

February 27, 2026

The Honorable Beverly Gossage, Chairperson
Senate Committee on Public Health and Welfare
300 SW 10th Avenue, Room 142-S
Topeka, Kansas 66612

Dear Senator Gossage:

SUBJECT: Fiscal Note for SB 513 by Senate Committee on Ways and Means

In accordance with KSA 75-3715a, the following fiscal note concerning SB 513 is respectfully submitted to your committee.

SB 513 would require the Department for Children and Families (DCF), in coordination with the Kansas Office of Early Childhood (KOEC), to administer the Kansas Child Care Subsidy Program. The agencies would develop, procure, and implement a modern child care subsidy management and payment system capable of supporting the direct payment of child care subsidy to eligible child care providers participating in the Kansas Child Care Subsidy Program and providing care to eligible child care subsidy recipients.

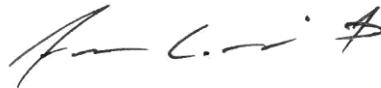
On or before January 1, 2027, DCF, in coordination with the KOEC, would be required to issue a request for information from private vendors on a modern child care subsidy management and payment system meeting the bill's specifications. On or before June 30, 2027, DCF would be required to submit a written report to certain Legislative committees regarding the bill's provisions related to procurement and implementation of the system. Upon submission of the report, DCF, in coordination with the KOEC, would submit a request for proposal for the development, procurement, and implementation of the system dependent upon appropriation of state and federal funds.

According to DCF and KOEC, enactment of SB 513 would not have a fiscal effect for the request for information related to child care subsidy management and payment system. The summary to be prepared and presented to the Legislature would include estimated costs, an implementation timeline, and a list of statutory changes needed. A request for proposal would then be issued, dependent on the appropriation of state and federal funds. Development and

implementation of new software would include a fiscal effect. However, the extent of those costs and the funding available cannot be estimated until the request for information has been reviewed and assessed. In addition to the new software, there could be a fiscal effect to link and integrate the Kansas Eligibility Enforcement System currently in use for eligibility and payments related to child care subsidy and other assistance programs.

A determination would be needed whether DCF or KOEC would be responsible for the implementation of the subsidy management and payment system. Under current law, beginning July 1, 2027, KOEC will serve as the state lead for the subsidy program, but DCF would assist in implementation given constraints to the current payment system. If the payment system were to change, the arrangement between DCF and KOEC would need to be reevaluated. Any fiscal effect associated with SB 513 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
Christi Smith, Office of Early Childhood