

February 15, 2024

The Honorable Brenda Landwehr, Chairperson  
House Committee on Health and Human Services  
300 SW 10th Avenue, Room 112-N  
Topeka, Kansas 66612

Dear Representative Landwehr:

**SUBJECT:** Fiscal Note for HB 2789 by House Committee on Health and Human Services

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2789 is respectfully submitted to your committee.

HB 2789 would establish the Pregnancy Compassion Program to be administered by the Department for Children and Families (DCF). The bill would also establish the Pregnancy Compassion Public Awareness Program to be administered by the nonprofit organization providing services under the Compassion Program. The bill would establish limitations on the services to be provided by the Compassion Program, establish eligibility requirements, and establish limitations on the use of funding for both programs.

The bill would require the State Treasurer to receive and account for any supplemental and matching moneys from DCF in connection with the Compassion Program and the Awareness Program. The bill would require the State Treasurer to contract with one nonprofit organization to provide (subcontracting with qualified service providers as specified in the program) services under the Compassion Program and to administer the Awareness Program. The bill would establish certain requirements with respect to the contract and would require the nonprofit organization providing services under the Compassion Program to submit an annual report to the Legislature and State Treasurer on the administration of the program. The bill would require the State Treasurer to assess an administrative fine, equal to 10.0 percent of the funds awarded by the terms of the program management contract, against any nonprofit organization awarded a contract under the program for failure to satisfy program requirements or for the intentional or reckless misuse of funds awarded under the terms of the contract.

The bill would not appropriate funds for either program; however, subject to appropriations the bill would direct the Director of Accounts and Reports to transfer \$4.0 million from the State General Fund to the Pregnancy Compassion Program Fund, starting in FY 2025 and every fiscal year thereafter. The bill would also establish a new \$25 fee to obtain an “In God We Trust” and “Choose Life” distinctive license plate. The bill would require the resulting fee revenue to be deposited into the Pregnancy Compassion Program Fund which is created by the bill.

Estimated State Fiscal Effect			
	FY 2024	FY 2025	FY 2026
Expenditures			
State General Fund	--	--	--
Fee Fund(s)	--	\$4,000,000	\$4,000,000
Federal Fund	--	--	--
Total Expenditures	--	\$4,000,000	\$4,000,000
Revenues			
State General Fund	--	(\$4,000,000)	(\$4,000,000)
Fee Fund(s)	--	4,000,000	4,000,000
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	--	--

According to DCF, enactment of HB 2789 could require additional funding from the State General Fund for expenditures. DCF states the nonprofit organization contracted by the State Treasurer would provide all services detailed in the bill, which lists seven services, training and supports for program participants. DCF further assumes this nonprofit would determine whether participants meet the criteria listed in the bill. DCF would be required to coordinate with the State Treasurer for the program management contract and could provide supplemental and matching moneys with federal and other public and private funding.

The only DCF federal funding sources that would be applicable to this program are TANF or Title IV-B, which both are fully obligated. All proposed items may not be a TANF eligible service. Since DCF is currently spending more TANF than the annual grant and all Title IV-B funds are fully committed, the use of either TANF or IV-B for this purpose would require a reduction in currently funded TANF or IV-B programs or services, and a resulting equal increase to the annual State General Fund appropriation for the agency. In the short term, if services were TANF allowable, the fund could be used but would eventually require cuts to other TANF funded programs.

The Department of Revenue indicates that enactment of HB 2789 would require an applicant for the four existing plates for, In God We Trust and Choose Life, to pay an additional fee of \$25 per renewal on or after January 1, 2025. This fee would be deposited into the Pregnancy

Compassion Program Fund. When averaging the last two years for the four existing plates, the extra \$25 fee per year could potentially generate an estimated \$29,000 of revenue per year. The Department indicates that it would have increased expenditures of \$4,445 for vehicle services, user acceptance testing, and information technology costs.

The State Treasurer's Office indicates that the contracting duties required of the Treasurer could be performed using existing agency resources. The Office would account for receipts and disbursements in connection with enactment of HB 2789 using existing systems and procedures, with minor modifications. Any additional accounting workload would be minimal and could be accommodated using existing agency resources. Any fiscal effect associated with HB 2789 is not reflected in *The FY 2025 Governor's Budget Report*.

Kansas Association of Counties states that it would be difficult to determine if enactment of HB 2789 would have a fiscal effect on revenues based upon where the funds are remitted.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt". The signature is fluid and cursive, with a distinct flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Kim Holter, Department for Children & Families  
John Hedges, Office of the State Treasurer  
Lynn Robinson, Department of Revenue  
Jay Hall, Kansas Association of Counties