, and related technologies to make coverage determinations, but medical necessity determinations must be "based on the circumstances of each specific individual" and determinations "must be reviewed by a physician or other appropriate health care professional with expertise in the field of medicine or health care that is appropriate for the services at issue."

In November 2024, CMS released a Fact Sheet discussing proposed changes to the MA Program for Contract Year 2026, including requiring MA plans to "ensure services are provided equitably, irrespective of delivery method or origin, whether from humans or automated systems." When the Final Rule for the 2026 MA Program was released in April 2025, the rule did not include these proposed guardrails on AI, but CMS noted broad interest in the regulation of AI and stated the agency would "continue to consider the extent to which it may be appropriate to engage in future rulemaking in this area."

HEALTH AND SOCIAL SERVICES

Children's Eligibility for CHIP, MCHIP, Medicaid, and HCBS, Including Information on Premium Requirements for CHIP

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The History of Medicaid

In the United States, Medicaid is a partnership between the federal government and the states with shared authority and financing, created by Congress in 1965 through Title XIX of the Social Security Act. The program was designed to finance health care services for low-income children, their parents, the elderly, and people with disabilities. Medicaid has become the nation's largest source of funding to provide health services to low-income people.

State participation in Medicaid is optional. However, the federal government's financial share of Medicaid financing creates an incentive for the states. To date, no state has declined to participate. All 50 states, American Samoa, the District of Columbia, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands participate and administer their own Medicaid plans. Although all states participate, eligibility varies widely because the states can choose to cover additional people and services above and beyond the federal minimum requirements.

Kansas participates in Medicaid, but has not participated in Medicaid expansion under the federal Patient Protection and Affordable Care Act (PPACA).

Health Coverage Programs in Kansas

The Kansas Department of Health and Environment (KDHE) and the Kansas Department for Aging and Disability Services (KDADS) administer the KanCare program. KDHE maintains financial management and contract oversight as the single state Medicaid agency, while KDADS administers the Medicaid waiver programs for disability services, mental health, and substance abuse, and operates the state hospitals and institutions.

The State of Kansas offers medical assistance to eligible Kansans primarily through these health care coverage programs.

KanCare under the Medicaid plan (KanCare). KanCare is the largest program and provides health and dental[1] coverage for people with limited income who meet program eligibility, which may include pregnant women[2], children up to age 19[3], adult caretakers of children, persons who have aged out of foster care, persons with disabilities[4], and elderly[5].

1 https://www.kancare.ks.gov/home/showpublisheddocument/778/638914657544970000
2 https://www.kancare.ks.gov/home/showpublisheddocument/790/638898996528000000
3 https://www.kancare.ks.gov/home/showpublisheddocument/806/638898996199170000
4 https://www.kancare.ks.gov/home/showpublisheddocument/834/638898994085970000
5 https://www.kancare.ks.gov/home/showpublisheddocument/5555/638898990865170000

HCBS. The Home- and Community-Based Services (HCBS)[6] program in Kansas is part of the KanCare system. It provides long-term care and support services to eligible Kansans in their homes or communities rather than in institutional settings like nursing homes or hospitals, with Medicaid covering the cost of those services.

Long-term care and support services can include acts of daily living, such as bathing and dressing. Typically, Medicaid does not pay for these types of services unless they are provided in an institutional setting. With an HCBS waiver, the State is waiving the requirement that care must be provided in an institution and instead paying to provide the same level of care at home or in the community. The HCBS waiver program was authorized under Section 1915(c) of the Social Security Act.

Kansas operates seven approved HCBS waivers: Autism (AU), Brain Injury (BI), Frail Elderly (FE), Intellectually/Developmentally Disabled (IDD), Physical Disability (PD), Serious Emotional Disturbance (SED), and Technology Assisted (TA).

KanCare under the Children's Health Insurance Program (CHIP) plan. CHIP covers uninsured children up to age 19 who do not qualify for Medicaid. CHIP households who are above 166.0 percent of the federal poverty level (FPL) are required to pay a premium per household[7] which is either $20, $30, or $50 per month. When a family has not paid their monthly premiums for two months, the account is considered delinquent. When a child's CHIP coverage ends for delinquency, they cannot re-enroll in the program for 90 days unless they qualify for Medicaid or the balance is paid.

CHIP was implemented on January 1, 1999, and state law requires that all CHIP children be in capitated managed care to control costs. State statute currently ties CHIP income limits to the 2008 FPL. [*Note*: This limit has been addressed through various provisos to bring the income limits in line with the CHIP state plan eligibility threshold.]

M-CHIP. M-CHIP is a category of Medicaid coverage for children between the ages of 6 and 18 who are between 113.0 percent and 133.0 percent of the poverty level standard (PLS). M-CHIP is Medicaid, and CHIP-specific requirements do not apply. However, the funding for these children is still related to CHIP.

MediKan. MediKan[8] is funded entirely by state funds and covers persons who are applying for Social Security disability benefits.

Managed Care Organizations

Kansas contracts with three Managed Care Organizations (MCOs) to coordinate health care for nearly all Medicaid beneficiaries. The MCOs are Healthy Blue (HB), Sunflower State Health Plan (Sunflower), and United Healthcare Community Plan of Kansas (UHC). As of April 2025, the average MCO enrollment for the 2025 calendar year was 429,638 beneficiaries per month. In April 2024, there were 443,151 beneficiaries.

Each Medicaid consumer in the state is enrolled in one of the KanCare health plans, and as of April 2025, UHC had 37 percent of the enrollment, or 160,363 beneficiaries; Sunflower 36 percent, or 156,864 beneficiaries; and HB 26 percent, or 112,411 beneficiaries. Consumers have the option during open enrollment once a year to change to a different KanCare health plan if they wish to do so.

As of April 2025, there were 61,100 beneficiaries in CHIP, 10,386 age 0–4; 50,001 ages 5–18, and 413 age 19 and older.

6 https://www.kdads.ks.gov/services-programs/long-term-services-supports/home-and-community-based-services-hcbs-programs

7 https://www.kancare.ks.gov/home/showpublisheddocument/782/638475177282330000

8 https://www.kancare.ks.gov/home/showpublisheddocument/794/638898996970870000

CHIP Premiums

KanCare Update, April 2025

Family Poverty Level for Household Size	Under age 1	Ages 1-5	Ages 6-18
<100% FPL	Medicaid, No Premium		
<133% FPL			CHIP, No Premium
<150% FPL		CHIP, No Premium	
151-166% FPL	CHIP, No Premium		
167-191% FPL	CHIP, $20 Premium per Family		
192-218% FPL	CHIP, $30 Premium per Family		
219-255% FPL	CHIP, $50 Premium per Family		
Data from KDHE KanCare Update April 2025 slide 16			

Eligibility for Health Coverage Programs

General Rules

These general rules apply to all medical programs.

Kansas Residency. Participants must live in Kansas.

Citizenship and Immigrant Status. Participants must be a U.S. citizen[9] or immigrant with a certain status[10]. Some immigrants must wait five years before they can get coverage.

Household. All persons living in a home are required to be included in the application process for a household. The eligibility worker will decide who must be included in a household for a person's medical assistance plan. It should be noted that different household members may be in different medical programs based upon the household members' qualifications.

Other Health Insurance. If a participant has other health insurance, it is a primary coverage and should be billed before KanCare.

Coverage Date. Medical assistance usually starts with the month of application. However, sometimes a participant can receive coverage for the three months before the month the participant applied if it is requested.

Reviews. Currently, medical assistance applications are reviewed each year. Participants are required to keep KDHE advised of changes in address and coverage could end if KDHE does not have a current address for the participant.

Income Rules

The Affordable Care Act established a new methodology for determining income eligibility for Medicaid, which is based on Modified Adjusted Gross Income (MAGI).[11]

MAGI is the basis for determining Medicaid income eligibility for most children, pregnant women, parents, and adults. The MAGI-based

9 https://www.kancare.ks.gov/home/showpublisheddocument/798/638898997327530000

10 https://www.kancare.ks.gov/home/showpublisheddocument/814/638898988758270000

11 https://www.medicaid.gov/medicaid/eligibility-policy

methodology considers taxable income and tax filing relationships to determine financial eligibility for Medicaid. MAGI replaced the former process for calculating Medicaid eligibility, which was based on the methodologies of the Aid to Families with Dependent Children program that ended in 1996. The MAGI-based methodology does not allow for income disregards that vary by state or by eligibility group and does not allow for an asset or resource test.

Some individuals are exempt from the MAGI-based income counting rules, including those whose eligibility is based on blindness, disability, or age (65 and older).

Kansas Income Rules. KDHE[12] states each medical program has different income rules.[13] A household's income must be less than the maximum income level for the program that the participant applies. Both earned income and unearned income may be counted to determine eligibility. Earned income is the money the applicant or other members in the household receive from paid employment. Unearned income is the money the applicant or other members of the household receive from Social Security, child support, unemployment, U.S. Department of Veterans Affairs, pensions, and other income sources. The approval process will use gross income and subtract deductions, such as qualifying pre-tax, federal deductions, to calculate the household income for the application.

Resources and Assets. Examples of resources are bank accounts, cars, property, and stocks that are owned by a person or someone in the household. Most plans for the elderly and persons with disabilities have a limit on the amount of resources a person may have. Plans for families and children do not have a limit.

Federal Poverty Level (FPL) Dollars Per Year[14]

Family size	2024 income numbers	2025 income numbers
For individuals	$15,060	$15,650
For a family of 2	$20,440	$21,150
For a family of 3	$25,820	$26,650
For a family of 4	$31,200	$32,150
For a family of 5	$36,580	$37,650
For a family of 6	$41,960	$43,150
For a family of 7	$47,340	$48,650
For a family of 8	$52,720	$54,150
For a family of 9+	Add $5,380 for each extra person	Add $5,500 for each extra person

12 https://www.kancare.ks.gov/members/benefits-services/program-fact-sheets

13 https://khap.kdhe.ks.gov/kfmam/policyDocs/Kansas_Medical_Assistance_Standards-F-8_Rev_01-14.pdf

14 https://www.healthcare.gov/glossary/federal-poverty-level-fpl/

HEALTH AND SOCIAL SERVICES

Federal 340B Drug Pricing Program

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The federal 340B Drug Pricing Program (340B) allows certain eligible entities that serve low-income patients to purchase discounted outpatient drugs from manufacturers that participate in Medicaid and Medicare Part B. Manufacturers must sell covered outpatient drugs at 340B prices to these entities. The difference between the cost of the drugs and the amount paid by insurance enables covered entities to use federal resources to improve accessibility and provide more comprehensive services, particularly in rural, low-income, and medically underserved areas.

Program Overview

Section 602 of the Veterans Health Care Act of 1992 added Section 340B[1] of the Public Health Service Act. Under 340B, entities receive a 20.0 to 50.0 percent discount on the average manufacturer price of outpatient prescription drugs.[2]

The covered entities may generate revenue under 340B if patients' insurance reimbursements exceed the 340B price. Federal statutes do not restrict how covered entities may use this revenue. A survey by the Medicare Payment Advisory Commission, a group representing safety-net hospitals, showed that covered entities use the revenue to reduce patients' drug costs, provide uncompensated care, and maintain broader hospital operations, among other things.[3] The Health Resources and Services Administration (HRSA) Bureau of Primary Health Care, however, requires a federally qualified health center (FQHC) to use 340B discounts for community benefits to fulfill grant requirements and remain a covered entity.

According to the Office of Pharmacy Affairs within the Health Resources and Services Administration (HRSA OPA), which administers the 340B Program on behalf of the U.S. Department of Health and Human Services (HHS), the discounts enable covered entities "to stretch scarce federal resources as far as possible" to fund safety-net care.

While both the 340B Program and the Medicaid Drug Rebate Program offer rebates to states, states cannot order "duplicate discounts" or stack rebates on prescription drugs.

Eligible Entities

Section 340B(a)(4) of the Public Health Service Act specifies the entities that are eligible to participate in 340B. These include qualifying hospitals, FQHCs, and specialized clinics. Entities are not allowed to divert drugs purchased at the 340B price to an individual who is not a patient of the entity.

1 https://www.hrsa.gov/opa/program-requirements/public-law-102-585
2 https://www.hrsa.gov/opa/program-requirements/public-law-102-585
3 Medicare Payment Advisory Commission, "Report to the Congress: Overview of the 340B Drug Pricing Program," May 2015

Contract Pharmacies

Some covered entities enter into agreements with non-affiliated retail pharmacies, known as contract pharmacies, to provide services to patients. Contract pharmacies are not included in the federal 340B enacting statute. However, in 2001, HRSA created Alternative Methods Demonstration Projects (AMDP), which allow certain covered entities to contract with retail pharmacies. This allowed entities without in-house pharmacies to dispense medications under 340B. In 2010, HRSA expanded 340B to allow covered entities to contract with multiple pharmacies without going through the AMDP process.

Covered Entities in Kansas

As of September 2025, there are 565 unique covered entities in Kansas, according to HRSA's 340B Office of Pharmacy Affairs Information System (340B OPAIS). These entities account for a total of 963 registered sites, including child sites such as affiliated clinics and outpatient facilities.

While Disproportionate Share Hospitals (DSH) make up less than 1.0 percent of all unique entities, they account for over 25.0 percent of all registered sites.

Disproportionate Share Hospital. DSH facilities are general acute care hospitals that serve a disproportionate number of low-income patients and automatically qualify for 340B annually if they provide enough inpatient services to Medicaid and low-income Medicare beneficiaries.

Critical Access Hospital (CAH). CAHs are designated by the Centers for Medicare and Medicaid Services (CMS). The CAH designation aims to reduce the financial vulnerability of rural hospitals and enhance health care access by maintaining essential services in rural communities.[4]

Sexually Transmitted Disease Clinics. STD clinics are non-hospital facilities that diagnose and treat STDs. These clinics are supported by the STD Control Program overseen by the Centers for Disease Control and Prevention.

Updates and Developments

HRSA-funded Health Centers

On July 31, 2025, HRSA announced new award terms requiring health centers to offer insulin and injectable epinephrine to low-income patients at or below the centers' 340B acquisition cost. The agency stated the change is aimed at lowering out-of-pocket costs for these medications. The change aligns with Executive Order 14273[5], *Lowering Drug Prices by Once Again Putting Americans First*. Health centers are expected to implement the new terms immediately.

340B Rebate Model Pilot Program

In August 2025, HRSA announced[6] the launch of a voluntary 340B Rebate Model Pilot Program to test an alternative to the traditional upfront discount system under the 340B Drug Pricing Program. In this pilot, participating drug manufacturers will provide post-sale rebates to covered entities instead of upfront discounts.

The pilot targets drugs included on the Medicare Drug Price Negotiation Program's Selected Drug List for the 2026 applicability year. Manufacturers with agreements under this program must submit plans to HRSA by September 15, 2025, with approvals expected by October 15, 2025. Implementation will begin January 1, 2026, and continue for at least one year.

Key requirements include:

- Manufacturers must bear all administrative and data submission costs;

4 Rural Health Information Hub. (2024, 25 April). Critical Access Hospitals (CAHs). Retrieved from Rural Health Information Hub Web site: https://www.ruralhealthinfo.org/topics/critical-access-hospitals

5 https://www.federalregister.gov/documents/2025/04/18/2025-06837/lowering-drug-prices-by-once-again-putting-americans-first

6 Federal Register, Vol. 90, No. 150 (2025, 7 August), "340B Program Notice: Application Process for the 340B Rebate Model Pilot Program; Correction," at 38,165.

- Covered entities must receive at least 60 days' advance notice before implementation;
- Data on dispensed drugs can be submitted within 45 days of dispensing;
- Rebates must be paid within 10 days of data receipt; and
- Information technology (IT) systems used must be secure and comply with HIPAA privacy standards.

Limited to selected drugs and manufacturers initially, the pilot program will help HRSA evaluate the rebate model's effectiveness and inform the development of a formal process for approving future 340B pricing models that comply with the 340B statute and the Administration's goals.

Recent Kansas Legislation

2025 SB 284 was introduced by the Senate Committee on Federal and State Affairs. The bill would enact the Defense of Drug Delivery Act. Specifically, the bill would prohibit drug manufacturers; third-party logistics providers; repackagers; and an agents, contractors, or affiliates from limiting or interfering with the acquisition or delivery of 340B drugs to covered entities, unless required by federal or state law. It would also prohibit manufacturers from requesting health information or other data as a condition of access to 340B drugs, unless required by law.

The bill would authorize the Attorney General to adopt rules and regulations, administer the newly created Defense of Drug Delivery Fund, and impose civil penalties of up to $50,000 per violation, with each package of 340B drugs considered a separate violation. The State Board of Pharmacy would be authorized to investigate complaints and impose discipline, suspension, or revocation of the registration or permit of such person or entity.

The Senate Committee on Financial Institutions and Insurance amended the bill to clarify that wholesalers and virtual wholesalers are not among the entities prohibited from limiting 340B drug delivery but may be investigated if they possess evidence relevant to a complaint.

The bill passed the Senate on emergency final action on March 20, 2025. On March 24, 2025, the bill was referred separately to the House Committees on Interstate Cooperation and

Active Covered Entities in Kansas

Entity Type	Unique Covered Entities	Total Registered Sites
Disproportionate Share Hospital (DSH)	5	245
Critical Access Hospital (CAH)	78	194
Sexually Transmitted Diseases (STD)	164	164
Tuberculosis (TB)	147	147
HRSA-funded Health Center (CH)	103	103
Family Planning – Title X (FP)	54	54
Sole Community Hospital (SCH)	5	35
Children's Hospital (PED)	1	12
Health Center Program Look-Alike (FQHCLA)	3	3
Rural Referral Center (RRC)	1	2
HIV/Viral Hepatitis (HV)	1	1
Ryan White Part C (formerly Title III) (RWII)	1	1
Ryan White Part B (formerly Title II) (RWIIR)	1	1
Urban Indian (UI) Health Center	1	1
Total	**565**	**963**

Source: HRSA 340B OPAIS data, accessed September 2025.

Insurance. As of the 2025 Interim, the bill remains in committee and has not yet been considered by the full House. Kansas' two-year legislative cycle means SB 284 will remain active through the 2026 Session.

U.S. Supreme Court Case

On June 15, 2022, the U.S. Supreme Court ruled in *American Hospital Association v. Becerra*[7] that the reimbursement payment rates set by HHS for drugs obtained under 340B in calendar years 2018 and 2019 were unlawful. The Court's decision was based on HHS's failure to conduct a required survey of hospitals' acquisition costs before implementing the rates.

7 https://www.supremecourt.gov/opinions/21pdf/20-1114_09m1.pdf

HEALTH AND SOCIAL SERVICES

Foster Care Update

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HB 2075 Implementation

The 2025 Legislature passed HB 2075, requiring the Secretary for Children and Families to respond within 24 hours of receipt of a referral from a law enforcement agency that a child may be a victim of abuse or neglect. This response includes contacting the persons who are subject to the report made by law enforcement and providing a status update to the referring law enforcement agency.

At the August 2025 meeting of the Joint Committee on Child Welfare System Oversight, the Department for Children and Families (DCF) regional directors and a representative of Kansas law enforcement agencies provided an update on the implementation of HB 2075.

DCF regional directors emphasized the benefits of enhanced communication and information sharing between law enforcement agencies and DCF regional offices. While some initial challenges emerged with implementing the new policy, particularly around ensuring weekend and holiday coverage, each region stated it is proactively developing solutions. Strategies include hiring part-time staff, using voluntary sign-ups, and scheduling rotations to ensure 24-hour follow-up coverage. Directors shared positive outcomes, such as children remaining safely at home with DCF-provided wraparound services, thereby avoiding unnecessary trauma from police protective custody. One director did note an instance where a regional office received a large backlog of police reports, some over a month old. The director commented that this would be an educational opportunity to resolve the issue.

The representative of law enforcement agencies expressed strong support for DCF's implementation of HB 2075. The representative praised the agency's collaborative efforts, including in-person and virtual town halls for law enforcement and community members. Based on a survey of chiefs of police and sheriffs, all but one gave positive feedback. This dissenter was personally encouraged to better engage with their DCF regional counterpart. Lastly, the representative expressed excitement for the new online training developed jointly by DCF and the Kansas Law Enforcement Training Center.

Executive Order No. 25-01

The federal Achieving a Better Life Experience (ABLE) Act of 2014 established tax-advantaged savings accounts designed to allow individuals with disabilities to save money without jeopardizing their eligibility for other benefit programs such as Medicaid. These ABLE accounts can hold various federal cash benefits including Supplemental Security Income (SSI), Social Security Administration (SSA) survivor benefits, and Veterans Affairs (VA) benefits.

Despite the intent of the ABLE Act to promote long-term financial security for individuals with disabilities, it remained a longstanding and widespread practice for states, including Kansas, to act as representative payees of children in

foster care, and collect federal benefits on behalf of eligible children. These funds were then used to offset the cost of foster care—an approach that was historically accepted under the rationale that the benefits were being used for the immediate needs of the child.

However, this practice has come under increased scrutiny in recent years. Critics argue that these funds should be preserved for the child's future needs and transition to adulthood, rather than used to reimburse the state for foster care costs.

In response, there has been growing national momentum for reform, including Kansas Executive Order 25-01, issued on January 10, 2025. Among other provisions, the order seeks to ensure that federal cash benefits received by children in foster care remain with the child, rather than being diverted to cover foster care maintenance payments.

However, implementing this policy change is projected to have significant fiscal implications to the state budget. Specifically, it is estimated that the shift will increase the State General Fund (SGF) share of foster care maintenance payments by approximately $8.0 to $9.0 million annually. This reflects the additional cost the state will bear by no longer using children's federal benefits to offset foster care expenses.

Comprehensive Child Welfare Information System Update

In the 1990s, the federal government introduced SACWIS (Statewide Automated Child Welfare Information System). SACWIS is a federally funded framework designed to support child welfare case management services under Title IV-E of the Social Security Act. Kansas, however, did not receive federal certification for its case management system at the time and therefore was ineligible for the enhanced federal matching funds for system development. In 2016, the federal government published the final rule for CCWIS (Comprehensive Child Welfare Information System), a modernized version of SACWIS. This updated the federal regulation framework for the design, development, and operation of a child welfare information system eligible for Title IV-E funding. Since then, Kansas has been working toward compliance and participation in CCWIS.

The Kansas CCWIS aims to consolidate multiple legacy systems into a single, integrated platform that meets the CCWIS federal standards. The project is expected to cost a total of $100 million over the estimated four-year development period, with approximately 50 percent of the total cost coming from the SGF. Initially, the agency was allocated $2 million SGF annually for the project. Subsequently, as bids for the work were received, the 2024 Legislature approved an increase of $8.5 million SGF increase per year to the project's base budget. As of state fiscal year (SFY) 2026, the agency receives $10.6 million SGF as a part of their base budget for the CCWIS project.

In July 2025, DCF announced the awarding of contracts for the CCWIS project. The largest of these is the Design, Development, and Implementation (DDI) contract, valued at $44 million, which was awarded to RedMane Technology, LLC., a Chicago-based firm selected through the competitive procurement process. DCF states this is a four-year contract with three 36-month optional renewals, if needed.

Two additional contracts were also awarded:

- Maximus US Services, Inc. received a $2.1 million contract to serve as the Independent Verification and Validation (IV&V) vendor. DCF states that this will expire at the end of SFY 2029; and

- CSG Government Solutions was awarded $4.7 million to provide quality assurance services throughout the duration of the project. DCF states this is a three-year contract with five one-year renewals, if needed.

The 2025 Legislature deleted approximately $26.8 million in reappropriated funds from

DCF. According to the agency, these funds represented a savings accumulated over time across multiple programs and were intended to support the CCWIS contract. However, the agency was unable to encumber the funds prior to their deletion, as the final CCWIS contracts had not been signed. Now that the contracts have been finalized, the agency is advocating to reappropriate approximately $7.7 million SGF agency-wide savings from SFY 2025 to SFY 2027 to fulfill obligations under the signed contracts.

Foster Care, By the Numbers

DCF reports Kansas has had a 25 percent decline of children in foster care since 2019 (7,588 in SFY 2019 to 5,690 in SFY 2025). Additionally, fewer children entered foster care in SFY 2025, a total of 2,473 children in SFY 2025 versus a high of 4,212 children in SFY 2018. DCF credits the State's investment in preventative efforts to keep families together.

When compared nationally, Kansas continues to be identified as a state with a high removal rate. In federal FY 2023, Kansas improved by three spots to rank 10th in the nation with 3.84 removals per 1,000 children compared with the national average of 2.22 removals per 1,000 children. Approximately 61 percent of children are removed from the home due to abuse or neglect and 39 percent are removed as the family undergoes an assessment to determine future outcomes. The percentage of children removed for abuse and neglect has decreased over time, and the percentage of children removed during a family needs assessment has increased as the State invests in prevention efforts aimed at keeping families together.

HEALTH AND SOCIAL SERVICES

Kansas Vaccination Rates and the Cost to Treat Illnesses

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Required Vaccinations for Students

KSA 72-6262[1] *et seq.* requires proof of certain vaccinations for all students enrolling for the first time in a school, preschool, day care program operated by a school, or as designated by the Secretary of Health and Environment (Secretary). Certification must be from a licensed physician or local health department and detail that the student has received all tests and vaccines as deemed necessary by the Secretary.

The vaccinations currently required for each susceptible child are the following: Diphtheria; Hepatitis A; Hepatitis B; Measles (Rubeola); Meningitis; Mumps; Pertussis (Whooping Cough); Poliomyelitis (Polio); Rubella (German Measles); Tetanus; and Varicella (Chickenpox). The vaccination list is set out in KAR 28-1-20[2], and any changes to the list are required to go through the rules and regulations process. KSA 76-761a[3] requires each college and university to have policies and procedures, including a waiver procedure, for all incoming students who reside in student housing to be vaccinated for meningitis.

Alternatives to the Certification of Completion

A student, in accordance with KSA 72-6262[4], who has not completed the required vaccinations is required to present to the school one of the following:

- A written statement, signed by a licensed physician, stating the physical condition of the child is such that the tests or inoculations would seriously endanger the life or health of the child. This statement must also be submitted annually; or
- A written statement signed by one parent or guardian that the child is an adherent of a religious denomination whose religious teachings are opposed to such vaccinations. [*Note:* Kansas City, Kansas, Public Schools have a standardized form: Religious Exemption from Immunizations[5].]

2025 Measles Outbreak

In early 2025, the Kansas Department of Health and Environment (KDHE), Division of Public Health, recognized an outbreak of measles cases. As of August 13, 2025, the published data[6] reflects there have been 90 total cases of measles in Kansas in 2025, and 87 of those cases are associated with the outbreak, with 12 counties having a case of measles. The ethnicity

1 https://www.ksrevisor.gov/statutes/chapters/ch72/072_062_0062.html
2 https://sos.ks.gov/publications/pubs_kar_Regs.aspx?KAR=28-1-20&Srch=Y
3 https://ksrevisor.gov/statutes/chapters/ch76/076_007_0061a.html
4 https://www.ksrevisor.gov/statutes/chapters/ch72/072_062_0062.html
5 https://www.google.com/url?sa=t&source=web&rct=j&opi=89978449&url=http://kckps.org/images/departments/student_health/immunizations_religious_exemption.pdf
6 https://www.kdhe.ks.gov/2314/Measles-Outbreak-Data

case rate reflects 7 cases in the Hispanic or Latino ethnicity and 81 in the Not Hispanic or Latino ethnicity.

Cases are split by age groups as follows:

Age Range	Cases
0-4	38
5-10	21
11-13	8
14-17	6
18-24	3
25-34	7
35-44	4
45-54	2
55-64	1
65+	0

KDHE states the routine recommendation is two doses of the Measles, Mumps, and Rubella (MMR) vaccine with the first dose at age 12-15 months and the second dose at age 4-6 years before school entry. KDHE notes that one dose is 93 percent effective against measles, and two doses are 97 percent effective. Updated maps are available on the KDHE Measles Outbreak Dashboard[7] for community transmission as well as the location of publicly funded MMR vaccine clinics in Kansas.

Cost of the Measles Outbreak

KDHE presented on the estimated cost of a measles outbreak at the July 2025 Robert G. (Bob) Bethell Joint Committee on Home and Community Based Services and KanCare Oversight (Bethell Committee). KDHE estimated a cost of $2.6 million calculated as follows: KDHE used a review of the costs of measles outbreaks in the United States that was gathered by the Centers for Disease Control and Prevention (CDC)[8] from 2001 to 2018 for the purpose of a simple estimate for the Bethell Committee. The review estimated the median cost per measles case at $32,805 and the median cost per contact at $223. Based on that information, KDHE estimated the cost of measles in Kansas from Jan. 1, 2025, to June 16, 2025, at a total of $2,665,432 (80 measles cases, 184 cases under public health monitoring).

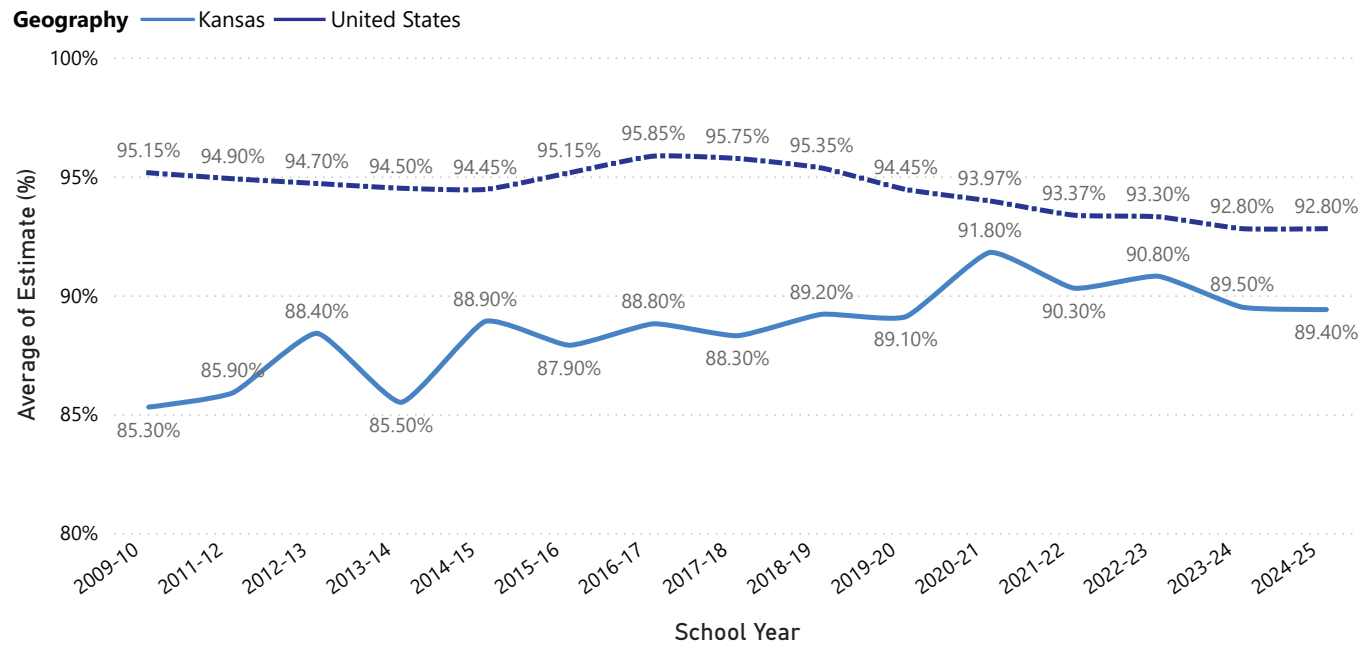
Statewide Vaccine Coverage and Exemptions

The KDHE Kindergarten Immunization Dashboard[9] reports on the following vaccines:

Vaccine	Diseases Prevented	Number of Doses	Required
DtaP	Diphtheria, Tetanus, Pertussis	5 doses or 4 doses considered appropriate if 4th given on or after 4th birthday	Yes
IPV	Polio	4 doses or 3 doses considered appropriate if 3rd given on or after 4th birthday	Yes
MMR	Measles, Mumps, Rubella	2 doses	Yes
Var	Varicella (Chickenpox)	2 doses or a history of the disease	Yes
HepB	Hepatitis B	3 doses	Yes
HepA	Hepatitis A	2 doses	Yes
Required	All vaccines required for school entry	Also referred to as 542232	Yes
Hib	Haemophilus Influenza type B	3 doses recommended but not required	No
PCV	Streptococcus pneumonia	4 doses recommended but not required	No

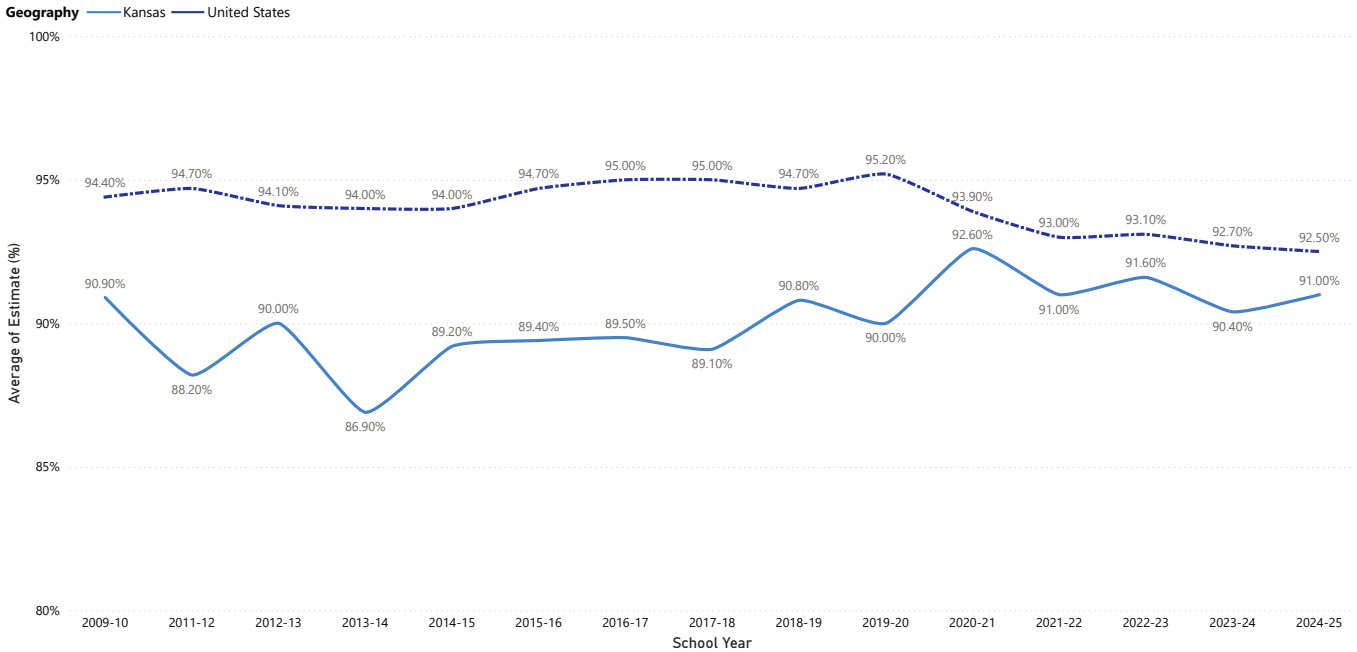
7 https://www.kdhe.ks.gov/2314/Measles-Outbreak-Data
8 https://pubmed.ncbi.nlm.nih.gov/31967305/
9 https://www.kdhe.ks.gov/2016/Kindergarten-Immunization-Data

Average Vaccination Coverage Among Kindergarteners for Varicella

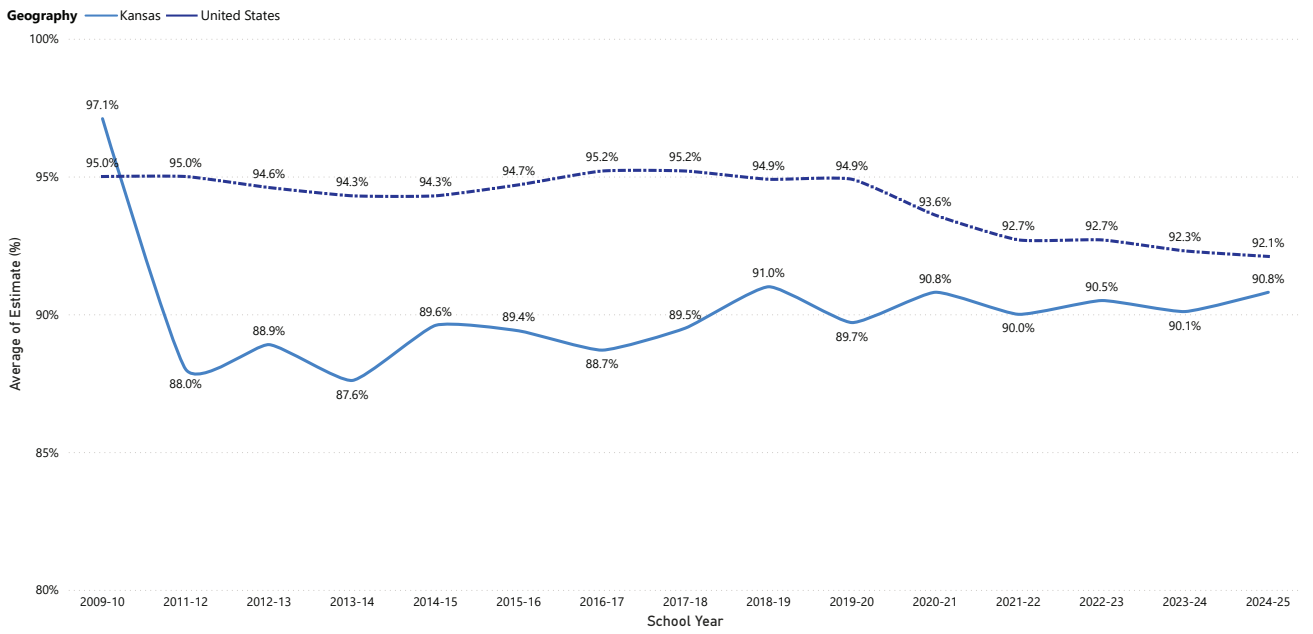


Source: National Center for Immunization and Respiratory Diseases, Centers for Disease Control and Prevention (CDC). *Vaccination Coverage and Exemptions among Kindergartners.* https://data.cdc.gov/Vaccinations/Vaccination-Coverage-and-Exemptions-among-Kinderga/ijqb-a7ye/about_data. Last updated July 31, 2025.

Average Vaccination Coverage Among Kindergarteners for MMR



Source: National Center for Immunization and Respiratory Diseases, Centers for Disease Control and Prevention (CDC). *Vaccination Coverage and Exemptions among Kindergartners.* https://data.cdc.gov/Vaccinations/Vaccination-Coverage-and-Exemptions-among-Kinderga/ijqb-a7ye/about_data. Last updated July 31, 2025.



Source: National Center for Immunization and Respiratory Diseases, Centers for Disease Control and Prevention (CDC). *Vaccination Coverage and Exemptions among Kindergartners.* https://data.cdc.gov/Vaccinations/Vaccination-Coverage-and-Exemptions-among-Kinderga/ijqb-a7ye/about_data. Last updated July 31, 2025.

The statewide school entry vaccine coverage by academic year for all required vaccines and the statewide exemption rate were the following:

Academic Year	Required Vaccinations	Total Exemption Rate
2019-2020	89.89%	2.12%
2020-2021	88.54%	1.97%
2021-2022	87.37%	2.27%
2022-2023	87.22%	2.91%
2023-2024	86.69%	2.99%

Source: KDHE Kindergarten Immunization Data[10]
[*Note:* The data also includes a breakdown by school district and certain private schools.]

10 https://www.kdhe.ks.gov/2016/Kindergarten-Immunization-Data

HEALTH AND SOCIAL SERVICES

Supplemental Nutrition Assistance Program Quality Control

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Background

The Food Stamp Act of 1964, which established the original federal framework for food assistance, did not include a formal or comprehensive quality control system. In the early 1980s, the current system for measuring Supplemental Nutrition Assistance Program (SNAP) payment errors was established, with the U.S. Department of Agriculture (USDA) issuing error rates annually.

Today, the USDA employs a two-tiered quality control system to monitor SNAP eligibility and benefit accuracy. Under this system, states and the federal government collaboratively review SNAP cases. In Kansas, the Department for Children and Families (DCF) conducts monthly reviews of a sample of cases. The USDA's Food and Nutrition Service (FNS) then re-examines a subset of those cases to verify state accuracy by conducting interviews with selected participants and requesting additional documentation.

As a result of this quality control process, the USDA publishes four efficiency and effectiveness measures based on collected data.

Application Processing Timeliness Rate

The application processing timeliness (APT) rate measures how efficiently eligible applicants receive benefits on time. The Food and Nutrition Act of 2008 considers timeliness to be when all eligible households receive SNAP benefits within 30 days of application or within 7 days for those eligible for expedited service. The APT rate is calculated by dividing the number of SNAP applications timely approved by the total number of applications approved within that time frame.

Case and Procedural Error Rate

The case and procedural error rate (CAPER) reflects both the accuracy of the state agency's determination and its compliance with federal procedural requirements around the determination. A case and procedural error occurs when a state takes one or more inaccurate or procedurally incorrect actions when denying, terminating, or suspending a household's SNAP benefits. The rate indicates that a decision was inaccurate; the notice provided to the household was inaccurate, unclear, or insufficient; the notice provided to the household was untimely; and/or the procedures followed related to these decisions were inaccurate or untimely. The national rate is a weighted average of individual state rates, with the weighting based on a state's proportion of total SNAP benefit issuance.

Program Access Index

The program access index (PAI) measure is designed to indicate the degree to which low-income people have access to SNAP benefits. It is not the participation rate, where the denominator is the number of people eligible.

The PAI was designed to meet the federal requirements of the Farm Security and Rural Investment Act of 2002 (also known as the 2002 Farm Bill), which established performance bonus payments to states with the highest PAI and the states with the most improved performance for program participation. A precise participation rate cannot be used to evaluate performance because of timing. Part of the federal requirement was that an award must be paid by the end of the fiscal year following the calendar year of performance.

To calculate the calendar year participation rate, an accurate estimate of people eligible for SNAP benefits is needed. This number is calculated by the American Community Survey and is on a one--to-two-year delay. Therefore, a true participation rate cannot be calculated to meet the federal timing requirement. For this reason, the designed PAI uses the federal poverty line for the given performance year rather than the number of eligible people.

Payment Error Rate

The payment error rate measures how accurately a state agency determined SNAP eligibility and benefit amounts for those who participate in SNAP. This rate can be displayed to show overpayments, underpayments, and as an aggregate rate. A lower rate is preferred. The national payment error rate is calculated as a weighted average of all individual state payment error rates, with weighting determined by a state's proportion of total SNAP benefit issuance.

Impact of the One Big Beautiful Bill Act

Section 10105 of the One Big Beautiful Bill Act amends Section 4(a) of the Food and Nutrition Act of 2008 (FNA) to establish state cost-sharing requirements for the SNAP benefit issuance, beginning federal fiscal year (FFY) 2028. Beginning in FFY 2028, the state share of SNAP benefit costs will be based on the state's SNAP payment error rate, which includes the following cost-sharing structure:

Payment Error Rate	State Share	Federal Share
Less than 6.0%	0.00%	100.00%
6.0% to less than 8.0%	5.00%	95.00%
8.9% to less than 10.0%	10.00%	90.00%
10.0% or greater	15.00%	85.00%

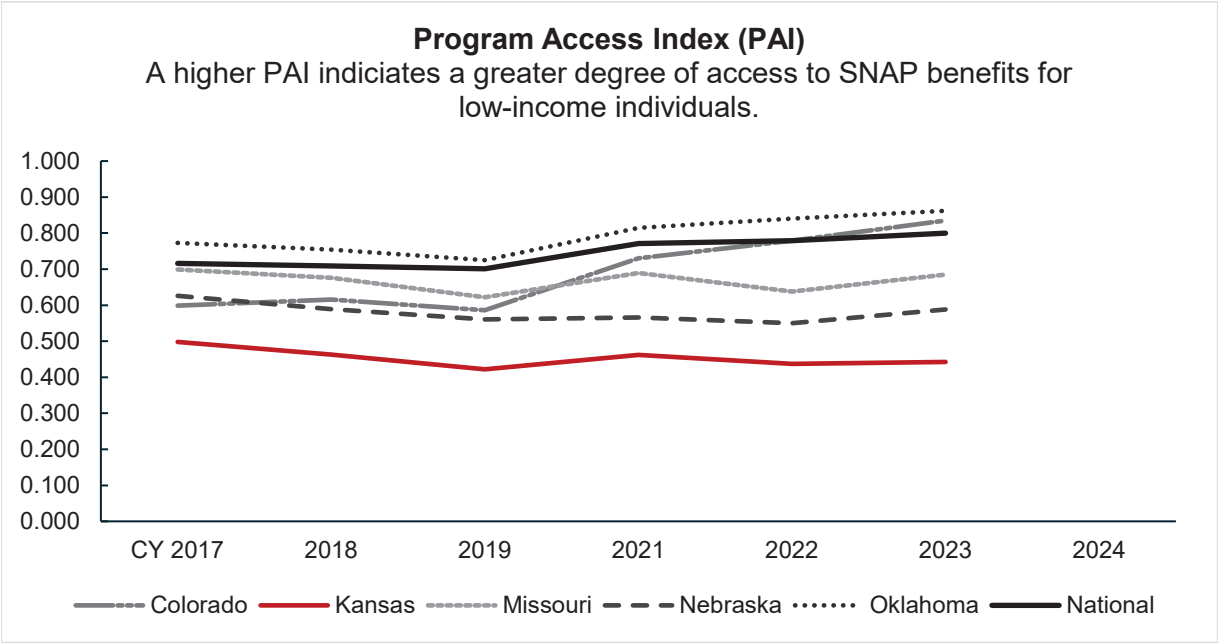
In FFY 2028, states may elect to use their payment error rate from FFY 2025 or FFY 2026 to determine their required cost-share. Beginning in FFY 2029, the applicable rate will be based on the state's payment error rate from the three fiscal years prior.

States with very high error rates may have the cost-sharing requirement delayed. States may qualify for a delay if their error rate meets either of the following criteria:

- A fiscal year's payment error rate is equal to or greater than 20.0 percent when multiplied by 1.5; or

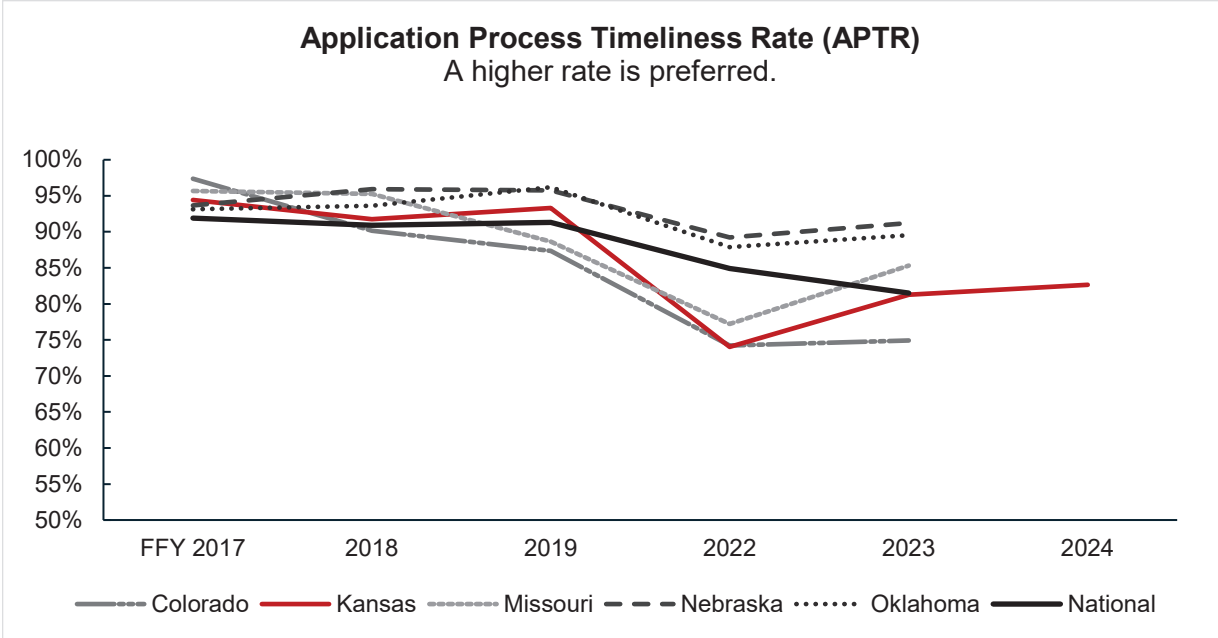
- A two-year average of a state's payment error rate is equal to or greater than 20.0 percent when multiplied by 1.5.

These provisions may affect Kansas, depending on the state's SNAP payment error rate in the years used to calculate the required state match. The 2024 Kansas SNAP aggregate error rate is 9.98 percent as published by the USDA. DCF estimated the first quarter of 2025 error rate to be calculated at 9.47 percent. Based on the 2024 rate, Kansas would have been required to contribute a 10.0 percent state match under the proposed framework, equivalent to approximately $40.8 million in benefit costs.



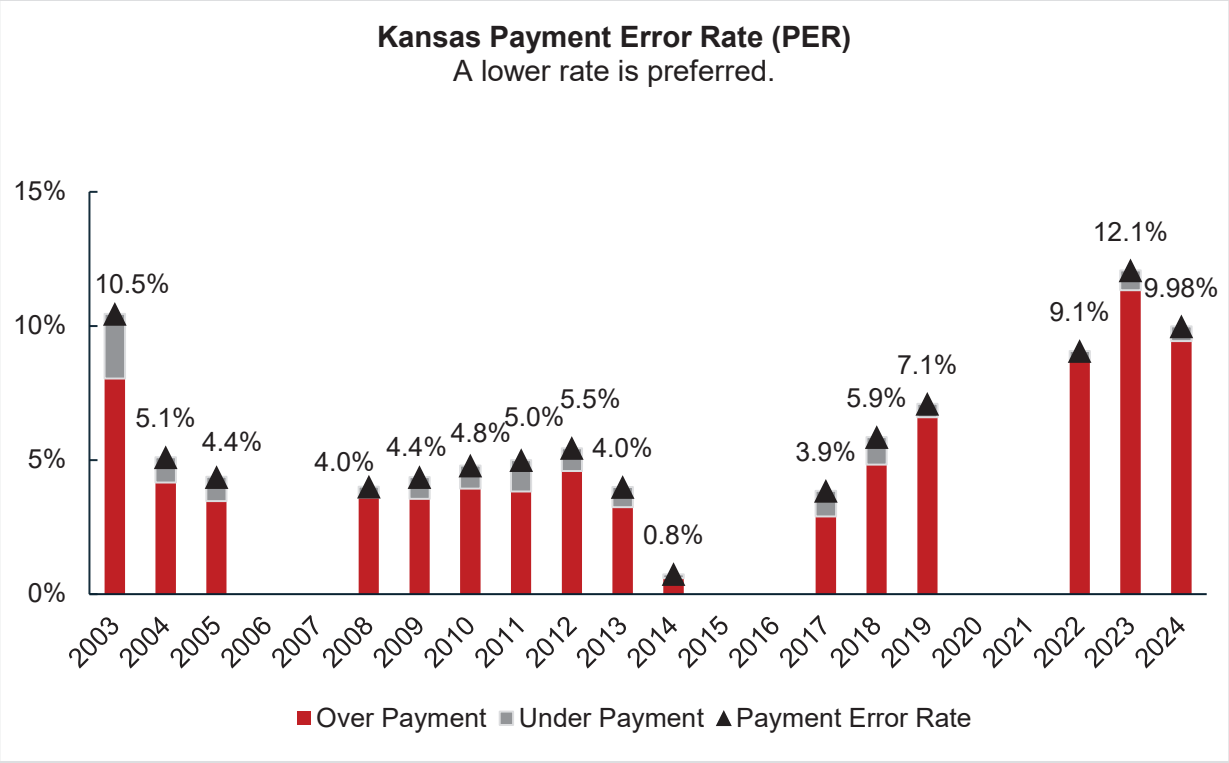
1. USDA did not publish PAI for CY 2020 due to the impact of the COVID-19 Public Health Emergency.

2. CY 2024 data is provided by Kansas Department for Children and Families and has not been verified or published by USDA at the time of this publication.



1. USDA did not publish APTR for FFY 2020 or FFY 2021 due to the impact of the COVID-19 Public Health Emergency.

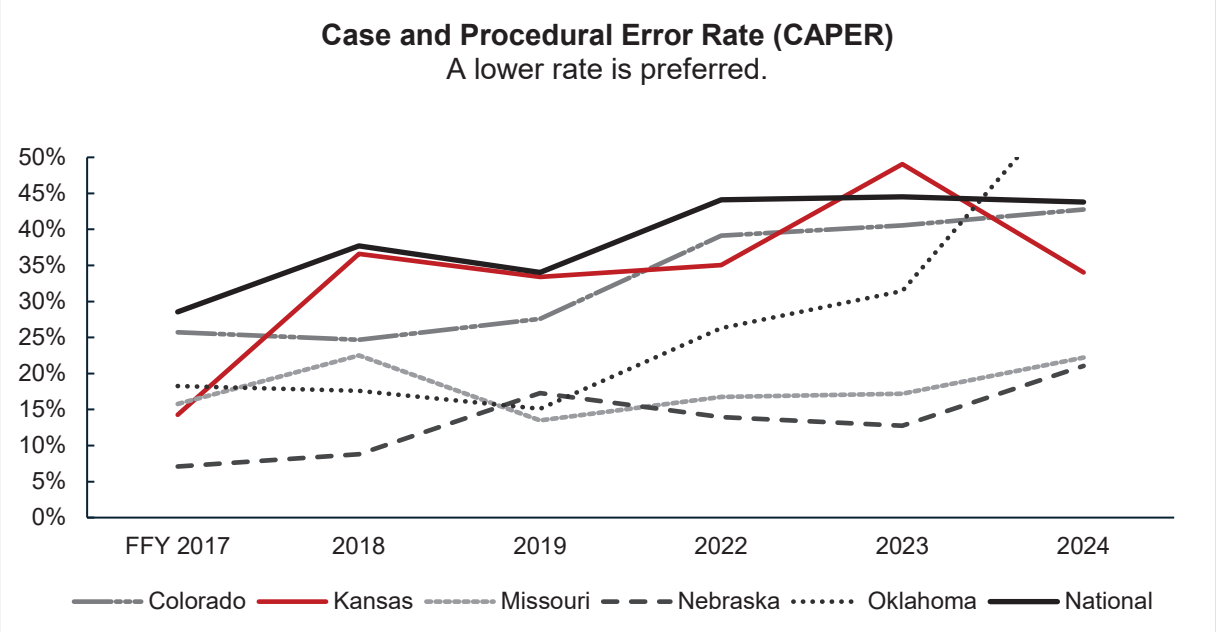
2. FFY 2024 data is provided by Kansas Department for Children and Families and has not been verified or published by USDA at the time of this publication.



1. USDA did not publish PER for FFY 2020 or FFY 2021 due to the impact of the COVID-19 Public Health Emergency.

2. FFY 2024 data is provided by Kansas Department for Children and Families and has not been verified or published by USDA at the time of this publication.

3. FFY 2025 includes October-December of 2024.



1. USDA did not publish CAPER for FFY 2020 or FFY 2021 due to the impact of the COVID-19 Public Health Emergency.

INFRASTRUCTURE AND SECURITY

Cybersecurity Update

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Cybersecurity threats continue to pose an escalating risk to state and local governments, with attacks becoming more sophisticated, diverse, and costly. Recent data shows large increases in cyberattacks across all categories—from ransomware and data breaches to state-sponsored espionage, and supply chain compromises—making cybersecurity preparedness more critical for all levels of governments in Kansas.

Understanding the Cybersecurity Threat Landscape

Cybercriminals employ various tactics to compromise government systems and data, including:

- **Ransomware:** Malicious software that encrypts files and demands payment for decryption;
- **Data Breaches:** Unauthorized access to sensitive information for theft or exposure;
- **Phishing:** Fraudulent communications designed to steal credentials or install malware;
- **Supply Chain Attacks:** Compromising third-party vendors to access target organizations;
- **State-sponsored Attacks:** Nation-state actors conducting espionage or disruption operations; and
- **Distributed Denial of Service (DDoS):** Overwhelming systems to disrupt operations.

These tactics typically allow for access to systems through phishing emails, malicious downloads, unpatched vulnerabilities in software, or compromised user credentials. Using that access, cybercriminals may steal sensitive data, disrupt operations, demand ransom payments, or establish persistent access for ongoing surveillance.

Threat Statistics

Cybersecurity threats are at all-time highs as statistics indicate approximately 4,000 cyberattacks happen daily, or an average of one attack every three seconds. According to multiple cybersecurity firms, worldwide cybercrime costs are estimated to reach $10.5 trillion annually by 2025.

Cyberattacks on state and local governments increased by 48.0 percent between 2023 and 2024, with 34.0 percent of state and local government organizations indicating they were hit by ransomware in 2024. The broader cybersecurity community has taken notice of these trends, with 72.0 percent of cybersecurity professionals reporting increased cyber risks, especially social engineering and ransomware. The financial impact has also risen, as the average cost of a data breach reached $4.88 million in 2024.

Emerging Threats

Several trends are changing the threat landscape, with artificial intelligence (AI) playing

an increasingly prominent role in cyberattacks. AI-enhanced attacks have led to a surge in phishing incidents, which increased by 4,151.0 percent since ChatGPT's release, as AI makes social engineering more sophisticated and harder to detect. Simultaneously, attackers are shifting their focus toward supply chain targeting, increasingly concentrating on managed service providers (organizations that manage information technology (IT) infrastructure remotely), and third-party vendors to access multiple clients simultaneously through a vulnerability. These evolving tactics have also intensified pressure on critical infrastructure, with 16.0 percent of reported ransomware attacks in 2024 specifically targeting utilities and energy infrastructure.

Kansas Incidents

Kansas has experienced multiple significant cyber incidents affecting critical government services. In October 2023, a cyberattack on the Kansas Judicial Branch's IT systems shut down online access to the court system for several months, severely disrupting legal proceedings across the state.

The following year brought additional challenges when an attack on the City of Wichita in May 2024 disrupted city services and forced the municipality to revert to cash-only payments for city services. A September 2024 breach in Franklin County exposed sensitive poll book records containing names, social security numbers, vaccination information, and insurance billing information of 30,000 residents, demonstrating the broad scope of personal data at risk in government cyber incidents. So far, there has not been a major state-level incident in 2025.

National Incidents

Recent attacks on governmental entities nationwide show the cyber threats facing public sector organizations. In Bucks County, Pennsylvania, a cyberattack disabled 911 terminals in emergency vehicles, creating operational disruptions that required the National Guard to assist with emergency services.

Fulton County, Georgia, experienced a multi-week system outage that affected utilities, courts, and tax networks, demonstrating how ransomware can impact multiple government functions simultaneously.

The city of Columbus, Ohio, suffered a particularly damaging breach where three terabytes of sensitive data was stolen and subsequently leaked online after the city refused to pay ransom demands.

The education sector has also been targeted, with the Chicago Public School District experiencing a data breach that affected over 700,000 current and former students.

Federal agencies have also been attacked, as Chinese hackers breached a third-party vendor serving the U.S. Department of the Treasury, gaining access to over 3,000 files.

The judicial system faced significant disruption when Washington's state courts experienced a statewide court system outage caused by a cyberattack. As recently as August 24, 2025 Nevada's state government suffered a major attack that disrupted services statewide, including Department of Motor Vehicles (DMV) operations, law enforcement dispatch systems, and state agency websites, forcing many offices to close for extended periods. The attackers successfully exfiltrated data from state networks, though officials have not yet identified what specific information was stolen.

Several high-profile private sector breaches have had significant government and public implications as well. Change Healthcare suffered the largest health care breach in U.S. history, affecting 100 million individuals and costing the company $2.87 billion, creating widespread disruptions in health care services and insurance processing. AT&T experienced a breach of its cloud environment that affected call records of over 100 million users, raising national security concerns about telecommunications

infrastructure. A supply chain attack on Starbucks affected 11,000 stores nationwide, demonstrating how attacks on major retailers can impact local communities and economic activity across the country.

Kansas State Cybersecurity Initiatives

State officials and the Legislature, in cooperation with federal entities like the Cybersecurity and Infrastructure Security Agency (CISA), have been working to improve the State's security posture. The most significant recent effort is the enactment of 2024 House Sub. for SB 291.

2024 House Sub. for SB 291

The legislation requires Chief Information Security Officers (CISOs) for each branch of government to work with agency heads to develop cybersecurity programs compliant with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) 2.0. These programs must be implemented by July 1, 2028.

NIST CSF 2.0 includes six core functions:

- **Identify:** Understanding organizational assets, risks, and resources;
- **Protect:** Safeguarding critical assets and data from threats;
- **Detect:** Identifying potential cybersecurity events or incidents;
- **Respond:** Taking action during or after a cybersecurity event;
- **Recover:** Restoring capabilities and services after a cybersecurity event; and
- **Govern:** Establishing and monitoring policies, processes, and oversight to manage cybersecurity risks.

Kansas is currently the only state to adopt a requirement for NIST CSF 2.0 compliance. Federal agencies are the only other entities requiring similar compliance.

The legislation also requires cybersecurity staff for each branch of government in Kansas to work at the direction of the branch's respective CISO.

Additionally, beginning in 2028, a mechanism will be in place to certify an amount equal to 5.0 percent of an agency's total budget that may be lapsed by the Senate Committee on Ways and Means or the House Committee on Appropriations should it be determined by the relevant Chief Information Technology Officer and Director of the Budget that an agency is not in compliance with provisions found within 2024 House Sub. for SB 291.

All provisions will expire on July 1, 2026, and the law will need to be reviewed during the 2026 Legislative Session. The House of Representatives adopted 2025 HB 2271 which, among other things, would have removed the referenced sunset provisions contained within 2024 House Sub. for SB 291. This legislation is currently in the Senate Committee on Federal and State Affairs, and could be considered during the 2026 Session.

Additionally, the Joint Committee on Information Technology held discussion and received testimony on the provisions of 2024 House Sub. for SB 291 during the 2025 Interim and is expected to make several recommendations for consideration by the 2026 Legislature.

State Appropriations

In 2025, the Office of Information Technology Services (OITS) requested, and the Legislature appropriated, $2.0 million for the creation and operation of a 24/7 Security Operations Center (SOC). The SOC provides real-time threat detection and incident response for the State's network. In 2024, OITS modified its rate structure to eliminate the agency charge-back for cybersecurity services, opting to include those costs as a core portion of its services. Essentially, state agencies utilizing OITS services no longer pay a separate fee for cybersecurity services.

INFRASTRUCTURE AND SECURITY

Electricity Capacity

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Electricity capacity refers to the total amount of energy a device or system can store and release to utilities and customers.

2025 Electric Supply and Demand Biennial Report

KSA 66-1282 requires the Kansas Corporation Commission (KCC) to produce a report on electric supply and demand for all electric utilities in Kansas every two years. Electricity supply refers to the actual amount of energy produced and delivered over a period of time. Statute requires the report to include information pertaining to generation capacity needs, system peak capacity needs, and renewable generation. This reporting requirement became effective in 2011, and required the first report to be submitted by February 1, 2013.

In order to obtain data needed for the Electric Supply and Demand Biennial Report (Biennial Report), the KCC issued an order on October 29, 2012, requiring electric generators in Kansas to file this information annually. The KCC indicates the following generators are required to participate:

- Evergy Kansas;
- Empire District Electric Company;
- Kansas Power Pool;
- Kansas Municipal Energy Agency;
- Kansas Electric Power Cooperatives;
- Midwest Energy;
- Sunflower Electric Power Corporation; and
- Kansas City Board of Public Utilities.

The 2025 publication of the Biennial Report is available online through the KCC's website.

Generation Capacity Needs and System Peak Capacity Planning

Section one of the Biennial Report includes information on generation capacity, which refers to the maximum amount of electric power a generating unit can produce at any given time and peak capacity planning. The report indicates that all major utilities in Kansas are members of the Southwest Power Pool (SPP), and the SPP operates as the Regional Transmission Organization (RTO) in Kansas. As an RTO, the SPP has to meet certain federal requirements to ensure reliable and adequate power supplies and reserves are maintained by members.

According to the Biennial Report, in 2023, investor-owned utilities (IOUs) operated at a deficit of 950 megawatts (MW) while cooperatives (co-ops) and municipal utilities had surpluses of 83 and 73 MW, respectively. Those deficits are estimated to increase to 7,195 MW for IOUs by 2043, and co-ops and municipal utilities are estimated to have deficits of 186 and 129 MW by 2043.

Utilities that operate at a deficit are required to pay penalties. The Biennial Report shows long-

term positions held by utilities and does not include short-term capacity contracts. The deficit illustrated in 2023 in the report can be explained by the use of short-term capacity contracts that are not captured in the report.

Reliability Concerns

The SPP has expressed concerns facing the industry. In an article published by the Kansas Reflector on April 23, 2025, the SPP was quoted in a letter posted online as saying: "We are facing an increase in extreme weather events that are causing grid emergencies, tight operating conditions, and risks to human health and safety. In the past, there were only a few weeks in summer when SPP risked running out of energy. Now, we are issuing grid alerts throughout the summer as well as during winter. Our risk of having inadequate supply to meet demand has greatly increased, and grid emergencies are likely to last longer, cause more damage and increase risks to human health and safety."

On July 7, 2025, the U.S. Department of Energy stated United States' power outages could increase by 100 times in five years if suppliers fail to add capacity during peak demand[1].

Electricity Capacity Issues in Kansas

During an April meeting of the KCC's Commissioners, KCC staff explained support for Evergy building two new natural gas plants in Kansas. Concerns exist regarding whether solar and wind generation will continue in Kansas, with solar tariffs placed on certain countries and uncertainty surrounding clean energy tax credits. There have also been issues with obtaining permits to build new solar facilities, as more local communities do not support hosting those facilities.

Furthermore, as more power generation comes online, retirement of older assets are also assessed. In Kansas, Evergy has explored and is planning on the retirement of the Jeffery Energy Center, which is a coal plant located in Pottawatomie County. Evergy has stated its intent to close all remaining coal generation plants by 2040, and within the next 10 years, will retire nearly 1,200 MW of coal-based energy and add 3,200 MW of renewable generation[2].

The addition and deletion of certain power generation by utilities represents the continual changes in energy portfolios as utilities work to create stable energy production that meets the projected needs and stresses on the system.

1 https://www.reuters.com/business/energy/lack-new-us-power-capacity-could-double-blackouts-by-2030-says-energy-department-2025-07-07/

2 https://kansasreflector.com/2021/04/30/evergy-to-shutter-lawrence-coal-plant-speed-transition-to-renewable-energy/

INFRASTRUCTURE AND SECURITY

Next Generation 911

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What is Next Generation 911?

Next Generation 911 (NG911) is a digital, internet protocol (IP)-based system replacing the analog 911 infrastructure that has been in place for decades. Along with the digital transfer of information, NG911 utilizes geographic information systems (GIS) to help emergency dispatchers provide a location where the emergency call is taking place.

An analog system uses continuous electrical signals, such as voltage or current, sent over telephone wires to transmit data. A digital system uses a discrete, binary system (0s and 1s) to store and transmit information. An analog system uses continuous signals that are susceptible to data loss during transmission because of the physical aspect of transmitting the information from one source to the receiving source. A digital system using a discrete system is less likely to lose information because it is sending and receiving a fixed amount of data.

NG911, therefore, uses a digital system that bolsters the 911 system to overcome the drawbacks of an analog system. It enhances the capacity of emergency number services to create a faster and more resilient system that allows voice, photos, videos, and text messages to be sent from the public to the 911 network seamlessly, rather than relying on the location of specific phone numbers when calling a public safety answering point (PSAP).

A PSAP is the location where 911 emergency calls are received and processed and then dispatched to the appropriate emergency services. PSAPs have historically processed only analog systems. However, with newer technology and equipment, a PSAP is able to process the digital information that NG911 utilizes. That allows a person in an emergency situation to send voice and video phone calls, text messages, photos, or videos.

Next Generation 911 in Kansas

The Kansas State 911 Board (Board) was created by the Kansas 911 Act found in KSA 12-5362 *et seq.* It is tasked with monitoring the delivery of 911 services and developing strategies for future enhancement to the 911 system. The Board replaced the Kansas 911 Coordinating Council in 2024.

In 2012, the U.S. Congress created the First Responder Network Authority (FirstNet) as an independent authority within the National Telecommunications and Information Administration to provide emergency responders with a nationwide, high-speed, wireless broadband network dedicated to public safety use. In November 2013, Kansas began researching how to implement a NG911 system in Kansas. FirstNet awarded the federal contract to AT&T to implement this system in April 2014. FirstNet would provide a plan for each of the 50 states to build a single, national, integrated network dedicated to public safety communications.

Kansas was in the process of data collection to understand how opting into the FirstNet services would impact Kansas financially and the state's 911 systems' ability to respond to emergency calls. This included gathering GIS data, imagery acquisition for the NG911 system, and how to incorporate PSAPs into this new system. The plan for Kansas was expected to be sent to the Governor in 2017 to understand how Kansas would be able to transition to NG911 services through FirstNet.

When Kansas opted into the FirstNet plan on August 15, 2017, under then-Governor Brownback, Kansas became one of the first adopters of NG911 services.

INFRASTRUCTURE AND SECURITY

Telecommunication Cardiopulmonary Resuscitation

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According to the Federal Communications Commission's 16th Annual 911 Fee Report[1], the state of Kansas received approximately 1.6 million 911 voice calls in 2024. Telecommunication Cardiopulmonary Resuscitation, referred to as T-CPR or dispatcher-assisted CPR, is a life-saving process in which emergency medical dispatchers provide real-time CPR instructions over the phone to bystanders during an out-of-hospital cardiac arrest (OHCA) while waiting for emergency medical services (EMS) to arrive.

When someone experiences a sudden OHCA, immediate action can double or triple their chance of survival. T-CPR guides dispatchers through CPR instructions with untrained callers to take action, helping keep the victim's heart and brain alive until EMS arrive to provide advanced care.

T-CPR Process

When a 911 call is placed for a person who may be experiencing OHCA, the call is routed to a public safety answering point (PSAP), which may then be handled by the initial PSAP emergency medical dispatcher or transferred to a secondary PSAP. The dispatcher begins by asking specific questions to assess the situation and determine whether CPR is needed.

Dispatchers are trained to recognize signs of cardiac arrest, such as unresponsiveness and abnormal or absent breathing, based on the caller's responses. If cardiac arrest is suspected, the dispatcher provides clear, step-by-step instructions over the phone, guiding the caller through hands-only CPR or traditional CPR, depending on the situation. The American Heart Association (AHA) indicates that performing CPR can double or even triple a person's chance of survival[2].

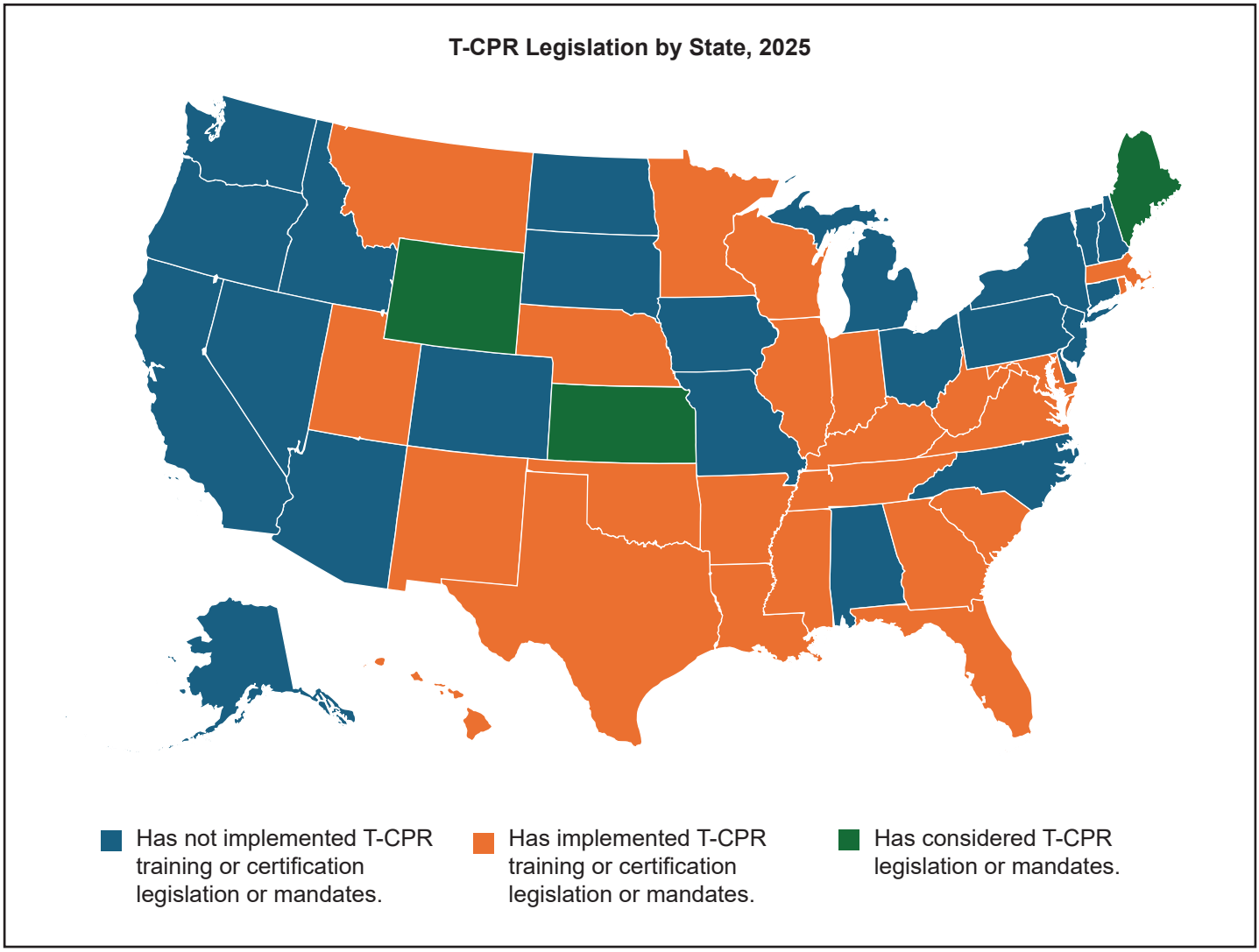
Throughout the T-CPR process, the dispatcher remains on the line, offering reassurance and coaching to help the bystander maintain effective and continuous chest compressions until EMS arrive. Upon arrival, EMS personnel take over with advanced life support and begin transporting the patient to a medical facility if necessary.

According to the National Institute of Health (NIH), on average, it takes approximately 7 minutes for EMS to arrive at the scene[3]. For rural areas, an average time of 14 minutes has been reported for EMS to travel and arrive. During this critical period, T-CPR enables emergency dispatchers to provide CPR instructions over the phone to bystanders, helping to maintain vital blood flow to the heart and brain until EMS personnel arrive and begin advanced care.

1 https://www.fcc.gov/sites/default/files/net911feereport-Kansas-2024.docx

2 https://share.google/ZqohIRVztKr6k11Mr

3 https://pmc.ncbi.nlm.nih.gov/articles/PMC5831456/



T-CPR Process Challenges

The NIH has discussed how telecommunicators and bystanders can encounter several barriers during the OHCA assessment and delivery of chest compression instructions, including: agonal breathing, delayed or incomplete recognition assessment, communication gaps, caller distress, caller-patient proximity to the patient, repositioning delays, non-essential questions and assessments, and caller hesitation, refusal, or inability to act.

T-CPR History

According to the May 2019 issue of the Rhode Island Medical Journal, the first documented instance of pre-arrival instructions occurred in 1975, provided by a paramedic to a caller in Phoenix, Arizona[4]. Although these early instructions were neither standardized nor scripted, Arizona began to implement them on a limited basis. In 1979, Utah developed the first formal Emergency Medical Dispatch (EMD) protocol. By 1983, these protocols—along with the requirement for dispatch-assisted CPR—became mandatory statewide in Utah. Meanwhile, in 1981, King County, Washington, launched one of the nation's first Telephone CPR, which was also known as T-CPR. This is regarded widely as a significant milestone in the evolution of emergency medical dispatching.

Kansas Legislation

2024 HR 6037

House Resolution 6037 was adopted in February

4 https://share.google/QAlKMewobVmtqrnGq

2024 to recognize February as American Heart Month and support efforts to raise awareness on the rise of cardiovascular disease as the world's leading cause of death and disability. As stated in the resolution, more than 350,000 individuals experience a OHCA annually in the United States, with an average survival rate of approximately 10 percent. The resolution stated about 70 percent of cardiac arrests occur at home and highlights approximately 23,000 children under the age of 18 experience OHCA each year. Nearly 40 percent of those cardiac arrests are related to sports activities.

2025 Senate Bill 11

On January 15, 2025, SB 11 was introduced[5], which would require the State 911 Board to establish requirements for 911 telecommunicators to receive training and continuous education in T-CPR. The bill has been referred to the Senate Committee on Utilities.

T-CPR Legislation in Other States

As of September 2025, 24 states have implemented legislation or statewide mandates requiring emergency medical dispatchers to be trained in T-CPR[6]. Maine and Wyoming have considered legislation regarding requiring dispatchers to be trained in T-CPR, but neither has implemented any law or mandate.

State Implementation Challenges

According to the AHA, there are several system barriers that can delay the implementation of T-CPR programs, including PSAP chartered or perceived scope of practice, organizational culture, fear of liability, public relations concerns, and budget constraints.

T-CPR Training and Program Funding

Funding for T-CPR training and programs for dispatchers in states that have implemented legislation or statewide mandates comes from a mix of federal and state-level grants, public safety fees, and private organization support.

5 https://kslegislature.gov/li/b2025_26/measures/sb11/

6 Arkansas, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Utah, Virginia, West Virginia, and Wisconsin.

JUDICIARY, CORRECTIONS, AND JUVENILE JUSTICE

Attorney Workforce Within the Office of the Attorney General and the State Board of Indigents' Defense Services

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Attorney Workforce Trends

According to the Kansas Supreme Court's Rural Justice Initiative Committee Report, there were 11,179 active attorneys in Kansas in 2023. Of those attorneys, only 70.2 percent (or 7,843 attorneys) resided in the state of Kansas. This correlates with the 2024 Profile of the Legal Profession by the American Bar Association, which states that the number of active resident attorneys in Kansas decreased by approximately 5.0 percent from 2014 through 2024, for a total of 7,845 licensed resident attorneys.

Notably, Kansas had a lower attorney rate than the national average and all neighboring states in 2024. In that year, 2.6 attorneys resided in the state for every 1,000 Kansans, compared with 2.9 attorneys for every 1,000 Kansans in 2014. Colorado and Missouri maintained rates near 4.0 attorneys for every 1,000 residents. Nebraska and Oklahoma reported a higher rate in 2024 despite the former having a lower rate than Kansas in 2014, and the latter experiencing a greater percentage decline than Kansas over the decade.

Attorney Workforce Impact in Kansas

The decreasing number of attorneys in Kansas may have an impact on the availability of legal services in the state, particularly in rural areas.

[*Note:* In July 2025, Massachusetts judges dismissed 102 criminal cases in Boston and Suffolk County due to a state law mandating that charges against defendants be dismissed entirely after 45 days if they were unable to get a court-appointed attorney.]

These workforce shifts form the backdrop against which Kansas' public legal institutions are operating. As such, this article provides an overview of the Office of the Attorney General (OAG) and the State Board of Indigents' Defense Services, as well as statistics regarding the attorney workforce within those agencies.

Office of the Attorney General

The OAG serves as Kansas' chief prosecutorial agency, and the Attorney General serves as chief legal officer, handling criminal complaints on behalf of the State in cases that require statewide involvement or cross multiple jurisdictions. The Attorney General is a constitutionally established, elected position with a four-year term, authorized under Article 1 of the *Kansas Constitution* and statutes including KSA 75-702 to represent the state in criminal and civil proceedings in both state and federal courts.

Salaries for assistant attorneys general range in the mid-$80,000s to around $120,000 annually, depending on assignment and experience.

Recruitment and retention have been identified as ongoing challenges for the OAG. In 2023, the Attorney General stated the agency salary levels were generally lower than those offered by the private sector and by surrounding states, which has contributed to persistent workforce shortages. Recent increases in agency funding through legislative action have allowed the OAG to improve hiring and begin closing the compensation gap between the public and private sectors.

Criminal Division

The OAG's Criminal Division is composed of five sections: Major Crimes; Medicaid Fraud Control Unit; Victims' Rights Coordination; Economic Crimes; and Investigations. The following details a few of the sections within the Criminal Division of the OAG.

Major Crimes

The Major Crimes section works closely with county and district attorneys to provide prosecutorial assistance in the State's most complex and demanding cases. In FY 2024, the Major Crimes section provided prosecutorial support on 68 criminal cases, and the section accepted six cases directly from county or district attorney offices.

Medicaid Fraud Control

The Medicaid Fraud Control section is the sole State entity authorized to investigate and prosecute suspected fraud by Medicaid providers. Established under KSA 75-725 to comply with federal mandates, the section investigates both criminal and civil violations, including fraudulent billing and financial exploitation. It also handles cases involving abuse, neglect, or misappropriation of patient funds in Medicaid-funded facilities or services. In FY 2024, the section managed 239 open criminal investigations related to provider fraud and 82 additional open criminal investigations involving patient abuse, neglect, or exploitation.

Economic Crimes

The Economic Crimes section prosecutes cases involving elder and dependent adult fiduciary abuse and exploitation, securities fraud, insurance fraud, tax violations, organized retail crime, illegal gambling, and other economic offenses. In FY 2024, the Economic Crimes section criminally litigated 7 general white-collar cases, 11 securities fraud cases, 24 revenue cases, and 50 insurance fraud cases.

Office of the Solicitor General

The Office of the Solicitor General, also housed within the OAG, handles civil and criminal appeals for the State. It drafts official Attorney General opinions and defends state statutes in constitutional challenges. In FY 2024, there were 52 Kansas counties under contract for appellate services for a pre-set fee with a goal toward achieving efficiency, economies of scale, and greater uniformity in the handling of the State's criminal appellate work. That year, the Office reviewed 316 appellate briefs submitted by local prosecutors.

State Board of Indigents' Defense Services

The State Board of Indigents' Defense Services (BIDS) provides legal counsel to indigent adults charged with felonies through the agency's public defender offices or its appointed private counsel program. The Kansas public defense system consists of the regional public defender offices and the Assigned Counsel program. Attorneys who are classified as public defenders are employees of the State who work at one of the public defender offices located in the state. Attorneys who are classified as assigned counsel are private attorneys who:

- Volunteer to serve on local appointment panels in each judicial district, where they are assigned felony cases in exchange for the current BIDS hourly rate; or
- Have accepted contracts from BIDS to handle felony cases in certain jurisdictions under negotiated terms.

The following provides information on the relation between the agency's regional public defender offices and the Assigned Counsel program.

Public Defender Offices

Until 2025, BIDS had 12 non-capital trial-level public defender officers located throughout the state. In FY 2024, the agency was authorized to employ 99.0 attorneys throughout the then-existing 12 trial-level public defender offices, but only 77.0 attorney positions were filled.

[*Note:* During the 2024 Legislative Session, the Legislature authorized the creation of 30.0 new full-time equivalent (FTE) positions to establish two new public defender offices, one in the 11th Judicial District and one in the 29th Judicial District. As of September 1, 2025, most of the vacant positions have been filled.]

The agency partly attributes vacancies to the fact that the starting salary for new law school graduates is approximately 28.0 percent below the starting salary at competing prosecutors' offices around the state.

The agency has previously stated that the lack of criminal defense attorneys within the Kansas public defense system is inadequate to handle the volume of cases being prosecuted. In FY 2024, of the 26,417 felony cases completed in Kansas, attorneys assigned to the regional public defender officers were able to handle only 33.0 percent of those felony cases. Moreover, five of the trial-level public defender offices partially accepted or refused to accept new cases for over half of FY 2024, including the Salina Regional Public Defender Office which refused to accept new cases for 92.1 percent of the fiscal year due to constitutional and ethical concerns.

Public Defender Workforce Concerns

Constitutional and ethical concerns regarding the public defense sector are detailed in a 2023 National Public Defender Workload Study, which states that depending on the level of severity, an attorney should spend anywhere from 35 hours to 248 hours on average per felony case in order to provide the constitutional standard of reasonably effective assistance of counsel. In FY 2024, trial-level public defenders for BIDS were able to spend an average of 13 hours per felony case. The agency states that when attorneys stationed at public defender offices cannot take cases due to constitutional and/or ethical concerns, the Assigned Counsel program comes into play so that indigent defendants can be provided with their constitutional right to counsel.

Assigned Counsel

Insufficient staffing, along with high caseloads, threaten the State's ability to provide effective assistance of counsel under the Sixth Amendment of the *U.S. Constitution*, according to BIDS. As such, the agency contracts with private attorneys through its Assigned Counsel program. The agency generally utilizes assigned counsel in geographic areas where a public defender office is not nearby, and in cases where the public defender offices have a conflict of interest or are otherwise unavailable to provide services due to caseloads. In FY 2024, 29 counties had contracts for assigned counsel, which is an increase of 12 counties when compared with FY 2023. All counties in the state were covered by assigned counsel panels, though the agency states that many assigned counsel panel members are beginning to refuse cases for appointment due to their own caseload issues. In FY 2024, assigned counsel handled 67.0 percent of the 26,417 felony criminal cases completed in Kansas.

Assigned Counsel Compensation

Due in part to the difficulty the agency faces in recruiting additional assigned counsel attorneys to take more cases, the 2024 Legislature amended KSA 22-4507(c) to increase the compensation for assigned counsel from $80 per hour to a minimum of $120 per hour, up to $140 per hour. In December 2024, the BIDS Board voted to increase the rate to $125 per hour for FY 2026. The agency notes that costs associated with the Assigned Counsel program will likely continue to increase, including travel

costs due to assigned counsel having to travel farther distances in the state to meet with their indigent clients and to attend a variety of legal proceedings. The agency estimates that in FY 2024, the State spent approximately $1,712 per case handled by trial-level public defenders, compared to $1,524 per case handled by assigned counsel.

JUDICIARY, CORRECTIONS, AND JUVENILE JUSTICE

Judicial Deference

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Prior to the 2023-2024 term of the U.S. Supreme Court, the landmark decision in the area of judicial deference to administrative agencies was *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.* (1984), which was recently overturned by *Loper Bright Enterprises v. Raimando* (2024). This article provides a brief history of U.S. Supreme Court precedence on judicial deference and surveys the current status of deference amongst the 50 states.

Evolution of Judicial Deference

Before *Chevron* was decided in 1984, the controlling doctrine had been the decision in *Skidmore v. Swift & Co.* (1944), which directed courts to consider several factors that allowed the court to "give weight to" an agency's interpretation of the law, but did not direct a court to give deference to such interpretation.

The *Chevron* decision, colloquially referred to as "the Chevron Doctrine" overturned the *Skidmore* decision and directed courts to defer to an administrative agency's interpretation of the law in matters where the text of the policy is ambiguous, assuming the agency's interpretation of the law is a permissible construction of the statute.

During the 2023-2024 term of the U.S. Supreme Court, a decision was handed down in *Loper Bright Enterprises v. Raimando* (2024), overturning the *Chevron* decision and directing federal courts to interpret the law, rather than rely on or defer to an agency's construction of the law when the statute or regulation is ambiguous.

State Court Judicial Deference

State policies on judicial deference to administrative agencies vary widely. State policies generally fall into one of four categories:

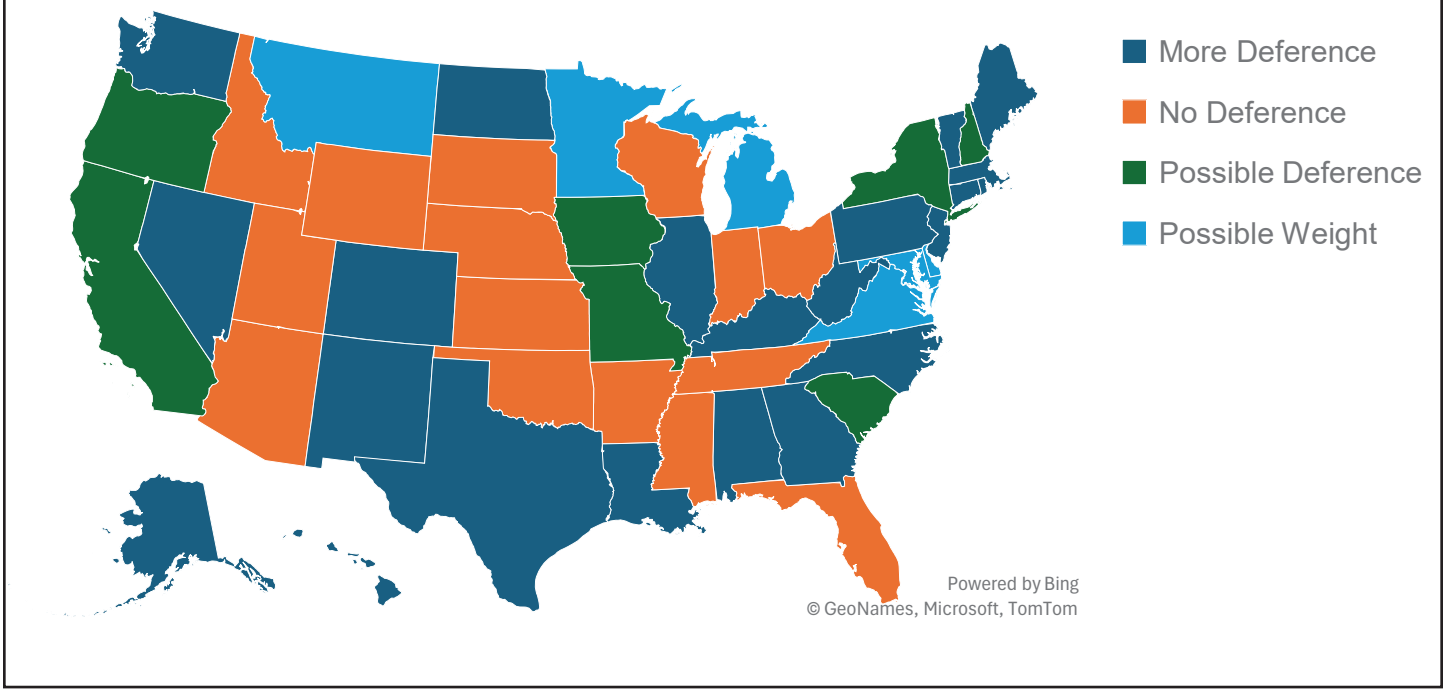
- More Deference (22 states);
- Possible Deference (7 states);
- Possible Weight (6 states); or
- No Deference (15 states).

States that are categorized as "More Deference" tend to have elements of the Chevron doctrine present in the controlling decisions or statutes. These states may follow rulings that state a court "shall defer" or that require a court to "give great weight to" an agency's interpretation of a law. Additionally, caselaw in these states may consider the technical expertise of an agency in carrying out related laws.

States that are categorized as "Possible Deference" may direct a court to review the law *de novo*, but also direct the court to give deference if it is reasonable under the circumstances. [*Note: De novo* is a legal term meaning "from the beginning," without being bound by a previous entity's judgment.] State courts in this category would not be required to give deference.

States that are categorized as "Possible Weight"

Types of Judicial Deference by State, 2025



tend to have more of a *Skidmore* approach, by giving weight to certain factors that may weigh in the favor of an agency's interpretation. However, some state court decisions have also made distinctions between the terms "weight" and "deference" by stating that deference would require the court to follow an interpretation whereas weight allows for persuasiveness.

States that are categorized as "No Deference" may have caselaw that requires court to review the law *de novo* or explicitly directs a court to give no deference to an agency's interpretation. The majority of these controlling policies appear to have been handed down post-*Chevron*, with some states recently overruling previously controlling deference caselaw through either a new decision or by passing a statute.

Judicial Deference in Kansas

In Kansas, courts follow precedent that requires no deference be given by a court to the interpretation or construction of a statute by an administrative agency. In 2013, the Kansas Supreme Court held:

> In dealing with a statute in a workers compensation appeal, no deference is due...To be crystal clear, we unequivocally declare here that the doctrine of operative construction... has been abandoned, abrogated, disallowed, disapproved, ousted, overruled, and permanently relegated to the history books where it will never again affect the outcome of an appeal.

During the 2025 Session, the Kansas Legislature considered SB 222, which would require courts to give no deference to a state agency's interpretation of a statute, by instructing a court to "exercise any remaining doubt in a way that is consistent with an individual's fundamental constitutional rights."

SB 222 was amended and passed by the Senate in 2025. The bill is in the House Committee on Judiciary, where it received a hearing in 2025.

JUDICIARY, CORRECTIONS, AND JUVENILE JUSTICE

Sex Offender Residency and Travel Restrictions

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Historical Perspective on Residency Restrictions

Legislation enacted in 2006 (SB 506) authorized the creation of the Sex Offender Policy Board (SOPB) under the auspices of the Kansas Criminal Justice Coordinating Council to study and make recommendations pertaining to various issues involving sex offenders. One of the topics to be studied by the SOPB included restrictions on the residence of released sex offenders.

SB 506 also prohibited cities and counties from adopting or enforcing any ordinance, resolution, or regulation establishing residential restrictions for offenders required to register under the Kansas Offender Registration Act. This provision was scheduled to expire on June 30, 2008. During the 2006 Interim, the Legislative Coordinating Council created a Special Committee on Judiciary and charged the Committee to study actions by other states and local jurisdictions regarding residency and proximity restrictions for sex offenders to discover any serious unintended consequences of such restriction and identify actions Kansas might take that actually achieve the intended outcome of increasing public safety. The Committee held a joint hearing with the SOPB to take testimony from experts in the field. The Committee recommended the Legislature wait to receive the report from the SOPB on the topic before any legislative action was taken.

On January 8, 2007, the SOPB issued a report on its findings regarding sex offender residency restrictions. The SOPB concluded that while residency restrictions for sex offenders are widely supported by the public, there is no evidence they are effective in improving safety. The SOPB stressed that laws should genuinely enhance public safety rather than provide only a false sense of security. It recommended that the Legislature make the current moratorium on residency restrictions permanent, while still allowing local governments to regulate the placement of offender group homes through zoning. Instead of broad restrictions, the SOPB advised that residency requirements be determined by individualized risk factors.

During the 2008 Legislative Session, SB 536 was passed to eliminate the sunset provision on the prohibition on cities and counties from adopting or enforcing any ordinance, resolution, or regulation establishing residential restrictions for offenders.

During the 2010 Interim, the Joint Committee on Corrections and Juvenile Justice Oversight studied the issue of residency restrictions and concluded that sex offender residency restrictions have no demonstrated efficacy as a means of protecting public safety.

Legislation Related to Offender Residency or Travel Restrictions

2023 HB 2213. The bill, introduced by the House Committee on Corrections and Juvenile Justice at the request of a representative of the Kansas Judicial Council, would have removed the requirement that registered offenders provide notice when coming into any county or jurisdiction for employment or to attend school. The bill died in the House Committee at the end of the 2024 Session with no action having been taken.

2025 Senate Sub. for HB 2164. The conference committee report (CCR) for this bill was adopted by the Senate on March 27, 2025, but the CCR was not taken up by the House prior to adjournment. The bill, originally introduced as SB 288, would prohibit certain sex offenders from entering onto school property or attending school activities and would create criminal penalties for violating such prohibitions. The bill would create an exception to allow an otherwise prohibited person to attend a religious service on school property. Proponents testifying on the bill included several concerned parents of school children that attended a school dance where an adult registered sex offender was in attendance. Opponents expressed concerns that enactment of the bill could increase recidivism rates of sex offenders by isolating them from their communities and could expose the State to costly constitutional challenges.

Sex Offender School Restrictions in Other States

Permits, with Permission

Florida, Nevada, and Oregon allow sex offenders on school grounds with permission from their probation or parole officer before entering.

Arizona, California, Iowa, and Louisiana allow sex offenders on school property with written permission from the school administrator.

Alabama allows offenders on school property if they notify before, immediately report to the principal of the school upon entering, and comply with any other requirements of the school.

Prohibits, with Exceptions

Arkansas generally prohibits offenders on school property, but has exceptions for parents or guardians of students or for attending a graduation ceremony.

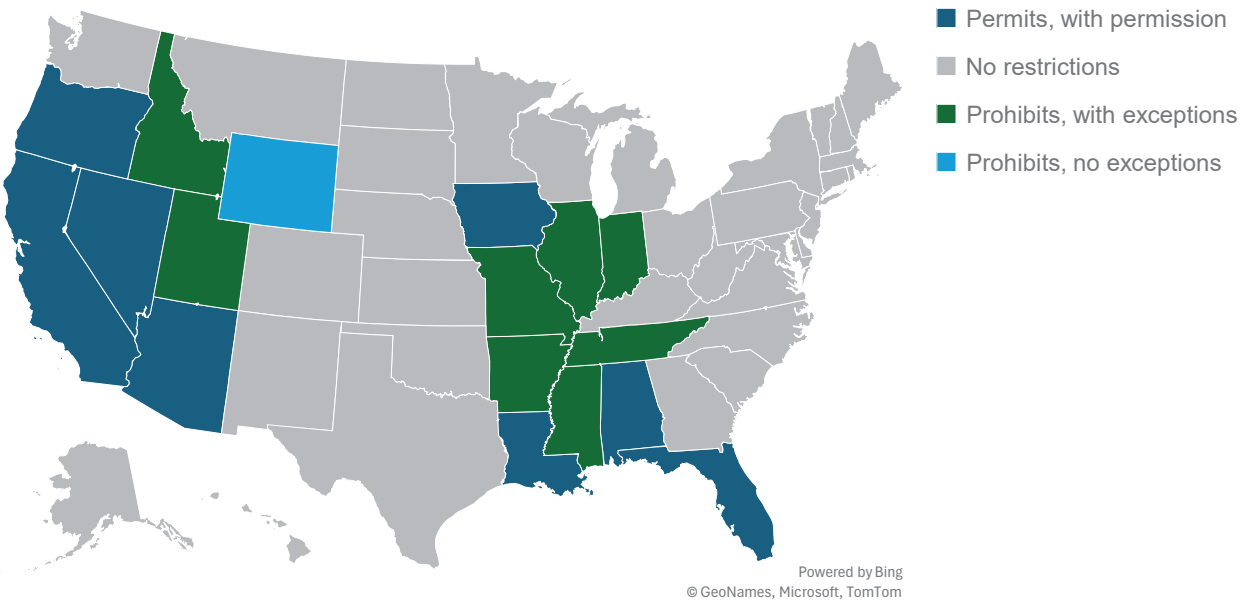
Idaho prohibits offenders on school property, with exceptions for parents or legal guardians at extracurricular activities.

Illinois prohibits a child sex offender to knowingly be present in any school building, on real property comprising any school, or in any conveyance owned, leased, or contracted by a school to transport students to or from school or a school-related activity when persons under the age of 18 are present, unless the offender is a parent or guardian of a student attending the school and other conditions are met.

Indiana prohibits serious sex offenders from knowingly or intentionally entering school property, but provides an affirmative defense to prosecution if the offender enters the grounds for religious worship or instruction or when classes, extracurricular activities, or other school activities are not being held.

Mississippi restricts offenders from school property with exceptions for parents or legal guardians of students attending the school, provided they comply with notification requirements.

Missouri prohibits any person who has been found guilty of certain sexual offenses from being present in or loitering within 500 feet of any school building, on real property comprising any school, or in any conveyance owned, leased, or contracted by a school to transport students to or from school or a school-related activity when persons under the age of 18 are present, unless the offender is a parent, legal guardian, or custodian of a student present in the building and has met specific conditions.



Tennessee prohibits sexual offenders and violent sexual offenders from knowingly being on the premises of any building or grounds of any public school, private or parochial school, licensed day care center, other child care facility, public park, playground, recreation center, or public athletic field available for use by the general public when children under 18 of age are present, but has exceptions for when the offender is a student, attending a conference as a parent or legal guardian, or dropping off or picking up a child with prior written notice to the school.

Utah prohibits sex offenders from being in certain "protected areas," which include public or private primary or secondary schools, unless certain exceptions apply, such as performing parental responsibilities or when the school is open for a public activity other than a school-related function involving minors.

Prohibits, No Exceptions

Wyoming prohibits registered sex offenders who are 18 years of age or older from being on the premises of any school building or school grounds, or other properties owned or leased by a school when children under the age of 18 are present and involved in a school activity, or within 30 minutes before or after a scheduled school activity.

STATE AND LOCAL GOVERNMENT

Extraterritorial Zoning

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Cities are authorized under KSA 12-715b *et seq.* and KSA 12-754(a) to adopt zoning regulations affecting land located outside the city but within three miles of its boundaries, or one-half the distance to another city if that distance is less than three miles. This is colloquially referred to as "extraterritorial zoning" or the "three-mile zone." The city may do so only if the board of county commissioners has not adopted zoning regulations for the extraterritorial zone, and if the city meets certain requirements. Such authorization is not extended to zoning parcels of agricultural land in excess of three acres under one ownership.

City and county planning commission requirements of KSA 12-741 *et seq.* also apply.

City Requirements for Extraterritorial Zoning

Planning Commission

First, the city must establish a planning commission. If the planning commission is for the city alone, the membership of this commission must include two members residing in the extraterritorial zone. Alternatively, the city may be part of a joint metropolitan or joint regional planning commission in cooperation with the county in which the city is located (KSA 12-715b(a) and KSA 12-744(a)).

Comprehensive Plan

One of the planning commissions established as described above must adopt a comprehensive plan to be approved by the city governing body or the board of county commissioners.

The planning commission is authorized to make comprehensive surveys and studies of past and present conditions and trends relating to any element deemed necessary to the comprehensive plan. The proposed plan must show the commission's recommendations, including:

- The general location, extent, and relation of the use of land;
- Population and building intensity standards and restrictions and their application;
- Public facilities, including transportation facilities of all types relating to the transport of persons or goods;
- Public improvement programming based upon determination of urgency;
- The major sources and expenditure of public revenue, including long-range financial plans for the financing of public facilities and capital improvements;
- Utilization and conservation of natural resources; and
- Any other element deemed necessary to the proper development or redevelopment of the area.

Before adoption or amendment of a comprehensive plan, the planning commission must hold a public hearing, notice of which must be published at least once in the official newspaper at least 20 days prior to the date of the hearing.

Upon adoption of the appropriate resolution by a majority vote of all members of the planning commission, the comprehensive plan is submitted to the appropriate governing body.

A planning commission must review or reconsider its plan at least once each year.

For a city to exercise its extraterritorial zoning authority, the comprehensive plan recommended by the planning commission must be approved by the city governing body or the board of county commissioners (KSA 12-715b(b)).

Notification of County Commission

The final step for a city to utilize extraterritorial zoning is to notify the board of county commissioners in writing 60 days before initiating zoning regulations by ordinance of the city's intention to do so.

At any point in the city's process of extraterritorial zoning, including after adopting zoning regulations by ordinance, if the board of county commissioners adopts zoning regulations governing the same tracts of land in accordance with statute, all city zoning regulations and authority to adopt zoning regulations for land outside the city must cease on the date the county places such zoning regulations in effect.

Recent Legislation Addressing Extraterritorial Zoning

2025 HB 2025 and SB 37; 2023 HB 2150

2025 HB 2025 and SB 37 were mirror bills introduced by the House Committee on Federal and State Affairs and the Senate Committee on Federal and State Affairs, both at the request of committee members. The bills would rescind a city planning commission's authority to apply subdivision regulations to land in the extraterritorial zone with extraterritorial zoning regulations. The bills would also repeal statutes providing for the extraterritorial zoning process for cities and providing that all city zoning regulations and authority to adopt zoning regulations for land outside city limits shall cease and terminate as to any tracts of land lying within such area on the date the county places in effect zoning regulations governing the same tracts of land in accordance with statute.

HB 2025 was referred to the House Committee on Local Government and was heard on January 29, 2025. SB 37 was referred to the Senate Committee on Local Government, Transparency, and Ethics and received a hearing on January 30, 2025. Both bills remain in committee for the start of the 2026 session.

2020 SB 248

2020 SB 248 would have directed the governing body of any city or county that proposes to enter an interlocal cooperation agreement with a city or county regarding a city establishing extraterritorial zoning or subdivision regulations to hold a public hearing on the proposed agreement. The bill would have provided for notice of the hearing to be given in a specified manner.

Additionally, the bill would have added a step for cities to hold a public hearing specifically on the proposal of extraterritorial zoning in order to exercise their authority to adopt zoning regulations affecting the extraterritorial zone. The bill would have provided for notice of the hearing to be given in specified manner.

Further, the bill would have directed city planning commissions to mail notice to all owners of record in an unincorporated area affected by proposed subdivision regulations and cities to hold public hearings on proposals of subdivision regulations.

STATE AND LOCAL GOVERNMENT

Port Authority

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A port authority is a legal entity created by a local government or governments to address local transportation-related issues. "Port" is statutorily defined for this purpose to mean a water-port facility, airport facility, terminal facility, land transportation facility, railroad facility, or industrial-use facility. A port authority is distinct from an airport authority. Statutes creating and enumerating the powers of a port authority are in KSA 12-3401 *et seq.*

Creation of a Port Authority

Under state law first enacted in 1969, a port authority may be created by a city or cities, a county or counties, or a combination of those, by ordinance, resolution, or both. Any port authority formed on or after April 1, 1981, must be approved by the Legislature via concurrent resolution. A cooperative agreement creating a joint port authority may be amended by the governing bodies without legislative approval.

Port authorities formed by legislative concurrent resolution include:

- Kansas City–Wyandotte County, Kansas, Joint Port Authority (1984);
- Butler County (1997);
- City of Pittsburg (2001);
- Grant, Morton, Stanton, and Stevens counties (2007); and
- Stafford County (2014).

The Mid-States Port Authority, one of the largest, was formed in 1980 by a joint cooperative agreement of the counties of Clay, Cloud, Decatur, Jewell, Norton, Phillips, Republic, Riley, Sheridan, Sherman, Smith, Thomas, Wabaunsee, and Washington to rehabilitate and use rail lines left by the Chicago, Rock Island, and Pacific Railroad after it declared bankruptcy in the late 1970s.

Subject to provisions for payment and performance of its obligations, a port authority may be dissolved by the entities that created it. Its properties would be transferred to the creating entity or entities as they agree. Obligations of the dissolved port authority are not obligations of the State or of any city or county unless that is approved by voters.

Powers of a Port Authority

A port authority must have a clear purpose for which it is created and the character of the work to be undertaken to accomplish that purpose as part of its official plan. A port authority is required to prepare or cause to be prepared plans for future development; this plan must be published and, if sufficient owners of contiguous real property object, hold a hearing on the plan.

To accomplish the goals of the plan, a port authority may purchase, acquire, construct, improve, equip, furnish, or maintain facilities within its area of jurisdiction and make contracts to do so; borrow money; apply for, receive, and participate in grants from the State or the federal government; change a watercourse during facility development; issue bonds; and

exercise eminent domain over property needed to implement the plan under certain circumstances. It must fix rents, charges, and fees for the use of its buildings, services, and facilities that are sufficient to assure the prompt payment of principal and interest on bonds as they become due. It may have employees and professional help.

Subject to voter approval, any city or county creating or participating in the creation of a port authority may levy a tax for such authority. If approved, the levy may be used for repayment of bonds, and the port authority may spend funds not otherwise appropriated for surveys and other statutory purposes. Currently, no city or county levies a tax for purposes of financing a port authority.

A port authority may not change a lease, sale, or action taken by a governmental entity before creation of the port authority; spend more than $10,000 (unchanged since 1980) for construction, alteration, or repair of any improvement without notification in the *Kansas Register* at least 30 days before opening bids for the project, except in an emergency; or sell property without giving the current lessee the first right to purchase the property. It may not exercise eminent domain on property outside of the port authority without approval by resolution of the governing body, acquire a site for industrial use, or until all permits in the official plan have been obtained.

A port authority is to exercise its powers for the benefit of the people of Kansas, "for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and the activities and operations of a port authority will constitute the performance of essential governmental functions" (KSA 12-3418).

Bonding

With the approval, by resolution, of the governing body of the city or cities or county or counties composing such port authority, a port authority may issue negotiable notes, bonds, or other evidence of indebtedness in amounts deemed necessary by the board of the port authority to purchase, acquire, construct, improve, equip, furnish, or maintain facilities, and it must provide for their payment of the bonds. Those bonds may be issued for a maximum term of 40 years, subject to terms approved by official resolution of the board; may be sold for not less than par plus accrued interest to date of delivery; and may be sold at a public or private sale. A public sale must be advertised and the bonds sold to the best bidder, based on an open competitive public offering. The bonds are never a debt or obligation of the State or any city or county. The Attorney General must examine and certify all bonds as legal obligations of the issuing authority. Proceeds from the sale of bonds must be segregated and used solely for the purpose for which the bonds were issued. All entities doing banking business and all insurance companies and agencies may lawfully invest funds in these bonds.

The board may vest a trustee or trustees with the right to receive revenues pledged for bondholders. Any trustee must take an oath of office and be under a sufficient fidelity bond approved by the Attorney General. No trustee or beneficiary may be charged with liability except for willful or grossly negligent breach of trust.

Governance of a Port Authority

A port authority is governed by a board of no fewer than five members appointed by city or county commissioners or by the various subdivisions involved as they agree, to four-year terms. The appointing authority may at any time remove a director appointed by it for misfeasance, nonfeasance, or malfeasance in office, and only for cause. No board member may own land, other than a residence, or represent in a fiduciary capacity any land surveyed or examined for port locations. A user of the port facility may serve as a member.

The board's meetings and records are public, and it is required to prepare an annual budget.

Tax Exemptions and Credits

An airport authority is exempt from ad valorem property tax only until the calendar year in which the property "is rented, leased, subleased, or developed and returns revenue to the authority in excess of the amount necessary to retire obligations of the authority and pay its administrative costs" (KSA 12-3418).

An airport authority is exempt from sales tax for tangible personal property or services used directly by the authority or for constructing, repairing, equipping, or furnishing port facilities other than an industrial-use facility.

The single city port authority income tax credit provides an income tax credit for 100.0 percent of retired debt of a single city port authority established prior to 2002, up to $500,000 in any one fiscal year. The credit is issued as a warrant by the Department of Revenue and is deemed to be a capital contribution. As written, the law applies only to the port authority created by the City of Pittsburg.

Airport Authorities

Airport authorities also have an economic development role, by developing, leasing, renting, or otherwise providing facilities used by business and industry. Airport authorities were statutorily created in the 1960s and 1970s to develop and manage air bases and other property declared surplus, usually by the federal government, such as deactivated World War II-era bases (KSA 27-315 *et seq.*). Statutes also created an airport authority for the City of Wichita in 1975 that assumed powers formerly held by a city board of park commissioners or the city governing body (KSA 3-162 *et seq.*) and for a county specified by 1979 population and valuation: Shawnee County (KSA 27-327 *et seq.*).

In general, the powers and duties of an airport authority are like those of a port authority. An airport authority is authorized by statute to levy mill levies of no more than 1, 1.85, or 3 mills depending on the purpose and under which statutes the airport authority was created. Airport authorities also may issue their own general obligation bonds, revenue bonds, industrial revenue bonds, and no-fund warrants as provided by statute.

STATE AND LOCAL GOVERNMENT

Subsidies-based Rental Inspections in Topeka

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Summary of 2025 HB 2099

Legislation addressing rental inspections for subsidized housing (HB 2099) was introduced during the 2025 Legislative Session at the request of a representative of the City of Topeka. The bill would have:

- Defined "direct public financial assistance" to mean a financial payment or consideration from the U.S. Department of Housing and Urban Development (HUD);
- Authorized the City of Topeka to adopt an ordinance to require:
    - Periodic property inspections of privately owned residential housing property when the owner of such property is receiving direct public financial assistance, with reasonable notice to tenants; and
    - Landlords to perform random inspections at the request of the City in response to code violation complaint;
- Directed the City of Topeka to obtain an administrative search warrant to facilitate the inspection if a tenant objected to an inspection; and
- Had a sunset date of July 1, 2030.

Under current law, cities and counties are prohibited from conducting interior inspections of private residential property without the occupant's consent.

The bill was heard by both the House Committee on Local Government and the Senate Committee on Local Government, Transparency and Ethics, and died on Senate General Orders.

Federal Inspection Requirements

At the federal level, inspections of subsidized housing are regulated by HUD and its newly formulated NSPIRE (National Standards for the Physical Inspection of Real Estate) standards[1].

These inspections take place in-unit, inside facilities, and outside of subsidized housing developments. HUD provides inspectors a checklist using HUD standards to note any deficiencies in multiple areas of a facility. If a violation is found, a code is applied, and a correction period is agreed upon for the inspector to check if a change has been made. Currently, HUD inspections happen at the time a tenant moves in and every one to two years after.

By the Numbers

HUD reports that, as of publication of this article, the Topeka area has 744 units that fall under Annual Contributions Contracts (ACC) between the federal government and a public housing agency to provide subsidized housing. Of these 744 units, 687, or 92.0 percent, are

1 https://www.hud.gov/reac/nspire

currently leased to tenants. These units are spread between 7 different residential property developments.

In the State of Kansas, as of publication of this article, there are 7,954 units with ACC authorization. Currently, 6,968 are leased, with 660 unleased units. For these units, there are 104 developments across the state. Overall, Topeka makes up 0.09 percent of the units for affordable housing in Kansas.

STATE BUDGET

Budget Process Overview

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Overview

This article describes the historical process by which the Kansas State Budget has been developed, and changes made during the 2024 Legislative Session to that process.

Historical State Budget Process

Prior to the 2024 Legislative Session, the State budget process was largely shaped by the 1976 Task Force of Effective Management established by former Governor Robert Bennett, which created the balanced budgeting system, required performance indicators, and organized the current structure of state government into programs. There have been attempts at budget process reform since then, primarily around the issues of biennial budgeting, the consensus caseload estimating process, and the 2016 Kansas Statewide Efficiency Review by Alvarez and Marsal which provided additional detail on the performance budgeting process specifically around evidence-based practices.

Article 37, Chapter 75 of the *Kansas Statutes Annotated* prescribes key dates in the Kansas budget process.

- The Director of the Budget provides agencies with budget forms and budget cost indices prior to September 1;
- Agencies must file a budget request with the Division of the Budget no later than October 2;
- The Director of the Budget must notify agencies of any adjustments to the agency requests by November 10;
- Agencies have ten days to appeal such adjustments. The chairpersons of the House Committee on Appropriations and the Senate Committee on Ways and Means may attend such appeal hearings; and
- The Governor is required to submit the Governor's Budget Report to the Legislature on or before the 8th day of the session, unless the Governor is newly elected; in that case, the report is due on or before the 21st calendar day of Regular Session.

The Governor's Budget Report is statutorily[1] composed of three parts:

- The Governor's message describing important features of the budget plan and means of financing the spending. This portion can not include proposed expenditures from anticipated income from legislation that would provide additional revenue or expenditures related to the 7.5 percent ending balance requirement[2];
- Detailed budget expenditure estimates by agency including bonded indebtedness; and

1 KSA 75-3721 https://www.ksrevisor.gov/statutes/chapters/ch75/075_037_0021.html
2 KSA 75-6702 https://ksrevisor.gov/statutes/chapters/ch75/075_067_0002.html

- Draft legislative measures reflecting the Governor's Budget for all fiscal years included in the report. The budget for the Judicial Branch is included in the submission, but the Governor must pass the recommendation along without revision.

2024 Session Revisions to the State Budget Process

During the 2024 Interim, the Legislative Coordinating Council created and appointed the 2024 Special Committee on Budget Process and Development[3]. The Committee met twice and included the Senate President, Speaker of the House, House and Senate Minority Leaders, Chairpersons of the House Committee on Appropriations and Senate Committee on Ways and Means, and 15 other members of the House of Representatives and Senate.

2024 Special Committee on Legislative Budget

The 2024 Special Committee on Legislative Budget made 12 recommendations, which were incorporated into a bill introduced by the Chairperson for the House Committee on Appropriations on the first day of the 2025 Session.[4] This bill became the starting point for legislative deliberation on the budget.

The Committee recommended the Legislative Coordinating Council establish an interim committee to develop a legislative budget recommendation, to be introduced on the first day of the 2025 Session.

The Committee also recommended the 2025 Legislature establish a cap on State General Fund growth of 2.0 percent per fiscal year, excluding human services caseloads and expenditures for K-12 education; and prohibit adding language to appropriations bills directing agencies to engage in specific acts via the conference committee process without specific approval by legislative leadership.

Other recommendations included:

- Delete all agency and department salary and wage increases, to be addressed in a global discussion on salaries during the 2025 Legislative Session;
- Delete all agency enhancement and supplemental requests in the revised FY 2025, FY 2026, and FY 2027 budget summaries for budget committees to review during the 2025 Legislative Session;
- Delete any requests for new full-time employee positions and any associated costs in FY 2025 and FY 2026 for budget committees to review during the 2025 Legislative Session;
- Review all State General Fund reappropriations and identify those that can be lapsed in FY 2025; and
- Suspend the transfer of $50.0 million State General Fund to the Build Kansas Fund for FY 2026.

Kansas Budget Process Going Forward

The 2025 Legislature did not adjust any of the Governor's duties to submit a budget recommendation. However, the Legislative Coordinating Council has established the 2025 Special Committee on State Budget and charged it with reviewing and making recommendations on state agency budgets[5].

3 https://kslegislature.gov/li_2024/b2023_24/committees/ctte_spc_2024_on_bdgt_and_dev_1/

4 2024 HB 2007 https://kslegislature.gov/li/b2025_26/measures/hb2007/

5 https://kslegislature.gov/li/b2025_26/committees/ctte_spc_2025_on_st_bdgt_1/

TAXATION

An Overview of the Board of Tax Appeals Financing

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Introduction

The Board of Tax Appeals is the highest administrative tribunal to hear appeals relating to ad valorem (property), income, sales, compensating use, and inheritance taxes, along with other matters involving taxation by state and local taxing authorities. The Board is divided into two divisions:

- The Regular Division has broad jurisdiction to hear and decide tax matters, including property tax appeals, appeals from final determinations of the Department of Revenue, tax grievances, applications for exemptions from property tax, countywide reappraisal requests, and no-fund warrant requests; and
- The Small Claims and Expedited Hearing Division oversees appeals for the valuation of single-family residential properties and commercial properties that are appraised at $3.0 million or less.

Fee Fund Financing

Prior to FY 2012, the Board was primarily funded with State General Fund (SGF) dollars. Over time, financing for the Board has shifted toward a greater reliance on the Board of Tax Appeals (BOTA) fee fund. Filing fees have been increased to support agency operations and offset reductions to the SGF. In FY 2024, funding for the Board was:

- 46.5 percent SGF;
- 53.4 percent from the BOTA Filing Fee Fund;
- 0.1 percent from the American Rescue Plan Act funds; and
- 0.1 percent from the Duplicating Fee Fund.

[*Note*: The Duplicating Fee Fund was closed in FY 2024.]

As of September 15, 2025, the BOTA Fee Fund has a balance of $953,325. Since the creation of the fee fund, several regulations have impacted the revenue collected, including the removal of the:

- Filing fee for not-for-profit organizations' appeals under $100,000;
- Residential filing fee; and
- Filing fees assessed to municipalities and political subdivisions.

The table below shows the amount in receipts the Filing Fee Fund received for FY 2016–FY 2024.

FY 2016	$878,015
FY 2017	$944,818
FY 2018	$1,028,606
FY 2019	$819,183
FY 2020	$872,802
FY 2021	$872,636
FY 2022	$902,085
FY 2023	$949,575
FY 2024	$1,133,609
FY 2025	$1,128,325

The amount collected in FY 2024 was attributable to an increase in incoming cases from the Regular Division. Additionally, the 2024 Legislature approved reducing BOTA Filing Fee Fund expenditures by $150,000 and substituting these expenditures with funding from SGF in FY 2025.

The table below shows the ten-year expenditure history for the BOTA Filing Fee Fund:

FY 2016	$754,737
FY 2017	$1,030,906
FY 2018	$918,816
FY 2019	$945,802
FY 2020	$959,350
FY 2021	$862,880
FY 2022	$1,010,487
FY 2023	$1,064,798
FY 2024	$1,173,069
FY 2025	$933,059

The ending balance was $972,877 at the end of FY 2025. The Board estimates it will receive $950,000 in filing fees in FY 2026, which would lead to an ending balance of approximately $819,808.

TAXATION

Local Sales Tax Authority and Apportionment

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Local Sales Tax Overview

The Kansas state sales tax dates to 1937, but local units of government did not receive authority to impose sales taxes until 1970. While this authority was briefly repealed in 1972, taxes enacted under the 1970 law were grandfathered into continuing existence and broad authority was reinstated in 1973.

[*Note:* Any local government imposing a sales tax also automatically imposes a compensating use tax for transactions that would have been subject to the sales tax if the transaction were made entirely in Kansas. For purposes of this article, use tax is treated as a component of sales tax.]

As of 2025, local sales taxes are imposed by 94 counties and 329 cities throughout the state with local collections totaling $1.73 billion in FY 2025.

While tax rates for local sales taxes are determined locally, the tax is administered at the state level on a uniform statewide tax base, which generally mirrors the tax base for the state sales tax, with limited exceptions, most notably food and food ingredients and certain residential and agricultural utilities.

All local sales taxes require the approval of the tax at an election prior to being imposed. Unless the ballot language or statutory authority for the tax specifies an expiration of the tax, the tax continues indefinitely, and the rate may only be changed by a future election. However, the repeal of a tax may be accomplished by either an election or the adoption of an ordinance.

Authority of Local Units to Impose Tax

Cities

Cities are authorized to levy sales taxes up to 2.0 percent for general purposes and 1.0 percent for special purposes. The purpose of special purpose taxes must be specified by the city prior to the imposition of the tax, and special purpose taxes expire 10 years after the date the tax is first collected. However, special purpose taxes may be replaced or extended with an additional election. City sales tax rates are required to be fixed in increments of 0.05 percent.

Counties

Counties are generally authorized to levy a sales tax of up to 1.0 percent for general purposes and an additional 1.0 percent for the provision of health care services. However, numerous exceptions to this limit are provided in statute, typically for specific purposes. As of 2025, there are 64 instances of specific counties being granted authority in excess of the 1.0 percent of general authority and 1.0 percent of health care services authority. Countywide sales tax rates are generally required to be fixed in increments of 0.25 percent. However, some special purpose county taxing authority permits rates that do not correspond to quarter percentage points.

Special Taxing Districts

In addition to sales taxes imposed by cities and counties directly, municipalities may create special taxing districts that are permitted to levy additional taxes within the bounds of the district.

Community improvement districts may levy taxes of up to 2.0 percent to pay debt service costs associated with community improvement economic development projects within the district or to directly pay such project costs on an ongoing basis. Such project costs are generally limited to those within the district.

Transportation development districts may levy taxes of up to 1.0 percent to pay debt service associated with projects to improve transportation infrastructure within or outside of the district for economic development purposes.

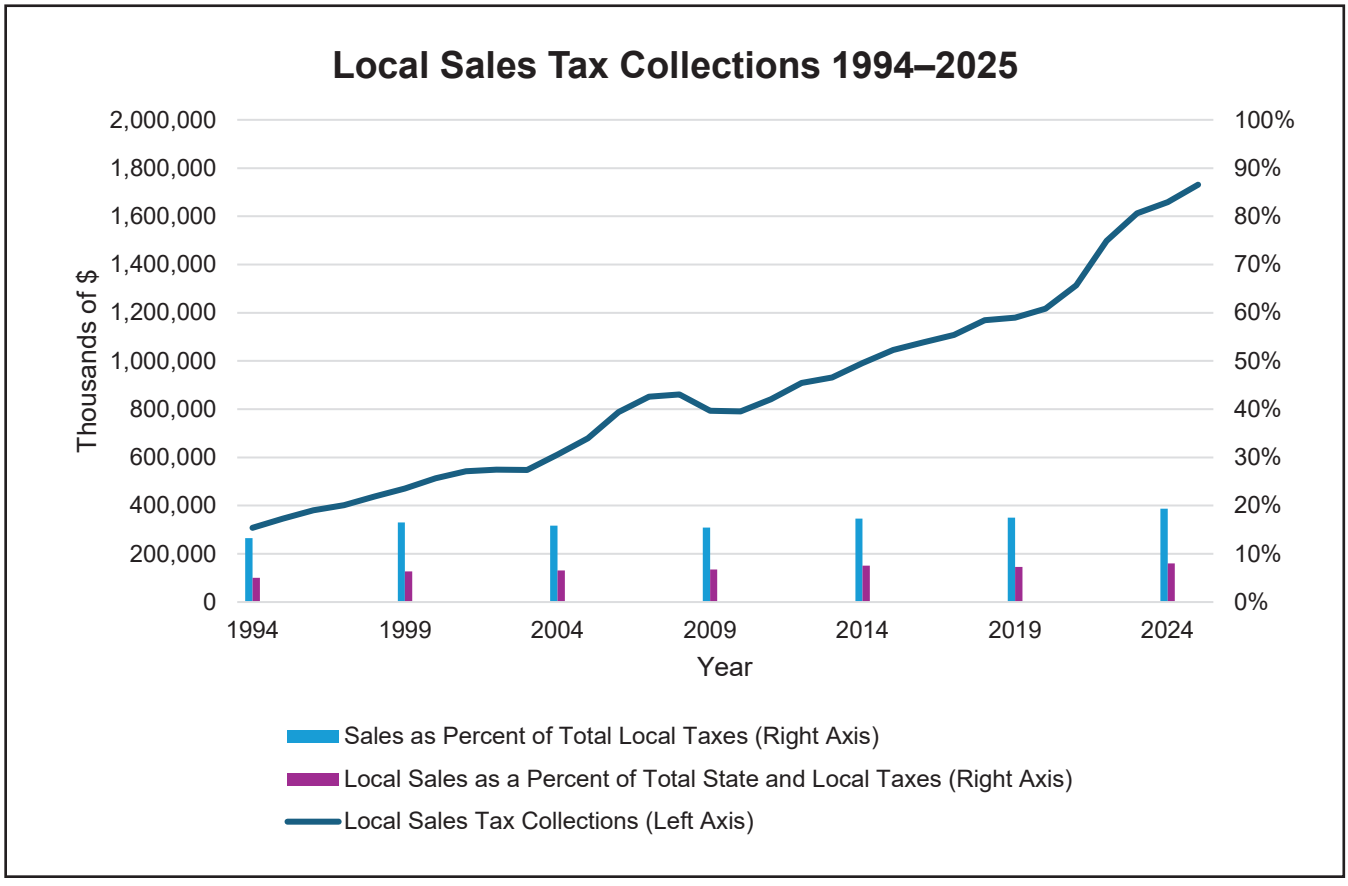
Both community improvement districts and transportation development districts are established through a petition process of the owners of the land within the district.

Other Named Entities with Taxing Authority

In addition to cities, counties, and special taxing districts, state law provides for sales tax authority of up to 0.65 percent for Washburn University, 0.5 percent for the Gage Park Improvement District, 0.25 percent for the HorseThief Reservoir Benefit District, and 0.2 percent for the Johnson County Education Research Triangle Authority.

Apportionment of Countywide Sales Tax Revenue

While cities retain all revenue from proceeds of city-imposed taxes, revenue from general countywide sales taxes is apportioned between the county imposing the tax and the cities located within the county using a two-factor formula where half of the distribution is based on the proportion of property taxes levied by each entity to the total property taxes levied by all entities, and half of the distribution is based on proportion to the population of each city and the population of the unincorporated area of the county in proportion to the total population of the county.



Countywide sales taxes adopted pursuant to exceptions for specific purposes may be excluded from apportionment providing for the entirety of the revenue from the tax to be applied to the specific object of the tax.

Revenue From Local Sales Taxes

As of 2025, local sales taxes totaled $1.73 billion, which represented 19.5 percent of total local tax revenue and 8.2 percent of combined state and local tax revenue for the year. The share of total taxes coming from local sales taxes has increased in recent years as revenue from local sales taxes has grown faster than local tax revenue or combined state and local tax revenue.

The graph on the previous page shows the change in local sales taxes from 1995 to the present.

Recent Legislation

In recent years, the Legislature has regularly considered and passed bills expanding specific county authority for special purpose taxes.

Additionally, legislation proposed in 2019 would have authorized universal countywide special purpose authority up to 1.25 percent and would have generally treated countywide special purpose authority comparably to city special purpose authority.

The 2025 Legislature considered legislation that would have replaced the half of the countywide sales tax apportionment formula based on property taxes levied with assessed value located within each taxing district. While this legislation was not enacted, the Legislature did enact a freeze on the apportionment ratios from July 1, 2025, through December 31, 2026, resulting in changes to ratios attributable to property taxes levied for tax year 2025 having no effect on the apportionment of such taxes.

TAXATION

Sales Tax Exemptions

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The Kansas retail sales tax is levied statewide at the rate of 6.5 percent on retail sales of tangible personal property and certain services, absent specific exemption. Additionally, certain services are not subject to the retail sales tax. For purposes of this article, the term "sales tax" refers to both sales and use tax.

In terms of their effect on revenues, sales tax exemptions are a type of "tax expenditure," representing a loss of revenue attributable to the tax that would otherwise be collected.

Specific sales tax exemptions are primarily found in KSA 79-3603 and KSA 79-3606; additional exemptions are provided for in KSA 79-3602, 79-3606d through 79-3606f, and 79-3606h.

Definition of Sales Tax Exemption

Strictly speaking, sales tax exemptions refer to categories of sales subject to the tax imposed by KSA 79-3603, but which are specifically named as exempt from the otherwise imposed tax. In a broader sense, exemptions also include certain sales expressly excluded from being subject to the tax in the first place. These occur as exceptions that narrow the definition of a category to which the tax applies. In a similar way, certain modifications to the definition of "sale price" for purposes of retail sales tax also amount to exemptions by excluding all or a portion of the price of certain kinds of sales from taxation.

Even more broadly, categories of sales previously subject to tax but excluded through legislative action are sometimes considered to be sales tax exemptions, even though no provision currently exists that would render it otherwise taxable.

These distinctions can have important ramifications in terms of how the sales tax is administered, as sellers are required to collect exemption certificates from purchasers under varying circumstances, but only as it applies to exemptions in the narrow sense described above.

State and Local Impacts of Sales Tax Exemptions

A few categories of otherwise exempt sales remain subject to city and county sales taxes, including all sales of food and food ingredients and certain residential and agricultural utilities.

Statutory Exemptions

As of July 1, 2025, Kansas statutes include 120 subsections devoted to exemptions, of which 101 are found in KSA 79-3606 and 13 of which are exemptions in the broader sense. The remaining exemptions are true exemptions found outside of KSA 79-3606.

In their annual Tax Expenditure Report, the Kansas Department of Revenue (KDOR) classifies sales tax exemptions as conceptual, legally required, and public policy exemptions. The total reported amount of state revenue

foregone due to sales tax exemptions in FY 2024 was $8.7 billion.

Conceptual Exemptions

Exemptions classified as conceptual exemptions tend to serve broadly acknowledged policy goals attributable to generally accepted principles of tax policy. These primarily avoid double-taxation or imposition of a value-added tax, neither of which is explicitly required by law, but which have historically been avoided in the United States. Value-added taxes impose tax on intermediate states of production and distribution, but sales taxes in the United States are, as a matter of custom, collected at the point of sale as a tax on final consumption.

For FY 2024, KDOR estimated that conceptual exemptions resulted in a reduction of revenue in the amount of $4.84 billion. Of that amount, $3.0 billion can be attributed to the exemption found in KSA 79-3606(m), which exempts from taxation property that becomes an ingredient or component part of property or services produced or manufactured for ultimate sale at retail.

Legally Required Exemptions

Legally required exemptions are required for conformity with federal law. Such exemptions resulted in reduction of revenue in the amount of $156.2 million in FY 2024, according to estimates by KDOR. This amount was primarily attributable to $63.5 million lost to purchases by the federal government or its agencies and instrumentalities; and $36.3 million lost to purchases by railroads or public utilities for use in the movement of interstate commerce.

Public Policy Exemptions

Public policy exemptions, as classified by KDOR, are more discretionary in nature (though some could be considered to be in line with conceptual exemptions) and generally tend to promote public welfare or serve social or economic goals. Public policy exemptions accounted for $3.7 billion in lost revenue in FY 2024 according to KDOR.

Exemptions for non-federal government and nonprofit health care entity purchases are the largest public policy subcategory, accounting for 46.0 percent of such exemptions in FY 2024. Other categories of public policy exemptions include:

- Exemption of services that are otherwise specifically taxable;
- Charitable, religious, and benevolent exemptions, including general exemptions for such purposes and exemptions for specifically named charitable organizations;
- Economic exemptions, including consumer, business, and agricultural exemptions; and
- Public welfare exemptions, including educational and health care exemptions.

The subcategories of public policy exemptions are provided in the table below with the respective amount of foregone revenue in FY 2024 attributable to each.

Exemption Type	FY 24 Revenue Lost (millions)
Governmental Exemptions	$1,719.0
Consumer Exemptions	$879.9
Business Exemptions	$542.9
Educational Exemptions	$197.2
Agriculture Exemptions	$171.1
Health Care Exemptions	$132.7
Charitable/Religious/Benevolent Exemptions	$49.3
Named Charitable Organization Exemptions	$2.6
Taxable Service Exemptions	$6.4

Recent Legislation

2022 House Sub. for SB 347 created a sales tax exemption for qualifying firms under the Attracting Powerful Economic Expansion (APEX) Act.

2023 HB 2002 created two new sales tax exemptions for purchases by Area Agencies on Aging and Kansas Suicide Prevention HQ.

2024 HB 2098 excluded from sales tax coupons issued by a manufacturer, supplier, or distributor for purposes of reimbursing the seller and created eight new sales tax exemptions. The new exemptions included, among others, purchases of custom meat processing services and, beginning in 2026, all sales tax on sales totaling up to $24,000 per year for Kansas resident military veterans who are 100.0 percent permanently disabled and were honorably discharged.

2024 HB 2465 created a sales tax exemption for purchases by pregnancy resource centers and residential maternity facilities.

2025 SB 98 created a sales tax exemption for purchases by certain firms making eligible investments in a qualified data center.

2025 HB 2275 clarified the exemption for custom meat processing services by excluding it from the requirement in continuing law that an exemption certificate be provided to the seller by the purchaser and removing the burden of proof the service is not subject to tax from sellers who believe such sales to qualify for the exemption.

There are no recent examples of repeal of a sales tax exemption, with the last significant case being the repeal of sales tax on custom computer software by the 2002 Legislature. The sales tax on prewritten computer software (as defined in statute) is still explicitly imposed.

Prior Policy Review

In 1970, the Joint Committee on the State Tax Structure (also known as the Hodge Committee) met to review the State's tax system, part of which included a review of sales taxes. The Hodge Committee recommended:

- Retail sales tax should remain focused on consumption rather than production;
- "Consumables" should be exempt as a class rather than by a policy of selective exemption through listing specific items;
- The "component-part" rule should be retained and refined; and
- Production machinery and equipment should not be exempted generally as a class without consideration of the type of production.

Sales tax exemptions and related policy have also been reviewed by various interim tax committees over the past few decades. Interim tax committees met to review sales tax exemptions and related policy in 2002, 2006, and 2015.

The 2002 Special Committee on Assessment and Taxation specifically considered the sunset of sales tax exemptions in light of frequent discussions to this effect taking place during the regular 2002 Legislative Session. Ultimately, the Special Committee recommended further study of the topic.

The 2006 Special Committee on Assessment and Taxation strongly recommended the standing tax committees develop criteria to evaluate future requests for sales tax exemptions. Criteria suggested included whether or not an exemption:

- Helps maintain the sales tax as a final tax on consumption;
- Makes the tax more easily administered;
- Is targeted to a broad class or to a narrow, special interest;
- Establishes an unfair competitive advantage for one group relative to another; and
- Causes the overall public benefit to outweigh the loss of revenue.

The 2015 Special Committee on Taxation recommended the standing tax committees develop a continual process to evaluate exemptions by measurable goals and standards,

and implement a sunset schedule for current and future tax exemptions, excluding those that are legally required, applicable to governmental entities, or would otherwise result in double taxation if repealed.

Sales tax exemptions were also reviewed as part of more comprehensive reviews of the tax system in the 2004 and 2010 interim sessions, but no substantive recommendations were made in regard to sales taxes.

Additional Policy Considerations

Kansas participates in the Streamlined Sales and Use Tax Agreement (SSUTA), which is a multi-state cooperative agreement intended to streamline the administration of state sales tax systems through voluntary participation by states and retailers. The SSUTA requires member states to agree to certain rules in the administration of their sales and use taxes.

Because of Kansas' participation in SSUTA, among other things, sellers must be provided advance notice of legislative changes and policy options can occasionally be limited when it comes to specific exemptions. Exemptions for products must be applied in a manner consistent with definitions provided in the agreement, where they exist, and states may not exempt subcategories of items defined within a broader category for purposes of the agreement unless an exception is expressly granted.

TRANSPORTATION

Speeding: Statistics, Laws, and Countermeasures

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Driving too fast for conditions and exceeding the speed limit contribute to significant numbers of deaths, numbers of injuries, and costs. While Kansas laws generally specify acceptable speeds and penalties for violation, additional policy options could be explored.

Speeding Statistics

In information released in April 2025, the U.S. Department of Transportation (USDOT) estimated 11,775 speeding-related traffic fatalities in the United States in 2023 (29 percent of total traffic-related fatalities), down from 12,157 in 2022 (28 percent of the total). Approximately 332,600 people were injured in speed-related crashes in the United States in 2023. The National Highway Traffic Safety Administration (NHTSA), USDOT, defines a crash to be speeding-related if any driver involved in the crash is charged with a speeding-related offense or if a law enforcement officer indicates that racing, driving too fast for conditions, or exceeding the posted speed limit was a contributing factor in the crash.

In Kansas in 2024:

- 4,611 crashes (7.5 percent) involved speeding;
- 70 people died in speeding-related crashes and people were injured in 1,494 crashes;
- The estimated costs of those crashes exceeded $1.6 billion; and
- Approximately 20 percent of the speeding-related crashes involved people ages 15–19, and nearly 60 percent involved people ages 15–34.

Preceding years show similar numbers:

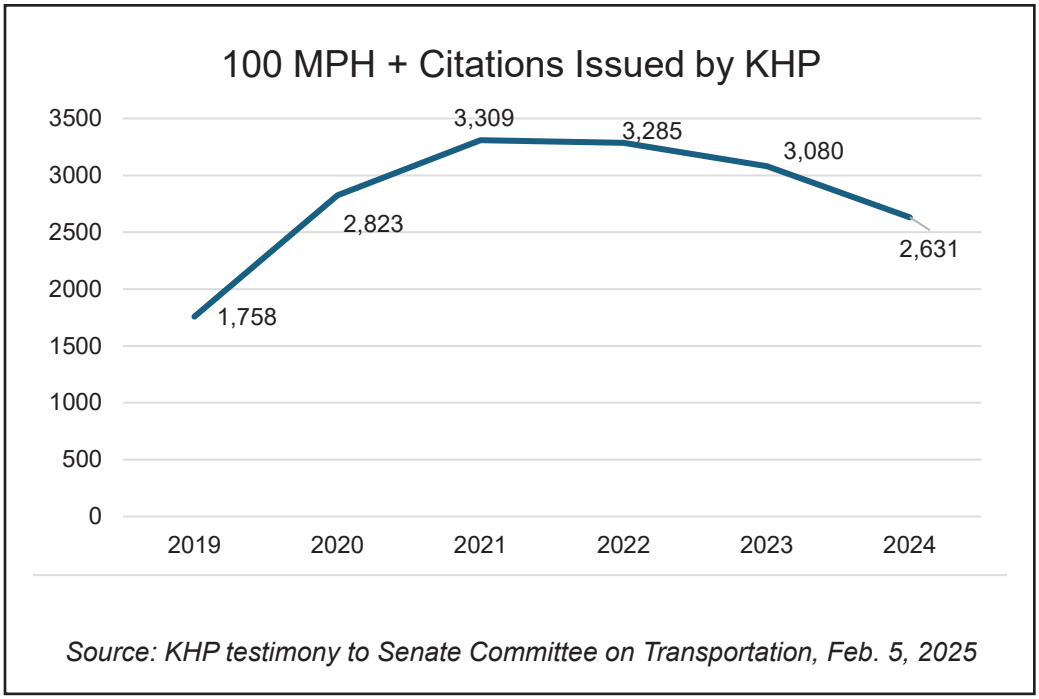
	Crashes	Deaths / Injuries	Costs ($ billions)
2023	4,354	80 / 2,105	$1.78
2022	4,890	94 / 2,056	$1.90
2021	4,479	76 / 1,976	$1.50
2020	4,599	88 / 2,075	$1.60
2019	5,773	93 / 2,203	$1.64
(Source: Kansas Traffic Crash Facts, Kansas Department of Transportation)			

In testimony provided to the Legislature in February 2025, the Kansas Highway Patrol (KHP) provided the numbers of citations troopers have issued for driving more than 100 miles per hour (mph) (see chart on next page).

Kansas Laws

Kansas law contains multiple provisions regarding lawful maximum speeds:

- KSA 8-1557 states, “No person shall drive a vehicle at a speed greater than is reasonable and prudent under the conditions and having regard to the actual hazards then existing”;
- KSA 8-1558 establishes maximum speed limits of 30 mph in any urban district, 75 mph on any separated multilane highway



Source: KHP testimony to Senate Committee on Transportation, Feb. 5, 2025

(increased from 70 mph in 2011), 55 mph on any county or township highway, and 65 mph on all other highways;

- KSA 8-1559 authorizes the Secretary of Transportation to alter speed limits based on information known to the Secretary;

- KSA 8-1560 authorizes local authorities to alter speed limits within certain parameters; and

- KSA 8-1560b authorizes the Kansas Turnpike Authority to establish speed limits on highways under its jurisdiction.

Fines for speeding are established in KSA 8-2118. Fines increase with the difference between the posted speed limit and the vehicle speed.

Proposed 2024 SB 476 would have created the separate traffic infraction of operating a motor vehicle at more than 100 mph, and 2023 HB 2146 would have increased fines for speeds more than 30 mph above the posted speed limit. Neither received a chamber vote.

Speeding as Reckless Driving

KSA 8-1566 states, "Any person who drives any vehicle in willful or wanton disregard for the safety of persons or property is guilty of reckless driving." Most states appear to have similar language. Virginia law also defines driving too fast for conditions as reckless.

In *Perry v. Schmitt*, 184 Kan. 758 (1959), 339 P.2d 36, the Kansas Supreme Court stated, "While speed alone is not sufficient to establish gross and wanton negligence, it is properly considered along with other facts and circumstances surrounding the occasion in determining whether defendant was guilty of wantonness." A 2025 Dickinson County district court decision in which the court states the defendant drove away from an officer at 140 mph, and in which the court did not find a case for a charge of felony fleeing and eluding an officer, cites cases including *Perry v. Schmitt* and further states, "speed is to be considered with other facts and circumstances" in determining whether an action constitutes willful or wanton disregard for the safety of others; which other states' courts interpret excessive speeding to be included was not available.

Two bills have been proposed in recent years to amend KSA 8-1556 to define reckless driving to include driving at high rates of speed: 2025 SB 113 (100 mph or 35 mph over the posted speed limit) and 2022 HB 2628 (40 mph over the posted speed limit). Neither received a chamber vote. At least two states and the District of Columbia specify speeds in their definitions: Connecticut, faster than 85 mph; New Hampshire, 100 mph or faster; and the District of Columbia, 20 mph or faster above the speed limit, and, for aggravated reckless driving, 30 mph or more above the

speed limit or 20 mph or more above the speed limit and causing injury to another person, colliding with another motor vehicle, or causing $1,000 or more in property damage.

Countermeasures

NHTSA's guide for states titled *Countermeasures that Work* includes information on several ways to reduce the numbers of speeding vehicles. The agency notes that lowering the speeds at which vehicles travel requires public engagement and understanding the relationship between speeding and unwanted outcomes.

Lower Speed Limits

According to NHTSA, "The effects of maximum (highway) speed limits on speeds, crashes, and casualties have been studied extensively over the past 40+ years. In general, there is significant evidence that when limits are raised, speeds, crashes, and injuries rise, and when they are lowered, speeds, crashes and injuries usually decline." NHTSA reported benefits of lowered speed limits occur particularly in urban areas and with extensive public education.

Infrastructure to Slow Traffic

Roadway modifications have been found by the Insurance Institute of Highway Safety (IIHS) to be effective in slowing vehicles in an urban environment in combination with public outreach and enforcement. Those modifications can include chicanes that force vehicles to curve around them on an otherwise straight road, curb extensions to reduce crossing distances for pedestrians and narrow the vehicle lane at an intersection, and speed humps.

Automated Enforcement Systems

Automated enforcement systems ("speed cameras") supplement other speed-slowing efforts by gathering specified data on speeders over a certain speed threshold in a specific place and generating citations based on that data. As of September 2025, the IIHS has found the use of speed cameras in at least 1 locality in 22 states: Alabama, Arizona, California (only in San Francisco), Colorado, Connecticut, Delaware, Florida, Georgia, Illinois (Chicago), Iowa, Louisiana, Maryland, Minnesota (Mendota Heights), New Mexico, New York, Ohio, Oregon, Pennsylvania (Philadelphia), Rhode Island, Tennessee, Virginia, and Washington. Hawaii authorizes their use statewide, as does Washington on state highways. Their use in highway work zones is authorized in Arkansas, Colorado, Connecticut, Delaware (I-95 only), Illinois, Indiana, New York, Pennsylvania, Virginia, and Washington.

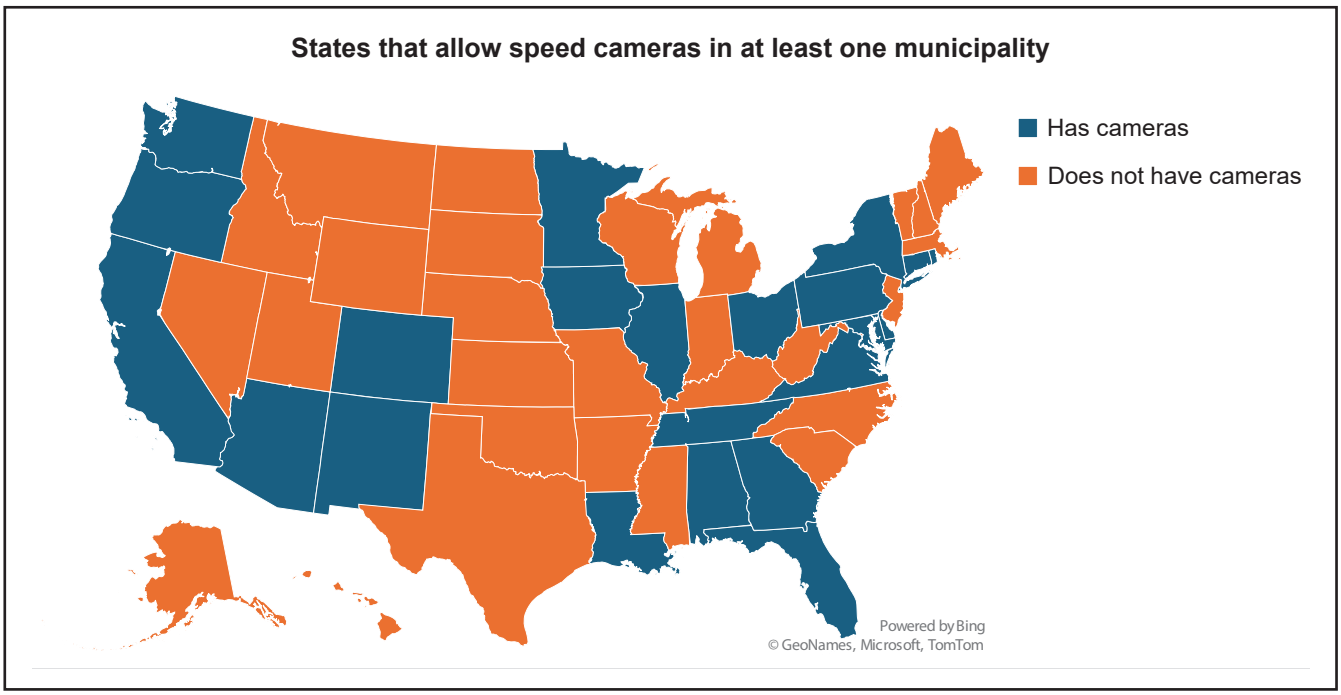
NHTSA cites numerous studies showing reductions in speed, crashes, injuries, and fatalities where speed cameras have been used. A 2025 study cited by the IIHS found a 75 percent reduction in the number of speeding tickets over the first 18 months after speed cameras were installed in school zones in New York City.

Intelligent Speed Assistance

"Intelligent speed assistance" (ISA) refers to a device system installed on a motor vehicle to limit the speed of the vehicle based on the speed limit where the vehicle is operated. The organization Families for Safe Streets is among those promoting ISA as a strategy to change the behavior of "super speeders," those whose licenses have been suspended for speeding and other speed-related violations.

Two states and the District of Columbia, as of September 2025, have enacted bills to require ISA use under certain circumstances:

- Virginia (2025 HB 2096, effective July 1, 2026) requires a person convicted of reckless driving and found to have been driving more than 100 mph to enroll in its new ISA Program, and it authorizes the court to require such enrollment of any person convicted of reckless driving as an alternative to suspending the person's driver's license;
- Washington State (2025 Sub. HB 1596, effective January 1, 2029) requires people



convicted of excessive speeding (10 mph over if the speed limit is 40 or lower, 20 mph over if the speed limit is higher) and applying for certain restricted licenses, under certain terms of probation, or as ordered by a court to drive only a vehicle equipped with an ISA device. The device must allow the driver to exceed the speed limit no more than three times a month; and

- District of Columbia (Act 25-406, enacted in February 2024) requires a person whose license was suspended and the violation involved a speed more than 20 mph above the speed limit to complete its ISA Program before a license or registration can be reinstated.

Connecticut, in 2025 SB 1377, has directed its Vision Zero Council and the Chief State's Attorney "to study and make recommendations concerning the feasibility of leveraging [ISA] devices to address speeding and reckless driving in the state," in partnership with a higher education or national transportation research entity if they choose to do so, and report to the Connecticut General Assembly in January 2026. Continuing Connecticut law requires attendance at a motor vehicle operator's retraining program for a driver age 24 or younger who has been convicted of at least two moving violations, any driver older than 24 with three or more moving violation convictions, and any driver convicted of driving 75 mph (65 mph if in a commercial motor vehicle) in a highway work zone.

Illinois, in 2025 SB 1507, requires the University of Illinois Chicago Urban Transportation Center to conduct a study to include "an assessment of the effectiveness of psychological deterrence in reducing habitual speeding."

VETERANS AND MILITARY

National Guard Mobilization

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The National Guard is a creation of the *U.S. Constitution*, the U.S. Code, and state statutory authority.

Under the *U.S. Constitution*, Congress is granted the authority to organize, arm, discipline, and call forth the Militia to "be employed in the Service of the United States..."

The composition of the militia is more specifically defined in the U.S. Code, which incorporates the National Guard into the organized component of the militia of the United States.

The organization of the National Guard in Kansas is specified in Chapter 48 of the *Kansas Statutes Annotated*. "The Kansas army and air national guard shall consist of such units as the governor of Kansas may from time to time authorize to be formed, all to be formed and organized in accordance with the laws governing the regular army and regular air force of the United States and the regulations issued by the secretary of defense, the department of the army and thee department of the air force of the United States."

As a result, the National Guard exists as both a state and federal entity. Accordingly, the National Guard provides both the state and federal government with trained armed forces support in appropriate conditions.

What is Mobilization of the National Guard?

Mobilization of the National Guard is the process by which reservists are brought into active duty service for a prescribed set of circumstances.

State Definition

Although relevant state statutes do not explicitly define what "mobilization" means, KSA 48-238 states the Governor is required in certain cases "to call upon the national guard to defend the State or aid the civil authorities to enforce the laws thereof." [*Note*: Under the Kansas Family Law Code Revised, KSA 23-3217 defines "mobilization" with regard to child custody and parenting time as "the call-up of a National Guard or reserve service member to extended active-duty status."]

Federal Definition

Title 10 of the U.S. Code mobilizes the National Guard through the call of "units of the National Guard of any State" to active duty.

The National Guard, distinct from federal reservists and active-duty military personnel, is subject to Title 10 active duty, Title 32 full-time National Guard duty, and state active-duty military orders for mobilization.

Who May Mobilize the National Guard?

Because the National Guard is both a state and federal entity, it may receive orders from the state or federal government.

Governor

The Governor, by statute, presides as the Commander in Chief for the State of Kansas and has supreme command of the state's military forces until they are ordered or accepted into the services of the United States.

Kansas law grants the Governor the ability to "muster out any national guard organization of the state..." and discharge members "from military service of the state."

President of the United States

Similarly, the President of the United States presides as the Commander in Chief of the United States. The *U.S. Constitution* states "the President shall be Commander in Chief... of the Militia of the several States, when called into the actual Service of the United States..."

Title 10 of the U.S. Code prescribes circumstances in which the President may order the National Guard to active duty, as the Commander in Chief.

When May the National Guard be Mobilized?

State Mobilization

Pursuant to Kansas law, the Governor may order the National Guard to mobilize under three instances:

- Request by civil authorities to support federal or state law enforcement agencies in counter-drug and drug interdiction operations when such request is approved by the Commander in Chief;
- A need for personnel to support the Adjutant General's Department during a local, state, or federal disaster or other mission; or
- Breaches of the peace, tumult, riot, or resistance to process in this state, public disaster, or imminent danger thereof.

Federal Mobilization

Title 32

Similarly, the National Guard may be activated to full-time National Guard duty pursuant to Title 32 of the U.S. Code.

"Full-time National Guard duty" is legally defined as "training or other duty, other than inactive duty, performed by a member of the Army National Guard of the United States or the Air National Guard of the United States in the member's status as a member of the National Guard of a State or territory..."

"Active guard and reserve duty" more specifically refers to "active duty performed by a member of a reserve...or full-time National Guard duty performed by a member of the National Guard pursuant to an order to full-time National Guard duty...for the purposes of organizing, administering, recruiting, instructing, or training reserve components."

Title 32 provides for five circumstances that may be used to mobilize National Guard forces to active duty by the President:

- For purposes of the training of civilians in the use of military arms;
- To attend schools conducted by the Army or the Air Force;
- To conduct or attend schools conducted by the National Guard;
- To participate in small-arms competitions;
- For the purposes of different training and field exercises pursuant federal law; and
- To "support or execute homeland defense activities..."

Title 10

Members of the National Guard also may be mobilized federally through Title 10 of the U.S. Code. Title 10 activation orders National

Guard members to serve in federal active-duty alongside reserves and active duty military components.

The U.S. Code sets forth multiple methods of mobilization under Title 10:

- Call into federal service the militia of other states as the President considers necessary to suppress an insurrection in any state against its government;
- To enforce the laws of the United States or to suppress rebellion;
- To suppress in a state any insurrection, domestic violence, unlawful combination, or conspiracy in hindrance of the laws of the state and the United States;
- For selected or ready reserve, a member of the National Guard may be mobilized into active duty upon declaration of war or national emergency by Congress;
- Mobilization to active duty may be made upon a national emergency declared by the President;
- When it has been determined that it is necessary to augment the active military forces;
- Upon the request of federal assistance by a governor in response to a major disaster or emergency;
- Whenever the United States, or any of the commonwealths or possessions, is invaded or is in danger of invasion by a foreign nation;
- There is a rebellion or danger of a rebellion against the authority of the United States government; and
- The President is unable, with the regular armed forces, to execute the laws of the United States.

What is the Effect of Mobilizing the National Guard?

The ultimate effect of a mobilization order depends on its type. Under state active duty, members of the National Guard are limited to pay in accordance with state law.

State active duty is limited to deployment within the continental United States and forces remain under the command of the Governor. Full-time National Guard duty is also limited to deployment within the continental United States with forces remaining under the command of their state's governor.

In a federal activation, guardsmen are entitled to federal pay and allowances through the duration of their mobilization. Like Title 32 full-time National Guard duty activations, Title 10 federal active duty entitles guardsmen to federal pay and allowances. However, Title 10 mobilizations bring the National Guard members under the command of the President, and deployments may be worldwide.

The length of a mobilization order and any extensions thereof are statutorily defined, but may be modified by active duty agreement.

VETERANS AND MILITARY

Veterans Affairs Claim Sharks

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A "claim shark" is the term given to an agent or company that charges veterans to help them file their initial claims for U.S. Department of Veterans Affairs (VA) benefits. The process to file a claim for VA benefits is free, yet claim sharks usually charge upwards of $5,000 for their services despite the existence of accredited individuals and accredited veteran service organizations (VSOs) that offer free assistance to veterans in filing their VA benefits claims.

While it is technically illegal for claim sharks to operate under federal law, there is currently no criminal penalty for violating the law and no regulation of the practice. Consequently, claim sharks often use aggressive, misleading, and predatory tactics to persuade the veteran to let them guide, assist, advise, or consult with the veteran in filing a VA claim.

Federal Legislation Stalls

In 2022, the Governing Unaccredited Representatives Defrauding (GUARD) VA Benefits Act was introduced in the U.S. House of Representatives. The bill would have reinstated criminal penalties for unaccredited claim representatives who charge unauthorized fees while assisting veterans with filing a claim for VA disability compensation benefits. The bill was introduced again in 2023, but no action was taken to advance the bill.

In May 2025, the Certified Help Options in Claims Expertise (CHOICE) for Veterans Act was advanced by the House Committee on Veterans' Affairs. The bill would allow individuals who work at for-profit companies to seek accreditation and legally charge veterans fees for assisting them in filing disability claims in all 50 states. As of September 2025, the bill has not been considered by the full House of Representatives.

In July 2025, the VA Claim Sharks Effective Warning Act was introduced in the U.S. Senate. The Act would require the U.S. Department of Veterans Affairs to warn veterans more effectively about unaccredited VA claims representatives. As of September 2025, the bill remains in the Senate Committee on Veterans' Affairs.

State Legislation Advances

In the absence of federal law to regulate the operations of claim sharks, several states have advanced their own legislation to prohibit or limit operations of unaccredited claims representatives or companies. At least 14 bills related to this topic have been enacted in 12 states since 2015. Some states have completely prohibited the compensation of claims sharks while also placing guardrails on the compensation of those agents and VSOs that are authorized under federal law to provide assistance. Other states allow compensation but require claim sharks to provide written disclosures to veterans that the services they are providing may be free of charge if performed by an accredited agent or organization.

While Kansas has not yet enacted any legislation on the topic, two bills illustrating the competing

ways to address the issue were introduced in the 2025 Legislative Session.

Kansas Legislation

In 2025, Kansas considered two veterans claim sharks bills. 2025 HB 2213 would have provided an outright prohibition against such compensated services. 2025 HB 2214 would have allowed such service but with certain restrictions and required disclosures.

HB 2213

HB 2213 was introduced by a representative of the Veterans of Foreign Wars and was heard by the House Committee on Veterans and Military.

The bill would prohibit any person from receiving compensation for assisting any individual about any veterans benefits matter. If a person were to receive compensation, the person would be held to the same ethical standards as an attorney under the Kansas Rules of Professional Conduct, specifically the rules regarding advertising, new client solicitation, confidentiality, and specific duties. The bill would also prohibit any compensated referrals for such compensated assistance. Violations under the Act would be considered a violation of the Consumer Protection Act.

In the House Committee hearing on the bill, representatives of accredited VSOs provided proponent testimony. The representatives stated claim sharks' operations have escalated since the passage of the federal PACT Act, which expanded eligibility for veterans to receive disability claims. Opponents of the bill included three for-profit companies providing claims assistance. Opponents expressed frustration that their companies had not been able to become accredited by the VA under current law, and stated that veterans should be able to choose who they want to assist them with their claims.

HB 2214

HB 2214 was introduced by a representative of the Veterans Benefits Guide and was heard by the House Committee on Veterans and Military.

The bill, known as the Safeguarding American Veteran Empowerment (SAVE) Act, would prohibit an individual from receiving compensation for referring a veteran to another person for advice or assistance in such veteran's benefits matter. It would also apply to any services in connection with any claim filed within one year of a veteran's active-duty release, unless the veteran acknowledges via a signed waiver that the veteran is choosing to deny the free services available.

The bill would require any person seeking compensation for assisting with any veterans benefits matter to obtain an agreement specifying the amount to be paid, signed by both parties. Moreover, if a veteran's claim is successful and the veteran receives an increase in awarded benefits, the bill would specify that the individual who assisted could receive additional compensation in an amount not to exceed five times the amount of the monthly increase in benefits awarded. The bill would prohibit any initial or nonrefundable fees. The bill would also prohibit any person from directly or implicitly guaranteeing a certain outcome.

The bill would require such persons receiving compensation for assisting with a veteran's benefits matter to:

- Provide a disclosure at the outset of the business relationship to the veteran and with specific requirements of style, placement, and wording;
- Retain copies of such disclosures;
- Not use international call centers or data centers for processing veterans' personal information;
- Not use a veteran's personal login or personal credentials to access such veteran's medical, financial, or government benefits information; and

- Ensure that any person with access to veterans' medical or financial information undergoes a criminal history record check conducted by a reputable source prior to having access to that information.

Any violation of the SAVE Act would constitute an unfair, false, misleading, or deceptive act or practice in the conduct of trade or commerce. Civil penalties would be in an amount ordered by the district court in an action brought by the Attorney General.

In the House Committee hearing on the bill, the representatives who opposed HB 2213 testified as proponents, stating the bill would allow companies to receive fair compensation with appropriate disclosure of the terms of such compensation. Opponents to the bill included representatives of VSOs, who expressed concerns that the proponents advocating for this bill would still remain unaccredited and thus unaccountable under federal law.