

February 10, 2026

The Honorable Francis Averkamp, Chairperson
House Committee on Welfare Reform
300 SW 10th Avenue, Room 152-S
Topeka, Kansas 66612

Dear Representative Averkamp:

SUBJECT: Fiscal Note for HB 2731 by House Committee on Welfare Reform

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2731 is respectfully submitted to your committee.

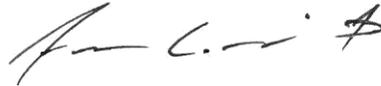
HB 2731 would require the Secretary for Children and Families to enter into a contract, on or before January 1, 2027, with the Office of Inspector General for the establishment and operation of a fraud detection unit for the food assistance program. Also, on and after January 1, 2027, the Secretary would not be permitted to hire employees or contract with any other entity to perform fraud detection activities for the food assistance program.

The Department for Children and Families (DCF) indicates that enactment of HB 2731 would not have a fiscal effect on the agency. DCF would no longer have the responsibility to conduct fraud activities related to the food assistance program. The budget related to food assistance expenses totals about \$1.4 million, including \$700,000 from the State General Fund. These funds would be used to contract with the Office of Inspector General. Actual costs related to fraud related activities cannot be estimated as the number of investigations and time required is unknown. However, if the total costs exceed \$1.4 million per state fiscal year, additional State General Fund would be required.

The Office of the Attorney General indicates that enactment of HB 2371 would require the Office of Inspector General to establish and operate a statewide fraud detection unit for the food assistance program beginning January 1, 2027. To meet federal requirements and serve as the exclusive fraud detection mechanism, the Office of Inspector General estimates the need for approximately 10.00 positions, including a Deputy Inspector General to oversee operations, with annual salary and fringe costs of \$763,762. Because the agency does not have existing space or

technology capacity to absorb these positions, an additional \$287,486 would be required for office space, furniture, computer technology, and related infrastructure. Total ongoing annual costs would be approximately \$1.1 million beginning in FY 2027. Any fiscal effect associated with HB 2731 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Kim Holter, Department for Children & Families
Matt Bingesser, Office of the Attorney General