

# **Committee Reports to the 2026 Kansas Legislature**

# **KLRD**

*Providing objective research and fiscal  
analysis for the Kansas Legislature*

## **Supplement**

**Kansas Legislative Research Department  
March 2026**

## **2025 Legislative Coordinating Council**

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### **Vice-chairperson**

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Representative Blake Carpenter, Speaker Pro Tem  
Representative Chris Croft, House Majority Leader  
Representative Brandon Woodard, House Minority Leader

Kansas Legislative Research Department  
300 SW 10<sup>th</sup> Ave., Room 68-West, Statehouse  
Topeka, Kansas 66612-1504

Telephone: (785) 296-3181  
[kslegres@klrd.ks.gov](mailto:kslegres@klrd.ks.gov)  
<https://klrd.gov/>

**Special Committees;  
Selected Joint Committees;  
Other Committees,  
Commissions, and  
Task Forces**

Special Committee on the State Budget  
Special Committee on Taxation  
Special Committee on Telecommunications

Joint Committee on Information Technology  
Legislative Budget Committee

Capitol Preservation Committee  
Health Care Stabilization Fund Oversight Committee  
House Select Committee on Government Oversight  
Water Program Task Force

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## Foreword

This publication is the supplement to the *Committee Reports to the 2026 Legislature*. It contains the reports of the following committees:

- Special Committee on the State Budget
- Special Committee on Taxation
- Special Committee on Telecommunications
- Joint Committee on Information Technology
- Legislative Budget Committee
- Capitol Preservation Committee
- Health Care Stabilization Fund Oversight Committee
- House Select Committee on Government Oversight
- Water Program Task Force

A summary of each reporting entity's conclusions and recommendations may be found beginning on page ix.

This publication is available in electronic format at <https://klrd.gov/>.



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## ***Summary of Conclusions and Recommendations***

### ***Special Committee on the State Budget***

The Committee recommended various adjustments to FY 2026 and FY 2027 agency budget requests, and recommended bills be introduced in the House Committee on Appropriations and Senate Committee on Ways and Means incorporating the agency-requested budgets as amended by the Committee's recommendations.

### ***Special Committee on Taxation***

The Committee made recommendations for legislative reviews relating to countywide sales tax authority and apportionment of revenues from such taxes between cities and counties, various issues related to county appraisals of property for taxation purposes, proposals for property tax relief, issues related to appeals of property valuation and case management at the State Board of Tax Appeals, transparency and tracking of tax programs and incentives, and other tax topics.

### ***Special Committee on Telecommunications***

The Committee recommended the Legislature consider the following: clarifying definitions for telecommunications-related terms that vary slightly across statutes; reorganizing existing statutes into a single chapter or article to provide clarity and consistency; how to bring parity to the fees and costs associated with forced facility relocation; researching ways to bring uniformity to both franchise fees and right-of-way permitting fees; legislation related to the federally designated eligible telecommunications carrier status in Kansas; and having stakeholders work with policymakers to determine possible solutions to problems related to railroad easements.

### ***Joint Committee on Information Technology***

The Committee expressed its intent to introduce a bill early in the 2026 Session to address concerns with certain provisions enacted in 2024 House Sub. for SB 291. Additionally the Committee recommended appropriate legislative staff work to develop a generative AI usage policy. Further, the Committee recommended the Legislative Post Audit Committee consider amending statutes to require IT security audit reports be provided to Chief Information Security Officers, examine follow-up procedures on audit findings, and review contract cost comparisons. Finally, the Committee also recommended a review of state procurement processes generally.

### ***Legislative Budget Committee***

The Committee made no formal recommendations to the 2026 Legislature.

### ***Capitol Preservation Committee***

The Committee established a new subcommittee to address the specifics of the previously

approved political memorabilia case that will be installed in the Statehouse Visitor Center. The Subcommittee on Committee Room Art Work and the Subcommittee on the 1st Kansas (Colored) Voluntary Infantry Regiment Mural will continue their work in 2026. The Committee received updates on Capitol Complex projects, the Fallen Workers Memorial, and fundraising efforts for the previously approved statue of Father Kapau.

### ***Health Care Stabilization Fund Oversight Committee***

The Committee continues in its belief that it serves a vital role as the link between the Health Care Stabilization Fund (HCSF) Board of Governors, health care providers, and the Legislature, and should be continued. The Committee is satisfied with the actuarial analysis presented and does not request a second independent review. Additionally, the Committee recognizes the important role and function of the HCSF in providing stability in the professional liability insurance marketplace, which allows for more affordable coverage to health care providers in Kansas.

The Committee recommended the Legislature consider legislation to enable the HCSF to use a variety of investment procedures and to add advanced practice registered nurses as defined health care providers for coverage purposes. The Committee also recommended the HCSF continue to be held in trust.

### ***House Select Committee on Government Oversight***

The Committee made recommendations to the Legislature regarding improvement of Supplemental Nutrition Assistance Program (SNAP) application processing and the reduction of SNAP payment and procedural error rates; the makeup, authority, and underlying licensure laws related to the Board of Nursing; and continued study and communication regarding ensuring the State's higher education system prioritizes student performance and not diversity, equity, and inclusion initiatives.

The Committee also made recommendations to the Board of Nursing regarding the Board's practices related to licensure and discipline and to the Department of Corrections regarding the process for adopting changes to the Kansas Community Corrections Grant funding formula.

### ***Water Program Task Force***

The Task Force members acknowledged that many identified risks for water quality and water quantity for both surface water and groundwater need to be addressed to ensure the future water supply in Kansas. However, the focus should not be on immediate risks. Currently, there is no agreement on the structure, process, and funding for providing for the future water supply in Kansas. These topics are multi-year and multi-generational issues. The Task Force made numerous observations on several topics, including funding and accountability; water project impact; federal reservoirs; water planning process; local involvement; coordination between stakeholders and the State; groundwater management districts; erosion and sedimentation control; advocacy; and lessons learned from other states. The Task Force will continue its work during the 2026 Interim.

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

**CHAIRPERSON:** Senator Rick Billinger

**VICE-CHAIRPERSON:** Representative Troy Waymaster

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

## **STUDY TOPIC**

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

January 2026

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# Special Committee on the State Budget

## REPORT

### Conclusions and Recommendations

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

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

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

### BACKGROUND

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

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

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

## COMMITTEE ACTIVITIES

### Budget Overview

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

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

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

### FY 2026 Budget Requests

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

#### *Education*

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

#### *Human Services*

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

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

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

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

#### *Public Safety*

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

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

#### *General Government*

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

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

## **FY 2027 Budget Requests**

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

### ***Education***

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

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

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

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

### ***Human Services***

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

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

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

### ***General Government***

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

- Department of Commerce – Includes a decrease of \$50.7 million SGF due to one-time spending in FY 2026: Cybersecurity Center for Excellence – \$3.0 million SGF; Maintenance, Repair, and Overhaul of Airplanes – \$44.0 million SGF; Statewide Marketing Campaign for High Demand Wage – \$2.0 million SGF; Purple Unmanned Aircraft Systems (UAS) Certification – \$1.0 million SGF; and other – \$700,000 SGF;
- Office of the State Treasurer – Includes decreases of \$13.0 million SGF, for the Aviation Jobs Loan Program (\$10.0 million) and Pregnancy Compassion Awareness Program (\$3.0 million);
- Office of the Attorney General – Includes a decrease of \$10.4 million SGF predominantly attributable to expenditures for the Safe and Secure Firearm Detection Program (\$10.0 million); and
- Department of Administration – Includes a decrease of \$16.1 million SGF for the following: Docking State Office Building Renovation – \$5.0 million SGF; KPERS Bonds Debt Service – \$2.1 million SGF; and the Licensing Verification Portal – \$8.4 million SGF.

### ***Agriculture and Natural Resources***

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

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

## **CONCLUSIONS AND RECOMMENDATIONS**

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

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

- Adopt the fall Kansas Lottery revised revenue estimates as reflected in the fall consensus revenue estimate.



# Report of the Special Committee on Taxation to the 2026 Kansas Legislature

**CHAIRPERSON:** Senator Caryn Tyson

**VICE-CHAIRPERSON:** Representative Adam Smith

**OTHER MEMBERS:** Senators Craig Bowser, Ethan Corson, Jeff Klemp, Virgil Peck, Mike Petersen, and Brad Starnes; and Representatives Shannon Francis, Marty Long, Tom Sawyer, Jerry Stogsdill, Carl Turner, and Dawn Wolf

## **STUDY TOPIC**

The Committee is directed to review and make recommendations concerning:

- Countywide retailers' sales tax authority and apportionment;
- The mass appraisal process and its uniform application across counties;
- Case administration processes and appropriate staffing at the State Board of Tax Appeals;
- The progression of and source of authority for property tax exemptions;
- The repeal of sales tax exemptions and creation of an endowed permanent fund to provide for future tax relief, as proposed by 2025 HCR 5014;
- All points in which the energy industry is subject to and exempt from taxation;
- The possible issues related to property used to generate renewable energy becoming subject to property tax following the expiration of tax exemptions, including possible alternatives to property tax; and

- Issues related to motor fuels taxes, including tax rates, taxation of electric vehicle charging stations, and the distribution of motor fuel tax proceeds to local units of government.

# Special Committee on Taxation

## REPORT

### Conclusions and Recommendations

The Committee recommends the 2026 Legislature:

#### Sales Tax Authority and Apportionment

- Continue to examine ways to improve the apportionment formula for countywide sales taxes and, if no permanent solution can be identified, continue with the freeze of the fraction of the apportionment attributable to the amount of taxes levied by taxing subdivisions. The Committee recommends this work commence in the House Committee on Taxation;
- Continue to examine the appropriate limitations for countywide sales taxes;

#### Appraisal Issues

- Evaluate the costs and benefits of consolidating the state's appraisal process by creating appraisal districts and requiring a district appraiser to hold a license for general real property appraisal from the Real Estate Appraisal Board instead of a mass appraiser designation from the Department of Revenue (Department);
- Study imposing a requirement that a mass appraisal of property may be a start point for tax appraisal, but may not be the final appraised amount for a property;
- Examine ways to ensure that the tenant of a property does not directly affect the value of the property;

#### Property Tax Relief

- Consider various changes to residential property tax relief programs, including streamlining the programs to allow applications on a single form, extending the filing deadline for the programs, examining geographic parity for home valuation limits, considering capping benefit amounts for homes in excess of a valuation threshold in lieu of making such a threshold a bar to the program, and generally identifying graduated scales of benefits for the programs instead of fixed amounts;
- Continue consideration of all possible methods to stabilize or slow property tax increases, including capping valuation growth, revenue growth limitations, and voter approval requirements;
- Examine interest rates charged to taxpayers and taxing entities in cases of tax underpayments or overpayments to improve parity of such interest rates;

## Property Tax Appeal Issues

- Consider creating a property tax ombudsmen or taxpayer advocate for Board of Tax Appeals (BOTA) cases and recommend to the Department and BOTA that they recommend the law schools in the state develop a larger bar of attorneys for tax disputes;
- Direct the creation of a flowchart of the property tax appeal processes to benefit taxpayers;
- Consider various changes to processes for situations involving large property tax appeals, including requiring only partial payment of the amount in dispute, identifying ways to accelerate appeals, and allowing for prearrangement of how previously exempted property will come onto the tax rolls at the end of an exemption period;

## Transparency and Tracking

- Improve transparency for property tax exemptions and consider modifying the fee structure for property tax exemption applications;
- Improve the tracking and transparency of all tax credits, especially those that have carryforward provisions or large benefit amounts to a small number of taxpayers;

## Other Items

- Hold a hearing in the House Committee on Taxation on HCR 5014 and additional review of sales tax exemptions, including possible periodic sunsets requiring further legislative approval or an application fee and a single exemption form for all retailers;
- Seek improvements to motor vehicle sales and use tax remittance processes and motor vehicle data reporting as identified in the Legislative Division of Post Audit report *Reviewing the Department of Revenue's Procedures to Ensure Correct Payment of Sales and Compensating Use Taxes on Motor Vehicle Sales*; and
- Improve tax parity for energy across energy-generation sources, such as wind and solar.

**Proposed Legislation:** None.

## BACKGROUND

The Special Committee on Taxation (Committee) was created by the Legislative Coordinating Council to study topics related to tax administration, property tax, sales tax, and the taxation of energy and energy production. The Committee was authorized to meet for four days.

## COMMITTEE ACTIVITIES

The Committee met at the Statehouse on September 17-18, October 13, and November 18, 2025. At the September meeting, the Committee reviewed information on all topics that were referred to the Committee for study. At the October meeting, the Committee reviewed additional information concerning uniformity of property classification and valuation, local sales tax authority, tax case administration and problem resolution, and other tax issues. At the November

meeting, the Committee reviewed additional information on property tax valuation uniformity, taxation of energy production in other states, tax case administration and problem resolution, and residential property tax relief programs.

### **September 17-18, 2025, Meeting**

**Tax appeals.** The Chairperson of the State Board of Tax Appeals (BOTA) presented information concerning BOTA staffing and case management. The presentation noted BOTA had developed a backlog of cases in recent years as a result of an elevated number of case filings, staff shortages, and an outdated case management system. The presentation included updates on BOTA's efforts to resolve the issues and proposals for further efforts that would require legislative action. One of the recommendations was the creation of a taxpayer advocate to educate and inform taxpayers on relevant laws and BOTA practices as a part of tax appeals.

An attorney regularly practicing law before BOTA also provided information, noting that BOTA staffing levels have declined over time and recommending that some of the changes recommended by BOTA could improve taxpayers' experiences with the agency. The attorney also noted that the bar of attorneys practicing before BOTA has decreased in size over time.

**Motor fuel tax.** The Secretary of Transportation presented information concerning motor fuel taxes and other taxes and fees related to transportation, such as trip permits and increased vehicle registration fees. The presentation included information on the disposition of revenues across different funds for transportation and the allocation of certain funds to local units of government.

**Property tax exemptions.** Staff from the Kansas Legislative Research Department (KLRD) presented information concerning property tax exemptions and the number and value of exempt parcels pursuant to categories of exemption across counties in the state.

**Tax credits.** Staff from the Legislative Division of Post Audit (LPA) presented a report on its limited-scope audit *Reviewing Tax Credits Awarded and Used through the High Performance*

*Incentive Program and the Kansas Affordable Housing Tax Credit.* The presentation noted that detailed information concerning the High Performance Incentive Program could not be provided due to time constraints associated with the limited-scope audit and data constraints at the Department of Revenue (Department).

**Countywide sales tax.** Staff from KLRD presented information on the limitations to countywide sales tax authority and exceptions to such limitations, including recent proposals to modify such limitations. The presentation also included detailed information on the apportionment methodology for countywide sales taxes.

A representative of the Sedgwick County Board of County Commissioners provided testimony recommending an alternative method for apportioning countywide sales tax authority that utilizes a factor of taxable value as opposed to levied tax.

**Sales tax exemptions.** Staff from the Office of Revisor of Statutes briefed HCR 5014, which would propose a constitutional amendment that would create a commission to evaluate and potentially eliminate sales tax exemptions and use the revenue from any such eliminated exemptions to fund an endowment that would be utilized to eliminate state-imposed property taxes and income taxes.

Representative Blake Carpenter, the sponsor of HCR 5014, provided testimony in support of the concurrent resolution. A representative of the Tax Foundation provided testimony noting the possible value of repealing sales tax exemptions but opposing the concurrent resolution, specifically the portion creating a non-elected commission with the authority to repeal legislatively created exemptions.

**Property tax.** Staff from the Office of Revisor of Statutes presented information on the requirements of the *Kansas Constitution* concerning the uniformity and equality of property taxation and the statutory implementation of such requirements by the Legislature. The Director of Property Valuation from the Department presented information concerning the administrative implementation of these statutory provisions. Two

taxpayers and a representative of the Kansas Policy Institute presented information concerning instances of non-uniformity of taxation throughout the state and recommended approaches to property valuation increases and property tax increases, including capped valuation growth and requiring voter approval for annual property tax increases in excess of a specified amount.

The Director of Property Valuation presented information on the unit valuation methodology and apportionment to taxing districts throughout the state for taxable public utility property. A representative of USD 332 (Cunningham) presented information regarding the adverse impact changes to apportionment of taxable public utility property can have for taxing districts and limitations on the transparency of the public utility valuation and apportionment system.

**Energy-generation property tax.** The Director of Property Valuation presented information on the Kansas tax exemption for renewable-energy-generation property and how that property will be valued when it is added to the tax rolls at the end of the exemption period. A representative of the Nebraska Department of Revenue presented information concerning Nebraska's nameplate capacity tax that it utilizes in lieu of the state's property tax for renewable-energy-generating property.

**Minerals tax.** The Director of Property Valuation presented information on mineral leasehold valuation and taxation in Kansas.

The Secretary of Revenue presented an overview of the mineral severance tax in Kansas and noted its history and changes over time.

## October Meeting

**Taxpayer advocate.** Staff from the Department presented information concerning the current taxpayer advocate office within the Department and its history. The testimony noted that the office primarily assists taxpayers with state income tax issues and provides assistance with residential property tax relief program applications.

**Vehicle sales tax.** Staff from LPA presented a report on its audit *Reviewing the Department of*

*Revenue's Procedures to Ensure Correct Payment of Sales and Compensating Use Taxes on Motor Vehicle Sales.* The audit included recommendations concerning monitoring and enforcement of counties not remitting tax properly, a need for an improved data system for motor vehicle registration, and the need for improved guidance and training documentation. A representative of the Department indicated that several of the recommendations had been implemented, but the Department had limited ability to take action against counties with remittance problems.

**Property valuation.** An attorney and taxpayer advocate from Oklahoma presented information concerning the system of valuation growth limitations employed in Oklahoma and the history and electoral outcomes associated with constitutional amendments to create that system. The individual recommended Kansas adopt a similar system.

Two taxpayers provided testimony regarding concerns that property valuations were inconsistent and bore too little connection to the actual market value of various commercial property throughout the state. The taxpayers also noted a lack of transparency and clarity regarding the rationale for the valuations.

**Oil and gas depletion fund.** Staff from KLRD presented information on the history of the Oil and Gas Valuation Depletion Trust Fund, which was designed to set aside a portion of severance tax receipts in counties with substantial mineral production to offset potential future declines in taxable valuations associated with such mineral production. The fund was created by the Legislature in 2005 and repealed by the Legislature in 2014.

**Machinery exemption.** Staff from the Office of Revisor of Statutes and a representative of the Property Valuation Division of the Department presented information regarding the exemption for commercial and industrial machinery and equipment and classification issues associated with certain commercial property as either real property, which is subject to taxation, or personal property, which is generally exempt from taxation. The information highlighted the fixtures tests used to make such determinations.

The Seward County appraiser, a newspaper publisher from Seward County, and a Seward County taxpayer presented information concerning the difficulty in applying the classification distinction for a Seward County ethanol plant and the difficult position the appeal of several years of property classifications has created for taxpayers and taxing entities within the county.

**Sales tax apportionment.** Staff from KLRD presented information concerning various alternatives to the current countywide sales tax apportionment formula, including options that use taxable value in lieu of tax levied and options using only population.

## November Meeting

**Revenue estimates.** Staff from KLRD presented the State's consensus revenue estimates, which were updated on November 13, 2025. The revised estimate for FY 2026 was increased by \$165.9 million, or 1.6 percent, to \$10.2 billion and the initial estimate for FY 2027 was set at \$10.1 billion.

**Valuation uniformity.** The Director of Property Valuation presented follow-up information on mass appraisal and property valuation uniformity in response to concerns raised by taxpayers at the September meeting. The Director also presented information on various interest rates charged against taxpayers in cases of delinquent taxes and against taxing entities in cases of tax overpayments.

**Taxpayer advocate.** The BOTA Chairperson and the Secretary of Revenue presented information concerning recommendations for a taxpayer advocate for cases and proceedings before BOTA. The Chairperson and Secretary recommended that the advocate not be housed within BOTA and that the advocate focus on improving taxpayer education on the property tax process and relevant laws. The BOTA Chairperson also provided an update on BOTA operations since the September meeting.

**Property tax.** An attorney with a property tax litigation practice presented observations and recommendations on the Kansas property tax system. The recommendations included increased reliance on single property appraisals as opposed

to mass appraisals, increased licensure requirements for county appraisers, decreased reliance on sales ratio studies as a means to evaluate appraiser performance, and valuation of certain commercial properties that does not take into account the tenant of the property.

**Oklahoma property tax approach.** A representative of the Oklahoma Council of Public Affairs presented information on Oklahoma's approach to millage rate limits, valuation growth limits, and the valuation of agricultural property and recommended that Kansas adopt similar policies.

**Valuation growth limit scenarios.** A representative of the Kansas Policy Institute presented county-level simulations for tax scenarios if valuation growth limitations were in place in the past and estimated what such limitations might result in prospectively. The testimony also included analysis indicating that implementing a revenue growth limitation without a valuation growth limitation would result in a system that could still allow tax increases on certain properties in excess of the revenue limitation.

**Tax relief programs.** Staff from KLRD presented information on residential property tax relief programs in Kansas. The presentation noted that Kansas' three different programs have different eligibility criteria and benefit determinations and, in some cases, differing definitions of key terms. Accordingly, the three programs are administered through three different tax forms and some taxpayers may have to fill out each form prior to knowing which program will be most beneficial to them.

**Energy production tax.** Staff from KLRD presented information on Wyoming's taxation of certain energy generation. Unlike the Nebraska tax discussed at the September meeting, the Wyoming tax is based on production rather than generation capacity and is in addition to the property tax, rather than in lieu of the property tax. The presentation noted that the tax applies to wind generation and nuclear generation, but does not apply to solar generation.

**Property tax exemptions follow-up.** Staff from KLRD presented follow-up information

concerning the county-level property tax exemption information presented at the September meeting. The presentation included information for counties that were unintentionally omitted at the September meeting.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee held preliminary discussion of possible recommendations at the conclusion of its October 13 meeting, with further discussion and final agreement on recommendations at the conclusion of its November 18 meeting.

The Committee recommends the 2026 Legislature:

### *Sales Tax Authority and Apportionment*

- Continue to examine ways to improve the apportionment formula for countywide sales taxes and, if no permanent solution can be identified, continue with the freeze of the fraction of the apportionment attributable to the amount of taxes levied by taxing subdivisions. The Committee specifically recommended this work commence in the House Committee on Taxation;
- Continue to examine the appropriate limitations for countywide sales taxes;

### *Appraisal Issues*

- Evaluate the costs and benefits of consolidating the state's appraisal process by creating appraisal districts and requiring district appraisers to hold licenses for general real property appraisal from the Kansas Real Estate Appraisal Board instead of a mass appraiser designation from the Department;
- Study imposing a requirement that a mass appraisal of property may be a start point for tax appraisal, but may not be the final appraised amount for a property;
- Examine ways to ensure that the tenant of a property does not directly affect the value of the property;

### *Property Tax Relief*

- Consider various changes to residential property tax relief programs, including streamlining the programs to allow applications on a single form, extending the filing deadline for the programs, examining geographic parity for home valuation limits, considering capping benefit amounts for homes in excess of a valuation threshold in lieu of making such a threshold a bar to the program, and generally identifying graduated scales of benefits for the programs instead of fixed amounts;
- Continue consideration of all possible methods to stabilize or slow property tax increases, including valuation growth, revenue growth limitations, and voter approval requirements;
- Examine interest rates charged to taxpayers and taxing entities in cases of tax underpayments or overpayments to improve parity of such interest rates;

### *Property Tax Appeal Issues*

- Consider creating a property tax ombudsmen or taxpayer advocate for BOTAs cases and recommend to the Department and BOTAs that they recommend the law schools in the state develop a larger bar of attorneys for tax disputes;
- Direct the creation of a flowchart of the property tax appeal processes to benefit taxpayers;
- Consider various changes to processes for situations involving large property tax appeals, including requiring only partial payment of the amount in dispute, identifying ways to accelerate appeals, and allowing for prearrangement of how previously exempted property will come onto the tax rolls at the end of an exemption period;

### ***Transparency and Tracking***

- Improve transparency for property tax exemptions and consider modifying the fee structure for property tax exemption applications;
- Improve the tracking and transparency of all tax credits, especially those that have carryforward provisions or large benefit amounts to a small number of taxpayers;

### ***Other Items***

- Hold a hearing in the House Committee on Taxation on HCR 5014 and additional review of sales tax exemptions, including possible periodic sunsets requiring further

legislative approval for continuation or an application fee and a single exemption form for all retailers;

- Seek improvements to motor vehicle sales and use tax remittance processes and motor vehicle data reporting as identified in the LPA audit report; and
- Improve tax parity for energy across energy-generation sources, such as wind and solar.



# Report of the Special Committee on Telecommunications to the 2026 Kansas Legislature

**CHAIRPERSON:** Representative Leo Delperdang

**VICE-CHAIRPERSON:** Senator Michael Fagg

**OTHER MEMBERS:** Senators Elaine Bowers, Craig Bowser, Joseph Claeys, Marci Francisco, Mike Petersen, and Kellie Warren; and Representatives Emil Bergquist, Lauren Bohi, Marty Long, Lynn Melton, KC Ohaebosim, and Rick Wilborn

## **STUDY TOPIC**

The Committee is directed to examine various statutes pertaining to telecommunications and the Video Competition Act and make recommendations to ensure the legislative framework associated with these industries is current, consistent, and keeps pace with technological advancements. The Committee is directed to recommend updates to reflect the current and future needs of telecommunications infrastructure and video service providers, promote fair competition, and protect consumer interests.

January 2026

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# Special Committee on Telecommunications

## REPORT

### Conclusions and Recommendations

The Committee recommended the Legislature consider:

- Clarifying definitions for terms that vary slightly across statutes, such as “telecommunications services” or “services,” and “telecommunications facilities”;
- Reorganizing statute into a single chapter or article to provide clarity and consistency;
- How to bring parity to the fees and costs associated with forced facility relocation, by looking at franchise agreements, uniform percentage caps on the same right-of-way usage, having municipalities discuss long-term plans to determine where obstacles to right-of-way facilities, such as sprinklers and trees, would be placed, and utilizing grants and bonded fund programs to help offset the costs to telecommunications providers;
- Researching ways to bring uniformity to both franchise fees and right-of-way permitting fees;
- Legislation related to the federally designated eligible telecommunications carrier status in Kansas; and
- Having stakeholders work with policymakers to determine possible solutions to problems related to railroad easements.

*Proposed Legislation:* None.

### BACKGROUND

The 2025 Special Committee on Telecommunications (Committee) was created to examine statutes pertaining to telecommunications and the Video Competition Act and make recommendations to ensure the legislative framework associated with these industries is current, consistent, and keeps pace with technological advancements.

During the Legislative Session, the topic of right-of-way (ROW) was found to connect to other issues the Committee was directed to review, and the Committee focused on ROW, franchise agreements, and eligible telecommunication carrier (ETC) status.

The Committee was composed of 14 members and authorized to meet for 2 days.

### COMMITTEE ACTIVITIES

The Committee met at the Statehouse on November 21, 2025.

### Foundational Information

The Deputy Director of Utilities of the Kansas Corporation Commission (KCC) outlined key statutory frameworks and definitions governing ROW, telecommunications, certificates of convenience (certificate), and franchise agreements. A certificate granted by the KCC to a telecommunications service provider allows that

provider to offer telecommunication services in Kansas. The certificate denotes that a telecommunications provider has demonstrated technical, managerial, and financial viability as well as the ability to meet quality-of-service standards established by the KCC.

### **Right-of-way and Franchise Agreements**

The Deputy Director of Utilities discussed 2024 HB 2588, which added law (KSA 17-1902a) to the ROW statutes to authorize certain telecommunications and video service providers to operate in county public ROW and to limit the fees and costs a county may impose for the use of the ROW.

Franchise agreements are entered into between a telecommunications service provider and the local government entity that owns the ROW.

The Director of Government Affairs of Cox Communications (Cox Director), Senior Manager of Government of Affairs of Charter Communications (Charter Senior Manager), Executive Director of the Communications Coalition of Kansas, and General Counsel for IdeaTek discussed the concerns of the telecommunications industry regarding ROW usage for different types of telecommunications services (*e.g.*, telephone service, TV/video service, and broadband service). The Cox Director explained that ROW usage fees vary by service type and that broadband services are excluded from the definition of “gross receipts,” which is a metric used to calculate ROW fees and costs.

Franchise agreements dictate the costs, fees, and amounts associated with accessing the ROW. The conferees stated that the revenue from broadband services, if that is the only service being provided, is disproportionately less than for other services.

The Cox Director provided two possible solutions to help alleviate the problem: update the gross receipts definition found in KSA 12-2001 to include revenue from broadband services and to impose a 2.0 percent cap on all ROW-derived revenue, ensuring equitable treatment of all services utilizing the ROW.

### **Forced Relocation of Facilities**

The Charter Senior Manager explained that at times a local governing entity owning the ROW will require a telecommunications service provider to move its facilities and equipment, called a forced relocation of facilities, to accommodate the expansion, renovation, or change of an ROW area. The forced relocation of equipment may occur without notice to the telecommunications provider, which incurs unexpected costs that come from a company’s capital improvement budget.

The Charter Senior Manager provided possible solutions, which included working with local governing entities to include provisions within a franchise agreement controlling what occurs when a forced relocation of facilities is required, including a possible timeline starting with notification of possible relocation to a deadline for the relocation.

### **Eligible Telecommunication Carriers**

The President of AT&T Kansas (AT&T President) presented information on AT&T’s status as an ETC in Kansas and its request to relinquish that status in certain parts of the state. The AT&T President explained that “eligible telecommunication carrier” is a federal designation under the federal Telecommunications Act [*Note:* The designation indicates eligibility for federal Universal Service Fund support to provide essential services, such as affordable phone/broadband, in high-cost rural areas or to low-income consumers.], but state regulators determine whether the company can relinquish this designation. Thus far, the KCC has interpreted the law to mean that AT&T must continue to offer its “plain old telephone service,” involving the traditional copper lines. AT&T’s position is that this service is very costly to maintain and does not have the demand to merit it. The company wishes to redirect its resources toward the services customers do want, such as broadband. For customers who do still want a landline, AT&T offers a comparable service called AT&T Phone – Advanced that functions like a traditional landline for the consumer but does not rely on the copper wire network.

The AT&T President said AT&T first petitioned the KCC to relinquish its ETC designation nine years ago. AT&T has submitted

similar requests to 18 other states, all of which have been granted. The Deputy Director of Utilities, responding on behalf of KCC staff, noted that the most recent filing will be before the Commission and said that the KCC had found that the areas in question would be underserved if AT&T were to relinquish its ETC designation there. The other ETCs in the area are required to provide only Lifeline service, and if AT&T were to relinquish, people who do not qualify for Lifeline service would not be served at all because the KCC cannot require those other providers to provide services beyond Lifeline.

The Chairperson noted that last year he had asked AT&T to hold legislation for one year, in hopes of resolving the issue through the KCC's channels. Since that year has elapsed, the Chairperson said, in his role as Chairperson of the House Committee on Utilities, that he plans to hear a bill on the topic in the 2026 session.

## CONCLUSIONS AND RECOMMENDATIONS

The Committee concluded six major topics discussed merited recommendations.

- Definitions in statutes related to telecommunications should be updated and standardized;

- Forced relocation of facilities fees and costs need to have parity. The Committee recommends:
  - Writing into a franchise agreement that a percentage of the project be bonded for possible relocation and a timeline of notification regarding requests to relocate; or
  - Creating a grant program to help pay for the costs of relocation;
- Update statutes to include broadband revenue within the definition of gross receipts and to put a 2.0 percent cap on telecommunications fees that can be collected from a local governing entity. This would bring parity to franchise agreements across the state in differing jurisdictions;
- ETC status will be discussed through a bill in the 2026 Legislative Session;
- Consider reorganizing statutes to place all statutes regarding telecommunications information into a single article; and
- Consider having stakeholders work with policymakers to determine possible solutions to problems related to railroad easements.



# Report of the Joint Committee on Information Technology to the 2026 Kansas Legislature

**CHAIRPERSON:** Representative Kyle Hoffman

**VICE-CHAIRPERSON:** Senator Mike Petersen

**RANKING MINORITY MEMBER:** Kirk Haskins

**OTHER MEMBERS:** Senators Mike Argabright (Substitute June 12, 2025), Craig Bowser (Substitute October, 29, 2025), Marci Francisco, Rick Kloos, Patrick Schmidt, and Caryn Tyson; and Representatives Jesse Borjon, Pam Curtis, and Carl Turner

**CHARGE**

***Review, Monitor, and Report on Technology Plans and Expenditures***

The Committee is directed to:

- Study computers, telecommunications, and other information technologies used by state agencies and institutions. The state governmental entities defined in KSA 75-7201 include executive, judicial, and legislative agencies, and Regents institutions;
- Review proposed new acquisitions, including implementation plans, project budget estimates, and three-year strategic information technology plans of state agencies and institutions. All state governmental entities are required to comply with provisions of KSA 75-7209 *et seq.* by submitting such information for review by the Committee;
- Review information technology project plan summaries, prior to the release of a request for project proposal, that are determined to have a significant business risk as established per Information Technology Executive Council policy;

- Monitor newly implemented technologies of state agencies and institutions;
- Make recommendations to the Senate Committee on Ways and Means and House Committee on Appropriations on implementation plans, budget estimates, and three-year plans of state agencies and institutions; and
- Report annually to the Legislative Coordinating Council and make special reports to other legislative committees as deemed appropriate.

# Joint Committee on Information Technology

## ANNUAL REPORT

### Conclusions and Recommendations

The Joint Committee on Information Technology (JCIT) submits the following recommendations and considerations to the 2026 Legislature:

- The Legislative Coordinating Council directs the Kansas Legislative Office of Information Services to collaborate with the Office of the Revisor of Statutes, Kansas Legislative Research Department, and Legislative Division of Post Audit to develop policies related to the use of generative artificial intelligence by legislators and staff;
- The appropriate legislative standing committees hear and work a “trailer” bill for 2024 House Sub. for SB 291 that will be introduced by JCIT early in the 2026 session. The bill is expected to contain, but not be limited to, provisions that would:
  - Retain provisions related to IT security spending;
  - Require a Chief Information Security Officer (CISO) for each branch of government, but allow the Legislative branch to appoint a current employee;
  - Retain provisions requiring all government websites to use a .gov domain;
  - Require state agency cybersecurity programs to be based on National Institute of Standards and Technology standards, but not require a specific maturity level be met;
  - Require the appropriate branch CISO to ensure each cybersecurity program is audited and report the findings to the JCIT, House Committee on Appropriations, and Senate Committee on Ways and Means;
  - Remove language related to requiring audits by the U.S. Cybersecurity and Infrastructure Agency;
  - Remove language that requires the Information Technology Executive Council (ITEC) to create an information technology integration plan, and the Judicial Branch to create a hardware deployment plan for county courthouses;
  - Modify the membership of ITEC by making legislative appointees voting members, adding the executive branch CISO as a voting member, and removing the network manager of the Information Network of Kansas as a voting member;
  - Clarify that ITEC policies apply only to the Executive Branch;
  - Retain requirements that the Chief Information Technology Officer (CITO) utilize data centers located only in the United States;
  - Retain provisions that clarify that each branch is responsible for reporting its own IT projects;
  - Retain the Judicial Council in the definition of “Executive Branch” in the Kansas Cybersecurity Act and exempt the Kansas Public Employees Retirement System from said act;
  - Keep agency heads responsible for IT;
  - Establish a Judicial Branch equivalent of ITEC;
  - Clarify the responsibility of the CISO regarding the review of procurement documentation; and
  - Addresses IT consolidation.
- The Legislative Post Audit Committee consider:

- Amending the relevant statutes to require the Legislative Division of Post Audit to provide IT security audit reports to the appropriate branch or agency CISO;
- Examine ways to require updates or follow-ups on IT security audit report findings by state agency and report such information to relevant legislative committees in an appropriate manner; and
- Directing the Legislative Division of Post Audit to conduct an audit comparing the cost and outcomes of fixed-price contracts and time-and-material contracts;
- Legislative Administrative Services work to make power outlets more accessible to members in committee rooms;
- The appropriate legislative committee review state procurement processes generally to identify areas of improvement to include, but not be limited to:
  - Incorporating an IT security review if appropriate;
  - Means to improve efficiency; and
  - Fairness to those interested in doing business with the State;
- The legislative, executive, and judicial branches continue to explore IT consolidation opportunities, and that all reports required by 2024 House Sub. for SB 291, including the pending IT consolidation study, be presented to the Legislative Coordinating Council, JCIT, House Committee on Appropriations, and Senate Committee on Ways and Means in the 2026 session and that each appropriate CITO consult with JCIT on any potential actions that could be taken based upon such reports; and
- The Legislature review requirements found in KSA 75-4709, that all branches of government must the Executive Branch to meet network communication needs.

**Proposed Legislation:** None.

## BACKGROUND

The Joint Committee on Information Technology has statutory duties assigned by its authorizing legislation in KSA 46-2101 *et seq.* The Committee may set its own agenda, meet on call of its Chairperson at any time and any place within the state, and introduce legislation. The Committee consists of ten members: five senators and five representatives. The duties assigned to the Committee by KSA 46-2101 and KSA 2025 Supp. 75-7201 *et seq.* are as follows:

- Study computers, telecommunications, and other information technologies used by state agencies and institutions. The state governmental entities defined in KSA 2025 Supp. 75-7201 include Executive, Judicial, and Legislative agencies and State Board of Regents institutions;
- Review information technology (IT) project plan summaries, prior to the release of a request for project proposal, that are determined to have a significant business risk as established per Information Technology Executive Council policy. In instances when requested by Committee members, conduct a meeting to advise and consult on such projects prior to the release of a request for proposal. This process is provided for in KSA 2025 Supp. 75-7209;
- Review proposed new acquisitions, including implementation plans, project budget estimates, and three-year strategic IT plans of state agencies and institutions. All state governmental entities are required to comply with provisions of KSA 75-7209 *et seq.* by submitting such information for review by the Committee;

- Monitor newly implemented technologies of state agencies and institutions;
- Make recommendations to the Senate Committee on Ways and Means and the House Committee on Appropriations on implementation plans, budget estimates, and three-year plans of state agencies and institutions; and
- Report annually to the Legislative Coordinating Council (LCC) and make special reports to other legislative committees as deemed appropriate.

In addition to the Committee’s statutory duties, the Legislature and its committees, including the LCC, may direct the Committee to undertake special studies and to perform other specific duties.

KSA 2025 Supp. 75-7210 requires the Executive, Judicial, and Legislative Chief Information Technology Officers (CITOs) to annually submit to the Committee all IT project budget estimates and revisions, all three-year plans, and all deviations from the state IT architecture. The Committee is directed to review the estimates and revisions, the three-year plans, and the deviations and make recommendations to the House Committee on Appropriations and the Senate Committee on Ways and Means regarding the merits of and appropriations for the projects. In addition, the Executive and Judicial CITOs are required to report to the Legislative CITO the progress regarding implementation of projects and proposed expenditures, including revisions to such proposed expenditures.

### COMMITTEE ACTIVITIES

The Committee met during the 2025 Legislative Session on March 26, 2025. The Committee also met during the 2025 Interim, as authorized by the LCC, on June 12, August 13, October 29, November 20, and December 11.

The only item of business at the March 26 meeting was to elect the 2025 Chairperson, Vice-chairperson, and Ranking Minority Member.

### Executive Branch Quarterly IT Project Reports

At the June 12, 2025, meeting, the Chief Information Technology Officer (CITO) provided the Committee with a presentation of the 2025 Quarter 1 (January – March) IT Project Reports. The CITO reported that Quarter 1 had 18 approved, 16 active, 5 completed, and 8 planned projects with 2 additional projects on hold. Of the active projects, 4 were in caution status and 5 were in alert status. [*Note:* Projects are in alert status if they exceed 20 percent variance, and caution status if they exceed 10 percent variance, of one or more project performance metrics.] The following projects were in alert status for Quarter 1, 2025:

- Department for Children and Families (DCF) Child Support Services Re-Platforming;
- Kansas Department of Aging and Disability Services (KDADS) Hospital Electronic Health Record and Substance Use Disorder Implementation;
- Kansas Department of Health and Environment (KDHE) Early Childhood Data Integration and System Enhancements II;
- Pittsburg State University (PSU) Student Management Cloud Implementation; and
- Kansas Department of Wildlife and Parks (KDWP) SmartCOP Record Management System.

The following projects were in caution status for Quarter 1, 2025:

- Kansas Bureau of Investigation Incident-based Reporting System Rebuild;
- Kansas Public Employees Retirement Systems Pension Administration System;
- Kansas Department of Revenue (KDOR) Alcoholic Beverage Control Modernization;

- Kansas Department of Transportation Kansas Crash Data System Replacement.

At the October 29, 2025, meeting, the CITO provided the Committee with a presentation of the 2025 Quarter 2 (April – June) IT Project Reports. The CITO reported that Quarter 2 had 18 approved, 16 active, 1 completed, and 8 planned projects with 2 additional projects on hold. Of the active projects, 2 were in caution status and 5 were in alert status. The following projects were in alert status for Quarter 2, 2025:

- DCF Child Support Services Re-Platforming;
- KDADS Hospital Electronic Health Record and Substance Use Disorder Implementation;
- KDHE Early Childhood Data Integration and system Enhancements II Project;
- PSU Student Management Cloud Implementation; and
- KDWP SmartCOP Record Management System.

The following projects were in caution status for Quarter 2:

- KDOR Alcoholic Beverage Control Modernization; and
- Office of Information Technology Services (OITS) Enterprise Licensing Platform Phase II.

## **Other Executive Branch IT Updates**

### ***Information Technology Executive Council***

The CITO provided the Committee with an update on the Information Technology Executive Council (ITEC) regarding compliance with 2024 House Sub. for SB 291, other changes to ITEC, and updates and changes to ITEC policy at the June 12 and August 13 meetings.

## ***Cybersecurity Updates***

### ***Cybersecurity Training***

At the June 12, 2025, meeting, the Chief Information Security Officer (CISO) reviewed the Cybersecurity Summit that the agency held in Wichita on April 25, 2025, and the Critical Infrastructure Exchange held in Wichita on June 5, 2025. He also previewed the Great Plains Cyber Guardian training event scheduled to occur in August 2025. The CISO described the inaugural event being two weeks with one week devoted to classroom training and one week to hands-on scenario training. At the October 29, 2025, meeting, the CISO informed the Committee that the Great Plains Cyber Guardian training event had approximately 90 attendees representing city, county, state, and federal governments and school districts.

### ***Cybersecurity Operations***

At the June 12, 2025, meeting, the CISO updated the Committee on the Security Operations Center, enterprise cyber efforts, and the cybersecurity internship program.

At the August 13, 2025, meeting the CISO provided an update on federal cybersecurity funding changes. He noted that the budget for the Cybersecurity and Infrastructure Security Agency had been reduced and the agency’s staffing had decreased by one-third. He stated that this reduction could lead to reduced availability in services for state and local governments. He also discussed the reduction of funding for the Multi-State Information Sharing and Analysis Center as it moves to a subscription model and its potential impact on local governments, of which approximately 350 subscribe to the center’s services and many rely on them heavily for cybersecurity services. The CISO noted, however, that there were no funding changes made to the State and Local Cybersecurity Grant Program with Kansas being awarded \$1.4 million in FY 2025, with a 40.0 percent cost match for the final year of the program.

### ***Other Updates***

At the June 12, 2025, meeting, the CITO discussed the ongoing Enterprise Licensing Platform Project, which is developing a licensing software system for use by state licensing

agencies. The CITO noted that the Kansas Real Estate Commission went live on the platform on April 24, 2025, with an additional 10 agencies in various stages of development on the platform. The CITO also discussed the agency's IT Service Management Project that is working on standardizing the delivery of IT services to state agencies.

At the August 13, 2025, meeting, the CITO provided information on rates OITS charges agencies for services. The CITO began by discussing the OITS budget and noting that approximately two-thirds of the agency's FY 2026 budget is generated from fees it charges state agencies for services. He also discussed the history of agency rates regarding the consolidation of rates from 119 in FY 2020 to 17 in FY 2026 and FY 2027. He then further discussed the published rates for services and how the agency evaluates its rates.

At the October 29, 2025, meeting, the CITO provided an update on the three-year IT plans and noted printed copies of finalized plans would be provided to Committee members when available.

### **Judicial Branch Updates**

At the August 13, 2025, meeting, the Judicial CITO provided an update to the Committee on current projects including:

- Central Case Management System;
- Jury Management System;
- Specialty Courts Case Management System;
- Public Access Portal for Court Cases;
- Judicial Website Re-platform and Re-Design; and
- Kansas Judicial Self-Help portal.

He also discussed the establishment of an Artificial Intelligence Committee within the branch. The committee's 21 members included district court judges, district court staff, appellate

court judges, administrative professionals, and legal professionals. The committee is tasked with the following duties:

- Studying the use of artificial intelligence;
- Recommending policies and procedures to the Supreme Court; and
- Serving as the artificial intelligence governance body for the Judicial Branch.

At the October 29, 2025, meeting, the Judicial CITO and judicial branch staff provided an update on the following Judicial Branch IT projects:

- Central Case Management System;
- Public Access Portal Update;
- Audio Recording Project;
- Digital Evidence Management; and
- Text Message Reminder Project.

The officials said that the Central Case Management System was initially completed in November 2024 and was being reviewed to determine what components require upgrades to newer versions. They said system upgrades would begin in December 2025. The CITO stated that the Public Access Portal Upgrade is beginning user testing with full implementation planned for December. The request for proposal for the Digital Evidence Management Project was being reviewed by the Office of Procurement and Contracts, and the contract for the Text Message Reminder Project was being finalized with the vendor. The final project discussed was the Audio Recording Project, which is testing automated speech-to-text transcription software in order to compensate for a lack of court reporters and to increase access by users.

### **Legislative Branch Updates**

At the June 12, 2025, meeting, staff from the Kansas Legislative Office of Information Services (KLOIS) provided an update on Legislative Branch cybersecurity and legislative IT projects. The branch Security Engineer discussed branch cybersecurity scores using the National Institute of

Standards and Technology (NIST) 2.0 framework and what aspects are strengths for the branch and what areas need improvement. He also provided additional performance metrics for the branch as well as discussing underway cybersecurity projects and what types of projects will occur in the near future. Additional updates were provided on the following ongoing projects:

- Assisting legislative staff in completing post-session publications;
- Developing a system for archiving past biennium data for the Kansas Legislative Research Department (KLRD) and the Office of the Revisor of Statutes (Revisor);
- Updating in-use applications to integrate with the new KLISS system;
- Training on technologies used by the new KLISS bill drafting system;
- Renewal of the Virtual Statehouse conferencing system;
- Exploring options for data center usage;
- Updating the House of Representatives voting system; and
- Staff system computer updates.

At the August 13, 2025, meeting the branch Security Engineer provided the Committee with a presentation on a draft Legislative Branch AI policy. The staff member discussed principles to consider when creating policy, the risks of utilizing AI, and the process needed to approve an AI usage policy for the Legislative Branch. The Security Engineer provided an IT Security update to the Committee in closed session.

At the October 29, 2025, meeting, the Interim Legislative CITO provided an update on the Legislative CITO hiring process. He stated that the LCC had requested the position be posted and had received 12 applications. The LCC then requested the position be re-posted with an increased salary.

Both postings led to 25 total applicants, all of whose applications would be reviewed by legislative staff agencies and the LCC Subcommittee on Administration.

KLOIS staff provided further updates on renewing the Virtual Statehouse conferencing system, House Chamber voting system, staff laptop refresh, and various server updates. He noted that the Virtual Statehouse contract with Cisco and World Wide Technology has been renewed for an additional five years, during which time KLOIS staff will determine equipment upgrades needed by 2030. Staff stated that the House Chamber voting system had been replaced and was fully functional. KLOIS staff were also adding servers to allow for continued security upgrades and determining the vendor for the legislative staff laptop refresh which will occur during the 2026 interim.

### ***KLISS Modernization***

At the June 12, 2025, meeting, the Director of Application Services provided the Committee with an update on the KLISS Modernization Project. He said the project was focused on producing a new system for the Office of the Revisor for, among other things, bill and resolution drafting, amendment drafting, and workflow management. He said the project was schedule to be deployed into a production environment on June 30, 2025, and that KLOIS and Revisor staff were carrying out user acceptance testing. The second phase of the KLISS project will include new systems for chamber staff, committee management, KLRD, the legislative website, and an appropriations bill workflow management system.

At the August 13, 2025, meeting, the Director of Application Services updated the Committee on the KLISS Modernization Project, noting that the portion of the project scheduled to go into production on June, 30, 2025, had not done so. He said the project's steering committee was working with the vendor to establish a new deadline with the goal of having the initial part of the system session-ready before October 1, 2025.

At the October 29, 2025, meeting, the Interim Legislative CITO informed the Committee that on October 13, 2025, the KLISS Modernization Project Steering Committee (steering committee)

had informed the LCC Subcommittee on Administration that the KLISS Bill Drafting System would not be stable and mature enough for use during the 2026 legislative session. The LCC then adopted the recommendation of the subcommittee to delay the deployment of the bill drafting system and ordered the steering committee to re-evaluate the project's direction and relationship with the vendor. Staff noted that the steering committee was carrying out the re-evaluation process and, with LCC Subcommittee on Administration approval, had issued a stop-work order to the vendor for October 27, 2025, through November 30, 2025.

## IT Audits

At the June 12, 2025, meeting, staff from the Legislative Division of Post Audit (LPA) presented the Quarter 1 monitoring report on the KDHE Early Childhood Data Integration and System Enhancement IT Project to the Committee. LPA staff also presented IT audit reports on the following entities to the Committee in executive session:

- Board of Accountancy;
- Kansas Bureau of Investigation;
- Kansas Corporation Commission;
- Kansas State Fair; and
- USD 501.

At the August 13, 2025, meeting, LPA staff presented the following IT audit reports to the Committee in executive session:

- City of Topeka; and
- Follow-up Report of Agencies Audited in 2024.

At the October 29, 2025, meeting, LPA staff presented the Quarter 2 monitoring report on the KDHE Early Childhood Data Integration and System Enhancement IT Project and the report *Evaluating Access Controls of School District Accounting Systems*. In executive session, LPA staff presented an IT Security Audit for the Board of Nursing.

## Other Presentations

### 2024 House Sub. for SB 291

At the June 12, 2025, meeting, the Committee received a presentation from a representative of Gartner Consulting on the *IT Integration Assessment, Roadmap, and Planning* project. Gartner was engaged by OITS to complete this work to carry out requirements in provisions of 2024 House Sub. for SB 291. The Gartner representative reviewed the goals of IT integration, to:

- Maximize value of IT resources;
- Increase cost efficiencies and reduce technological debt;
- Provide high impact citizen and agency services; and
- Ensure safe and secure environments.

The representative also provided an overview of Gartner Consulting and the company's experience in government IT, and reviewed the actions taken by Gartner to date in gathering data for its analysis. The representative noted that 39 agencies, both cabinet and non-cabinet, had so far participated in interviews, providing documentation, and responding to surveys. The primary categories being assessed within the report are finance; organizational structure, strategy, and governance; architecture; and service delivery.

At the August 13, 2025, meeting, the Committee received a bill brief from Revisor staff on 2024 House Sub. for SB 291 that described the components of the bill along with which provisions of the bill would sunset on June 30, 2026, and which would be ongoing. The Judicial CITO also provided an update on branch compliance with the bill. He stated that all court websites had been transitioned to [kscourts.gov](https://kscourts.gov) and that Gartner Consulting had been identified as the vendor for assisting the branch in developing potential plans for transitioning all courts to judicial branch-issued workstations and utilization of the State's network infrastructure.

At the October 29, 2025, meeting, the CITO provided the Committee with an update on the *IT & Cybersecurity Integration Planning* assessment and other compliance activities required by 2024 House Sub. for SB 291. The Judicial CITO also provided an update on Judicial Branch's *IT Equipment and Connectivity Assessment* and noted that the branch is also utilizing Gartner due its current familiarity with the State.

At the November 20, 2025, meeting, the CITO and representatives of Gartner Consulting presented preliminary findings of the *IT Integration Assessment, Roadmap, and Planning* project. The presentation reviewed the project's approach, data collected, and engaged state agencies. Gartner representatives also described what is meant by IT integration and the current state of Kansas IT systems. The representatives then discussed the project's preliminary recommendations which were grouped into organization, services and architecture, financial, and cybersecurity. The findings also included a gap analysis prioritizing IT needs to be first addressed. The CITO noted that the full report will be provided to the Legislature in January 2026.

The Judicial CITO and representatives of Gartner Consulting also provided the preliminary findings of the *IT Equipment and Connectivity Assessment*. The representatives discussed the background of the assessment in regards to information gathering and discussed the current IT system and setup in the court system. The presentation contained no recommendations but provided analysis utilizing five evaluation criteria to provide options for the State providing endpoint devices to district courts, standardizing network services in district courts, and providing support or endpoint devices and network hardware in district courts. The Judicial CITO noted the full report will be provided to the Legislature in January 2026.

At both the November 20 and December 12, 2025, meetings, the Committee reviewed the provisions of 2024 House Sub. for SB 291 and determined what provisions and elements to include in a new bill to be introduced during the 2026 legislative session.

## **Other**

At the August 13, 2025, meeting, a representative of the Information Network of Kansas, Inc. (INK) provided the Committee with a presentation describing INK, the services it provides to Kansas governments, and the governance structure of the organization.

At the October, 29, 2025, meeting, the Committee heard a presentation from a representative of the Department of Administration regarding the state procurement process. The representative talked generally about how the process worked and discussed the different types of procurement mechanisms such as prior authorization, request for quotation, invitation to bid, and request for proposal. He also specifically discussed how the process works for branch CISOs to review IT projects prior to the award being made.

Also at the October 29, 2025, meeting, the Legislative Branch Security Engineer provided information on the NIST Security Framework 2.0 and the Legislative Branch's implementation of the framework. He discussed the four maturity levels within the overall NIST framework and that maturity levels can vary across the six different functions within the framework. In evaluating the Legislative Branch, he said it generally demonstrates repeatable maturity (Level 3) in establishing foundational cybersecurity capabilities but shows only partial maturity (Level 1) in regards to policy development and consistent review processes. He also provided a roadmap for continued implementation of the NIST 2.0 framework.

## **CONCLUSIONS AND RECOMMENDATIONS**

At the December 12, 2025, meeting, the Committee agreed to the following recommendations to and considerations for the 2026 Legislature:

- The Legislative Coordinating Council direct KLOIS to collaborate with the Office of the Revisor, KLRD, and LPA to develop policies related to the use of generative artificial intelligence by legislators and staff;

- The appropriate legislative standing committees hear and work a “trailer” bill for 2024 House Sub. for SB 291 that will be introduced by the Committee early in the 2026 session. The bill is expected to contain, but not be limited to, provisions that would:
  - Retain provisions related to IT Security spending;
  - Require a CISO for each branch of government, but allow the Legislative branch to appoint a current employee;
  - Retain provisions requiring all government websites to use a .gov domain;
  - Require state agency cybersecurity programs to be based on NIST standards, but not require a specific maturity level be met;
  - Require the appropriate CISO to ensure each cybersecurity program is audited and report the findings to the Committee, House Committee on Appropriations, and Senate Committee on Ways and Means;
  - Remove language related to requiring audits by the U.S. Cybersecurity and Infrastructure Agency;
  - Remove language that requires the ITEC to create an Information Technology integration plan, and for the Judicial Branch to create a hardware deployment plan for county courthouses;
  - Modify the membership of ITEC to make legislative appointees voting members, add the executive branch CISO as a voting member, and remove a representative of INK as a voting member;
  - Clarify that ITEC policies apply only to the Executive Branch;
  - Retain requirements that the CITO utilize data centers located only in the United States;
  - Retain provisions that clarify that each branch is responsible for reporting its own IT projects;
  - Retain the Judicial Council in the definition of “Executive Branch” in the Cybersecurity Act and exempt the Kansas Public Employees Retirement System from said act;
  - Keep agency heads responsible for IT;
  - Establish a Judicial Branch equivalent of ITEC;
  - Clarify the responsibility of the CISO regarding the review of procurement documentation; and
  - Addresses IT consolidation.
- The Legislative Post Audit Committee consider:
  - Amending the relevant statutes to require LPA to provide IT security audit reports to the appropriate branch or agency CISO;
  - Examine ways to require updates or follow-ups on IT security audit report findings by state agency and report such information to relevant legislative committees in an appropriate manner; and
  - Directing LPA to conduct an audit comparing the cost and outcomes of fixed-price contracts and time-and-material contracts;
- Legislative Administrative Services work to make power outlets more accessible to members in committee rooms;

- The appropriate legislative committee reviews state procurement process generally to identify areas of improvement to include, but not be limited to:
  - Incorporating an IT Security review if appropriate;
  - Means to improve efficiency; and
  - Fairness to those interested in doing business with the State;
- The legislative, executive, and judicial branches continue to explore IT consolidation opportunities, and that all reports required by 2024 House Sub. for SB 291, including the pending IT consolidation study, be presented to the LCC, the Committee, the House Committee on Appropriations, and the Senate Committee on Ways and Means in the 2026 session and that each appropriate CITO consult with JCIT on any potential actions that could be taken based upon such reports; and
- The Legislature review requirements found in KSA 75-4709, that all branches of government use the Executive Branch to meet network communication needs.

# Report of the Legislative Budget Committee to the 2026 Kansas Legislature

**CHAIRPERSON:** Representative Troy Waymaster

**VICE-CHAIRPERSON:** Senator Rick Billinger

**OTHER MEMBERS:** Senators Rick Kloos and Pat Pettey; and Representatives Barbara Ballard, Will Carpenter, and Kristey Williams

**CHARGE**

***Review State Budget Issues***

The Legislative Budget Committee is statutorily directed to compile fiscal information and study and make recommendations on the state budget, including revenues and expenditures, and the organization and functions of the State, including its departments, subdivisions, and agencies, with a view of reducing the cost of state government and increasing efficiency and economy.



# Legislative Budget Committee

## ANNUAL REPORT

### Conclusions and Recommendations

The Legislative Budget Committee made no recommendations to the 2026 Legislature.

*Proposed Legislation:* None.

### BACKGROUND

The Legislative Budget Committee (Committee) is statutorily directed in KSA 46-1208 to compile fiscal information.

It is also directed to study and make recommendations on the state budget, revenues, and expenditures, and the organization and functions of the State, including its departments, subdivisions, and agencies, with a view of reducing the cost of state government and increasing efficiency and economy.

### COMMITTEE ACTIVITIES

The Legislative Coordinating Council authorized five meeting days for the Committee during the 2025 Interim. The Committee met three times in 2025 and 2026, on August 26 and December 17, 2025, and January 6, 2026.

#### State General Fund Revenues and Expenditures

At the August 26 meeting, the Assistant Director for Research, Kansas Legislative Research Department (KLRD), provided an update on FY 2025 actual State General Fund (SGF) receipts. The component of SGF receipts from taxes only was \$248.6 million, or 2.5 percent, above the estimate. Current law provides for 50.0 percent of the SGF tax-only receipts above the adjusted April estimate to be transferred to the Budget Stabilization Fund. The total SGF receipts reflect an unanticipated transfer out of the SGF of \$124.3 million to satisfy this requirement.

The Assistant Director for Fiscal Affairs, KLRD, provided an update on the SGF receipts versus expenditures for FY 2023 through FY 2029. The Assistant Director also presented information on preliminary SGF reappropriations for FY 2026, \$517.3 million SGF carried forward from FY 2025 into FY 2026.

At the January 6 meeting, the Assistant Director for Fiscal Affairs presented the adjustments to the FY 2026 and FY 2027 agency requests made by the 2025 Special Committee on the State Budget. The Special Committee deleted \$556.5 million in FY 2026 and \$601.0 million in FY 2027 from the agency requests. The Assistant Director also provided an updated SGF profile for FY 2024 through FY 2030, which incorporated the State Budget Committee adjustments.

#### State Impacts of the One Big Beautiful Bill Act

At the August 26 meeting, the Assistant Director for Fiscal Affairs, KLRD, provided a report on the impact of the One Big Beautiful Bill Act, (HR 1, Public Law 119-21) on the State of Kansas. The primary area of impact was on Supplemental Nutrition Assistance Program (SNAP) benefits with a recounting of additional funding for agriculture and rural health.

#### Federal Clawback of Medicaid Funds to K-12 School Districts

At the August 26 meeting, the Secretary of Health and Environment discussed the recent federal recoupment of Medicaid funds to K-12 school districts. The amounts of these funds had

been incorrect due to an error in the Individualized Education Program (IEP) ratio numerators used to calculate school-based Medicaid administrative claims. The calculations had used billed claims instead of paid claims. The Secretary also discussed the federal Medicaid look-back process, the recoupment process for school districts, and the status of the payments.

The Coordinator for Medicaid Services for USD 259 (Wichita Public Schools) provided information about how that school district handles Medicaid claims and services in house, which is possible due to the size of the school district. She also shared her concerns about transparency issues regarding key areas for the Medicaid calculation for school districts, which can prevent school districts from validating the information provided to them by the Kansas Department of Health and Environment (KDHE), and suggested reevaluating how to maximize available Medicaid funding for Kansas students.

### **World Cup Updates**

At the December 17 meeting, a representative of KC 2026 provided an update on transportation for World Cup activities in the Kansas City area in 2026. KC 2026 has directed its focus to FIFA requirements for World Cup events in areas such as safety and security, transportation, FIFA Fan Festival, facilities and venues, fan experience, and economic enhancement. The match schedule was presented, detailing dates, times, and participants within the group stage.

### **Waterlab Courier Services**

At the August 26 meeting, a KDHE representative provided an update regarding recent changes to lab courier services provided by the agency.

The agency indicated the service began in 2021, using federal COVID moneys received by the agency. Use of the courier service reduced average transit times for samples to the KDHE laboratory from three days to just over one day. The agency indicated that reduced transit times increased response times for samples and reduced the number of samples that needed to be re-gathered due to time between collection and testing.

The agency representative stated that recent reductions to federal funding for the service have resulted in the agency reducing the service, including reducing the number of counties where the service is available. Beginning on July 1, 2026, all expenditures relating to transporting samples to the KDHE Laboratory will be the responsibility of the local partners that are shipping samples.

The Committee and the agency representative discussed the vendors being used by local partners, the availability of vendors across the state, and the costs associated with shipping.

### **Federal and State Regulation of Wilson Reservoir**

At the August 26 meeting, a representative of the Department of Wildlife and Parks answered questions regarding regulations at the Wilson Reservoir. The Committee and the agency representative discussed camping regulation changes that were recently made at Wilson Reservoir, along with the usage of private docks and the use of boats on those private docks. The agency indicated the changes were made by the U.S. Army Corps of Engineers, and the Department of Wildlife and Parks has no jurisdiction over those changes. The Committee and the agency representative further discussed the possibility of the Department of Wildlife and Parks gaining regulatory control and oversight of certain areas of Wilson Reservoir and how much it costs to camp at Wilson State Park.

### **Contract Nursing**

At the August 26 meeting, a representative of the Kansas Department for Aging and Disability Services provided an update on contract nursing within state hospitals. The Legislature has approved a total of \$61.1 million for contract nursing at Larned State Hospital for FY 2022 through FY 2025 and a total of \$13.0 million for contract nursing at Osawatomie State Hospital for FY 2024 and FY 2025. The 2025 Legislature did not provide additional funds for contract nursing for FY 2026. The Committee and the agency representative discussed alternatives to contract nursing, such as recognition bonuses for state employees, cost-of-living and market adjustments, and a nursing education incentive program.

## **Agency Operations Budget Reductions**

At the August 26 meeting, a Managing Fiscal Analyst with KLRD summarized the impact of the 1.5 percent SGF operations lapse on state agency budgets that was approved in 2025 SB 125. The bill requires the Director of the Budget, in consultation with the Director of Legislative Research, to certify the aggregate amount lapsed for each state agency. In June 2025, a lapse totaling \$7,169,179 of SGF appropriations was certified. In August 2025, a lapse totaling \$556,187 of SGF reappropriations from FY 2025 to FY 2026 was certified. This brings the total amount lapsed to \$7,725,366 SGF.

## **Discussion of University Expenditures**

At the December 17 meeting, a representative of the State Board of Regents addressed university expenditures for which additional information had been requested.

The agency provided additional detail for expenditures by the state universities from the SGF by vendor and by university. The Committee and the agency discussed expanding the request beyond the SGF expenditures to include all funding sources. The Committee indicated its intent to review expenditures for cost savings.

## **Update on Biomedical Campus and KU Cancer Research Center**

At the December 17 meeting, a representative from Wichita State University (WSU) provided an update on the WSU and University of Kansas (KU) Biomedical Campus construction project. The agency described the project as a joint project to collocate WSU, KU, and WSU Campus of Applied Sciences and Technology health programs. The project is estimated to be completed in December 2026 with classes starting in summer 2027.

A representative of the University of Kansas Medical Center (KUMC) provided an update on the KU Cancer Research Center construction project. The representative stated the project will consolidate the cancer research programs and provide room to accommodate the expansions that have occurred in the programs. The construction on the Research Tower is projected to be completed in December 2027 with programs

moving into the tower beginning in February 2028. A secondary portion of the project is the renovation of the Hemenway Vivarium, which will begin in February 2028 and be completed in February 2029.

## **Update on Comprehensive Child Welfare Information System**

At the December 17 meeting, a representative of the Department for Children and Families (DCF) provided an update on the agency's efforts to modernize the Comprehensive Child Welfare Information System (CCWIS).

The agency indicated that the contract awards had been announced for the project and the design, development, and implementation (DDI) phase of the project will begin in February 2026 with a target go-live date of November 2028. The agency indicated that restoring reappropriations is crucial to year one of the project as costs are front-loaded. The agency anticipates expending \$36.5 million all funds, including \$18.2 million in FY 2026. By the end of the project, the agency projected a total cost of \$99.9 million all funds, including \$49.9 million SGF. The agency indicated the project is in good standing with the Office of Information Technology Services. Responding to questions about the choice of DDI vendor, the agency representative stated that DCF officials did speak with officials of other states, including Arkansas, about their experiences with RedMane Technology and it was the agency's understanding that Arkansas chose not to continue with RedMane Technology after realizing the agency wanted to keep more of its legacy system rather than do a complete overall. The agency representative opined that this would not be the case for Kansas.

## **Update on Rural Health Care Transformation Program**

At the December 17 meeting, a representative of the Kansas Department for Aging and Disability Services (KDADS) provided an overview of the Rural Health Transformation Program, including funding distribution, timeline, uses and limitations, the state plan development and stakeholder involvement, and the program's strategic goals and initiatives.

The agency indicated KDHE is the lead agency of an interagency team led by the Secretary

of Health and Environment and the Secretary of Aging and Disability Services. The agency explained that the application for the federal grant was released September 15, 2025, stakeholder meetings were subsequently conducted, and the application was submitted on November 4, 2025, with notification of award expected to be announced before the end of the year.

At the January 6 meeting, a KDHE representative provided an update on the program. The agency indicated receiving notice from the Centers for Medicare and Medicaid Services (CMS) that Kansas is awarded \$221.9 million for year one of the program. This money must be obligated by October 30, 2026 (the end of the program's first budget period), and expended by September 30, 2027. The agency stated Kansas was scheduled for its first CMS post-award follow-up meeting to discuss the Kansas budget on January 12, 2026. The next meeting of stakeholders, the Rural Health Innovation Alliance, was scheduled for January 13, 2026.

The Committee and the agency representative also discussed the definition of "rural" for this grant. The agency indicated that the program's notice of funding opportunity includes the Federal Office of Rural Health Policy's definition and provided a map of Kansas that was included in the application that identifies the state's critical access hospitals, federally qualified health centers, rural health clinics, and short-term/prospective payment system hospitals in rural areas. Additionally, the map identified non-rural areas in Kansas.

### **Department of Administration Market Study**

At the December 17 meeting, the Director of Personnel Services, Department of Administration, provided an update on the 2025 Market Survey and information on the impact of market-based pay increases provided to state employees in FY 2026. Employees covered in the survey include most non-Regents, Executive Branch employees. The Director indicated the survey does not incorporate data prior to the summer of 2024 because of a recent change from a three-year survey cycle to a two-year survey cycle. Responding to questions, the Director indicated that, while pay for some surveyed positions remains below market rate because of changes in

labor markets, there has been overall progress in the targeted approaches adopted by the Legislature in recent years.

### **ARPA Spending**

At the December 17 meeting, the Director of Program Coordination, Office of Recovery, provided an update on the spending of the State fiscal recovery funds received under provisions of the American Rescue Plan Act (ARPA) of 2021. She provided a summary of the allocations and expenditures through the end of November 2025, and an inventory of active projects with ARPA funding allocated as well as the closed projects.

The Director of Program Coordination answered questions from Committee members regarding transportation funding for the 2026 World Cup, the moneys remaining to spend on the Docking State Office Building, and Building a Stronger Economy (BASE) grants with the Department of Commerce.

### **Review of State of Kansas Aircraft**

At the December 17 meeting, the Chief of Staff of the Kansas Highway Patrol provided an overview of the structure and operations of the Air Support Unit. The testimony included details about aircraft within the law enforcement fleet and the executive aircraft. The overview also included information about negotiations for a partnership with Sedgwick County for a hangar at the Colonel James Jabara Airport. Information about the joint tactical flight officer program and funding for the Air Support Unit also was provided. Committee members and the Chief of Staff discussed aircraft needs and the hangar used at the Hays Regional Airport.

### **Digital License Plate Production Costs**

At the January 6 meeting, the Secretary of Revenue provided an overview of the ongoing digital license plate production and associated costs. The Secretary stated that since the conclusion of the project to replace all embossed license plates, the Department of Revenue has continued to see an increase in demand for license plate replacements and, with the conclusion of federal funding, the agency is required to provide the funds for production and distribution of license plates. The Secretary discussed the possibility of a

proviso to shift the cost incurred from the production and distribution of new plates to the requesting party.

### **Disaster Funding**

At the January 6 meeting, the Chief of Government and Legislative Affairs for the Adjutant General's Department provided an overview of disaster funding and the impacts some federal changes have had on it. The information included the process by which a disaster is assessed and declared and expenditures are reimbursed. Additional information was provided about the use of non-governmental organizations in disaster recovery efforts as both critical service providers and non-critical service providers. Testimony also included an overview of changes made to the Emergency Management Performance Grants funding and adjustments the agency is making to compensate. There was discussion between Committee members and the Chief of Government and Legislative Affairs regarding federal funding changes for disaster recovery and some prior disasters throughout the state.

### **STAR Bonds Program Update**

At the January 6 meeting, the Director of Legislative Affairs for the Department of Commerce provided an update on STAR Bonds projects. The Director stated there are 17 operational projects, the two most recent being Homefield Outdoor in Wyandotte County and Bluhawk in Overland Park. There are also 15 potential projects being considered. The Director also answered questions regarding the Kansas City Chiefs STAR Bond project.

### **Aircraft Maintenance, Repair, and Overhaul Program**

At the January 6 meeting, a representative from the Department of Commerce provided an overview of a project in Salina for maintenance, repair, and overhaul (MRO) of airplanes. The Salina project has received grant updates conditional upon board approval for the master grant pledge. Once this approval is given, the funding for the Salina project will be fully covered.

The Director of Development from the Metropolitan Topeka Airport Authority discussed

appropriations previously enacted. Additional information was provided on a signed letter of intent with developers regarding groundbreaking for an MRO hangar in spring 2026 and plans to complete the project within a year of groundbreaking. A representative from WSU also provided a report on the MRO hangars in Wichita, WSU's ongoing efforts to expand cooperation in the search for additional partners, and collaboration with the federal government on various aviation projects.

### **Kansas Office of Early Childhood**

At the January 6 meeting, the Acting Director of the Kansas Office of Early Childhood and the Kansas Office of Early Childhood Transition Director provided an update on the status of setting up the new agency. They stated they were in Phase 2 of the transition, Phase 3 would start in February 2026, and the agency will be fully operational by July 1, 2026. Information was provided regarding the timeline for implementation, the responsibilities of the Transition Director and the Acting Director during the transition process, and an outline of which programs will be moving from other state agencies into the Office of Early Childhood. An initial organizational chart for the agency was also presented. There was discussion between Committee members and the Transition Director about specific positions within the organizational chart.

### **SNAP Error Rate and Administrative Match**

At the January 6 meeting, a representative of the DCF detailed how the One Big Beautiful Bill Act (HR 1, Public Law 119-21) impacts the administrative cost share for SNAP and how the payment error rate impacts the benefit cost share.

Regarding the administrative cost share, HR1 requires states to pay 75 percent of the total cost, beginning October 1, 2026 (federal FY [FFY] 2027). Previously, it was 50/50 with the federal government. In state FY 2027, the agency estimated that the impact will be approximately an additional \$12.1 million SGF needed. For a full year, the agency estimated an additional \$16.4 million SGF will be needed.

Regarding the payment error rates, HR 1 sets progressively higher state match rates of cost share requirements for the benefits paid under the SNAP program. Previously, benefits were 100 percent federal dollars. However, beginning October 1, 2027 (FFY 2028), the bill requires progressively higher state match rates for states with a SNAP payment error rate of 6 percent or greater. The matching rate will be based on the state's choice of either the FFY 2025 or FFY 2026 error rate. The agency representative stated Kansas had an FFY 2025 rate of 9.13 percent as of August 2025; if not reduced, the state's share of SNAP benefits would exceed \$40 million in FFY 2028.

The agency representative indicated that DCF officials are working with a consultant group to help identify how to best improve the state rate. The representative also stated the agency was awarded a \$275,000 grant from the Kansas Health Foundation, in collaboration with the Kansas Hunger Network, to procure additional technology support to help reduce administrative error that contributes to the high payment error rate.

### **South Central Regional Mental Health Hospital Update**

At the January 6 meeting, a KDADS representative provided an update on the South Central Regional Mental Health Hospital. Construction started in February 2025 and is expected to be completed by October 2026. The catchment area for this mental health hospital will be Butler, Cowley, Harvey, Sedgwick, and Sumner counties. The funding for construction and initial operating costs for the facility were appropriated: \$15.0 million SGF in FY 2023–FY 2026, \$26.5 million SGF in FY 2024 to build the 104-bed building, and \$25.0 million, all from federal ARPA funds, for the project.

### **Children's Health Insurance Program Enhancement Request**

At the January 6 meeting, a KDHE representative provided additional detail and explanation of the agency's FY 2027 enhancement request of \$26.0 million SGF for the Children's Health Insurance Program (CHIP).

The agency representative stated that more children remained enrolled in CHIP after the unwinding process was complete than had been

originally estimated, there is a higher utilization of services for CHIP children who remain enrolled, and changes from the Consolidated Appropriations Act of 2023 and a CMS final rule have resulted in more children remaining enrolled in the program. The agency explained that by eliminating lockout periods, the law aims to provide more continuous health care coverage, ensuring children do not lose access to care simply because of short-term income fluctuations.

### **State 911 Board Update**

At the January 6 meeting, the Executive Director for the State 911 Board provided testimony about the organizational transition from being the 911 Council to becoming a state agency. Information was provided about the transition of independent contractors to state employees as well as transferring private funding accounts to the State Treasury. Additional information was provided about contractual extensions granted by procurement to ease transitioning by delaying the request for proposals and contract negotiations. There was discussion between Committee members and the Executive Director about grant distributions and fee apportionment.

### **Sports Wagering Update**

At the January 6 meeting, the Executive Director of the Kansas Lottery provided an update on sports wagering and the status of the Attracting Professional Sports to Kansas (APSTK) Fund. The Executive Director stated that, barring a change in statute, the APSTK Fund will continue in perpetuity for the construction or expansion of a professional sports team's primary facility or other ancillary developments. As of July 1, 2025, the Kansas Lottery had transferred \$26.2 million to the APSTK Fund since the inception of sports wagering in September 2022. The Executive Director further stated that following the Fall 2025 Consensus Revenue Estimate, a transfer of \$21.4 million (including \$13.4 million from sports wagering and \$8.0 million from traditional lottery) to the APSTK Fund is anticipated in FY 2026, and a transfer of \$23.8 million (including \$11.8 million from sports wagering and \$12.0 million from traditional lottery) to the APSTK Fund is estimated for FY 2027. The Kansas Lottery indicated that the legalization of sports wagering in Missouri may have a slight impact on the

amount of sports wagering revenue retained by Kansas for FY 2027.

### **CONCLUSIONS AND RECOMMENDATIONS**

The Committee made no recommendations to the 2026 Legislature, including the House Committee on Appropriations and the Senate Committee on Ways and Means.



# Report of the Capitol Preservation Committee to the 2026 Kansas Legislature

**CHAIRPERSON:** Patrick Zollner

**OTHER MEMBERS:** Senators Chase Blasi and Elaine Bowers; and Representatives Jesse Borjon and Valdenia Winn

**NON-LEGISLATIVE MEMBERS:** Joseph Brentano, Frank Burnam, Anthony Hensley, Will Lawrence, Tyler Coats (substitute member for Carrie Rahfaldt), Cory Sheedy, and Curtis Young

**CHARGE**

## *Review Various Issues Regarding the Capitol*

Pursuant to KSA 75-2269, the responsibilities of the Committee are:

- Approving all proposals for renovation of all areas of the Capitol, the Capitol's Visitor Center, and the grounds surrounding the Capitol to ensure that the historical beauty of the areas are preserved;
- Preserving the proper decor of such areas;
- Assuring that any art or artistic displays are historically accurate and have historic significance;
- Overseeing the location and types of temporary and revolving displays in the Capitol, including the Visitor Center; and
- Overseeing the reconfiguration or redecoration of committee rooms within the Statehouse.

January 2026

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# Capitol Preservation Committee

## ANNUAL REPORT

### Conclusions and Recommendations

The Capitol Preservation Committee approved the following actions:

- The Subcommittee on Committee Room Art Work will meet to compile guidance for artwork in the Statehouse committee rooms and work out further details with interested stakeholders;
- The Subcommittee on the Political Memorabilia Case will work with the donor of the political memorabilia case to develop the design of the case, and the Kansas State Historical Society will approve the items that will be displayed in the case. In addition, the Subcommittee will discuss and develop a plan to potentially move the mural that is located currently in the Governor's Conference Room; and
- The Subcommittee on the 1st Kansas (Colored) Volunteer Regiment Infantry Mural will meet with interested stakeholders to establish a pathway forward for the mural project.

*Proposed Legislation:* None.

### BACKGROUND

The Capitol Preservation Committee (Committee) was created by the Legislature in 2010 to approve renovation proposals in all areas of the Capitol, Capitol Visitor Center, and Capitol grounds to ensure the historical beauty of these areas is preserved, preserve the proper decor of these areas, assure any art or artistic displays are historically accurate and have historic significance, approve the locations and types of temporary displays, and oversee the reconfiguration of committee rooms within the Capitol.

As provided by KSA 75-2269, the Division of Legislative Administrative Services (LAS) is responsible for implementing the recommendations of the Committee.

The Committee is composed of 12 members, with the Governor appointing 3, the President of the Senate and the Speaker of the House each

appointing 2, and the Minority Leaders of the Senate and House each appointing 1.

The Committee's three ex officio members are the Statehouse Architect, Director of the Kansas Arts Commission, and Executive Director of the Kansas State Historical Society.

The Governor has the authority to appoint the chairperson from the Committee's membership. Currently, the Chairperson is the Executive Director of the Kansas State Historical Society.

### COMMITTEE ACTIVITIES

The Committee met on December 18, 2025. In addition, the Subcommittee on Committee Room Art Work (Subcommittee) met prior to the Committee's meeting on December 18. Both meetings occurred in the Docking State Office Building.

## **Meeting of the Subcommittee on Committee Room Art Work**

The Director of the Kansas Arts Commission, chairperson of the Subcommittee, opened discussion regarding artwork in the Statehouse's committee rooms. Other members of the subcommittee were Senator Bowers and the Chief of Staff for the Senate Minority Leader.

The Chairperson stated that it would be ideal to have 15–20 pieces of artwork to consider for placement in the Statehouse's committee rooms curated by a professional curator hired on a temporary contract. The curator would choose from pieces made available by donors that would match the themes and color scheme of the various committee rooms.

A lobbyist and Topeka resident stated that he owns many pieces of artwork made by Kansas artists that he would be willing to provide on permanent loan to display in the committee rooms, with the stipulation that upon his passing, the artworks would revert to his heirs. He also stated there may be others with long-time ties to the Statehouse who would be willing to do the same.

The Chairperson stated the priority committee rooms would be the ones that are used most frequently. There was also discussion that a layout of each committee room is needed and can be provided by the Department of Administration or LAS.

The former Chief of Staff for LAS and the current Director of LAS described the artworks that were previously installed in the Statehouse's committee rooms prior to the Statehouse renovation that began in 2000. Some artworks belonged to committee chairpersons that they took home when they finished their terms. Some artworks, including airplane prints, were purchased by the Legislature in the 1980s and are stored behind the Document Room in the Garden Level of the Statehouse.

The former Chief of Staff for LAS also stated that the Capitol Preservation Committee should be approving any changes to historic walls in the Statehouse—some legislators are moving furniture and making changes that should be approved before they occur.

Senator Bowers noted that there should be documentation of any and all artwork placed in the committee rooms.

The lobbyist and Topeka resident stated that he has a sample contract the Subcommittee could use for loan agreements. The purchase of insurance is also another issue that would need to be discussed. He also stated that putting the word out for artwork loans from the Statehouse lobbyists would be helpful.

The Subcommittee agreed to meet again in 2026 to put together guidance for artwork in the committee rooms in the Statehouse and work out further details.

## **Meeting of the Capitol Preservation Committee**

### *Updates*

#### *Capitol Complex*

The Deputy Secretary of Operations and Director of Facilities and Property Management (Deputy Secretary), Department of Administration, provided various updates about projects occurring in the Capitol Complex:

- The black marks on limestone are naturally occurring algal growth on limestone in wet climates; thus, cleaning the limestone is an on-going task;
- Water stain damage in areas of the Statehouse will be addressed in 2026;
- New panic devices will replace the devices that were installed 15 years ago;
- A leak in the Office of the Revisor of Statutes from the stormwater gutters has been addressed;
- Deteriorating limestone in the Kansas Legislative Research Department's storage room has been addressed;
- Security bollard installation has been completed in the upper drive by the entrance to the Statehouse, and additional

bollards will be completed in early 2026; and

- The Docking Tunnel remodel has been completed and the tunnel will be open Monday–Friday, 8:00 a.m.–5:00 p.m., but it will require card access after hours and on the weekend. Additional wayfinding signs and a plaque explaining the inspiration of the lighting feature will be installed.

The Deputy Secretary identified a future project, to work with Kansas State Historical Society staff to identify exterior wood windows on the Statehouse that need to be repainted, based on budget and weather issues.

#### *Father Kapaun Statue*

Senator Blasi provided an update on the Father Kapaun statue and said that \$109,000 has been raised for the statue since July 2024. A sculptor from Colorado has been selected; the sculptor’s previous works include the statues of John L. “Jack” Swigert, Jr. that is located currently in the U.S. Capitol’s Capitol Visitor Center, and Amelia Earhart that is located currently in the U.S. Capitol’s National Statuary Hall.

The goal is to raise \$220,000. The ongoing goal is to continue to raise more funds before the sculptor begins the project. The statue will be located on the second floor of the Statehouse, and structural drawings have been shared to ensure the Statehouse structure can support the weight of the statue.

#### *Political Memorabilia Case*

The lobbyist and Topeka resident (donor) reported on the progress made on the political memorabilia case that was previously approved by the Committee to be installed in the Statehouse’s Visitor Center.

The donor reported that he has contacted the woodworker who installed the woodwork in the Statehouse during the renovation, and the vendor has agreed to use matching wood (pecan) for the case.

He asked the Committee for some direction on the appearance and price point for the case. After the Committee discussed various ideas with the donor, it was decided that a subcommittee should be created to work with the donor and approve the final proposal for the case.

The Subcommittee will consist of the Chairperson, the Deputy Secretary, Senator Bowers, and a former legislator/current Committee member. The Subcommittee will work with the donor to develop the design of the case, and the Kansas State Historical Society will approve the items that will be displayed in the case.

#### ***Old Business***

##### *1st Kansas (Colored) Voluntary Infantry Regiment Mural*

Representative Winn, Chairperson, Subcommittee on the 1st Kansas (Colored) Voluntary Regiment Mural, stated the request-for-interest document that had been distributed and also posted on the Kansas State Historical Society’s website should be sent out and posted again. She identified a Kansas Court of Appeals judge and Kansas City, Kansas, native who is interested in assisting with identifying potential donors for the mural.

Senator Bowers introduced Senator Klemp, who represents the Leavenworth area. Senator Klemp introduced a certified storyteller and ancestor of an original Buffalo Soldier who discussed the regiment’s history. He also discussed his role as chairperson of a foundation that is working on building a museum on western migration. He stated his intention to promote the mural.

The Committee discussed the potential location of the mural on the fourth floor of the Statehouse. It was noted that enacted 2023 SB 39 lays the groundwork for fundraising and payment for the mural.

Representative Winn expressed a desire for the Subcommittee to meet in January with interested stakeholders to establish a pathway forward for the mural project.

### *Fallen Workers Memorial*

The Chairperson provided an update on the previously approved Fallen Workers Memorial in the Visitor Center and stated funding for the bronze plaque has been secured. It is anticipated that installation may begin at the end of January 2026.

### *Governor's Conference Room Mural*

Committee members requested to have further discussion about the location of the Governor's Conference Room mural that the Committee has previously discussed.

The Dennis Schiel mural consists of ten pieces and took 2,300 hours to complete. It is not visited during Statehouse tours because it is available to be viewed only if the conference room is not in use and if visitors are aware of it.

The Committee members discussed the possibilities of moving the mural to a space more readily available to the public. The west wing of the first floor of the Statehouse, opposite of the Suffragist Mural, by the miniature model of the Liberty Bell was suggested.

The Committee recommended the Subcommittee on the Political Memorabilia Case discuss and develop a plan to potentially move the mural.

### *Docking State Office Building Tour*

The Committee and Committee staff received a tour of the newly renovated Docking State Office Building by the Deputy Secretary.

## **CONCLUSIONS AND RECOMMENDATIONS**

The Committee approved the following actions:

- The Subcommittee on Committee Room Art Work will meet to compile guidance for artwork in the Statehouse committee rooms and work out further details with interested stakeholders;
- The Subcommittee on the Political Memorabilia Case will work with the donor of the political memorabilia case to develop the design of the case, and the Kansas State Historical Society will approve the items that will be displayed in the case. In addition, the Subcommittee will discuss and develop a plan to potentially move the mural that is located currently in the Governor's Conference Room; and
- The Subcommittee on the 1st Kansas (Colored) Volunteer Regiment Infantry Mural will meet with interested stakeholders to establish a pathway forward for the mural project.

# Report of the Health Care Stabilization Fund Oversight Committee to the 2026 Kansas Legislature

**CHAIRPERSON:** Marvin Kleeb

**OTHER MEMBERS:** Senators Chase Blasi and Cindy Holscher; and Representatives Will Carpenter and Henry Helgersen

**NON-LEGISLATIVE MEMBERS:** Craig Concannon, M.D.; Darrell Conrade; Dennis George; Douglas Gleason, M.D.; James Rider, D.O.; and Jerry Slaughter

**CHARGE**

*Review the Status of the Health Care Stabilization Fund*

This Committee annually reviews the operation of the Health Care Stabilization Fund, reports, and makes recommendations regarding the financial status of the Fund.



# Health Care Stabilization Fund Oversight Committee

## ANNUAL REPORT

### Conclusions and Recommendations

The Health Care Stabilization Fund Oversight Committee (Committee) considered two items central to its statutory charge: whether the Committee should continue its work and whether a second, independent analysis of the Health Care Stabilization Fund (HCSF or Fund) is necessary. The Committee continues in its belief that it serves a vital role as a link between the HCSF Board of Governors, health care providers, and the Legislature, and should be continued. Additionally, the Committee recognizes the important role and function of the HCSF in providing stability in the professional liability insurance marketplace, which allows for more affordable coverage to health care providers in Kansas. The Committee is satisfied with the actuarial analysis presented and does not request a second independent review.

The Committee considered information presented by the HCSF Board of Governors' representatives, including its statutorily required report, the Board's actuary, and health care provider and insurance company representatives and other interested parties. The Committee acknowledges its role to provide oversight and monitoring of the HCSF, including legislative actions and other contemporary issues affecting the soundness of the HCSF, and makes the following recommendations and comments:

- **Fund revenue.** The Committee recognizes both the statutory requirements of the Health Care Provider Insurance Availability Act (HCPIAA) governing the investment and reinvestment of HCSF moneys in accordance with Pooled Money Investment Board investment policies and the ongoing climate affecting the investment yield of the Fund. The Committee recommends that a bill enabling the HCSF to use a variety of investment procedures be introduced and considered by the Legislature.
- **Advanced practice registered nurses as defined health care providers.** The Committee recommends legislation be introduced to add advanced practice registered nurses (APRNs) as defined health care providers for the HCSF and to provide protection to APRNs under the HCSF. (Some APRNs, such as registered nurse anesthetists and certified nurse midwives, have previously sought this protection and are now included in this definition.) The Committee recognizes law enacted in 2022 (Senate Sub. for HB 2279) allowed an APRN to prescribe drugs without a written protocol as authorized by a responsible physician and required an APRN to maintain medical malpractice insurance. [Note: This requirement is part of the Kansas Nurse Practice Act, as amended, which does not specify the level of coverage that must be maintained.]
- **Fund to be held in trust.** The Committee recommends the following language to the Legislative Coordinating Council, Legislature, and the Governor regarding the HCSF:
  - The Health Care Stabilization Fund Oversight Committee continues to be concerned about and is opposed to any transfer of money from the HCSF to the State General Fund (SGF). The HCSF provides Kansas doctors, hospitals, and the defined health care providers with individual professional liability coverage.

The HCSF is funded by payments made by or on behalf of each individual health care provider. Those payments made to the HCSF by health care providers are not a fee. The State shares no responsibility for the liabilities of the HCSF (excepting University of Kansas faculty and resident self-insurance programs reimbursement). Furthermore, as set forth in the HCPIAA, the HCSF is required to be “held in trust in the state treasury and accounted for separately from other state funds”; and

- Further, this Committee believes the following to be true: all surcharge payments, reimbursements, and other receipts made payable to the HCSF shall be credited to the HCSF. At the end of any fiscal year, all unexpended and unencumbered moneys in such HCSF shall remain therein and not be credited to or transferred to the SGF or to any other fund.

**Proposed Legislation:** None.

## BACKGROUND

The Health Care Stabilization Fund Oversight Committee (Committee) was created by the 1989 Legislature and is described in KSA 40-3403b. The 11-member Committee consists of 4 legislators, 4 health care providers, 1 insurance industry representative, 1 person from the general public with no affiliation with health care providers or the insurance industry, and the Chairperson of the Health Care Stabilization Fund (HCSF or Fund) Board of Governors (Board) or another member of the Board designated by the Chairperson.

The law charges the Committee to report its activities to the Legislative Coordinating Council and to make recommendations to the Legislature regarding the HCSF.

The Committee met November 18, 2025, in the Statehouse.

## COMMITTEE ACTIVITIES

### Report of Willis Towers Watson

#### *Fund Position and Forecasts*

The Willis Towers Watson actuarial report is based on the actuarial review of Fund experience as of December 31, 2024, and serves as an addendum to the report provided to the HCSF Board of Governors on September 30, 2025. The actuary addressed forecasts of the HCSF’s financial position at June 30, 2025, and June 30, 2026, along with the company’s 2024 estimate for

June 2025. In the 2024 review, the estimate of HCSF-held assets as of June 30, 2025, was \$259.03 million, with liabilities of \$235.63 million, and with \$23.41 million in unassigned reserves.

The actuary presented the following estimates for the company’s 2025 study:

- June 30, 2025: \$259.61 million in assets, \$234.30 million in liabilities, and \$25.31 million in unassigned reserves; and
- June 30, 2026: \$251.67 million in assets, \$227.20 million in liabilities, and \$24.47 million in unassigned reserves.

The actuary reviewed a material decrease in Fund revenue resulting from legislative changes. In 2014, a legislative change brought many new classes of providers into the Fund. In 2021, a legislative change that became effective in 2022 reduced the HCSF’s coverage by changing the amount the primary carriers cover from \$200,000 to \$500,000 before the HCSF is responsible. Based on this analysis, the company determined the HCSF needed to raise its surcharge rates by 8.7 percent in calendar year (CY) 2026 in order to maintain its unassigned reserves at the expected year-end CY 2025 level (approximately \$25 million).

#### *Rate Level (Surcharge) Indications*

The actuary also reviewed the HCSF’s (premium surcharge) rate level indications for CY 2026, noting the indications assume a break-even

target between revenues and expenses. He detailed various CY 2026 items, including payments, with settlement and defense costs of \$31.36 million; change in liabilities (due to referenced change in HCSF law) of \$5.05 million (negative); administrative expenses of \$2.58 million; and transfers of \$1.0 million (assumes \$800,000 to the Health Care Provider Availability Plan [Availability Plan] and \$200,000 to the Kansas Department of Health and Environment). The actuary indicated the net operating cost for the HCSF in CY 2026 is an estimated \$29.89 million. He further noted the HCSF has two sources of revenue: its investment income (assumed to be \$6.53 million based on 2.60 percent yield) and surcharge payments from providers (\$23.35 million needed to break even). With the projected surcharge revenue (\$21.47 million), this translates to a positive rate level indication for CY 2026 (8.7 percent).

**Historical review and comment.** The actuary addressed surcharge revenue and claims costs from 1999 through projected 2026 (based on estimates as of December 31, 2024). The actuary highlighted the significant decrease in revenue from 2021 to 2022, which reflects the change in 2021 to the Health Care Provider Insurance Availability Act (HCPIAA) reducing coverage requirements on the HCSF. In CY 2021, the HCSF was responsible for paying amounts for the layer of claims from \$200,000 per claim for most providers up to \$1.0 million per claim and \$800,000 worth of coverage. Beginning in CY 2022, the coverage option changed to \$500,000 of coverage, with the primary market responsible for \$0 to \$500,000, and the HCSF picking up from \$500,000 to \$1.0 million. The actuary noted the Fund will continue to see reductions over the next immediate years as the inventory of claims under the prior coverage limits wear off and the HCSF, under the limits as amended in 2021, will be responsible for paying only the excess of \$500,000, instead of the excess of \$200,000.

### ***Investment Yield***

The actuary reviewed the HCSF's investment income over the previous 12 fiscal years, noting the highest level of yield during this time was in 2014 and, from FY 2022 through FY 2024, that yield had been less than 2.5 percent before increasing to 2.6 percent in 2025. He indicated the assumed yield rate for next year will be 2.60

percent, unchanged from the assumed future yield rate of 2.6 percent from the 2024 study. [*Note:* Testimony also indicated a 10-basis-point change in the assumed rate would cause a 1.3 percent decrease in the CY 2026 surcharge rate indication.]

### ***Transfers to the Availability Plan***

The actuary reported on transfers to the Availability Plan over the past seven years. The actuary noted the HCSF's revenue is decreasing due to changes in the law in 2021 and significant transfers made. The actuary noted that the transfer to the Availability Plan in 2025 was \$3.87 million, representing 18.0 percent of the HCSF's revenue. The actuary indicated there will be another transfer to the Availability Plan in FY 2026 of approximately \$600,000, resulting in eight consecutive years in which transfers have been made from the HCSF to the Availability Plan. This anticipated transfer will need to be built into the rate analysis for the HCSF, so the cost is being built into the rate indications. The report indicates an assumed \$800,000 transfer to the Availability Plan in CY 2026, an increase from the \$100,000 noted in the 2024 study.

### ***Indications by Provider Class; Loss Experience***

The actuary provided an overview of rate indications by provider class, defining classes 1-30 and providing the number of providers and the CY 2025 rate for each class. The actuary noted, based on the company's analysis of experience by provider class, differences continue to be seen in relative loss experience among the classes. Classes with decreases greater than 15.0 percent or increases greater than 10.0 percent (meaning a rate decrease or increase is indicated by relative loss experience for the class) include:

- Decreases greater than 15.0 percent (greatest to least decrease): Class 2 (physicians, no surgery); Class 6 (surgery specialty, includes emergency room [ER] [no major] and ear, nose, throat [ENT]); Class 24 (nursing facilities); Class 13 (registered nurse anesthetists); Class 4 (family practitioners, including minor surgery and obstetrics); Class 16 (professional corporations, partnerships); Class 23 (assisted living and residential

health care facilities); and Class 7 (anesthesiology); and

- Increases greater than 10.0 percent (least to greatest increase): Class 22 (nurse midwives); Class 3 (physicians, minor surgery); Class 1 (physicians, no surgery, includes dermatology, pathology, and psychiatry); Class 5 (surgery specialty, includes urology, colon/rectal, general practitioner with major); and Class 17 (medical care facilities).

**Class 17 comment.** The actuary highlighted a concern with rate indications for Class 17. Looking to the analysis by relative loss experience, Class 17 providers paid 14.0 percent of the total surcharge for the period of 2017-2023 but represented 25.0 percent of the reported losses during that time.

**CY 2025 surcharge rates.** The actuary also provided a history of surcharge rate changes since 2013, noting the reduction in CY 2022, which corresponds to the 2021 amendments (providers receiving less coverage from the HCSF). In addition, there were no changes in the CY 2023 and CY 2024 surcharge rates. For CY 2025, the Board of Governors increased rates for 15 classes, decreased rates for 2 classes, and made no rate changes for 7 classes, with an overall impact of these selected changes of a 3.5 percent change in rate level. Addressing the CY 2026 surcharge rates, the actuary noted the company provided several options to the Board of Governors to consider in establishing HCSF rates. It was noted that all of these options included an overall rate increase and an increase to Class 17. The Board decided on the following rate changes for CY 2026:

- Rate increases on 10 classes, ranging from a positive 3.0 percent (Classes 8-11) to a positive 9.8 percent (Class 17);
- Rate decreases of approximately 2.0 percent for Classes 2, 6, 13, and 24; and
- No change in rates for 10 classes.

[*Note:* The estimated net overall impact of these selected changes is a rate level increase of 3.1 percent.]

### **Discussion**

**CY 2024 observations.** The actuary characterized the CY 2024 experience for the HCSF as mixed. He pointed to positive and negative indications for the year: payment activity was high; loss performance on active providers was worse than expected, particularly on defense costs; loss performance on inactive providers was better than expected; investment results were better than in CY 2023; the transfer to the Availability Plan was very high; and the relative rate inadequacy for hospitals remained high (+31.0 percent), although it is down from the peak two years prior (+61.0 percent). The actuary concluded, given these indications, the HCSF's net financial position at June 30, 2025, is \$1.9 million higher than the level previously forecast in the company's 2024 study. The actuary noted four areas of concern going into CY 2026: the overall rate inadequacy is "creeping up"; the rate inadequacy for the hospitals remains very high (how much the hospitals are paying relative to the claims costs those facilities are experiencing); investment returns continue to be lackluster; and payments from the Fund to the Availability Plan have occurred for seven consecutive years.

### **Stabilization mechanisms in other states.**

The actuary provided an update to his comments last year to the Committee on the state of New Mexico's program to address health care provider liability and patient compensation (New Mexico Patient's Compensation Fund). He provided updated numbers of the New Mexico fund, reporting the assets at year-end 2024 were \$308.0 million, but liabilities were \$342.0 million. The actuary reported, of the \$308.0 million in assets, \$98.0 million was funds appropriated by the New Mexico Legislature from state general fund (SGF) taxpayer moneys to help address the shortfall in the Patient's Compensation Fund. Absent the \$98.0 million in SGF, the Patient's Compensation Fund would have been underfunded by \$132.0 million.

The actuary indicated other states with funds similar to the Kansas Fund have had to use taxpayer moneys to help address their financial shortfalls. However, the actuary noted the HCSF

has never been in that position since the actuary's involvement, and such need is not anticipated in the next one to two years.

**Committee discussion.** Committee members, the actuary, and Board of Governors' representatives discussed the disparities in surcharge rates for the different rate classes. The actuary has assisted the Board of Governors in analyzing different scenarios in an effort to gradually eliminate the disparities in class surcharges and avoid shocking one class with a substantial rate increase. The actuary noted the 3.1 percent increase in the CY 2026 surcharge rates would generate between \$600,000 and \$700,000 in additional revenue to the HCSF.

### *Comments*

In addition to the report from the Board of Governors' actuary, the Committee received information from Committee staff detailing resource materials provided for consideration, including the Committee's report to the 2025 Legislature that was submitted to the Legislative Coordinating Council and to the Legislature as required by statute, the budget summary of the Kansas Legislative Research Department regarding the approved budgets for the HCSF Board of Governors for FY 2025 and FY 2026, and a comprehensive reference copy of the statutes that comprise the HCPIAA.

Committee staff also provided an update on relevant health care professional or facility legislation that was considered or passed during the 2025 Session. An Assistant Revisor of Statutes with the Office of Revisor of Statutes highlighted five relevant bills:

- Sub. for SB 29, which became law after the Governor's veto was overridden, removes the authority of public health officers to prohibit public gatherings to control infectious or contagious diseases and prohibits a local health officer or the Secretary of Health and Environment from ordering law enforcement to assist in the execution of orders related to isolation, quarantine, or treatment for infectious or contagious diseases;

- SB 63, which became law after the Governor's veto was overridden, enacts the Help Not Harm Act with relevant provisions that prohibit health care providers from performing certain surgeries and prescribing certain drugs to children as treatment for a child's gender dysphoria. The bill provides for the revocation of a provider's license for violation of the act, holds a provider who provides the prohibited treatment strictly liable for harms to a child, and grants a cause of action to parents of a child who receives such prohibited treatment. The bill also prohibits professional liability insurance policies issued to health care providers from covering damages assessed against provider claims that result from prohibited treatments;
- Sub. for SB 67, which became law, authorized certified registered nurse anesthetist prescribing authority;
- SB 250, which became law without the Governor's signature, enacts the Right to Try for Individualized Treatments Act to allow a manufacturer to make an individualized treatment available to individuals with life-threatening or severely debilitating illnesses and does not create a private cause of action for harm caused by a covered drug, product, or device if the provider acted in good faith with reasonable care; and
- HB 2039, which became law, adds maternity centers to the definition of "healthcare provider" in HCSF statutes, allowing maternity centers to access the Availability Plan; excludes certain entities from the definition of "home health agency"; and amends emergency medical provider statutes to clarify the authorized activities of certain emergency medical services personnel and to address the operation and staffing of certain ambulance services).

## Legal Counsel's Update

The Legal Counsel for the Board of Governors addressed the FY 2025 medical professional liability experience based on all claims resolved in FY 2025, including judgments and settlements. He indicated there were more claims than in FY 2024 but a lower HCSF obligation.

### *Jury Verdicts and Settlements*

Using HCSF data, the Legal Counsel stated 17 medical malpractice cases, involving a total of 21 Kansas health care providers, were tried to juries during FY 2025. The trials were held in the following jurisdictions: Johnson County (5); Sedgwick County (5); Shawnee County (2); Wyandotte County (2); Dickinson County (1); and Clay County, Missouri (2). Of these cases, 14 resulted in defense verdicts, 2 cases resulted in plaintiff verdicts, and 1 case ended in a hung jury.

The Legal Counsel highlighted the claims settled by the HCSF, noting in FY 2025, 95 claims in 68 cases were settled involving HCSF moneys. He reported the settlement amounts incurred by the HCSF for FY 2025 totaled \$27,743,947. This amount does not include settlement contributions by primary or excess insurance carriers. The settlement amounts are payments made, or to be made, by the HCSF in excess of primary coverage or on behalf of inactive health care providers. He stated the settlement average in FY 2025 was \$292,041.55 per HCSF claim.

The Legal Counsel reported, for the 95 claims, primary insurance carriers tendered their policy limits to the HCSF in 74 claims and the HCSF provided primary coverage for inactive health care providers in 6 claims. He reported that for the claims involving HCSF moneys, the HCSF incurred \$27,743,947 in settlement amounts; in addition, the primary insurance carriers contributed \$37,010,314 and the excess insurance carriers contributed \$15,200,000, for a total settlement amount of \$79,954,261. The Legal Counsel also reported, in addition to the 95 settlements, 8 claims were settled by an excess insurance carrier when both the primary and HCSF coverage were exhausted. He indicated there were four or five cases involving birth injuries, which can be larger claims due to future care needs and involve excess insurance coverage.

The Legal Counsel also provided historical information on new cases by fiscal year, noting 236 new cases during FY 2025. There were 285 new cases in FY 2024.

**Committee discussion.** The Legal Counsel addressed questions regarding the plaintiffs' verdicts. One was a nursing home case in Clay County, Missouri, that did not reach the HCSF's level. The second case was in Johnson County involving a verdict of approximately \$5.7 million, that is still with the court. He indicated there may be additional cases that go to trial in Johnson County and Wyandotte County. He noted Missouri has been more plaintiff-friendly. He confirmed this is the first year in which primary carrier payments exceeded HCSF payments, which he attributed to the legislation effective in 2022 that increased the claim amount primary carriers are required to cover before the HCSF is responsible. He agreed there is more motivation for primary carriers to defend cases due to the higher primary limits.

### *Self-insurance Programs*

The Legal Counsel also addressed the self-insurance programs and reimbursement that provide basic liability coverage for the University of Kansas (KU) Foundations and Faculty program and residents. (As directed by statute, the HCSF administers these programs and handles the claims for first-dollar coverage.) He reported the FY 2025 KU Foundations and Faculty program incurred \$3,372,801 in attorney fees expenses and settlements; \$500,000 came from the Private Practice Reserve Fund and \$2,872,801 came from the SGF. The Legal Counsel noted the largest reason for the increase from FY 2024 program costs was settlement amounts. He reported the increase in claims and settlements was predicted and expected. The number of settlements increased from six in FY 2024 to ten in FY 2025. He further explained that while the settlement amounts increased from FY 2024 to 2025, overall attorney fees and expenses decreased due to larger settlement amounts associated with those cases.

In regard to the self-insurance programs for the KU/Wichita Center for Graduate Medical Education (WCGME) residents programs, including the Smoky Hill residents in Salina, the total amount for FY 2025 was \$2,490,530. The Legal Counsel commented that the program costs for the residents' self-insurance program increased

in FY 2025, with five settlements, some of which were larger cases. He predicted settlements for FY 2026 would be similar to those in FY 2025. He noted the number of faculty and residents at KU continues to grow each year, which may bring additional and potentially larger cases in the future. [Note: All expenses—settlement amounts and attorney fees and expenses—are reimbursed from the SGF.]

The Legal Counsel provided a list of historical expenditures by fiscal year for the KU Foundations and Faculty program and the residents in training since FY 2016. He reported the ten-year average cost for the KU Foundations and Faculty program is approximately \$2.3 million a year. He noted the FY 2025 expenditures of \$3,372,801, with \$1.9 million in payment of claims and \$1.3 million in expenses and attorney fees, were higher than for FY 2024 and above the ten-year average. He reported the ten-year average residents-in-training program cost is about \$1.1 million a year. The expenditures for FY 2025 were \$2,490,530, with \$1,750,000 in claims payments and \$740,530 in expenses. The Legal Counsel noted more claims involved multiple residents in bigger cases, which can be expensive to defend.

The Legal Counsel noted the increase in faculty meeting the criteria for participation in the self-insurance program (652 in FY 2016 and 1,191 in FY 2025). He noted that when the program was created, it was believed the intent was to cover full-time faculty who were employed by the KU Medical Center and who were actually supervising residents. He stated, most of the faculty do not supervise residents but have a voluntary faculty appointment and are not employed by the KU Medical Center; instead, they are employed by a private practice foundation and are rendering clinical services. He reminded the Committee that the Private Practice Reserve Fund reimburses the first \$500,000 with SGF moneys.

The Legal Counsel also provided information about moneys paid by the HCSF as an excess carrier. He noted excess coverage claims involving residents in training in FY 2025 totaled \$750,000. Moneys paid for claims involving full-time faculty members in FY 2025 totaled \$525,000 from the HCSF excess coverage.

## Board of Governors' Statutory Report

The Executive Director of the HCSF Board provided a brief history of the HCPIAA, noting that when this law was enacted in 1976, it had three main functions: a requirement that all health care providers, as defined in KSA 40-3401, maintain professional liability insurance coverage; creation of a joint underwriting association, the Availability Plan, to provide professional liability coverage for those health care providers who cannot purchase coverage in the commercial insurance market; and creation of the HCSF to provide excess coverage above the primary coverage purchased by the health care providers and to serve as reinsurer of the Availability Plan.

The Executive Director provided the Board of Governors' report, as required by KSA 40-3403(b)(1)(C), issued on October 1, 2025. The FY 2025 report indicated:

- Net premium surcharge revenue amounted to \$21,464,460. The highest surcharge rate for a health care professional was \$10,606 for coverage of \$500,000 per claim/ \$1.5 million annual aggregate limit. Application of the 30.0 percent Missouri modification factor for a Kansas resident neurosurgeon licensed to practice in Missouri would result in a total premium surcharge of \$13,788 for this health care practitioner; the lowest surcharge rate for a health care provider was \$200 (primarily used by a non-resident provider providing minimum health care services in Kansas);
- The average HCSF compensation per settlement (79 cases involving 95 claims were settled in FY 2025) was \$333,357; these settlements resulted in a total HCSF obligation of \$31,668,947 (These amounts are in addition to compensation paid by primary insurance carriers.); and
- The balance sheet, as of June 30, 2025, indicated total assets of \$262,725,076 and total liabilities of \$248,478,874.

### ***Health Care Provider Insurance Availability Plan***

The Executive Director's presentation also included an update on the Availability Plan. He reported 415 plan participants as of October 27, 2025. The Executive Director noted the Plan's purpose and reported that individual providers pay about 33.0 percent more in premiums for basic coverage than if insured by a commercial insurance company and also must pay a higher HCSF surcharge. He also discussed the HCSF's role as the reinsurer to the Plan, noting in years (including FY 2025) when the Plan's losses exceed income, the HCSF is required by law to transfer the net loss to the Availability Plan. For FY 2025, the HCSF will transfer \$602,574.

### ***HCSF Investments***

The Executive Director discussed HCSF investments, noting a request from a Committee member for information regarding the Board of Governors' investments, policies, and statutes the Board of Governors is required to follow. He stated that information was provided to the Committee members and the Office of Revisor of Statutes, along with information from the President and Chief Executive Officer (CEO) of the Kansas Medical Mutual Insurance Company (KAMMCO). The information was to be used to prepare a bill to give the Board of Governors additional investment options without mandating additional types of investments. The goal is to try to increase the yield in a safe manner consistent with the mission of the Board of Governors. He noted the Executive Director and Chief Investment Officer of the Pooled Money Investment Board (PMIB) was also consulted.

### ***Discussion***

Committee members and the Executive Director discussed increasing the investment yield for the HCSF. A Committee member indicated he has requested a bill draft for the 2026 Legislative Session to provide investment options. Committee members discussed the introduction of the bill through an exempt legislative committee, such as the House Committee on Appropriations, and seeking referral to the House Committee on Health and Human Services for a hearing.

The Assistant Revisor noted the Committee's recommendation to the 2025 Legislature was to allow the HCSF to invest in a manner similar to an insurance company, for which requirements would be in *Kansas Statutes Annotated* Chapter 40, Article 2A, *et seq.*

The Executive Director indicated the PMIB has been involved in the bill drafting discussions and provided suggestions. He noted there are six investment opportunities the HCSF may invest in and described three of the categories: direct obligations insured by the United States, corporate bonds that do not exceed 11 years in maturity and are rated in one of the two highest credit rating categories, and commercial paper that does not exceed 270 days. The Executive Director did not believe the Board of Governors was opposed to expanding the investment list if it provides opportunities but does not mandate certain investments.

A Committee member indicated, in his discussions, committees have not been prone to changing the investment types because of risk to the SGF.

In a discussion regarding the laddering of investments, the Executive Director confirmed that the yield on investments, excluding bonds and Treasury notes, averaged 4.18 percent.

### ***Medical Malpractice Insurance Marketplace; Availability Plan Update***

The President and CEO of KAMMCO reviewed the current status of the medical malpractice marketplace in Kansas and the Availability Plan.

### ***Health Care Provider Insurance Availability Plan; Market Conditions***

The KAMMCO CEO addressed several aspects of the Availability Plan and its current participants. He referenced the "Total Plan Insureds" in his written testimony, noting as of October 2025, 415 providers were in the Plan. He noted there were 430 participants in 2010, the number declined to a low of 277 defined health care providers in 2020, and the number climbed again in 2021. The KAMMCO CEO explained the trend over time is the direct result of what the industry calls a "soft market cycle" or a "hard

market cycle.” He noted in the past four to six years, the market has been in a hardening cycle, when underwriting requirements tighten and prices increase. When the market hardens or becomes more restrictive, more health care providers turn to the Availability Plan.

The KAMMCO CEO noted 60 long-term-care facilities are generating a frequency of claims that is unacceptable to the regular market and have turned to the Plan. He noted the Plan is the insurer of last resort. The Plan does not have the option to select the risks, but it has to insure the health care providers the rest of the industry will not insure. He discussed the nature of the claims in the past couple of years that has created the losses. He noted much of the recent rise in health care providers insured by the Plan comes from the market conditions for adult long-term-care facilities, a likely result of conditions brought on by the COVID-19 pandemic.

**Adult care homes.** The KAMMCO CEO indicated, of the 415 health care providers in the Availability Plan, 60 are long-term-care facilities. Recent plan participation data shows:

- Plan Year 2019: 8 insured facilities;
- 2020: 20 insured facilities;
- 2021: 49 insured facilities;
- 2022: 58 insured facilities;
- 2023: 54 insured facilities;
- 2024: 59 insured facilities; and
- 2025: 60 insured facilities.

The KAMMCO CEO noted the Availability Plan has experienced a significant increase in adult-care-facility claims in the past few years. For example, in CYs 2018 and 2019, the Plan had one reported adult care facility claim each year. The number of reported Availability Plan adult-care-facility claims increased to 11 in CY 2020 (Plan year 2020-21) and nearly doubled again with 19 of the total 24 Availability Plan claims reported in CY 2023 involving adult-care facilities. This increase in claims has resulted in financial losses to the Availability Plan, which are funded by the Fund and all health care providers in the state. He noted, in CY 2025, the frequency of adult-care-facility claims has returned to normal level, with 10 of the total 15 Plan claims reported involving adult-care facilities. He indicated this is what is

driving the losses to the Plan, which are accrued losses that have not yet been paid. He explained the Availability Plan has its own actuaries who help set up reserves, just like the HCSF has, based on estimated amounts to be paid on filed claims over the course of the next few years.

In response to questions from Committee members, the KAMMCO CEO explained that all health care providers were under stress during the COVID-19 pandemic, particularly adult-care facilities. The adult-care facilities struggle financially and with staffing for direct care and management, which creates the potential for risk. This struggle has occurred nationally. He stated the issue is not a direct result of COVID-19 claims but is a result of the COVID-19 environment. He anticipates the effects of the COVID-19 environment will normalize in the next couple of years. He indicated that staffing has always been a problem in the adult-care-facility environment, but he hoped it would reset to a more normalized trend. He noted he was not aware of legislation to address the long-term-care facilities’ exposure to risk.

### ***Claims Environment; Firming Conditions***

The KAMMCO CEO addressed the current environment for the insurance industry, noting underwriting losses since 2014 after more than a decade of profitable underwriting results. He noted various factors contributing to the underwriting losses experienced by the insurance industry that include, but are not limited to, increasing claim severity; an increase in the frequency of “mega verdicts” (verdicts exceeding \$10.0 million); a steep increase in attorney advertising; tightening terms and increasing rates for reinsurance programs; and inadequacy of primary insurer rates due to a consolidating health care market creating greater competition for the remaining business opportunities.

**Cap on non-economic damages.** Speaking to Kansas-specific challenges, the KAMMCO CEO noted the continued uncertainty surrounding the cap on non-economic damages resulting from the Kansas Supreme Court opinion in *Hilburn v. Enerpipe Ltd.* (2019), and whether *Miller v. Johnson* (2012) remains the persuasive precedent for maintaining the cap in medical professional liability cases. He noted the need for a case to go

through the Kansas Supreme Court to clarify the *Hilburn* decision.

The KAMMCO CEO noted the June 2025 \$5.7 million Johnson County jury award against a mental health counselor, an emergency medicine advanced practice registered nurse (APRN), and the hospital at which they worked, Advent Health. He noted the case and its potential appeal in the Kansas Court of Appeals and the Kansas Supreme Court raises timely topics that could affect the health care liability market in Kansas. The issues noted include whether the cap on non-economic damages in personal injury actions applies to medical malpractice actions, whether that cap applies to “survival actions” (actions filed by the estate of a deceased person), whether the cap on non-economic damages in wrongful death actions should be overruled, and how these issues are affected by certain categories of APRNs not being included as defined health care providers in the HCSF despite their expanded role in direct patient care.

**APRN malpractice insurance coverage.** The KAMMCO CEO noted the expansion of the APRN scope of practice enacted during the 2022 Legislative Session, which requires APRNs to maintain malpractice insurance coverage as a condition of practicing in Kansas and provide proof of such coverage at the time of licensure and renewal of a license. He stated the malpractice insurance requirement did not include APRNs as a defined health care provider eligible under the HCPIAA or allow for coverage in the HCSF.

The KAMMCO CEO stated the results of a KAMMCO ten-year study on claims against APRNs prior to the 2022 legislation found very few claims against APRNs. He reported that today, the frequency of claims filed against APRNs per population of those providers is about the same as for KAMMCO-insured physicians and surgeons. He noted the severity of those APRN claims (the amount professional liability insurance carriers must pay in judgments or settlements) is about the same as for physicians and surgeons. The KAMMCO CEO indicated those findings are also echoed in a national study by the Medical Professional Liability Association. He noted the goal of the HCSF is to protect patients and providers and create a reasonable environment for

the delivery of care; however, APRNs are not benefiting from the same level of protection.

In response to questions from Committee members, the KAMMCO CEO explained that the addition of APRNs would not have a detrimental effect on the HCSF because the HCSF collects an adequate surcharge from providers to match with claims experience. APRNs with which he has had a discussion have been opposed to joining the HCSF due to a lack of understanding of the construct and structure of the HCSF and the protections it provides. He indicated he believed APRNs would want to be included in the HCSF if they understood its benefit.

A Committee member noted some APRNs, such as nurse midwives and nurse anesthetists, are in the HCSF. The member stated APRNs were given the authority to prescribe drugs without a physician protocol in 2022, but the Legislature did not address adding APRNs to the HCSF. The member stated the issue should be addressed by the Legislature.

The KAMMCO CEO clarified that the APRNs who are not in the HCSF are mandated by statute to maintain malpractice insurance. However, there is no statutory requirement for the amount of coverage or where the policy is purchased. He noted any claim would be paid by the insurance company from whom the APRN purchased coverage and would be subject to the policy limit. He stated that the provider or the provider’s employer will be responsible for the amounts over the coverage limit because of vicarious liability.

The KAMMCO CEO explained that, at KAMMCO, APRNs are insured through either hospitals or large physician clinic employers. KAMMCO issues an additional insured endorsement that covers these employers’ non-defined health care providers, such as APRNs. These policies cover only the non-defined health care providers at the employer’s place of business and does not follow these providers.

In response to a Committee member’s comment regarding coverage for independent APRNs, many of whom are in rural parts of the state, the KAMMCO CEO indicated being part of the HCSF would benefit both the APRNs and their patients.

**Primary malpractice insurance coverage increase.** The KAMMCO CEO stated the increase in the basic coverage from \$200,000 to \$500,000 per claim appears to not be causing any major shocks to the insurance market or a loss of insurers offering coverage.

**Effect on health care environment.** The KAMMCO CEO noted these challenges in the health care environment, along with macro-economic conditions of inflation and rising interest rates, are resulting in rate increases being felt by Kansas health care providers across all lines of insurance. He indicated, with rising costs and lower reimbursements, health care providers across the country are under significant stress, especially considering their experiences during the COVID-19 pandemic. The KAMMCO CEO noted conditions including workforce issues, provider burnout, and financial viability appear likely to create additional risks and liabilities, which will be felt by the medical professional liability insurance industry and the HCSF into the future.

### ***Case Addressing Damage Caps***

The KAMMCO Vice President of Claims and General Counsel addressed the current status of the cap on non-economic damages, the wrongful death cap, and the issue of vicarious liability, highlighting the *Hilburn* and the *Yates v. AdventHealth* (2025 Johnson County case with a \$5.7 million award) cases. In describing the *Yates* case, he indicated the court applied the wrongful death cap to reduce the non-economic damages but did not apply the general personal injury cap to the survival action. The KAMMCO General Counsel noted the plaintiffs and the defendants could appeal the decision, which could bring clarity on the application of the caps. He noted the decision also held the hospital, AdventHealth, vicariously liable for the actions of the APRN, who was not an employee of the hospital. He stated if APRNs were in the HCSF, the hospital would have been protected from that claim. He clarified that KAMMCO was not involved in the *Yates* case.

### **Comments from Health Care Providers and Other Interested Parties**

**Kansas Medical Society and Kansas Hospital Association.** The Executive Director of the Kansas Medical Society (KMS) in conjunction

with the Kansas Hospital Association (KHA) provided comment on both the continuation of the Committee's oversight and the report provided by the Board of Governors' actuary, stating the HCSF has done exactly what was intended for more than four decades: ensuring providers had reasonable access to adequate liability coverage so patients had access to care and providing patients access to a right to recovery in the event of an adverse outcome. The conferee stated KMS and KHA believe the Committee plays a vital role in protecting the public by ensuring that the Fund remains solvent and independent and encouraged the continued oversight and reporting to the Legislature. The conferee indicated KMS and KHA do not believe an additional outside actuarial analysis is necessary. The KMS conferee encouraged the Committee to consider recommending to the Legislature that participation in the HCSF be included when addressing changes related to licensure and scope of practice for health care providers.

**Kansas Academy of Physician Associates.** The Executive Director of the Kansas Academy of Physician Associates provided written comment in support of the HCSF and urged the Fund's continued protection and investment. He stressed the critical role the HCSF has played in supporting physician assistants in obtaining adequate malpractice protection at reasonable and stable premiums.

**Kansas Trial Lawyers Association.** The Executive Director of the Kansas Trial Lawyers Association provided written comment reiterating Association concern expressed at the 2024 Committee meeting related to the excess coverage options available under the HCSF and requesting the Committee recommend the 2026 Legislature amend statutes to clarify the Board's authority regarding the excess coverage options.

**Kansas Affiliate of the American College of Nurse-Midwives.** A Kansas APRN and certified nurse midwife (CNM) provided written testimony regarding actions that could be taken to decrease the barriers for CNMs to serve patients and improve access to care. The written testimony highlighted barriers for CNMs, including the lack of tiered categories of coverage in the HCSF like those available for physicians, the limited availability of insurance carriers that cover CNMs

and confusion with some available coverage that does not meet HCSF requirements, and the need for coverage for CNMs working within their scope of practice at state institutions, county health departments, and out-of-hospital locations.

## **CONCLUSIONS AND RECOMMENDATIONS**

The Committee considered two items central to its statutory charge: whether the Committee should continue its work and whether a second, independent analysis of the HCSF is necessary. It concluded this Committee continues in its belief that it serves a vital role as a link between the HCSF Board of Governors, health care providers, and the Legislature, and it should be continued. Additionally, the Committee recognizes the important role and function of the HCSF in providing stability in the professional liability insurance marketplace, which allows for more affordable coverage to health care providers in Kansas. The Committee is satisfied with the actuarial analysis presented and does not request an independent review.

The Committee considered information presented by the Board of Governors' representatives, including its required statutory report; the Board's actuary; and health care provider and insurance company representatives and other interested parties.

The Committee acknowledges its role to provide oversight and monitoring of the HCSF, including legislative actions and other contemporary issues affecting the soundness of the HCSF, and agreed on recommendations and comments on the following topics:

- Recommending legislation be introduced and considered to enable the HCSF to use a variety of investment options;
- Recommending legislation be introduced to add APRNs as defined health care providers for purposes of the HCSF; and
- Affirming that the Fund is to be held in trust.

# Report of the House Select Committee on Government Oversight to the 2026 Kansas Legislature

**CHAIRPERSON:** Representative Kristey Williams

**VICE-CHAIRPERSON:** Representative Bob Lewis

**RANKING MINORITY MEMBER:** Representative Barbara Ballard

**OTHER MEMBERS:** Representatives Francis Averkamp, Will Carpenter, Shannon Francis, Jo Ella Hoye, Susan Humphries, Dan Osman, Tom Sawyer, Bill Sutton, Sean Tarwater, and Troy Waymaster

## **CHARGE**

The Committee is directed to monitor and ensure the proper functioning, transparency, and accountability of government agencies, programs, and regulations on subjects referred by the Speaker of the House of Representatives.

January 2026

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# House Select Committee on Government Oversight

## REPORT

### Conclusions and Recommendations

The House Select Committee on Government Oversight (Committee) reached conclusions and recommendations on four topics.

#### SNAP Error Rates and Timely Application Processing

The Committee recommended the Legislature continue to examine ways to improve Kansas' performance in the timeliness of application processing, payment error rates, and case and procedural error rates for the state's Supplemental Nutrition Assistance Program (SNAP). The Committee specifically noted a need to reduce staff turnover and recommended an examination of how to reduce staff turnover.

#### Board of Nursing Licensure

The Committee adopted a non-binding resolution making certain findings regarding the Board of Nursing (Board) and recommending the Board take immediate corrective action to resolve those issues otherwise noted in its recommendations.

Following discussion, the Committee recommended the Board:

- Evaluate and review regulations, policies, and procedures regarding the relicensure process;
- Provide digital notice and automated license renewal reminders and notifications;
- Ensure any individual subject to disciplinary action by the Board receives a fair and impartial hearing pursuant to the Kansas Administrative Procedure Act, subject to appeal pursuant to the Kansas Judicial Review Act;
- Submit all reports to the Legislature to the entire Legislature rather than to only the committee chairpersons specified in statute;
- Review the use of diversion agreements;
- Utilize recognized professional frameworks to assist the Board in matching disciplinary findings with risk to patient safety while promoting learning among nurses;
- Abide by the Kansas Open Records Act and Kansas Open Meetings Act;
- Create an anonymous survey tool to allow for submission of suggestions, complaints, and

requests, which should be sorted according to their type and included with budget performance measures; and

- Review budget performance measures to better align with Committee recommendations.

Additionally, the Committee recommended the Legislature:

- Approve claims against the State for individuals adversely impacted by Board licensure decisions to be paid from the balance of fee funds within the budget of the Board, including a five-year repayment plan for large claims;
- Establish a three-month grace period for lapsed licenses for failure to satisfy certain licensure requirements;
- Change the makeup of the Board to provide for legislative appointments to the Board;
- Direct the Chairperson of the House Committee on Health and Human Services to establish a subcommittee to review the actions by the Board and make further recommendations;
- Require that any consent agreements offered by the Board include a disclosure of any state or national databases that the licensee would be required to be listed on and allow consent agreements to be offered only in cases where there is clinical misconduct or willful misconduct relevant to the profession of nursing;
- Review the Kansas Nurse Assistance Program through the budget process or through an audit conducted by the Legislative Division of Post Audit;
- Require the Board to provide a one-year period for individuals who were determined to have engaged in professional misconduct, but did not have clinical violations, to request to have such determination be revoked and their name removed from all relevant databases; and
- Direct the House Committee on Health and Human Services to evaluate the recommendations provided in testimony by Representative Pickert.

## **Community Corrections Funding**

The Committee recommended the Department of Corrections:

- Conduct a timely review of the proposed formula changes and report on such review to the Committee and the House Committee on Appropriations and Senate Committee on Ways and Means;
- Conduct a review of matching funds expended by local governments for community corrections, including in-kind expenditures, if permissible by statute;
- Conduct a review of terms being used as measurement to ensure that they are consistent with statutes and with rules and regulations, and for the State and counties;
- Review Department budgetary performance measures to ensure they align with the

Department's goals and the grant funding formula; and

- Review the caseload levels of various community corrections offices over a multi-year time horizon to evaluate whether they continue to match the amounts allocated pursuant to the funding formula.

The Committee recommended the Department of Corrections or the Kansas Community Corrections Association study the variables associated with the community corrections grant funding formula that most impact public safety.

The Committee encouraged counties to uniformly report in-kind contributions in addition to matching funds expended.

### **Higher Education Implementation of Diversity, Equity, and Inclusion Statutory Requirements**

The Committee made no formal recommendations to the 2026 Legislature. During Committee meetings, Committee discussion suggested that communications continue between the Legislature and institutions of higher education to better understand reasons behind disagreements related to diversity, equity, and inclusion policies and how to improve public trust in institutions of higher education.

*Proposed Legislation:* None.

### **BACKGROUND**

The House Select Committee on Government Oversight (Committee) was created by the Speaker of the House of Representatives pursuant to House Rule 1103. The Committee's charge, as established upon its creation, is to monitor and ensure the proper functioning, transparency, and accountability of government agencies, programs, and regulations on subjects referred by the Speaker of the House of Representatives.

During the 2025 interim, the Committee was referred topics concerning error rates and timely application processing for the Supplemental Nutrition Assistance Program (SNAP), Board of Nursing licensure issues, Department of Corrections funding and administration of community corrections programs, and implementation of statutory requirements concerning equal protection and diversity, equity, and inclusion at state institutions of higher education.

The Committee was granted one meeting day by the adjournment resolution of the 2025 Legislature and an additional four days by the Legislative Coordinating Council, for a total of five meeting days in the 2025 interim.

### **COMMITTEE ACTIVITIES**

The Committee met on April 23 to receive testimony and make recommendations concerning SNAP error rates and timely application processing, on July 29 and September 8 to receive testimony and make recommendations concerning Board of Nursing licensure, on November 3 to receive testimony and make recommendations concerning funding of community corrections, and on December 16 to receive testimony and make recommendations concerning the implementation of diversity, equity, and inclusion requirements by state institutions of higher education.

## **SNAP Error Rates and Timely Application Processing**

The Committee met on April 23 to examine a concern of Kansas' compliance with federal law related to SNAP.

Staff from the Office of Revisor of Statutes presented information concerning the creation of the Select Committee and legislative rules related to select committees. The Chairperson of the Committee indicated that the Committee would utilize committee rules in line with rules of other committees of the House of Representatives.

Staff from the Office of Revisor of Statutes presented information concerning Kansas law related to SNAP benefits. The statutes, which also govern certain other public assistance programs, direct the Secretary for Children and Families to administer the program and lay out specific eligibility rules and uses for program benefits.

Staff from the Kansas Legislative Research Department (KLRD) presented information summarizing recent welfare reform and oversight efforts by the Legislature; background information for various public assistance programs, including SNAP food assistance; and the federal methodology for evaluating state performance for efficient and accurate processing of SNAP applications and benefit payments. The presentation included information regarding Kansas state corrective action plans to improve performance on the timely processing of SNAP applications and accurate payment of SNAP benefits. The presentation also included information on Kansas' performance on these measures compared with that of neighboring states.

Staff from the Department for Children and Families (DCF) presented information on the SNAP food assistance program in Kansas. The presentation included information on eligibility requirements in Kansas, transaction and fraud monitoring and investigation, and federal quality control of SNAP. Federal monitoring carried out by the Food and Nutrition Service of the U.S. Department of Agriculture includes four quality control measures: payment error rates, case and procedural error rates, a program access index, and the application processing timeliness rate.

The presentation noted Kansas is currently under corrective action plans for timeliness and a high payment error rate, but had not been charged a penalty for error rates as of the date of the Committee meeting. The presentation presented steps DCF has taken to improve its accuracy and timeliness.

## **Board of Nursing Licensure**

The Committee met on July 29 and September 8 to review operations of the Board of Nursing, especially as it relates to nurse licensure issues.

### ***July 29 Meeting***

Staff from the Office of Revisor of Statutes provided information concerning the statutes applicable to nurses in Kansas, the Board of Nursing (Board), and the rules and regulations of the Board.

Staff from KLRD provided information concerning the agency budget and performance measures for the Board, and the Kansas nursing workforce supply and demand.

The Executive Administrator of the Board presented an overview of the Board and specific information on the licenses administered by the Board; the monitoring, educational, and disciplinary activities of the Board; and the complaints filed with the Board and how the Board handles those complaints.

An Assistant Attorney General assigned to provide legal services to the Board presented information on the Board's disciplinary processes.

A former member of the Board presented information regarding Board investigative committee processes and determinations, appeal processes, and diversion and consent agreement processes.

Licensees and family members of licensees of the Board provided information about specific complaints regarding the Board's handling of licenses and disciplinary issues. The complaints specifically noted the Board's requirement of a finding of unprofessional conduct in any diversion or consent agreement, disciplinary actions against nurses with lapsed licenses due to technological

issues of the licensure system, the initiation of investigations based upon complaints that may have been politically motivated, the use of a licensing and renewal system that does not consider the impact of license issues on patient care or public health, and inconsistencies in the application of licensure or disciplinary investigations.

Staff from KLRD presented information on the practices of other state boards of nursing related to licensure grace periods, lapsed licenses, license renewals, notification of expiring licenses, and inadvertent failure to properly renew licenses.

Staff from the Office of Revisor of Statutes provided information on consent agreements as a method of resolving licensure or disciplinary complaints.

The Committee requested additional information from the Board on all issues presented to the Committee during the meeting.

### ***September 8 Meeting***

Staff from KLRD provided an overview of responses the Board had provided to follow-up questions from the previous meeting.

The Executive Director of the Board presented the Board's responses to the Committee's follow-up questions. The Executive Director also provided an update on actions taken by the Board since the previous meeting to try to resolve some of the items identified at that meeting.

An Assistant Attorney General assigned to the Board, a staff member of the Board, and a member of the Board presented follow-up information and responded to questions from the Committee.

The Committee received further testimony from licensees and other individuals impacted by licensure decisions, noting specific complaints regarding the Board's handling of licenses and disciplinary issues. In addition to the items described at the July 29 meeting, the complaints specifically noted inconsistent communication provided by differing Board staff members, a lack of transparency on complaints and investigations, licensure investigations that were not conducted in a timely fashion, that an investigation seemed to

be personal in nature involving a member of the Board, that licensure decisions did not adequately consider the impacts on patients, and that the Kansas Nurse Assistance Program is ineffective at resolving nurse issues and may perpetuate them.

The Committee also received testimony from Representative Pickert and from a nurse advocate making specific recommendations for reforms to the Board, licensure due process provisions, investigation standards, outside-expert requirements, procedural rules, and continuity of care considerations.

### **Community Corrections Funding**

The Committee met November 3 to review the Community Corrections Act and examine recent proposed changes to certain funding within the program.

Staff from KLRD presented an overview of community corrections programs, highlighting the place of community corrections in the broader correctional scheme, the contextual history of community corrections in Kansas, and the operation of community corrections programs, which was designed to emphasize local control.

Staff from the Office of Revisor of Statutes presented an overview of the Community Corrections Act and associated regulations, including the requirements for grant funding to local units of government.

Staff from KLRD presented information on the Community Corrections budget within the Department of Correction's budget and the current Kansas Community Corrections Grant funding model. KLRD staff also presented information on funding models for community corrections utilized by other states.

The Secretary of Corrections presented information regarding proposed changes to the Kansas Community Corrections Grant funding formula and noted the decision to delay implementation of the changes and further study the formula and the impacts of possible changes. The testimony indicated that the Community Corrections Advisory Committee, which is a statutorily created advisory committee to the Department of Corrections, requested the

Department examine grant funding formula changes in the summer of 2024. The Department examined the formula and proposed changes in September 2025. In response to feedback to these changes from community corrections stakeholders, the Department decided to delay implementation of the formula changes, receive further input, and submit a request for proposal to hire a third party to review the grant funding formula changes and the impact any such changes may have.

The Committee received testimony from representatives of the Kansas Community Corrections Association and Sedgwick County Community Corrections. The Sedgwick County testimony indicated the county was concerned that the proposed funding formula changes were made without a comprehensive review of the Community Corrections Act and without considering the local impacts of such changes.

Representatives of additional community corrections agencies provided written-only testimony.

### **Higher Education Implementation of Diversity, Equity, and Inclusion Statutory Requirements**

The Committee met December 16 to review and examine whether diversity, equity, and inclusion (DEI) practices have served to improve the quality of higher education in Kansas and how institutions of higher education in Kansas have addressed recent legislation and policy related to non-discrimination and DEI.

Staff from the Office of Revisor of Statutes presented information concerning recent federal court cases and federal administrative rulings related to non-discrimination in higher education. The areas of non-discrimination covered included DEI, gender identity, and race in student admissions.

Staff from KLRD presented information regarding 2024 SB 28, which lapsed money from the budgets of the six state universities and assigned the same amount of money to the State Finance Council to be returned to the universities upon certification by the universities that they had eliminated DEI requirements in applications, admissions, hiring, tenure, review, promotions,

and training processes for FY 2025. The presentation also included the report of an audit performed by the Legislative Division of Post Audit reviewing DEI spending at state institutions of higher education for academic year 2022 – 2023.

Staff from the Office of Revisor of Statutes presented an overview of Kansas law related to DEI in higher education. The presentation noted the 2024 legislation plus 2025 legislation requiring the elimination of DEI programs, positions, and spending, and creating a certification process for the requirement.

The President and Chief Executive Officer of the State Board of Regents presented information concerning the Board's guidance to universities regarding compliance with the DEI requirements and steps taken by the Board and universities to implement the requirements and ensure compliance with the law.

The Chancellor of the University of Kansas, the President of Wichita State University, and staff from Kansas State University and Emporia State University presented information on the steps taken at each of their institutions to implement the requirements related to non-discrimination and DEI and ensure compliance with state and federal law. Staff from Fort Hays State University and Pittsburg State University were also present and responded to questions from Committee members on the topic.

Representatives Brantley, Helwig, and Steele and a representative of the Kansas State University Chapter of Young Americans for Freedom presented information regarding the ways in which DEI programs and policies have been present in higher education in recent years and may continue to be present. The areas of higher education specifically highlighted included student organizations; the 4-H program, as administered by Kansas State University Research and Extension; K-12 teacher preparation programs; and curriculum, instruction, and research.

The Committee held a roundtable discussion with the representatives of the universities to discuss ways to ensure DEI policies were appropriate and oriented toward ensuring excellence of the education provided to students

and universities in Kansas. The discussion specifically included an examination of a proposed Freedom From Indoctrination Act prepared by the Goldwater Institute, which would prohibit mandatory DEI-based course requirements, require basic instruction in American institutions, and ensure that freshman orientation programs promote the free exchange of ideas.

## CONCLUSIONS AND RECOMMENDATIONS

### SNAP Error Rates and Timely Application Processing

The Committee recommended the Legislature continue to examine ways to improve Kansas' performance in the timeliness of SNAP application processing, payment error rates, and case and procedural error rates. The Committee specifically noted a need to reduce staff turnover and recommended an examination of how to reduce staff turnover.

### Board of Nursing Licensure

The Committee adopted a non-binding resolution making certain findings regarding the Board and recommending the Board take immediate corrective action to resolve issues otherwise noted in its recommendations.

Following discussion, the Committee recommended the Board:

- Evaluate and review rules and regulations, policies, and procedures regarding the relicensure process;
- Provide digital notice and automated license renewal reminders and notifications;
- Ensure any individual subject to disciplinary action by the Board receives a fair and impartial hearing pursuant to the Kansas Administrative Procedure Act, subject to appeal pursuant to the Kansas Judicial Review Act;
- Submit all reports to the Legislature to the entire Legislature rather than to only the

committee chairpersons specified in statute;

- Review the use of diversion agreements;
- Utilize recognized professional frameworks to assist the Board in matching disciplinary findings with risk to patient safety while promoting learning among nurses;
- Abide by the Kansas Open Records Act and Kansas Open Meetings Act;
- Create an anonymous survey tool to allow for submission of suggestions, complaints, and requests, which should be sorted according to their type and included with budget performance measures; and
- Review budget performance measures to better align with Committee recommendations.

The Committee also recommended the Legislature:

- Approve claims against the State for individuals adversely impacted by Board licensure decisions to be paid from the balance of fee funds within the budget of the Board, including a five-year repayment plan for large claims;
- Establish a three-month grace period for lapsed licenses for failure to satisfy certain licensure requirements;
- Change the makeup of the Board to provide for legislative appointments to the Board;
- Direct the Chairperson of the House Committee on Health and Human Services to establish a subcommittee to review the actions by the Board and make further recommendations;
- Require that any consent agreements offered by the Board include a disclosure

of any state or national databases that the licensee would be required to be listed on and allow consent agreements to be offered only in cases where there is clinical misconduct or willful misconduct relevant to the profession of nursing;

- Review the Kansas Nurse Assistance Program through the budget process or through an audit conducted by the Legislative Division of Post Audit;
- Require the Board to provide a one-year period for individuals who were determined to have engaged in professional misconduct, but did not have clinical violations, to request to have such determination be revoked and their name removed from all relevant databases; and
- Direct the House Committee on Health and Human Services to evaluate the recommendations provided in testimony by Representative Pickert.

### **Community Corrections Funding**

The Committee recommended the Department of Corrections:

- Conduct a timely review of the proposed formula changes and report on such review to the Select Committee, House Committee on Appropriations, and Senate Committee on Ways and Means;
- Conduct a review of matching funds expended by local governments for community corrections, including in-kind expenditures, if permissible by statute, and conduct a survey of local governments to ascertain such information, if necessary. This recommendation includes providing a uniform approach to in-kind resources provided by local governments;

- Conduct a review of terms being used as measurement to ensure they are consistent with statutes and with rules and regulations, and for the State and counties;
- Review Department budgetary performance measures to ensure they align with the Department's goals and the grant funding formula;
- Review the caseload levels of various community corrections offices over a multi-year time horizon to evaluate whether they continue to match the amounts allocated pursuant to the funding formula.

The Committee recommended the Department of Corrections or the Kansas Community Corrections Association study the variables associated with the community corrections grant funding formula that most impact public safety.

The Committee encouraged counties to uniformly report in-kind contributions in addition to matching funds expended.

### **Higher Education Implementation of Diversity, Equity, and Inclusion Statutory Requirements**

The Committee made no formal recommendations to the 2026 Legislature. During Committee meetings, Committee discussion suggested that communications continue between the Legislature and institutions of higher education to better understand reasons behind disagreements related to DEI policies and how to improve public trust in institutions of higher education.

# Report of the Water Program Task Force to the 2026 Kansas Legislature

**CO-CHAIRPERSONS:** Senator Kenny Titus and Representative Jim Minnix

**OTHER MEMBERS:** Senators Michael Fagg and Michael Murphy; and Representatives Cyndi Howerton, Ken Rahjes, and Lindsay Vaughn

**NON-LEGISLATIVE MEMBERS:** William Carr, Gary Janzen, Shannon Kenyon, Earl Lewis, Karma Mason, Dr. Heidi Mehl, Jared Morrison, Connie Owen, and Joshua Svaty

## CHARGE

Provisions in enacted 2025 Senate Sub. for HB 2172 direct the Task Force to:

- Evaluate major risks to the quality and quantity of the state's water supply, including any impact on current and future economic growth and population stability;
- Identify steps that the State must take to define and achieve a future supply of water for Kansans;
- Evaluate current funding for water in the state and determine whether such funding is sufficient to address the water issues included in the State Water Plan, including the state's current and future water infrastructure needs; and
- Make recommendations on the water program's long-term structure to address the state's current and future water needs and funding for the water program.

The bill also requires the Task Force to prepare and submit a preliminary report to the Legislature on or before January 31, 2026, and a final report on or before January 11, 2027, to the House Committee on Agriculture and Natural Resources, House Committee on Water, Senate Committee on Agriculture and Natural Resources, and the Governor.

February 2026

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# Water Program Task Force

## REPORT

### Introduction by the Co-chairpersons

During the 2025 Interim, the Water Program Task Force (Task Force) met online twice and in person four times. Meetings were held in Dodge City, Topeka, and Manhattan. In this short time, the Task Force heard multiple presentations regarding risks to our current and future water supply, including potential economic costs, supply, and health hazards. The Task Force's scope was expansive as the Legislature directed the Task Force to examine all risks to the state's water supply, determine what steps should be taken to address those risks, and study long-term sources of funding for any proposed actions.

In planning the work of the Task Force, it was determined that the initial task should be to focus on risks to the state's water supply. Only after identifying the primary risks could the Task Force then engage in serious conversations about how to approach these challenges. Much work has already been done on this topic by the various state agencies involved in water, previous committees, and the Kansas Water Authority. Therefore, the Task Force completed a high-level review of the risks, and that is the information you will mostly find in this preliminary report. The list of risks should not be considered exhaustive but does provide an overview of the many areas where attention is needed. As the Legislature may wish to direct funds to certain priorities in the 2026 Legislative Session, the Task Force recommends that this report serve as a guide to highlight the areas that pose the greatest risk to our state's water supply.

The Task Force has moved on to studying our state's water planning process and how we prioritize funding for projects as well as conducting a comparison to other states' planning and funding processes. This will allow the Task Force to determine how we might modernize the current Kansas process. During the 2026 Legislative Session, our appointed Water Planning Work Group (Work Group) will conduct additional studies at the direction of the Task Force and, on their own, of the various states. Following the 2026 Legislative Session, the Task Force will meet with the Work Group to work through those findings regarding best practices for water planning and funding and develop a draft bill that will modernize Kansas' planning process.

The Task Force will use the remainder of the 2026 Interim to study funding sources, agency reorganization, and any other issues deemed pertinent by the Task Force. It is the Task Force's goal to submit a comprehensive final report in 2027 that will provide a roadmap for the protection and development of water resources in Kansas that accurately reflects the challenges we face in the 21st century.

Senator Kenny Titus and Representative Jim Minnix

***Proposed Legislation:*** None

## BACKGROUND

In 2025, Senate Sub. for HB 2172 created the 16-member Water Program Task Force (Task Force) and the 5-member Water Planning Work Group (Work Group) to study and make recommendations to the Legislature on water policy and funding.

The Task Force met six times during the 2025 Interim:

- July 21, 2025, via Webex;
- July 28, 2025, via Webex;
- August 11-12, 2025, in Dodge City;
- November 3, 2025, in Topeka; and
- November 19, 2025, in Manhattan.

The Work Group met one time during the 2025 Interim, on October 31, 2025, in Manhattan. The Work Group is scheduled to meet monthly beginning in January 2026.

## TASK FORCE ACTIVITY

### July 21, 2025, Meeting

#### *Overview of Water Management, Planning, and Funding in Kansas*

The Director of the Kansas Water Office (KWO) provided an overview of water management, funding, and planning in Kansas. She explained that water comes from different sources in the state, including the High Plains Aquifer that includes the Ogallala, Great Bend Prairie, and Equus Beds aquifers, precipitation, numerous public water supply reservoirs, and their connecting streams and rivers.

The water management statutes consist of the Kansas Water Appropriation Act, Obstructions in Streams Act, federal Clean Water Drinking Act, Safe Drinking Water Act, State Water Resource Planning Act, and State Water Plan Storage Act.

The primary state agencies involved in water management are the:

- Division of Conservation, Kansas Department of Agriculture (KDA), for conservation program implementation, including:
  - Conservation district coordination;
  - Landowner programs; and
  - Watershed dam construction;
- Division of Water Resources (DWR), KDA, for water quantity management, including:
  - Water appropriations;
  - Water structures; and
  - Interstate compact coordination;
- Division of Environment, Kansas Department of Health and Environment (KDHE), for water quality management, including:
  - Public water supply;
  - Contamination remediation; and
  - Watershed health initiatives; and
- KWO for water policy and planning, including:
  - State Water Plan development;
  - Reservoir operations; and
  - Education and outreach.

Other agency partners include the Kansas Biological Survey and Center for Ecological Research, Kansas Corporation Commission, Kansas Department of Commerce, Kansas Department of Wildlife and Parks, Kansas Geological Survey, and Kansas State University.

The Director described the current state funding for water, which totals \$57.0 million. The funding includes:

- \$40.0 million for the State Water Plan Fund (SWPF); and
- \$17.0 million for the 2023 Senate Sub. for HB 2302 (HB 2302) Infrastructure Grant Funds, which consists of:
  - \$5.0 million for the Water Technical Assistance Fund; and
  - \$12.0 million for the Water Projects Grant Fund.

The Director described the SWPF and its funding sources, which include statutory transfers from the State General Fund (SGF) and Economic Development Initiatives Fund (EDIF) and various user fees, fines, and royalties. She provided details showing that, since FY 1991, the State has shorted the SWPF by approximately \$84.0 million in reduced transfers from the SGF and EDIF to the SWPF.

#### *State Water Plan and Process*

The Director outlined the five guiding principles of the State Water Plan (SWP):

- Conserve and extend the High Plains Aquifer;
- Secure, protect, and restore the Kansas reservoirs;
- Improve the state's water quality;
- Reduce Kansans' vulnerability to extreme events; and
- Increase awareness of state water resources.

The Director explained the SWP process:

- An issue is identified by the public, Regional Advisory Committee (RAC), agencies, or other partners;
- KWO works on draft development of the SWP;
- Public input and hearing process;
- Kansas Water Authority (KWA) approves the SWP; and
- Advise Governor, Legislature, and other decision makers on SWP issues and priorities.

The last SWP was completed in 2022, and in 2024, the Strategic Implementation Framework was completed. This effort had the goal of crafting

a long-term framework around the five guiding principles to ensure the availability and quality of water for future generations of Kansans. The effort included participation of more than 1,500 Kansans, more than 50 meetings held with key stakeholders, 43 defined outcomes to achieve in the next 2 years, and 8 recommendations on how to fully implement the vision of the SWP.

The KWO, in partnership with DWR of KDA and KDHE, conducted a Strategic Implementation Framework; its key takeaways were:

- Kansans are supportive of increased funding given the demonstrated need and historic underfunding; and
- The urgency of Kansas water crisis demands action now.

#### *Kansas Water Authority and Regional Advisory Committees*

The Director stated the KWA was established in 1981 and has 13 voting members who are appointed by the Governor or legislative leadership. State agency directors serve as ex-officio members.

The KWA is responsible for advising the Governor, Legislature, and KWO Director on water policy issues; approving the SWP; developing recommendations for SWPF expenditures; approving federal contracts, and proposing legislation; and preparing and issuing the Annual Report to the Governor and Legislature.

The geographic boundaries of the 14 regional planning areas are roughly based on surface water boundaries in eastern Kansas, with boundaries in western Kansas more aligned with groundwater management areas. Each regional planning area has a regional advisory committee (RAC) comprised of knowledgeable local volunteers and is staffed by a member of KWO. RAC applications are considered by the KWA Operations Committee, which makes recommendations to the full KWA for appointment.

The role of RACs is to serve as a link to the public in the region through interaction with various groups and individuals and communicate

information on concerns and issues to citizens in the region; advise KWO and KWA in identification of water-related problems, issues, and concerns within a RAC region, on issues under consideration for inclusion in the SWP, and formulation of revisions to the SWPF relating to their region along with implementation priorities and actions; and serve as a link to water management entities in the region to facilitate discussion and input on issue development and implementation.

### ***Groundwater Quantity Management and Risks***

The Chief Engineer of the DWR, KDA, provided an overview of groundwater quantity management and risks. The Chief Engineer discussed the role of DWR in water quantity, to allocate and regulate the state's water resources, including administration of water rights; protect public safety and private property, including dam safety and regulation of stream and floodplain projects; and ensure Kansas obtains its share of interstate water supplies.

### ***Kansas Water Appropriation Act***

The Chief Engineer described the Kansas Water Appropriation Act (KWAA) as based on the Prior Appropriation Doctrine or "first in time, first in right." In Kansas, water is owned by the public; any diversion for beneficial use requires a permit from DWR. The main beneficial uses are irrigation, municipal, industrial, and stockwater. The KWAA also allows the Chief Engineer to oversee allocation of the state's water resources for beneficial use and regulate it in times of shortages.

### ***Management of Water Rights***

Every permit issued by DWR defines the point of diversion, place and type of use, quantity, and priority date. New permits follow a public notice and review process. Groundwater rights are subject to a safe yield analysis. Surface water is subject to minimum desirable streamflow in some areas. Changes must not cause impairment to existing rights. This process is guided by the KWAA.

### ***Addressing Water Declines***

The Chief Engineer discussed groundwater management districts (GMDs) and implementation

of Local Enhanced Management Areas (LEMAs) at the GMD and county level, where producers decide to implement a reduction in irrigation to allow for flexibility year-to-year. Additionally, each GMD is required to submit an action plan to address identified high-priority areas of concern to the Chief Engineer by July 1, 2026.

### ***Water Resources and Use***

The Director of the Kansas Geological Survey (KGS), who also is the State Geologist, discussed the KGS and its mission and role in the state's water supply, including developing authoritative, impactful, and accessible scientific datasets related to Kansas' geological resources—particularly those of economic impact—and translating observations into objective, actionable, insights and decision support systems in partnership with communities, farmers, ranchers, and industrial producers.

The Director discussed the geologic formations of the state and described the major and minor aquifers in Kansas, including information about the Ogallala Formation. He also provided information on water use around the state and explained the Water Level Measurement Program, a joint venture between KGS and DWR that ensures the measurement of approximately 1,400 wells each year. He also explained the Airborne Electromagnetic Survey, which is mapping the Ogallala Aquifer by utilizing a low-flying helicopter equipped with sensors to map subterrain geology. GMD No. 4 was mapped in 2024, GMD No. 5 was scheduled to be mapped in 2025, and GMD No. 3 is scheduled to be mapped in 2026.

### ***Future Risks and Uncertainties***

In western Kansas, there is only one main source of water, the Ogallala Aquifer, which is a finite resource that is facing depletion because the rate of withdrawal far outpaces recharge.

In eastern Kansas, while there is more precipitation, drought impacts the sources of supply and there are concentrated sources of water. Additionally, reservoirs—by their nature—fill up with sediment.

The uncertainties going forward include rainfall, temperature, evapotranspiration,

population, and the industrial load that will be required. In addition, a “stable” water source requires high-precision quantification that allows for area-specific planning. Irrigators and businesses can take action that is in their interest and the region’s.

### ***Agriculture Industry and Economy in Kansas***

The Deputy Secretary of Agriculture discussed the agriculture industry and the agriculture economy in Kansas and stated that Kansas ranks seventh in total value of agricultural production by state. She stated that economic growth and industry are subject to water interdependencies, especially in water-short areas such as western Kansas.

### ***Surface Water Quality Management and Risks***

The Manager of Public Water Supply Programs, KWO, explained the various laws that govern surface water sources, including federal laws (Flood Control Acts of 1944 and 1954 and Water Supply Act of 1958), the *Kansas Constitution* (Article 11, Section 9), concurrent resolutions approved by the Legislature to fulfill obligations for water supply storage interests in certain reservoirs with the U.S. Army Corps of Engineers (USACE), and state laws (State Water Resources Planning Act, State Water Plan Storage Act, and three state programs: the Water Assurance Program, Water Marketing Program, and Lower Smoky Hill Water Supply Access Program).

The Manager explained that reservoirs support water use for many rural and urban communities in Kansas. Energy generation at four power plants and large metro areas and their industries are supported by reservoir water supplies.

The State of Kansas, through the KWO, contracts with the federal government for water storage in the federal reservoirs in Kansas. A cost of operations and maintenance is defined per contract for each federal reservoir. Assurance districts, access districts, and water marketing programs pay proportional shares of the State’s portion for their committed storage.

The Manager described recent federal maintenance projects in the federal reservoirs, various federal rules and manual updates, reservoir

debt, and various river basin assurance districts and water marketing contracts.

Not all reservoirs are equal for water supply, meaning some reservoirs have significantly more median inflow than storage available, which has refill potential but higher inflows could mean more sediment potential. Some reservoirs receive more inflow during drought than others, but each reservoir has different operational constraints and design.

The following risks were identified:

- Declining reservoir capacity:
  - Each reservoir faces some sort of sedimentation issue; however, Kanopolis, Perry, and Tuttle Creek reservoirs face the biggest declines in storage capacity over time;
  - Current policy assumes a drought similar to the 1950s historical drought were to occur with today’s reservoir conditions and demands; the “drought reserve” is the ability to persist through more severe events or greater demands;
  - Some reservoirs accumulate sediment around outlet gates and water supply intakes, which impacts water supply release operations and impacts water quality in some reservoirs, which leads to increased operational treatment costs and rates; and
  - Two major sources of reservoir sediment are land and streambanks that erode upstream of the reservoir, as rivers naturally transport sediment from upstream sources to downstream waters;
- Sudden demand increases:
  - Increased population increases demands and accumulation of sediment drops the drought reserve;
  - Demand disrupters for large industry needs exceed capacity;
  - Without investment, water demands that economic opportunities require in some areas of the state will not be met; and

- Harmful algal blooms.

The following solutions and investments were identified:

- In-lake sediment management:
  - Work with USACE to collect sediment data, assess reservoir sediment issues, and determine solutions, including the Tuttle Creek Reservoir water injection dredging demonstration and the John Redmond Reservoir hydrosuction demonstration;
- Upstream sediment reduction:
  - Watershed initiatives that reduce the sediment load to reservoirs by stabilizing streambanks and promoting land use best management practices (BMPs) that lessen soil erosion, including the Kansas Reservoir Protection Initiative and streambank stabilization projects;
- Ongoing sediment fingerprinting project with the KGS:
  - Kansas Reservoir Protection Initiative that promotes land use BMPs that benefit soil health and conservation, improve water quality, and reduce sediment loading to streams and rivers upstream of reservoirs; and
  - Recent investment in the Kansas Reservoir Sediment Monitoring Network with the U.S. Geological Survey in several reservoirs;
- Improve downstream infrastructure:
  - Operational efficiencies with downstream infrastructure upgrades;
  - Dam and water intake modifications; and
  - Reduction of low flow needs and sending water out of the state during drought; and
- Additional storage acquisition, including:

- Additional reservoir storage contracts within federal projects; and
- Reallocating flood storage to conservation/water supply storage in reservoirs where possible.

## **July 28, 2025, Meeting**

### ***Water Quality Management and Risks***

The Deputy Secretary of Environment, KDHE, stated KDHE’s Division of Environment monitors water quality through the following initiatives:

- Surface water quality, by administration of the federal Clean Water Act, including permitting via National Pollutant Discharge Elimination System program and setting water quality standards for Total Maximum Daily Loads (TMDLs);
- Public water supply and drinking water standards, by administration of the Safe Drinking Water Act, including resiliency and infrastructure; 856 drinking water systems across the state that serve Kansans; and health-based standards of pollutants that reflect maximum contaminant levels (MCLs); and
- Groundwater quality and contamination and remediation on sites with spills, leaks, and other discharges; 144 orphan contaminated sites; and hundreds of other sites such as aboveground and underground tanks, drycleaning sites, Superfund sites, and other clean-up programs.

### ***How the Division of Environment Manages Water Quality***

The agency establishes TMDLs based on the federal Clean Water Act standards, upon analysis of how much the pollutant load in the water needs to be reduced to achieve any given water quality standard.

Then, KDHE oversees permitting of point source discharges, including cities and industries discharging to state waters through a National Pollutant Discharge Elimination System permit.

Finally, the agency encourages curtailing the impacts of non-point source pollution in streams by implementing BMPs with willing landowners to reduce nutrient runoff.

### ***Impairment***

The Deputy Secretary of Environment explained that, every two years, KDHE is required to compile a list of impaired waters, pursuant to Section 303(d) of the federal Clean Water Act. The report dating April 1, 2024, stated the following:

- Of 358 Kansas reservoirs, 256 were impaired by one or more pollutants, typically nutrients leading to eutrophication or being overly enriched with nutrients;
- Of 2,049 Kansas streams segments, 1,766 were impaired by 1 or more pollutants, typically bacteria, sediment, or nutrients, but also minerals and metals; and
- In total, 84.0 percent of water bodies in Kansas are impaired.

Not all impairments are equal. During KDHE's Strategic Planning process through 2024, the Department found that "impairment of surface water is more critical when actual use is curtailed by water quality, rather than when ambient levels exceed a number."

### ***Non-point Source Pollution***

The U.S. Environmental Protection Agency (EPA) states that non-point source pollution (NPS) generally results from land runoff, precipitation, atmospheric deposition, drainage, seepage, or hydrologic modification and comes from many different sources. According to the EPA, states report NPS as the leading remaining cause of water quality problems.

NPS pollution management relies on the willing participation of landowners and producers because NPS is not regulated under state or federal law. Three agencies collaborate on NPS solutions:

- The KDHE Watershed Management Program supports watershed restoration and protection strategy groups to support

producers and small towns through federal Clean Water Act Section 319 and SWPF grants;

- The Division of Conservation, KDA, supports conservation districts to distribute SWPF to producers; and
- The U.S. Department of Agriculture Natural Resource Conservation Service (NRCS) and Farm Service Agency support conservation districts to distribute federal Farm Bill funds to producers.

The Deputy Secretary of Environment stated NPS pollution management and control should be emphasized above all reservoirs to prevent pollutants from depositing in surface waters. BMPs for NPS are either structural or behavioral; structural practices have costs that cannot be recovered in the market, making a cost-share situation ideal, and behavioral practices alter habits, making incentive payments an inducement for producers to try something different.

### ***Groundwater Quality***

The KDHE's Bureau of Environmental Remediation tests and remediates contaminated sites that can include nitrates, chlorides, volatile organic chemicals, and metals. If a responsible party cannot be found for these contaminated sites, then cleanup is funded through the SWPF for these "orphan" sites. There are currently 140 orphan sites, with an average cost of \$1.0 million per site.

### ***Emerging Issues***

#### ***PFAS***

The Deputy Secretary for Environment stated the EPA has promulgated MCLs for six PFAS (per- and polyfluoroalkyl substances) compounds. PFAS is found in Kansas surface waters and in wastewater. There are treatment options for high concentrations, but it is expensive. Two wastewater projects, in Salina and Olathe, are using State Revolving Fund loans. Biosolids from wastewater plants and their land application will be a key concern for Kansas, because it has the potential to impact agriculture. KDHE will continue to test and monitor PFAS "hot spots" around the state.

Private domestic drinking wells are not regulated by KDHE. Approximately 100,000 Kansans are self-supplied by private wells. PFAS-related issues might emerge, and there is limited funding available for covering the costs of sampling well water.

### *Septic Tanks*

Failing septic systems may present localized environmental impacts that can become significant contributors of nutrients to groundwater. Some funding is available for low-income households to repair or replace septic systems.

### *Non-potable and Indirect Reuse*

KDHE allows wastewater to be reused for non-potable purposes, such as field application. Indirect potable reuse happens when water is released into the river and a downstream user utilizes it.

### *Direct Potable Reuse*

Direct potable reuse increases the amount of cost and treatment level. The Deputy Secretary reported this is being studied by the City of Wichita.

### *Federal Funding*

Federal funding provides more than 75.0 percent of Bureau of Water, KDHE, funding. The proposed federal budget cuts would require raising fees, drawing on the SWPF or SGF, or returning clean water and drinking water programs to the EPA.

### *State Funding*

The Deputy Secretary suggested the Legislature could authorize a state-funded revolving loan program.

## ***Infrastructure Management and Risks and Incorporating Resiliency***

### *Extreme Weather*

The Assistant Director, KWO, stated there will be extremes in the weather and precipitation levels in the state and it is important to continue to collect data and integrate planning with all levels of government—local, state, regional, and federal—to ensure coordination at multiple levels.

### *Public Water Supply Infrastructure*

The Deputy Secretary of Environment, KDHE, stated that 96.5 percent of Kansans get their drinking water from a public water supply (PWS), of which there are 856 in the state. The majority, 91.5 percent, of PWSs do not have health-based violations, but of the 73 PWSs that do have violations, 71.0 percent serve 500 or fewer people.

Small-town compliance is a national issue because of a lack of resources to solve issues and an inability to attract workforce to manage a PWS.

The most common unfunded need for Kansas utilities is replacement of existing pipes for PWSs due to age and condition. Federal law requires old lead and galvanized service lines to be replaced in 10 years. Additional needs include treatment facility rehabilitation and replacement to restore or enhance treatment capabilities and rehabilitate, replace, or add water storage facilities due to deteriorated structures.

New water supply sources are needed due to the shrinking capacity of existing sources. New treatment facilities are needed to treat emerging pollutants. Regionalization efforts could help resolve compliance issues, affordability, and economic development solutions.

There are two State Revolving Loan Funds, one for drinking water and one for wastewater. KDHE has seen accelerated lending over the past four years and no longer has the capacity to meet the increased demands. Congressional earmarks have reduced capitalization grants to state revolving funds by as much as 50.0 percent. There has been discussion of increasing state funds for similar state-controlled loan funds.

### *Dam Rehabilitation*

The Chief Engineer stated Kansas has 6,490 dams on the National Inventory of Dams, of which 2,615 are state-regulated, including 327 with high-hazard potential and 191 with significant-hazard potential.

He stated all dams are potentially dangerous and pose a risk to public safety and property. As dams age and populations increase, the potential for deadly dam failure grows. As downstream rural

land is developed, dams that were designed and constructed as low-hazard dams become high-hazard dams, which means a breach of that dam could result in the loss of multiple lives. As a result, as many as 75.0 percent of the state's regulated dams may be hydrologically inadequate, meaning they do not meet the requirements for high-hazard dams.

### ***Other Needs for Addressing Water Issues***

#### *Management of Water*

The Assistant Director, KWO, provided information on the primary water agencies and functions, including other partner agencies that have supportive roles. He also described the local water management entities, which include conservation districts, state conservation regions, GMDs, water assurance districts, watershed districts, access districts, rural water districts, and municipalities.

He stated Kansas is able to make informed decisions because the State has invested in research. With the potential of cuts to the federal budget, the State should be prepared for less funding for water research. Coordination among the state's research institutions will be key moving forward.

#### *Education and Research Needs*

The Chief Engineer, KDA, discussed that water education has been consistently highlighted or included in water planning for years. For 2025, 11 RACs listed water education as a primary funding priority for the SWPF. Increased awareness of the state's water resources is important for everyone: students in the classroom, producers and water users, municipal users, and the general public. There are efforts to increase water education and career opportunities by the KDA and KWO.

### **August 11, 2025, Meeting**

The Task Force met at Dodge City Community College in Dodge City for its third meeting.

### ***Groundwater Management Districts – Areas of Concern***

The Chief Engineer, KDA, explained the requirements for GMDs in KSA 82a-1044, which requires each GMD to identify areas of concern within its district and set reasonable boundaries for each area of concern. This information was required no later than July 1, 2024.

By July 1, 2026, each GMD is required to conduct public education and outreach in each priority area so that the GMD may develop an action plan to reasonably address the identified concerns based on input from the local water users.

#### *Groundwater Management District No. 3*

The Acting General Manager of GMD No. 3 discussed the usable life and the aquifer decline in the GMD and that a conservation initiative has been started. The GMD held multiple producer meetings in March and November 2024, which resulted in a polling of attendees at the March 2025 GMD No. 3 Annual Meeting on how quickly they wanted to stabilize the aquifer through reduction in use; most voted for a 10-to-15-year time frame.

The Acting General Manager stated Finney County Economic Development is conducting a statistical analysis of use, aquifer characteristics, and irrigated acres to help shape a plan that minimizes loss of irrigated acres. The Docking Institute will provide an economic analysis of the impacts of using less water.

The goals of this conservation initiative are:

- Entire district will work toward stability (Q-Stable) within a well-planned time frame;
- Some regions will move to Q-Stable immediately, including:
  - Regions with a short lifespan; and
  - Regions that are already almost Q-Stable; and

- Other regions will take incremental steps to Q-Stable over the course of the next 5 to 25 years.

The GMD will develop plans to meet conservation goals and will hold meetings with the public as plans progress. The GMD will also develop a basin plan under the NRCS National Water Quality Initiative to provide funding to farmers in the Upper Arkansas River watershed to mitigate the effects of declining water supply and poor-quality water. The GMD will seek funding in partnership with certain groups for tamarisk removal, and work with a national program to provide a platform for water users in GMD No. 3 and close data gaps for the GMD.

#### *Big Bend Groundwater Management District No. 5*

The Manager of Big Bend GMD No. 5 described the unique hydrology of the Great Bend Prairie Aquifer, its history, conservation projects, and areas of concern development. The areas of concern include the Pawnee Valley Intensive Groundwater Use Control Area (IGUCA), Walnut Creek IGUCA, Rattlesnake Creek region, and mineral intrusion area (chloride). Outreach meetings in each area were scheduled for October 2025.

In addition, other areas of concern under consideration include areas within Edwards and Kiowa counties and nitrate concentration throughout all areas of concern in the GMD.

The GMD Manager also provided an update on the Rattlesnake Creek/Quivira impairment and how to meaningfully address the impairment.

#### *Impacts of HorseThief Reservoir*

The General Manager of Pawnee Watershed Joint District No. 81 (Pawnee Watershed District), provided the history of the Pawnee Watershed District and HorseThief Reservoir and provided facts and information on benefits of the reservoir. He stated the reservoir has a water availability risk, including a continued depletion of the aquifer; herbicide and pesticide contamination; pollution, erosion, and sediment issues; and high nitrogen levels due to livestock.

The Pawnee Watershed District is working with agencies and farmers on controlling erosion on the creek and reservoir dam pond area. The district is also incorporating new practices to combat sedimentation and erosion. The district has started the bathymetric survey process to determine how much sediment is settled in the pool area, which will help determine the current life of the structure. The district has also started using drones on dam structures to spray herbicide and aquatic herbicide to help control weeds, promote grass vegetation, and discourage erosion.

The Assistant Water Commissioner, Water Appropriation Program, DWR, KDA, discussed the streamflow downstream of the reservoir and stated that gauges show there is continuous flow to HorseThief Reservoir year-round; however, downstream flows are 95.0 percent of normal. One more gauge is 20 miles downstream and shows 50.0 percent of normal streamflow year-round.

#### *Municipal Planning and Supply*

The Director of Water Services for Kansas Municipal Utilities (KMU) discussed what services and assistance the organization provides. She also discussed risks that KMU has identified for water in the state and provided specific examples:

- Source of supply – quality:
  - Contaminants (nitrates, radionuclides) for both surface water and groundwater;
  - Example: City of Pawnee Rock (Barton County), population is 186, uranium, solution is a new well versus centralized treatment;
- Source of supply – quantity:
  - Drought, sedimentation, water use, and agricultural irrigation;
  - Example: Osborne County Rural Water District No. 1, population is 81, well is going dry;
- Project costs:
  - Project capital costs versus lifetime maintenance;

- Unplanned increases to project costs (legacy transmission line breaks);
- Example: City of Anthony (Harper County), population is 2,502;
- Access to funding:
  - Ratepayer desire to pay versus decision-maker desire to charge necessary rates;
  - Federal / State funding – cheapest, hardest to obtain, unpredictable;
  - Non-government funding – more expensive, limiting; and
  - Ratepayer (self) – hardest to implement;
- Unknown regulatory environment:
  - Federal compliance and enforcement;
  - Project planning and budgeting;
  - State staffing stability;
  - Example: City of Beloit (Mitchell County), population 3,400, new plant is cost prohibitive so will build a new pipeline instead;
- Workforce:
  - Recruiting and maintaining workforce;
  - Being appreciated and valued;
  - Competitive wages;
  - Certification; and
  - Succession planning.

Mitigating risks includes prioritizing basic needs for water and wastewater:

- Prioritizing asset management;
- Redundancy; and
- Regionalization.

### ***Dodge City Water Supply and Systems***

The City of Dodge City’s Director of Engineering Services, City Engineer, and City Manager provided information on Dodge City’s water supply and systems.

The presenters discussed Dodge City’s long-time wastewater recycling program and how Dodge Citians pride themselves on being good

environmental stewards. They provided the statistics of the City’s South Recycling Facility and North Reclamation Facility and provided information about the production of raw biogas and sale of biomethane. The presenters also discussed the expansion of the south wastewater treatment plant related to Hilmar Cheese.

The presenters then discussed recycling practices and benefits, including an upcoming 40-year crop irrigation agreement with farmer partners that was up for renewal in 2025. The original contract volume was for 4,357 acre-feet per year, but the City has provided more than 6,000 acre-feet in the recent past. With the expansion of the Hilmar Cheese wastewater treatment plant, more effluent water will be available for use. The question is whether irrigation practice should be expanded with the availability of extra effluent water or could the treated effluent provide a greater benefit to the community as a whole.

The City is exploring underground aquifer recharge, similar to the Wichita Aquifer Storage and Recovery Project, but not based on streamflow and instead based on recharging the Arkansas River beds in the city. Regulatory discussion would need to occur with KDHE on water quality and discharge, DWR for water rights permitting, and state agencies and KWA regarding inclusion of this project in the SWP.

The presenters stated that phase one of design has been completed. Modeling of the treatment process with updated water quality data from recent sampling confirm treatment process and effluent water quality. The City is currently working with KDHE and DWR on permits, and working on a National Environmental Policy Act permit; an Environmental Assessment Report has been submitted to the EPA.

### ***Largest Water Users***

The Program Manager of Water Management Services, DWR, KDA, provided information on deadlines for submitting water use reports to DWR and provided a map that shows the largest water users in the state. He stated approximately 20,000 center pivot irrigation systems operate annually in Kansas. Each center pivot irrigation system irrigates an average of 126 acres at 13.6 inches of

depth. This averages 142.8 acre-feet per year of water use. These measurements were provided to compare with amounts used by the largest non-irrigation water users in the state.

### *Municipal Users*

The top four municipal users in the state are WaterOne (Johnson County), City of Wichita, Board of Public Utilities (Kansas City), and City of Topeka. WaterOne's total water use in 2023 was 81,806 acre-feet, equivalent to use by 573 center pivot irrigation systems.

### *Industrial Users*

The top four industrial users in the state are Evergy, CVR Common Assets, National Beef Packing Company, and Wheatland Electric Cooperative. (Results are compiled by all facilities in the state owned by the industrial users.) Evergy's total water use in 2024 was 55,183 acre-feet, equivalent to use by 386 center pivot irrigation systems.

### *Stockwater Users*

The top four stockwater users in the state are Cobalt Cattle Company, Syracuse Dairy, Seaboard Foods, and High Plains Ponderosa Dairy. (Results are compiled by all facilities in the state owned by the stockwater users.) Cobalt Cattle Company's total water use in 2024 was 2,869 acre-feet, equivalent to use by 20 center pivot irrigation systems.

### *Summary of Water Use*

- Annual irrigation center pivot use of 20,000 center pivots averaging 142.8 acre-feet of use each equals about 2.86 million acre-feet statewide; and
- Annual non-irrigation water use includes the combined annual municipal, industrial, stockwater, and other consumptive use across the state in 2024 and is equivalent to 4,413 center pivots or about 22.0 percent of average irrigation use.

## **August 12, 2025, Meeting**

The Task Force met at Dodge City Community College in Dodge City for its fourth meeting.

### ***Public Comments***

Public comments were provided by three individuals and two organizations, SDI Kansas and the Southwest Kansas Irrigation Association.

### ***Impact of Irrigation on Water Use and the Economy***

A professor and the Director of Sustainable Irrigation, Department of Biological and Agricultural Engineering, Kansas State University, and a professor in the Department of Agricultural Economics, Kansas State University, provided information on the history of irrigation in the United States, highlighting the rapid expansion of irrigation in the 1970s. They also discussed the history of Kansas irrigation that mirrors national trends with a spike in the number of water appropriation permits for irrigation in the 1970s.

The presenters discussed the economic impacts of changing aquifer conditions, in that agricultural land value is 53.0 percent greater for irrigated acreage than non-irrigated acreage. An additional acre-foot of saturated thickness is worth as much as \$16 per acre-foot.

The presenters stated there is mitigation for overuse of water that includes retiring irrigated acres, innovation and technology adoption, educating water users, and potentially modifying state rules and regulations. Examples of innovation and technology adoption were provided, including irrigation management solutions (which include soil water sensors, infrared thermometry, dendrometry, the water irrigation scheduler for efficiency [WISE], and canopy sensing).

### ***Impairments***

The Program Manager, Water Management Services, DWR, KDA, discussed water appropriation in Kansas, minimum desirable streamflow and interstate water compacts, and provided examples of impairment investigations. Ongoing challenges to water appropriations and impairment investigations include the complexity of managing senior versus junior water rights,

declining aquifer levels, and drought and climate pressure.

### ***Dairy Development and Water Reuse***

A Professor and Extension Specialist, Animal Sciences and Industry, Kansas State University, provided information about dairy development and water reuse.

The presenter stated that while the number of milk cows in Kansas has decreased from a historical high in the 1930s and 1940s, there has been a 2.6-fold increase in cow numbers since 1994 and, likewise, a 3.9-fold increase in milk production since 1993. Milk production per cow has seen a 1.7-fold increase since 1995, but there has been a 6.9-fold decrease in total dairy farm numbers since 1996.

More than 90.0 percent of water use on a dairy is for crop production, with the remainder used for drinking water, parlor cleaning, milk cooling, manure management, cow cooling, feed management, and other uses. The presenter provided examples of dairies in western Kansas and how much water is required per cow per day, with average water use per dairy.

The presenter stated the water needed for milk, crops, and on-farm water use has decreased from dairy uses since 1964. This is a result of the changes incorporated to the dairy production system in Kansas, which includes dry lot to freestalls, improved cow cooling, manure management, and changes in forage choices. These changes come from efficiency in milk yields, crop yields, water conservation, water recycling, and improved irrigation.

The presenter stated McCarty Family Farms reported their water savings on their dairy operation; annual water capture occurred in the following ways:

- Processing plant and plate chiller water: 158 million gallons;
- Redesigned manure flushing, washing, and irrigation: 471 million gallons;
- Total of 629.1 million gallons each year.

The presenter provided information on opportunities for water efficiency, the economic impact of the Kansas dairy industry and processing industry, and the future of the Kansas dairy industry. He stated the industry's needs to support growing the dairy industry include:

- Quantification of water use and recycling;
- Identification and testing of water-saving forages;
- Development of irrigation efficiencies;
- Clean water rules and regulations and application;
- Water credit for irrigated lagoon water;
- Quantifying economic impact of water use; and
- Dairy research at Kansas State University.

### ***Federal Reports***

Representatives of the USACE from the Kansas City Branch and the Tulsa Branch discussed their various districts, the planning assistance that is available, and the Tuttle Creek Reservoir water injection dredging demonstration and John Redmond Reservoir hydrosuction projects.

### **November 3, 2025, Meeting**

The Task Force met in the Statehouse in Topeka for its fifth meeting.

### ***Tribal Waters Concerns***

#### *Prairie Band Potawatomi Nation*

The Tribal Council Chairman of the Prairie Band Potawatomi Nation (Nation) provided information on the history of Tribal lands in Kansas and the Nation's senior water rights in an area of 30-by-30 square miles that is located roughly southwest from Holton to Wamego. He discussed that water rights were established with treaties between tribes and the United States, affirmed by the U.S. Supreme Court in *Winters v.*

*United States*, 207 U.S. 564 (1908), and predate any water rights granted by the State.

The Tribal Council Chairman expressed his disappointment on how Kansas approaches water use in and around the Tribal lands and detailed the following points:

- The Task Force should have Tribal representation;
- Tribal water rights include land sold to non-Tribal members within the area granted to the Nation by treaty;
- The State has not been a good steward of Tribal water rights;
- The Nation is pursuing the ability to treat its own water in its own facilities, as the Nation believes the local water districts do not treat the Nation as an equal partner; and
- Streams in the Tribal lands have heavy metal contaminants and require significant treatment.

The Tribal Council Chairman noted the deterioration of the quantity and quality of water are the biggest concerns for the Nation.

The Special Water Counsel for the Nation discussed legal issues regarding tribes being granted sovereignty and discussed how the Nation interacts with state regulatory agencies.

#### *Iowa Tribe of Kansas and Nebraska*

The Chairwoman of the Iowa Tribe of Kansas and Nebraska (Tribe) also stated her support for Tribal representation on the Task Force. The Chairwoman shared concerns about water quality in Tribal lands, highlighting high nitrate levels. The Chairwoman stated the Tribe's willingness to work with all entities as a sovereign nation.

## ***State Water Plan and the Development Process***

### *State Water Plan and State Agency History*

The Assistant Director, KWO, stated the first established state water agency was the Kansas Water Resources Board that was established in 1955 in response to the severe drought and flooding in the 1950s.

The Board conducted a study that recommended providing an organizational structure, personnel, and funds to create and maintain a state water plan.

In 1978, the Governor created the Governor's Task Force on Water Resources, which recommended increased attention be given to use of the State Water Plan as the State's basic expression of policy on water-related subjects.

The KWO was established in 1981 as the water planning, policy, coordinating, and marketing agency for the State. The agency's mission and purpose were shared with the Task Force.

### *Ongoing Policy, Planning, and Implementation*

The KWA made the following policy recommendations to the Governor and Legislature:

- The policy of planned depletion of the Ogallala Aquifer is no longer in the best interest of the State;
- Increase funding for the SWPF;
- Encourage consideration of regionalization for public water infrastructure; and
- Appropriate money for leveraging matching funds.

### ***Public Comments***

The Task Force received comments from an individual regarding the challenges faced by rural communities in Kansas in attempting to apply for grant funds at the State level.

### ***State Water Plan Fund Budget Development Process and HB 2302 Infrastructure Grant Programs***

The Manager of Policy and Governmental Affairs, KWO, detailed the current SWPF budget process, which includes local and agency input, KWA’s process, the state budget process and Governor’s budget recommendations, and finally, the legislative budget process. The SWPF is used to implement the SWP.

The HB 2302 Infrastructure Grant Programs were described:

- Water Technical Assistance Fund:
  - Eligible applicants include municipalities and special districts related to water;
  - Eligible projects include planning, engineering, managing, and other technical assistance necessary for the development of water infrastructure projects, and processing grant and loan applications for water infrastructure projects; and
  - No single grant may exceed \$1.0 million.
- Water Projects Grant Fund:
  - Eligible applicants include municipalities and special districts related to water;
  - Eligible projects include construction, repair, maintenance, or replacement of water-related infrastructure; matching money for grants or loans for water-related infrastructure; and paying any outstanding loan balance for Public Water Supply Loan Fund loans or Kansas Pollution Control Revolving Fund loans; and
  - No single grant may exceed \$8.0 million.

The Manager detailed the application materials and evaluation criteria and provided maps showing the locations in the state of all applicants and the locations of the applicants who received grant awards in FY 2024 and FY 2025.

### ***Reporting Requirements for Nitrates in Nebraska Public Water Systems***

The Executive Director of the Nebraska Association of Resources Districts stated that Nebraska is divided into 23 natural resource districts (districts). The districts were created in 1972 by the Nebraska Legislature, combining several political subdivisions and considering river boundaries, water quality and quantity, and additional factors. The districts have taxing authority, and each district’s officers are elected by the people in the district.

Each district is required to have a management plan for water quality, and each district is also required to have an extensive groundwater monitoring program. The management plan for nitrates is based on “Triggers in Phases,” which means the plan applies only in places where problems exist—not the entire district.

There are four phases that can be triggered:

- Phase 1—nitrates below 5 parts per million (ppm): education programs only;
- Phase 2—nitrates between 5 ppm and 10 ppm: mandatory soil testing, nitrogen certification, water testing, annual crop reporting, ban fall/winter fertilizer, and annual reports provided back to producers;
- Phase 3—nitrates exceeding 10 ppm: all requirements of Phase 2 plus management plans on fertilizer application and accounting for all nitrogen sources for the crop; irrigation water with high nitrates can provide most of the nitrogen supply, which saves farmers money and helps remediate the problem; and
- Phase 4—nitrate levels still increasing: all Phase 2 and 3 regulations plus a ban on all fertilizer applications. [*Note:* This has not yet happened in Nebraska.]

Nebraska has also launched two new initiatives: Producer Connect and Producer Incentives.

### *Producer Connect*

Producer Connect is a joint project with the districts and federal, state, and local partners, including the Nebraska Cooperative Council and Nebraska Corn Board. It includes a free mobile app with two-way communication between the districts and producers. This allows producers to work directly with districts on ways to improve nitrogen use efficiency and profitability.

The app allows producers to submit required reports and track fertilizer use, yields, and profitability. Likewise, data can be provided in reports to producers on how they compare with their peers in an area. In addition, the app can be used for water quality management to track allocations, and producers can get daily information on water use.

Use reports for producers are available at all times, rather than through an annual report.

### *Producer Incentives*

Nebraska's Nitrogen Reduction Act, passed in 2024, provides a financial incentive of up to \$15 per acre to reduce nitrogen application by 15.0 percent or 40 pounds per acre. Baseline data is required, but producers can use existing Phase 2 or 3 reports. Producers apply with their district, and the local district ranking system allocated the limited funding, as \$1.0 million is available statewide per year. The second year of applications opened in November 2025 for the 2026 growing season.

### *Water Rights and Land Values*

The President of Centera Bank, which has locations in Dodge City, Greensburg, Minneola, Satanta, and Sublette, discussed the experience of being an agricultural bank, with the majority of its business directly tied to farming and ranching.

The bank has witnessed the declining water table in the region for decades; however, it has become a more serious concern in the past 10–15 years. The bank has also witnessed the transition from irrigated to dryland farming with a significant portion of the farmland in the area, typically when an irrigation well is no longer functioning.

The declining water table has had and will continue to have a significant impact on land values. Irrigated farmland with a strong well or wells will bring a premium price; irrigated farmland with a marginal well that is gradually becoming weaker will have a price closer to dryland value.

### **November 19, 2025, Meeting**

The Task Force met at the Manhattan Public Library in Manhattan for its sixth and last meeting during the 2025 Interim.

### ***Kansas Livestock Water Efficiency Program Grants***

The Vice President of Legal and Government Affairs for the Kansas Livestock Association reviewed the stockwater fees that are paid by the livestock industry that are deposited into the SWPF. It was pointed out that until HB 2302 was passed, historically, the stockwater fees were not used for stockwater conservation projects. Through the Division of Conservation, KDA, and its Kansas Livestock Water Efficiency Program, grant funds (Livestock Grants) were awarded in FY 2025 to 13 projects that included upgraded water monitoring systems, more efficient cattle waterers, water recycling systems, and water storage tanks.

One of the grant recipients was Ford County Feeders, which used its cost-share grant to replace old cattle waterers and pipes, and also replaced water tanks, many of which were believed to be original to the feedyard and designed by the original feedyard owner. In comparing 2024 water use with 2025 water use, gallons per head per day dropped by four gallons across the entire feedyard.

The estimated cost of the project was \$150,000, of which a cost-share Livestock Grant covered \$45,000. The feedyard estimated it spent an additional \$20,000 to \$30,000 on extra costs not included in the grant application. Overall the Ford County Feeders believe this was a success.

The Vice President of the Cattle Division, Irsik & Doll Feed Services, Inc., described work done with moneys awarded in two Livestock Grants.

The first grant was used to install Ethos Connected sensors that were installed in the water

wells and used to monitor the aquifer level continuously. This real-time visibility allows for current management of water resources and to prepare during high-demand irrigation season.

Irsik & Doll will use the second grant for a water recycling and reclamation system to capture overflow from the cattle drinking troughs, plus from the boilers and from the lagoon. Reclaiming this wastewater will allow for its recycling and use for watering cattle rather than applying nutrient-dense water to crops.

The company plans to apply for additional grant funding for capturing and recycling process water from some of the thermal heat pumps. This water will added back into the cattle drinking water system.

### ***Texas Water Planning Process***

The Director of Water Supply Planning, Texas Water Development Board, stated there was a lack of state water plan implementation until after a severe drought occurred in the mid-1990s, which prompted legislation enacted in 1997. The legislation provided for orderly development, management, and conservation of water resources, and preparation for and response to drought conditions.

Water planning in Texas is bottom-up, starting with regional water planning group (Group) voting memberships that take input from the public, technical consultants, water user groups, Group sponsors and non-voting members, and the Texas Water Development Board (Board, in this section).

The water planning cycle is continuous:

- Groups select sponsors and consultants, and sponsors apply for funds;
- Groups via consultants develop regional water plans;
- Draft regional water plans are published for agency and public review;
- Groups adopt and submit plans to the Board;

- The Board approves the regional water plans; and
- The Board develops the Texas Water Plan (TWP).

The water use categories in Texas are irrigation, livestock, manufacturing, mining, municipal, and steam electric.

The process of developing the TWP asks various questions and what actions need to be taken in response to the questions:

- How many Texans will there be? Population projections;
- How much water will be required? Water demand projections;
- How much water is there? Quantify water availability and existing supplies: surface water, groundwater, and reuse;
- Is there enough water? Based on existing supplies and demand, identify surpluses and needs, including potential shortages;
- What to do to get more water? Evaluate and recommend water management strategies and projects; and
- How much will it cost? Capital costs of projects.

The TWP is submitted to the Governor, Legislature, and the public, with long-term projections of water supplies, demands, and needs; project costs and funding needs; and policy recommendations.

### ***Texas – Financial Programs***

The Outreach Specialist, and the Assistant Director, Program Administration and Reporting, Texas Water Development Board, discussed the State Water Implementation Fund for Texas (SWIFT) program, which was created through a 2013 constitutional amendment that authorized a

one-time \$2.0 billion upfront transfer from the State's Rainy Day Fund.

In 2013, the Texas Legislature passed legislation to provide financial assistance to ensure adequate future water supplies for the state. The State Water Implementation Revenue Fund for Texas (SWIRFT) issues revenue bonds for the SWIFT program for TWP projects that are subsidized and provide deferred payment obligations, not grants.

The SWIFT program policy goals are to use the original \$2.0 billion to leverage \$27.0 billion over 50 years; maintain the highest credit rating; and incentivize water planning, investment infrastructure, and regionalization. The benefits include local participants leveraging state credit worthiness, local cooperation, and significant savings in interest costs.

Eligible applicants for funding are political subdivisions (municipalities, counties, river authorities, special law districts, water improvement districts, water control and improvement districts, irrigation districts, and groundwater conservation districts) and nonprofit water supply corporations.

Eligible projects include recommended water management strategy projects with an associated capital cost in the most recently adopted TWP at the time abridged applications are due, including, but not limited to, conservation and reuse, desalinating groundwater and seawater, building new pipelines, developing reservoirs and well fields, and purchasing water rights.

Starting in 2025, SWIFT program general obligation bonds are also issued through the Texas Water Development Fund. The Fund may fund projects in the TWP and is loan-based. Approved projects are for water supply, including reservoirs and well fields, wastewater, conservation, water quality enhancement, and flood control. Eligible applicants include cities, counties, river authorities, districts, and nonprofit water supply corporations.

### ***California Water Planning Process***

The Deputy Director of Statewide Water Resources Planning and Enterprise Project

Management and the Supervising Engineer, California Department of Water Resources, stated that the California Water Plan (CaWP) does not authorize action or appropriate funding, but the timing and content of the CaWP are specified in the California Water Code.

The CaWP is the State's only platform for comprehensive, data-informed, collaborative, and water planning policy conversations. It is the State's master plan that guides the orderly and coordinated control, protection, conservation, development, management, and efficient utilization of the water resources of the state. The CaWP influences water policy on multiple fronts:

- Shapes and informs conversations in water management and policy circles;
- Plans alignment with the Division of Water Resources and among other state agencies;
- Raises awareness and provides recommendations;
- Informs consent from diverse stakeholders on the toughest of California's water dilemmas; and
- Establishes an idea lab to explore innovative water planning and policy.

The CaWP has evolved over the years to meet changing needs and opportunities. Since 2020, the focus has turned to addressing climate crisis and social change through integrated water management, watershed resilience and sustainability, and climate adaption and racial justice.

The California State Legislature passed SB 72, which the Governor signed into law in October 2025. The bill is a modernized CaWP that:

- Establishes the first statewide water supply target;
- Moves the CaWP from advisory to an actionable tool;

- Provides clear benchmarks for state, regional, and local agencies;
- Ensures local projects advance statewide priorities;
- Strengthens collaboration by bringing state, federal, regional, and local efforts under a common framework;
- Provides accountability by measurable progress toward resilience and water security; and
- Enables the Legislature, Governor's Office, water agencies, disadvantaged communities, and Indian Tribes to coordinate and work from a shared playbook.

#### *Water Availability*

Approximately 60.0 percent, or 115 million acre-feet, of the water that falls on California evaporates or is used by non-agricultural vegetation. Another 20 million acre-feet flows in protected rivers, mostly in the north coast region. The remainder goes toward the state's agricultural, urban, and other environmental needs.

#### *Climate Change Impact*

The CaWP states that climate change impacts are affecting all water sectors across the state, including forest and wildlife management, hydropower, ecosystems, groundwater, water supply, flood management, water quality, and recreation. The issues involved include:

- Increasing extreme precipitation;
- Changing hydrological variability;
- Shifting streamflow timing;
- Increasing drought severity;
- Increasing water temperature;
- Increasing evaporative demand;
- Increasing average and extreme air temperatures;
- Reducing amount of available snowpack;
- Increasing wildfires;
- Increasing extreme heat;
- Increasing inland flooding;
- Changing groundwater recharge;

- Increasing coastal flooding; and
- Rising sea levels.

#### *Watershed Resilience and State Initiatives*

The effort to focus on watershed resilience must complement state initiatives. The roadmap to resilience includes the following objectives:

- Support watershed resilience planning and implementation;
- Improve the resiliency of "backbone" state-, federal-, and regional-built water infrastructure;
- Improve the resiliency of natural "backbone" infrastructure;
- Advance equitable outcomes in water management;
- Support and learn from Tribal water and resource management practices;
- Support and increase flexibility of regulatory systems; and
- Provide stable funding for implementing actions toward water resilience.

The state entities that will work toward water resilience are the Governor's Office of Land Use and Climate Innovation, Department of Conservation, Department of Water Resources, State Water Resources Control Board, California Natural Resources Agency, and Department of Fish and Wildlife.

The other entities that will work with the state entities include:

- Groundwater sustainability agencies;
- Regional management groups;
- Forest and fire groups;
- Vulnerable communities;
- Native American tribes;
- Water supply agencies;
- Environmental groups;
- Water quality collaboratives;

- Land use managers; and
- Flood managers.

### ***California Water Funding***

#### *California State Water Board*

The Deputy Director of the Division of Financial Assistance, California State Water Board (Water Board), provided information on the Water Board’s mission to preserve, enhance, and restore the quality of California’s water resources and drinking water for the protection of the environment, public health, and all beneficial uses, and to ensure proper resource allocation and efficient use for present and future generations.

#### *Funding for Drinking Water*

Funding is available for planning and construction projects to implement drinking water infrastructure projects needed to achieve or maintain compliance with Safe Drinking Water Act requirements. Eligible recipients include:

- Public water systems, including community and non-transient non-community systems;
- State small water systems;
- Nonprofit organizations; and
- Tribal organizations.

State funding sources include the Safe Affordable Drinking Water Fund (2025: up to \$130.0 million); Cleanup and Abatement Account Urgent Drinking Water Needs Projects and Recipients (annual amount: on average, \$370,000); and State General Fund (currently appropriated, \$151.0 million; previously appropriated, \$452.0 million).

California voters can put propositions on the ballot. Three propositions for drinking water initiatives have passed:

- 2014 Proposition 1—\$241.8 million appropriated, \$25.4 million remaining;

- 2018 Proposition 68—\$203.5 million appropriated, \$19.9 million remaining; and
- 2024 Proposition 4—\$101.0 million appropriated.

Federal funding sources include the Drinking Water State Revolving Fund (2025-26 amounts: grants and principal forgiveness—\$832.6 million; loan proposed commitments—\$370.0 million); and Emerging Contaminants in Small Disadvantaged Communities (2025-26 amount: \$196.0 million).

#### *Funding for Clean Water*

Funding is available for planning and construction projects to restore and maintain compliance with water discharge requirements and National Pollutant Discharge Elimination System permits. Eligible recipients include:

- Public agencies;
- Tribal organizations; and
- Federal Internal Revenue Code Section 501(c)(3) nonprofit organizations.

State funding sources include \$372.0 million for small-community wastewater projects and \$1.3 billion for the Clean Water State Supply Revolving Fund (CWSRF) projects, including water recycling and stormwater projects, and the State General Fund (currently appropriated is \$62.7 million for wastewater and \$21.3 million for water recycling; previously appropriated amounts were \$495.0 million for wastewater and \$88.0 million for water recycling). State funding sources also include the general obligation bonds passed by the statewide propositions previously mentioned.

Federal funding sources include the CWSRF for grant and principal forgiveness including small-community grants (\$307.1 million; annual loan capacity is \$600.0 million).

#### *Funding for Stormwater*

State funding is available for stormwater projects through general obligation bonds through 2014 Proposition 1 (\$200.0 million) and 2024 Proposition 4 (\$110.0 million).

Federal funding is available through the CWSRF, for loans and principal forgiveness, and the Sewer Overflow and Stormwater Reuse Municipal Grants Program (\$4.5 million annually).

#### *Funding for Groundwater*

State funding sources consist of general obligation bonds for grants (2014 Proposition 1—\$670.0 million; 2018 Proposition 68—\$74.0 million); and \$19.8 million from the State General Fund for groundwater site cleanup.

#### *Funding for United States–Mexico Border Water Quality Projects*

State funding is available for projects that address water quality problems arising from the California-Mexico cross-border rivers. The Budget Act of 2021 and 2022 appropriated \$35.0 million for 6 projects (1 in Mexico, 5 in California); and 2024 Proposition 4 appropriated funding of \$50.0 million.

#### *Funding for Technical Assistance*

State funding is available for eligible projects for drinking water and wastewater systems. For drinking water projects, \$142.6 million State General Fund has been appropriated. For wastewater projects, \$6.3 million State General Fund has been appropriated. General obligation bonds from 2024 Proposition 4 are available for drinking water (\$9.0 million) and wastewater projects (\$9.0 million).

#### ***Colorado Water Planning Process***

The Section Chief, Water Supply Planning, Colorado Water Conservation Board (Board, in this section), Colorado Department of Natural Resources (DNR), explained the structure of the Board, which has 5 non-voting members and 10 voting members.

The agency is headed by a director and deputy director, and agency staff are in seven sections: Administration and Operations; Finance; Grants; Interstate, Federal, and Water Information; Stream and Lake Protection; Watershed and Flood Protection; and Water Supply Planning.

#### *Colorado Water Plan Cycle*

The Colorado Water Plan (CoWP) cycle consists of three phases:

- Phase 1—analysis and technical update, using foundational data sets that describe the current and future water supplies and needs;
- Phase 2—basin plan update, using local planning conducted by basin roundtables that provide grassroots input to the CoWP; and
- Phase 3—a comprehensive CoWP update, updating the visions and actions in the CoWP.

The CoWP planning process uses a scenario planning approach, using scenario drivers that include social and environmental values, population and economic growth, urban land use, availability of water efficiency technologies, climate change and water supply availability, level of regulatory oversight and constraint, agricultural economics and water demand, energy economics and water demand, and municipal and industrial water demands.

#### *Water Values*

Colorado recognizes four water values:

- A productive economy that supports vibrant and sustainable cities, agriculture, recreation, and tourism;
- An efficient and effective water infrastructure system;
- A strong environment with healthy watersheds, rivers, streams, and wildlife; and
- An informed public with creative, forward-thinking solutions, who are resilient to changing conditions and come together to form strong, equitable communities that can adapt and thrive.

## *Values and Actions*

Colorado recognizes four interconnected action areas:

- Vibrant communities—counties, municipalities, utilities, cities, towns, businesses, large industries, and large and small urban and rural communities;
- Robust agriculture—established crops and farms, local food, orchards, ranching, ditch companies, acequias (historic, community-managed irrigation ditches), urban agriculture, livestock, and dairy;
- Thriving watersheds—environment and recreation, river health, watershed health, forest health, wildfire mitigation, and wildlife and aquatic species protection; and
- Resilient planning—climate adaption; planning for climate extremes; embracing equity, diversity, and inclusivity; education, outreach, and engagement; and supportive government.

## *Financing*

Board funding includes the following:

- Federal mineral lease revenue:
  - Construction Fund Revolving Loan Program:
    - Board programs, grants, and operations;
- Severance tax – 25.0 percent:
  - Severance Tax Perpetual Base Fund Revolving Loan Program:
    - Grant programs and roundtable funding;
- DNR-allocated severance tax – approximately 4.0 percent:
  - Severance Tax Operational Fund:
    - Special studies, projects, and programs; and
- Sports betting revenues:

- Water Plan Implementation Cash Fund:
  - Water Plan Grant Program.

A statewide gap analysis shows increasing population and potentially hotter and drier future climate conditions will increase the risk of gaps between needed and available water and create a need for additional supply.

## *Progress and Milestones*

Since 2017, more than \$127.0 million has been awarded in water plan grants, with 531 projects funded in 57 of 64 Colorado counties.

Approximately 1,800 water projects have been identified through basin implementation planning. A total of 43 agency actions are currently underway and partially completed

Colorado has invested \$2.1 million in the Colorado Water Loss Initiative. The State has trained and retrained personnel from more than 90 water utilities with 50 utilities identifying more than 20,000 acre-feet in preventable losses so far. In addition, there has been a 5.0 percent reduction in per capita water use since 2015.

Approximately \$20.7 trillion in project costs are currently identified in the eight river basin implementation plans. Continuing progress to identify and fund projects is important.

## *Lessons from the Past 20 Years*

The past 20 years of lessons from water basin roundtables have found:

- Challenges strengthen coalitions;
- Trust is crucial;
- Funding follows form; and
- Responsibility breeds vision.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Task Force Discussion and Recommendations**

At the end of the November 19, 2025, meeting, Task Force members acknowledged that many identified risks for water quality and water quantity for both surface water and groundwater need to be addressed to ensure the future water supply in Kansas.

However, the focus should not be on immediate risks. Currently, there is no agreement on the structure, process, and funding for providing for the future water supply in Kansas. These topics are multi-year and multi-generational issues.

The Task Force made numerous observations on several topics:

### ***Funding and Accountability***

- Requests for funding and technical assistance far exceed available funding, especially for small municipal projects, and funding for these grants should be prioritized;
- Accountability, including tracking dollars and ensuring the funded projects have been completed, must be included with any future funding, to increase the likelihood of continued funding and support for water projects; and
- Legislation and an appropriation (“seed money”) should be considered that would establish low-interest loans for water projects that would incentivize communities to repay the funds to the State.

### ***Water Project Impact***

- Decision-makers must understand the impact of funding for water projects on the State’s economy; and
- Industry associations are having water-related discussions, especially about the water supply in Kansas as it relates to business and economic growth.

### ***Federal Reservoirs***

- The State cannot take any actions on the federal reservoirs with state-owned water supply storage without the involvement of the USACE; however, if the State pays off the debt at the federal reservoirs early, the State will save on interest and will not have to pay operation and maintenance

costs until the purchased storage in the reservoirs is called into service.

### ***Water Planning Process***

- Discussion is needed on whether the statutes should prescribe the frequency of developing a state water plan and include a process for checking the progress of projects and initiatives included in the SWP; and
- Discussion is needed on how to make the water planning process more encompassing from initial discussion through law-making: among local people who know what projects and actions are needed; to the KWA, which provides advisory recommendations to the state agencies; and to the Legislature, which passes legislation for funding and parameters for grant and loan programs and water policy.

### ***Local Involvement***

- Local input is necessary to help identify and develop projects; however, local governments have not been asked if they would like to be part of the solution;
- What information local governments receive and can access that helps them assess the water issues they have and their options to address those issues should be determined and evaluated;
- Regional involvement could become a component with regard to applying for a grant or loan-funded project that would benefit a defined region, rather than only addressing projects on a community-by-community basis; and
- Regional advisory committees under the KWA are uniquely positioned to identify local projects; however, their recommendations have been more long-term rather than project-specific.

### ***Coordination Between Stakeholders and State***

- There is consensus that there is not enough coordination between all levels of government and stakeholders. The Task Force should engage with all interested parties to consider how coordination for projects, funding, oversight, and accountability should occur.

### ***Groundwater Management Districts***

- GMDs have the structure, regulatory authority, and access to the local population to address water issues and they can encourage buy-in from their members, but the GMDs lack guidance from the State; and
- With more guidance from the State, the GMDs are confident they could further identify issues and request the needed resources to address these issues.

### ***Erosion and Sedimentation Control***

- Soil and vegetation management for purposes of erosion control that hinders sedimentation loss in Kansas streams is important; best management practices should be encouraged.

### ***Advocacy***

- Changes to water policy and funding for water projects will require advocacy from Task Force members, especially

legislators, with regard to water-related appropriations and project bills before the Legislature during the 2026 Session; and

- It was suggested that a delegation from the Task Force visit with the Kansas Congressional delegation in Washington, D.C.

### ***Lessons Learned From Other States***

- The amount of funding available must be sufficient to address priorities (Texas, Colorado) and have a sustainable source (Texas);
- Project selection and development is needed at the local level; loan and repayment programs work through local programs (Texas);
- Plans built on supply and demand models work when based on basins and local input (Texas);
- Water plans should focus on resilience (California and Colorado);
- Nitrates can be successfully managed by basin (Nebraska); and
- Buy-in from commerce and industry is needed to address water needs that are significant and important to economic development (Texas).