Report of the Senate Committee on Government Efficiency to the 2026 Kansas Legislature

CHAIRPERSON: Senator Renee Erickson

VICE-CHAIRPERSON: Senator Michael Murphy

RANKING MINORITY MEMBER: Senator Cindy Holscher

OTHER MEMBERS: Senators Larry Alley, Rick Billinger, Patrick Schmidt, Doug Shane, Adam Thomas, and Mike Thompson

CHARGE

The Committee is directed to review responses to the Government Efficiency Portal and examine non-governmental organizations, state incentives, and other budgetary matters.

December 2025

Senate Committee on Government Efficiency

Report

Conclusions and Recommendations

The Senate Committee on Government Efficiency recommends a meeting of the State Fire Marshal and stakeholders be facilitated to explore potential legislation to resolve conflicting regulatory authority, to clarify the bounds of authority of the State Fire Marshal, and to create conflict resolution mechanisms.

Recommendations: None.

Background

The Legislative Coordinating Council (LCC) approved the request of the Senate Committee on Government Efficiency (Committee) to meet during the 2025 Interim to continue its review of state agencies and programs to reduce spending and increase government efficiencies and to begin the study of non-governmental organizations, state incentives, and other budgetary matters.

Committee Activities

The LCC approved six meeting days for the Committee during the 2025 Interim. The Committee met May 13, June 10, September 9, September 10, and October 21, 2025, in the Statehouse.

May 13, 2025, Meeting

Review of Transparency Portal Submissions

The Revisor of Statutes discussed the Transparency Portal established during the 2025 Legislative Session for citizens to provide suggestions and input on how the State could be more efficient. He noted this system to collect public feedback is new to the Legislature. The Revisor of Statutes discussed the public record statement provided to persons submitting comments, which included a warning not to provide certain personal information.

The Revisor of Statutes next discussed a Kansas Open Records Act request that had been made to obtain the Portal submission records. He stated that these submissions were determined to be public records in the custody of the Chairperson. Office of the Revisor of Statutes (Revisor) staff redacted identifying information before certain records were released.

Committee Study Discussion

The Committee Chairperson led a discussion with members concerning Portal submissions. She asked members to consider the broad themes and topics that could be gleaned from the submissions, which would be used to frame the work of the Committee during the Interim.

During discussion, members noted submissions concerning topics such as property taxes, vetting of third-party vendors, unemployment and workers compensation, public data accessibility, non-governmental organizations, and procurement. Additional fiscal-related topics were noted, including cost-plus contracts of state agencies, state agency advertisement expenditures, and zero-based budgeting. Members also requested information regarding internal audits conducted by agencies and discussed utilizing the Division of Legislative Post Audit's resources to review previously conducted agency audits.

Committee members agreed to priorities of interagency communication and cooperation to identify potential efficiencies.

June 10, 2025, Meeting

Presentations on Interagency Cooperation

Judicial Branch

The Special Counsel to the Chief Justice discussed recent work by the Judicial Branch to make operational changes, standardize business processes, and unify various databases. She also discussed the centralized case management system, which consolidates payment of fees and allows for electronic case filing.

Regarding efficiencies, the Special Counsel cited specific programs and initiatives, including digital marriage license applications, a protection order portal, and a statewide self-help center. The Special Counsel also discussed interagency cooperation between the Branch and counties and the Branch and special courts, and provided information on joint meetings on mental health and child welfare. Regarding potential efficiency issues, the Special Counsel stated a statutory barrier exists for information technology procurement services and that recent reductions occurred in federal grant amounts.

Kansas Highway Patrol

The Superintendent of the Kansas Highway Patrol discussed the agency's history, interagency cooperation, and efficiencies. Regarding interagency cooperation, he stated the agency provides services to local law enforcement and collaborates with interagency enforcement entities.

Regarding capital improvement projects, the Superintendent discussed a new dispatch center for the Kansas Department of Transportation and improvements to the Kansas Intelligence Fusion Center.

In reference to efficiencies, the Superintendent discussed recent agency initiatives such as structural reorganization, digital vehicle identification number (VIN) inspections, statutory authorization of data sharing, and better trooper coverage through the implementation of ten-hour shifts. Regarding potential efficiency barriers, the Superintendent noted radio encryption limits how agencies can access the radio channels of adjacent agencies and that limited local funding can be a barrier to providing effective law enforcement.

Kansas Bureau of Investigation

The Director of the Kansas Bureau of Investigation described KBI interagency cooperation. He stated the central mission of the agency is to support local law enforcement, provide specialized services, and partner with federal law enforcement agencies and entities. The Director stated the KBI provides access to many specialized records to law enforcement agencies and noted that future initiatives include an enhanced tracking system for sexual assault cases and a DNA scanning program.

Department for Children and Families

The Secretary for Children and Families discussed current interagency cooperation efforts of the Department for Children and Families (DCF). The Secretary discussed a statewide shared caseload database related to food and energy assistance, data-sharing agreements with other state agencies concerning child support, and other initiatives related to adult protection and foster care.

In reference to efficiency opportunities, the Secretary stated that a court trustee program is not available in all counties. She further discussed opportunities related to child support enforcement.

Kansas Department of Labor

The Secretary of Labor discussed initiatives related to the Department of Labor. She provided an overview of the Unemployment Insurance System and noted new features that enhance the experience for users. The Secretary noted that the new system has reduced claims processing time and has reduced the staff turnover rate.

Regarding other efficiencies, the Secretary discussed data sharing, enhanced security, and other initiatives related to the data housed by the agency. She stated the agency has agreements with many state agencies, federal agencies, and some local court trustees. The Secretary concluded by discussing how making improvements to the labor data systems in Kansas will help shape economic research and how additional efficiencies could

occur through the use of artificial intelligence. Potential barriers cited by the Secretary included outdated federal technology and the reduction of federal funds.

September 9, 2025, Meeting

Discussion on State Procurement Processing

The Secretary of Administration described the procurement process for state agencies. The Secretary stated that agencies lead the procurement process with oversight by the Office of Procurement and Contracts. He discussed three types of bid events: a request for quote, invitation for bid, and request for proposal.

Presentation on Performance-based Budgeting and Metrics

The Director of the Budget, Division of the Budget, discussed performance-based budgeting (PBB). He discussed the history of PBB and stated the goal is to emphasize performance measures to demonstrate a correlation between funding, outcomes, and objectives.

Review of 1.5 Percent Budget Reduction and Impacts to Nonprofit or Provider Associations

A Revisor staff member reviewed a section of the 2025 appropriations bill that required state agencies to lapse 1.5 percent of funds received for FY 2026. He noted certain agencies were exempt and that agency leaders were given discretion in determining which agency funds would be reduced. A Kansas Legislative Research Department (KLRD) staff member discussed implementation of the lapse provisions. He stated the Director of the Budget and the Director of Legislative Research certified a total amount lapsed of $7.7 million in State General Fund moneys. The Director of the Budget discussed information regarding specific state agency lapses to meet the 1.5 percent requirement. He stated the Division of the Budget will continue to review reappropriations as part of its budget review and recommendation process.

Update on Candy and Soda Exemption from EBT Purchases

A Revisor staff member addressed a provision of the 2025 appropriations bill related to a candy and soft drink waiver for Supplemental Nutrition Assistance Program (SNAP) benefits. He stated this provision of the bill required DCF to submit a waiver request to the U.S. Department of Agriculture, which, if approved, would allow Kansas to restrict the purchase of candy and soft drinks within the state using SNAP benefits.

The DCF Director of Economic and Employment Services presented additional information on the implementation of the waiver provisions. The Director stated that the requirements will be implemented through a statewide work group working with a third-party facilitator. She stated the facilitator will be selected using a request for proposal.

Discussion on Fire Marshal Building Inspections

Various stakeholders presented testimony concerning building inspections conducted by the Office of the State Fire Marshal (OSFM). Representatives of LeadingAge Kansas, the Kansas Healthcare Association, and Kansas Centers for Assisted Living stated these building inspections have been inconsistent and that their providers have had adversarial relationships with the OSFM. They stated their providers have experienced confusion, additional costs, and risks to resident safety due to the enforcement of certain fire safety regulations.

A representative of the Kansas Building Industry Association discussed concerns with OSFM regulation enforcement that has resulted in new construction buildings being retrofitted with certain safety mechanisms that were not required by local officials.

Additional testimony was provided by representatives of several adult care homes concerning specific instances in which their homes were cited by the OSFM or in which they believed certain OSFM regulations were in conflict with those of other regulating entities such as the Kansas Department for Aging and Disability Services.

Representatives of a Sedgwick County fire district and building enforcement office discussed conflict between local and state fire code provisions and asked that the Legislature address these conflicts.

The State Fire Marshal provided testimony to the Committee concerning the history of the OSFM and on the process of development of a national fire safety code. He stated that local units of government may not have a fire code that is less strict than the state code, and he noted that many local units of government use the state code as a base and add additional local requirements. The State Fire Marshal stated the current state administrative rules and regulations process is not efficient when considering large safety codes.

September 10, 2025, Meeting

Update on Office of the Inspector General Operations

The Inspector General, Office of the Inspector General (OIG), provided an update on the operations of his office. He noted that the authority of his office had recently expanded to include review of cash assistance and welfare programs. The Inspector General discussed a recently completed audit related to payments to schools for students with individualized education plans. He stated the OIG found up to $1.8 million per month could be saved in duplicate payments. The Inspector General also discussed a finding that many schools were not conducting background checks on Medicaid providers, although each teacher in the district was subject to a background check.

The Inspector General discussed a recent audit on Medicaid managed care organizations (MCOs). He discussed the audit's findings on topics such as the peer-to-peer review process, whether Medicaid beneficiaries are not correctly being classified for treatment, and whether MCOs are consistent in their level-of-care determinations, noting there appear to be delays in the peer-to-peer review process, some patients should be admitted to the hospital rather than being defaulted to observation status, and that there is no standard for level-of-care determinations.

The Inspector General noted that the OIG was reviewing topics including pharmacy benefit manager dispensing fees and the Home and Community Based Services (HCBS) waiver program. He also discussed investigations conducted by the OIG, noting that a particular investigation resulted in a person entering a guilty plea to two criminal counts related to fraudulent applications for Medicaid and food assistance. The Inspector General also discussed eight other investigations that have been referred for prosecution. In response to questions, the Inspector General stated criminal penalties for such cases tend to consist of fines or jail time.

Presentation on Using Artificial Intelligence to Detect Opportunities for Efficiencies in Government

Representatives of Accenture, Inc., gave a presentation on the use of artificial intelligence to improve government services through creating efficiencies. The representatives provided an overview of what artificial intelligence (AI) is and how it can be responsibly used. They also discussed how their company's software can leverage AI to automate repetitive tasks, which allows staff to focus on more analytical work. They also noted the ability of their software to analyze and identify potential efficiencies in administrative rules and regulations. The representatives also noted they have seen other states' governments leverage AI to gain greater efficiencies in these areas:

- Assisting procurement offices;
- Education;
- Health care; and
- Analysis of governmental practices, organizations, and structures.

October 21, 2025, Meeting

Presentation and Discussion on Kansas E-Lien System

A Kansas Department of Revenue (KDOR) Management System Analyst presented information concerning the electronic titling process for vehicles with liens. She stated that Kansas transitioned to electronic titling for vehicles with liens in 2003 due to legislation enacted in 2002, which aimed to improve the process.

The Management System Analyst discussed the current process, including required paperwork, noting that electronic title records are created once

a vehicle purchase transaction that includes a lien is finalized. She also noted various costs involved in the process for vehicle purchasers, sellers, and banks. She also stated KDOR costs include staffing by 11 staff members and that other costs include title paper stock and costs paid to the State Printer for printing titles once a lien has been satisfied.

Presentation and Discussion on University Fees

A KLRD staff member presented information concerning fees charged by public universities in Kansas. The staff member provided an overview of enrollment trends at public universities over the past decade, noting that total enrollment has remained relatively stable. He also provided information on undergraduate tuition and fees over the past decade, noting that tuition at most of the institutions has risen beginning in 2023. He further discussed special revenue and enterprise funds among these institutions, stating that the funds are a mix of fees, dedicated revenues, state funds, and other revenues.

A KLRD staff member provided the Committee with financial data for public university General and Restricted Fee Funds. He explained the specific categories of expenditures by each four-year university and discussed what data are readily available and what data would require additional outreach to the universities.

The State Board of Regents Vice President for Finance and Administration provided information to the Committee concerning the process used by the Board to review proposed tuition and fees at these institutions. The Vice President covered topics such as the timeline for submission of tuition proposals, how the Board reviews submissions, and how universities develop proposals prior to Board review.

Update and Discussion on State Procurements

A KLRD staff member demonstrated the KanView and eSupplier systems. He discussed how these two systems can provide legislators and the public information on contracts awarded by state agencies. However, he noted the information available on both systems is retrospective in nature.

Update on Managed Care Organization Prior Authorization Audit Report

The Inspector General discussed the findings of an OIG report concerning MCOs that was discussed at the September 10 meeting. He reviewed particular findings that had been discussed at that meeting and stated that the results of the report have been shared with the Department of Health and Environment.

The Inspector General stated that the audit found MCOs regularly deny inpatient claims, which require hospitals to submit the claims as outpatient. He also stated that MCOs regularly deny claims related to the readmission of a patient to the hospital within 30 days of discharge.

In response to a question, the Inspector General stated the OIG was in the process of auditing data sharing between DCF and agencies with Medicaid and SNAP data and reviewed the audits underway, concerning pregnant women, HCBS waiver services, and fees charged by pharmacy benefit managers to dispense medication.

Update on Rules and Regulations Modernization Project

The General Counsel of the Office of Secretary of State presented information concerning a rules and regulations modernization project. He stated the agency has been working with the Legislature and within its own role in the rules and regulations review process to make improvements.

The General Counsel discussed the current five-year review process for state agencies, which has resulted in more than 300 revocations of unnecessary rules and regulations. He also stated the Office of Secretary of State has digitized the Kansas Administrative Regulations, which allows for digital reference of rules and regulations rather than requiring the use of bound volumes.

The Director of Communications and Policy of the Office of Secretary of State discussed the review aspects of the modernization project. She stated the current paper-based system for agencies to submit proposed rules and regulations will be modernized to be a fully-digital system beginning in spring 2026. She stated the new system will be

more efficient because it will use less paper and will have less room for error. The Director also noted that the public will have greater access within the new system, because the public will be made more aware of rules and regulations under review. She stated the current system provides awareness only of rules and regulations that have been set for a public comment hearing.

In response to questions, the General Counsel stated historical rules and regulations are being scanned into the new system so that the public can access the prior versions of rules and regulations.

Presentation on Rules and Regulations Five--year Review Process and Sunset Dates

A KLRD staff member presented information to the Committee concerning the current five-year review process for rules and regulations. He stated the law enacted in 2022 requires all rules and regulations adopted by state agencies to be reviewed every five years, with agencies submitting a report to the Joint Committee on Administrative Rules and Regulations in a designated year. Rules and regulations identified by agencies as being unnecessary can be revoked using an expedited process.

He also noted that KLRD staff prepare and distribute a form to each agency in its designated year. He provided statistics to the Committee for each of the three years that reviews have occurred, noting that the final reviews of the first cycle will occur in calendar years 2026 and 2027.

A KLRD staff member also provided information to the Committee concerning states' sunset policies for administrative rules and regulations. He explained that these policies broadly require that rules and regulations expire after a certain period of time, but that states vary in the scope of sunset provisions. Furthermore, some states allow their legislature to set the sunset interval and those intervals vary from one year to ten years. The scope of these sunset provisions could include the rules and regulations of an entire agency, an entire program, or all rules and regulations.

Currently, 19 states, including Kansas, require agency review of rules and regulations. He noted that Kansas has a five-year review process. No sunset requirement is in place in nine of those states.

Conclusions and Recommendations

At the conclusion of the October 21 meeting, the Committee discussed various topics that had been presented during the Interim. Following the discussion, the Committee made the following recommendation:

- A meeting should be facilitated between the State Fire Marshal and stakeholders to explore potential legislation to resolve conflicting regulatory authority, to clarify the bounds of authority of the State Fire Marshal, and to create conflict resolution mechanisms.