

SESSION OF 2026

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2731**

As Recommended by House Committee on
Welfare Reform

Brief*

Sub. for HB 2731 would require the Secretary for Children and Families (Secretary) and the Office of the Inspector General (OIG) to exchange documents related to cash assistance, child care assistance, and food assistance fraud investigations.

The bill would require the Secretary and the OIG to cooperate in the facilitation of detection, investigation, and prosecution of public assistance by exchanging information, including:

- Documents and information related to cash assistance, child care assistance, and food assistance applicants or recipients;
- Documents and information related to cash assistance, child care assistance, and food assistance eligibility determinations;
- Electronic benefit card (EBT) transaction data or documents; and
- Any other materials received, compiled, or created by the agency related to an audit, inquiry, or investigation of cash assistance, child care assistance, and food assistance applicant, recipient, authorized retailer, or any other individual suspected of, or being investigated for, fraud in the food assistance program.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <https://klrd.gov/>

The bill would require information to be exchanged at the request of either the Secretary or the OIG, and completed in a reasonable time frame that could not exceed 30 days from the day of the request being received.

The bill would require that all information and documents exchanged between the Secretary and the OIG be used for the purposes of detecting, investigating, and prosecuting fraud in the cash assistance, child care assistance, or food assistance programs.

Background

The bill was introduced by the House Committee on Welfare Reform at the request of Representative Averkamp.

As it was referred to the House Committee on Welfare Reform, the bill contained provisions requiring the Secretary to enter into a contract with the OIG for the establishment of a fraud-detection unit to detect, investigate, and assist in prosecuting fraud in the food assistance program.

House Committee on Welfare Reform

In the House Committee hearing, **opponent** testimony was provided by a representative of the Department for Children and Families (DCF). The opponent stated that federal law would require approval from both the Social Security Administration and the U.S. Department of Agriculture to implement the bill's provisions. The opponent also expressed concerns with Kansas statutes regarding management functions of the Attorney General's office and the requirement that the OIG be an independent agency.

Written-only opponent testimony was provided by a representative of Health Forward Foundation.

Neutral testimony was provided by the Kansas Inspector General, who stated the bill would help increase the effectiveness and efficiency of the Supplemental Nutrition Assistance Program. He also stated that the bill would reduce the amount of fraud, waste, and abuse in the program.

No other testimony was provided.

The House Committee amended the bill to remove its contents pertaining to a contract between the Secretary and the OIG, inserted language pertaining to a data-sharing agreement between the Secretary and the OIG, and created a substitute bill.

Fiscal Information

An updated fiscal note was not available at the time the House Committee took action on the substitute bill.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, DCF indicates that enactment of the bill 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 State General Fund (SGF). These funds would be used to contract with the OIG. 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 SGF would be required.

The Office of the Attorney General indicates that enactment of the bill would require the OIG 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 OIG 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 the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Public assistance; DCF; Office of the Inspector General; data exchange; fraud investigations