

February 27, 2026

REVISED

The Honorable Carl Turner, Chairperson
House Committee on Legislative Modernization
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Turner:

SUBJECT: Revised Fiscal Note for HB 2574 by Joint Committee on Information Technology

In accordance with KSA 75-3715a, the following revised fiscal note concerning HB 2574 is respectfully submitted to your committee.

HB 2574 would establish the Judicial Branch Technology Oversight Council to set standards and policies for Judicial Branch Information Technology. The bill would update references in statute regarding state agency cybersecurity programs to the National Institute of Standards and Technology Cybersecurity Framework 2.0 as in effect on July 1, 2024, with July 1, 2026. The bill would also require certain chief information security officers (CISOs), beginning in 2027 and every two years after, to report to the Legislature regarding the maturity level of the cybersecurity program. The bill would remove requirements that the CISO coordinate with the United States Cybersecurity and Infrastructure Security Agency to perform annual audits and require periodic audits of the cybersecurity program instead. These provisions would apply to statutes regarding information technology and cybersecurity for the Office of Information Technology Services (OITS), Department of Insurance, Secretary of State, State Treasurer, Attorney General, Kansas Bureau of Investigation (KBI), and Judicial Branch and would expire on July 1, 2030.

The bill would increase the membership of the Information Technology Executive Council (ITEC) from 13 to 17 voting members by adding two members from the Senate and two members from the House of Representatives that are currently nonvoting members. The bill would remove requirements that ITEC must develop and report a plan to integrate all information technology services for the Executive Branch and the state educational institutions into OITS January 15,

2026. The bill would strike statutes regarding establishing a CISO for the Legislature and would instead specify that the Legislative Chief Information Technology Officer (CITO) would appoint a Legislative CISO who would have certain responsibilities. The bill would add the Kansas Public Employees Retirement System (KPERS) to the definition of “Executive Branch Agency” under the Kansas Cybersecurity Act. The bill would authorize the Executive CISO to conduct certain information technology assessments and develop findings. Prior to acquiring any cybersecurity-related product that could materially affect state systems, Executive Branch agency heads would be required to consult with the Executive CISO who would certify that the acquisition does not create a cybersecurity risk.

Under current law, beginning July 1, 2028, and each year after, the Director of the Budget, in consultation with the Legislative, Executive, and Judicial CITO’s would be required to determine if each state agency is in compliance with certain cybersecurity standards. If not in compliance, the Director is required to certify an amount equal to 5.0 percent of the agency’s funding to the Legislature, which could consider lapsing the funds. HB 2574 would remove this requirement and instead would require on October 1, 2028, and each year after, the Executive CISO to report non-compliant agencies to the Legislature, which could consider lapsing 10.0 percent of the agency’s funding for information technology and cybersecurity. The bill would also remove various sunset provisions in existing statutes regarding cybersecurity and would take effect upon its publication in the statute book.

The Secretary of State indicates enactment of the bill would increase expenditures by approximately \$120,000 from agency fee funds for 1.00 FTE position and software beginning in FY 2026. The agency states that it would need an additional employee to complete the reporting required in the bill along with software. The agency states that the position would need to be hired in FY 2026 to meet the reporting requirements. The agency notes that the bill would not have a fiscal effect on county offices.

KPERS indicates enactment of the bill would have a negligible fiscal effect. The agency notes that any fiscal effect would be similar to what it already allocates to cybersecurity and that the bill could be handled within existing resources. The Division of the Budget notes that in the fiscal effect statement originally issued, KPERS indicated the bill could not be handled within existing resources.

Legislative Administrative Services (LAS) indicates enactment of the bill could increase expenditures for the Legislature, but that a precise fiscal effect cannot be estimated. LAS states that the Legislature currently has an active cybersecurity program, but additional resources may be needed in future years depending on the needs of the program.

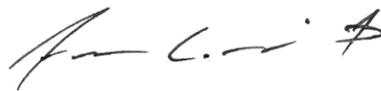
The State Treasurer’s Office states that the modifications to the agency’s cybersecurity program could be handled within existing resources and the bill would not have a fiscal effect on the agency.

The Office of Judicial Administration indicates enactment of the bill could increase expenditures for the Judicial Branch relating to establishing the Oversight Council and

cybersecurity audits. The Office states that an initial audit and costs relating to the Oversight Council could be absorbed within existing resources. However, the Office notes that, depending on the cost and frequency, future audits could require additional funding requests from the State General Fund in the Judicial Branch budget submission.

The Department of Insurance, Office of the Attorney General, OITS, and KBI indicate enactment of the bill would not have a fiscal effect on the agencies. Any fiscal effect associated with HB 2574 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: Trisha Morrow, Judiciary
Tom Day, Legislative Services
Jarod Waltner, KPERS
Brian Reiter, Office of Information Technology Services
Kyle Strathman, Department of Insurance
Jennifer Cook, Office of the Secretary of State
John Hedges, Office of the State Treasurer
Matt Bingesser, Office of the Attorney General
Paul Weisgerber, Kansas Bureau of Investigation