



AGENDA

Meeting of the Legislative Post Audit Committee
 Wednesday, April 8
 Room 546-S, Statehouse
 10:30 a.m. – 2:00 p.m.

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| 10:30 a.m. | Call to Order |
| | <ul style="list-style-type: none"> Welcome by the Chair |
| 10:30 | Performance Audits & Evaluations |
| | <ul style="list-style-type: none"> SNAP, Part 2 (30 min) |
| | <ul style="list-style-type: none"> TANF (30 min) |
| | <ul style="list-style-type: none"> KSU/KU Admissions (45 min) |
| 12:15 p.m. | Consent Calendar Items |
| | Approve Minutes |
| | Accept Completed Performance Audits |
| 12:20 | 10 Min Break / Grab Box Lunch |
| 12:30 | Performance Audit Requests |
| | <ul style="list-style-type: none"> Select Audit Proposals (90 min) |
| 2:00 | Additional Business |
| | <ul style="list-style-type: none"> Next Meeting Date |
| 2:00 | Adjournment |

Scheduled times are estimates and subject to change by the Chair.

Any individual with a disability may request accommodation in order to participate in Legislative Post Audit Committee meetings. Requests for accommodation should be made at least two working days in advance of the meeting by contacting Legislative Administrative Services at 785-296-2391 (TTY: 711), or by emailing LeqServ@las.ks.gov.

Legislative Post Audit Committee
Audit Proposal Packet
April 8, 2026

1. Action Items for Today's Meeting

- a. Standard Proposals (Attachment A)

Per committee rule 1-5(b)(1), any audit requests made during the legislative session are considered by the committee at its spring meeting. Pursuant to that rule, this packet includes all legislative requests made during the session as well as several staff-suggested proposals. In addition to the requested proposals, we have also included a copy of the current audit schedule.

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| Committee Action: | We would like the committee to approve 9-12 new audit topics. |
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1. List of Attachments

- a. Attachment A – Standard Proposals
- b. Attachment B – Current Audit Schedule

S = Statutory Requirement
 L = Legislative Requests
 E = Staff Efficiency Topics

SUMMARY OF PERFORMANCE AUDIT PROPOSALS

| | REQUEST | MAIN CONCERNS | QUESTIONS ASKED | RESOURCES |
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| 1 L NEW | Comparing the Number and Types of Standards Included in the Kansas Assessment Program to Other States' Assessments Requested by: <i>Representative Susan Estes</i> | The Kansas Assessment Program (KAP) is a series of standardized tests mandated by K.S.A. 72-5170. The assessments are designed to evaluate whether a student has mastered state standards. KAP includes assessments for English language arts, math, science, and social studies. Legislators have expressed interest in understanding how the length of the state assessments and the number of standards they cover compares to other states. | <i>1. How do Kansas educational assessments compare to other similar states in terms of the length of the test and the standards covered?</i> | 3 staff (3 months) |
| 2 L NEW | Reviewing Educational Growth Models Requested by: <i>Representative Susan Estes</i> | In Kansas, state assessments measure student academic performance at one moment in time. Additionally, they measure the student's performance against a set standard. Although these types of measures indicate how a student is performing compared to an absolute standard, they may not reflect how much a student has learned during the school year. However, a growth model can use student data over time to evaluate how much academic growth the student has achieved in a set period of time. Legislators have expressed interest in understanding how Kansas might utilize growth models to better understand student and teacher performance. | <i>1. What are some common growth models and what are the strengths and weaknesses of each?</i> <i>2. To what extent are growth models currently being utilized by school districts in Kansas and other states?</i> | 3 staff (4 months) |
| 3 L NEW | Evaluating the Distribution of Unified Government Funds to Certain Cities Requested by: <i>Representative Carolyn Caiharr</i> | Recently, legislators have expressed concerns that the Unified Government of Wyandotte County and Kansas City, Kansas revenues are not spent proportionally. Specifically, legislators raised questions about whether the cities that are not part of the Unified Government receive proportional county services. Legislators are also curious whether Coronavirus Aid, Relief, and Economic Security Act (CARES) funds distributed to the Unified Government in 2020 were shared proportionally with other local entities such as Bonner Springs and Edwardsville. | <i>1. Did the Unified Government spend county-dedicated funds proportionally across the county in line with relevant requirements?</i> <i>2. Did the Unified Government distribute certain federal CARES funding to cities in line with relevant requirements?</i> | 3 staff (4 months) |

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| 4 L NEW | Evaluating the Department for Children and Families' Processes for Tracking, Investigating, and Communicating Allegations of Abuse and Neglect by a Parent | <p>The Department for Children and Families (DCF) operates the Kansas Protection Report Center. The center receives reports about children who may be victims of abuse or neglect. Legislators have expressed concern that some parents may make false allegations about another parent abusing or neglecting their child, and that DCF does not have adequate processes for identifying and ending false accusations. Because those allegations can have significant repercussions that lead to a child being removed from their home and denied time with a parent, legislators want to know if DCF has adequate processes to investigate allegations of abuse and neglect and if parents have adequate processes to appeal allegations against them.</p> | <p>1. Does DCF have an adequate process for tracking, investigating, and communicating allegations of abuse and neglect by a parent?</p> <p>2. Does DCF have an appropriate process for parents to appeal allegations of abuse and neglect?</p> <p>3. Does DCF train its staff on tracking, investigating, and communicating allegations of abuse and neglect by a parent?</p> | <p>4 staff (6 months)</p> |
| 5 L NEW | Reviewing the Behavioral Sciences Regulatory Board's Oversight of Licensees | <p>The Behavioral Sciences Regulatory Board (BSRB) regulates approximately 14,000 licensed professionals working in 6 disciplines. These include psychologists, social workers, professional counselors, marriage and family therapists, addiction counselors, and behavioral analysts. Other states periodically evaluate their licensing and regulatory boards. However, LPA has not reviewed the BSRB in several decades. Audits in other states found similar boards had insufficient supervision of investigations and lacked the guidelines and data systems needed for consistent, fair decisions.</p> | <p>1. Does BSRB have adequate processes to ensure consistent and timely resolution of misconduct complaints?</p> | <p>3 staff (4 months)</p> |

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| 6 L NEW | Evaluating the Business Enterprise Program's Finances and Operations | <p>The Business Enterprise Program (BEP) provides Kansans who are legally blind an opportunity to operate food service businesses in government facilities. The program is administered by the Department for Children and Families (DCF). During the 2026 legislative session, the House Select Committee on Government Oversight heard numerous concerns about the program's operations and financial reporting. Based on that testimony and associated documentation, legislators raised questions about the accountability of BEP revenues and how the program is administered such as the processes DCF and its advisory committees use to select and place blind vendors and handle vendor grievances.</p> | <ol style="list-style-type: none"> 1. <i>Do DCF and BEP vendors have adequate controls to ensure complete and accurate accounting of program revenues?</i> 2. <i>Did DCF and BEP vendors properly collect, report, and use program revenues in the most recent year?</i> 3. <i>Is the BEP's process for selecting, placing, and providing support services to BEP vendors objective and equitable?</i> 4. <i>Is the BEP's grievance process objective and effective?</i> | 5 staff (6 months) |
| <p>Requested by: <i>Representative Kristey Williams</i></p> | | | | |
| 7 L NEW | Evaluating Spending from the Economic Development Initiatives Fund | <p>The Economic Development Initiatives Fund (EDIF) was established in 1986 to support and enhance the state's economy. The Legislature distributes EDIF funds through the state's annual budget request process. State law requires EDIF funds to flow through specific accounts that support innovative companies and products, research and development, and infrastructure development to support the state's economy. In a previous audit, Legislative Post Audit found that only 18% of EDIF funds went to programs whose purposes aligned with the three accounts specified in state law in FY 2018. Another 34% of EDIF funds went to programs broadly related to economic development, but 48% of EDIF funds (\$20 million) were transferred to the state general fund, which did not align with legislative intent. Legislators have expressed interest in understanding whether this problem has been corrected.</p> | <ol style="list-style-type: none"> 1. <i>Are the programs that receive EDIF funding consistent with the intended use of the fund?</i> | 3 staff (3 months) |
| <p>Requested by: <i>Senator Mike Thompson</i></p> | | | | |

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| 8 L NEW | Reviewing Public Universities' Arrangements with and Financial Support from Entities in Foreign Countries of Concern | <p>Legislators have expressed concern about possible security risks related to the state's 7 public universities' arrangements with entities in certain countries of concern, including China, Iran, North Korea, Qatar, Russia, and Venezuela. These possible risks relate to things like intellectual property protection or restrictions on access to research, data, or technology that could be used for foreign military or intelligence purposes.</p> | <p>1. <i>What formal arrangements have public universities had with foreign entities in countries of concern, and what security safeguards and oversight exist for them?</i></p> <p>2. <i>How much money have public universities received from foreign entities in countries of concern in recent years, how has this money been used, and what security safeguards and oversight exist for this money?</i></p> | <p>4 staff (5 months)</p> |
| <p>Requested by: <i>Senator Mike Thompson</i></p> | | | | |
| 9 L NEW | Reviewing Courts' Use of Bond Supervision Fee Funds | <p>K.S.A. 22-2802 allows Kansas magistrates to assess a bond supervision fee. Generally, bond supervision fees are used to help cover pre-trial monitoring costs for defendants that are released on bond. Legislators have expressed concern about how courts have used bond supervision fees. State law does not appear to dictate how bond supervision fees can be used, but local jurisdictions may have requirements. It appears the intent of state law was to help Kansas courts offset the cost of pre-trial monitoring (e.g., ankle monitors). There is some concern that courts may be using these funds on other, post-trial costs (e.g., rehabilitation programs).</p> | <p>1. <i>Have a selection of Kansas district courts complied with requirements related to spending bond supervision fees?</i></p> | <p>3 staff (3 months)</p> |
| <p>Requested by: <i>Senator Mike Thompson</i></p> | | | | |
| 10 L NEW | Comparing Kansas's Sports Wagering Revenue Structure and Allocation to other States | <p>The Kansas Legislature legalized sports wagering in 2022. The Kansas Lottery and Kansas Racing and Gaming Commission share various duties to manage and oversee sports wagering. In fiscal year 2025, Kansas's sports wagering net revenue was \$174.5 million. The law specifies 90% of the revenues to go to the 4 casinos and the remaining 10% to go to the state. Legislators expressed concerns that the sports wagering formulas established in 2022 resulted in lower revenues than most other states. They also want to know how the Kansas City Chiefs STAR bonds project would be affected if the statutory sports wagering formulas were changed. Lastly, legislators are concerned that the state is experiencing growing social problems from allowing sports wagering.</p> | <p>1. <i>How do Kansas's sports wagering revenues compare with similar states?</i></p> <p>2. <i>What impact would changes to the sports wagering funding structure have on the projected debt service coverage ratios for the Kansas City Chiefs STAR bonds project?</i></p> <p>3. <i>Does Kansas provide types and levels of problem gambling services that align with best practices?</i></p> | <p>4 staff (4 months)</p> |
| <p>Requested by: <i>Representative Francis Averkamp</i></p> | | | | |

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| <p>11 L NEW</p> | <p>Evaluating the Effects of Kansas's Affordable Housing Programs</p> | <p>Kansas has several programs intended to help address issues with housing availability. Some programs use tax incentives to encourage housing development, whereas others use grants or loans. Some programs are administered by local governments and others are administered by state agencies. Legislators have expressed interest in learning about the amount of financial resources Kansas has committed to affordable housing and whether those commitments have improved housing affordability or generated other returns.</p> | <p>1. How much money has Kansas committed to affordable housing programs during the past 5 years and what has that money been used for?</p> <p>2. Have selected affordable housing programs had measurable effects on housing affordability or availability in Kansas?</p> | <p>3 staff (6 months)</p> |
| <p>Requested by: <i>Representative Kyler Sweely</i></p> | | | | |
| <p>12 L NEW</p> | <p>Reviewing University Policies on Diversity, Equity, and Inclusion Activities</p> | <p>In 2025, the Kansas Legislature passed a law that required the Secretary of Administration to certify that state agencies have taken steps to eliminate certain diversity, equity, and inclusion (DEI) activities. The Kansas Board of Regents (KBOR) provided guidance to state universities to help them comply with this law. Legislators have expressed interest in learning about whether universities have policies to ensure they comply with state law and KBOR rules.</p> | <p>1. Do state universities have policies and procedures that align with state laws and Board of Regents' rules regarding the prohibition of certain DEI activities?</p> | <p>3 staff (4 months)</p> |
| <p>Requested by: <i>Representative Rebecca Schmoe</i></p> | | | | |
| <p>13 L NEW</p> | <p>Evaluating the Effectiveness of KDHE's Dry Cleaning and Storage Tank Remediation Programs</p> | <p>The Kansas Dry-Cleaning Program and Storage Tank Program are two programs administered by the Kansas Department of Health and Environment (KDHE). Through those programs, KDHE remediates contaminated dry-cleaning and fuel storage sites. The programs are each funded through fee funds. Dry-cleaning fee funds come from things like owner registration fees and an environmental surcharge, and storage tank fee funds come from a fee on petroleum products manufactured in or imported into Kansas. Legislators have expressed concern that these programs are not effectively remediating environmental contamination sites in Kansas and that the revenues they collect are not sufficient.</p> | <p>1. How effective is the Kansas Dry-Cleaning Program at remediating contaminated dry-cleaning sites?</p> <p>2. How effective is the state's Storage Tank Program at remediating contaminated storage tank sites?</p> | <p>3 staff (4 months)</p> |
| <p>Requested by: <i>Representative Jim Minnix</i></p> | | | | |

14 L **Evaluating the Impacts of Medicaid**
NEW **Add-On Payments on Kansas Nursing**
Facilities

Requested by:
Representative Angela Stiens

Kansas has approximately 300 licensed nursing facilities that serve a mix of private-pay and Medicaid residents. In 2023, testimony before the Special Committee on Nursing Facility Reimbursement Rate Methodology indicated that low Medicaid reimbursement rates may have contributed to roughly 50 facilities closing or reducing Medicaid services in recent years. In response, the Kansas Legislature began providing additional Medicaid “add-on” payments in fiscal year 2024. Legislators want to know whether the Medicaid add-on payments are working as intended and are an effective use of state funds. Specifically, they are interested in whether these payments help maintain access to care for Medicaid residents and prevent avoidable nursing facility closures.

1. Have Medicaid add-on payments increased the financial stability of nursing facilities and increased the availability of care for Medicaid recipients in Kansas?

3 staff
(5 months)

15 L **Reviewing At-Risk Funding Methods,**
NEW **Uses, and Counts**

Requested by:
Senator Joseph Claeys

In Kansas, the state provides at-risk funding to school districts. Districts are meant to use this funding to provide additional services to students at risk of academic failure. At-risk funding is largely allocated based on the number of students in the district who are eligible for a free lunch on September 20th. Other states use different methods for allocating at-risk funds such as the number of students receiving federal benefits like Medicaid, SNAP, or Title I. Some distribute at-risk funds as block grants rather than through a weighting process. Legislators have expressed interest in understanding several aspects of at-risk funding including other at-risk funding allocation methods, district uses of at-risk funding, and issues with the at-risk funding count.

1. *How does the method Kansas currently uses to allocate at-risk funding to school districts compare to other methods?*

4 staff
(6 months)

2. *What are the potential administrative costs to KSDE and school districts related to implementing an alternative method for allocating at-risk funding to school districts?*

3. *How do select school districts spend their at-risk funding and does that spending comply with state law?*

4. *Over the last few years, how has the number of students districts received at-risk funding for compared to the number of students districts provided at-risk services to?*

5. *Do school districts regularly evaluate their at-risk programs and are those evaluations adequate for determining the effectiveness of those programs?*

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| <p>16 L NEW</p> | <p>Reviewing Certified Community Behavioral Health Clinics' Funding and Outcomes</p> <p>Requested by: <i>Representative Sean Tarwater and Senator Caryn Tyson</i></p> | <p>Certified Community Behavioral Health Clinics (CCBHCs) provide a comprehensive system of mental health and substance use care. Currently, the 26 community mental health centers in Kansas have been certified as CCBHCs. Kansas shifted to the CCBHC model of care through a phased approach that started in 2021. The shift to the CCBHC model included a major funding change. Under the previous structure, providers were reimbursed for each individual service they provided, whereas the current structure reimburses CCBHCs through a fixed daily rate that's designed to cover the full cost of care for a comprehensive set of behavioral health services. Legislators have expressed interest in understanding more about how CCBHCs are funded and how that compares to the way other behavioral health service providers are funded as well as what outcomes CCBHCs have produced.</p> | <p><i>1. How do CCBHCs' funding structures compare to other providers' funding?</i></p> <p><i>2. What outcomes have CCBHCs produced in recent years?</i></p> | <p>4 staff (6 months)</p> |
| <p>17 L</p> | <p>Evaluating Financial Oversight Processes for the Pregnancy Compassion Awareness Program</p> <p>Requested by: <i>Representative Nikki McDonald and Senator Pat Pettey</i></p> | <p>The Kansas Legislature created the Pregnancy Compassion Awareness Program, which is a statewide program that provides support, guidance, and assistance to mothers and fathers during pregnancy and up to 24 months after the birth of their child. Legislators have expressed concern that the program lacks criteria and monitoring and oversight processes to ensure providers and clients appropriately spend program funds.</p> | <p><i>1. Do the Kansas Pregnancy Care Network and its network providers have sufficient processes for monitoring and verifying spending through the Pregnancy Compassion Awareness program?</i></p> <p><i>2. Did the Kansas Pregnancy Care Network and a sample of its network providers follow their processes for monitoring and verifying spending in 2024?</i></p> | <p>4 staff (4 months)</p> |

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| <p>18 L Evaluating Contributions, Distributions, and Tax Credits to the Tax Credit for Low Income Students Scholarship Program (TCLISSP)</p> <p>Requested by: <i>Senator Dinah Sykes</i></p> | <p>TCLISSP provides scholarships to students whose annual family incomes are 250% or less of the federal poverty guidelines to attend certain qualifying private schools in Kansas. Kansas taxpayers can make contributions to nonprofit organizations that issue private school scholarships to K-12 students. State law requires those nonprofit organizations to use at least 90% of the contributions they receive for student scholarships within 3 years. Legislators would like to know whether participating nonprofit organizations are meeting this distribution requirement and if not, whether they've stopped accepting new contributions. Legislators also have questions about the number of low-income students participating in the program and the amount of tax credits taxpayers have received but not used.</p> | <p><i>1. Have scholarship granting organizations disbursed TCLISSP contributions according to state law?</i></p> <p><i>2. How much in tax credits have Kansas taxpayers received and used related to the TCLISSP?</i></p> | <p>3 staff (3 months)</p> |
| <p>19 E Evaluating State and Local Oversight of Bridge Inspections</p> <p>NEW</p> | <p>Kansas maintains one of the largest bridge inventories in the country. The Kansas Department of Transportation (KDOT) is responsible for inspecting and monitoring state-owned structures. Local governments, KTA, and the federal government are responsible for the bridges they own. In 2022, a bridge in Topeka collapsed and an internal KDOT review revealed that warning signs of bridge deterioration were missed or not reported. This event demonstrates that a breakdown in inspection procedures can have major safety consequences. Given the size and age of Kansas's bridge network, a review of KDOT and local governments' inspection practices are important to protect public safety, maintain infrastructure reliability, and ensure compliance with federal standards.</p> | <p><i>1. Do KDOT's policies and processes for reviewing the timeliness and accuracy of state-owned bridge inspections align with relevant requirements and best practices?</i></p> <p><i>2. Do a selection of local governments' policies and processes for reviewing the timeliness and accuracy of locally owned bridge inspections align with relevant requirements and best practices?</i></p> | <p>4 staff (5 months)</p> |

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| 20 E NEW | Evaluating the Kansas Department of Revenue's Processes to Collect Delinquent Individual State Income Taxes | The Kansas Department of Revenue (KDOR) administers and enforces Kansas's tax laws. As part of this responsibility, the agency must identify and collect delinquent individual income taxes. Individual income tax revenues were nearly half of the \$10 billion in state general funds collected in FY 2025. Additionally, Kansas had around \$240 million in outstanding delinquent individual income tax receivables. This accounted for 56% of all delinquent taxes that KDOR identified as being owed to the state. These amounts illustrate the importance of effective and timely identification and collection practices. | 1. Are KDOR's policies and processes for collecting delinquent income taxes from individuals effective? | 3 staff (4 months) |
| 21 E NEW | Evaluating Kansas State Agencies' Use of Sole Source Contracts | State law requires state agencies to follow specific procurement and contract processes for contracts that will exceed a cost of \$5,000 within a single fiscal year. For example, those contracts are required to use a competitive bidding process unless they meet certain exemptions. The Kansas Department of Administration's Office of Procurement and Contracts is responsible for approving such exemptions. Legislative Post Audit hasn't evaluated sole source contracts in many years, so a review would help to ensure that the growing number of them comply with statutory requirements. | 1. Does the Kansas Department of Administration have policies and processes to ensure that state agencies only enter sole source contracts when statutory conditions are met? 2. Did select sole source contracts in 2024 and 2025 meet statutory requirements for being exempted from competitive bidding? | 3 staff (4 months) |
| 22 E NEW | Reviewing Selected State Contracts for IT-Related Services | Several audits have raised questions about IT-related contracts and some of the associated requirements. For example, a recent Legislative Post Audit IT security audit report raised questions about the staff qualifications of a particular vendor providing IT services to a state agency. A 2023 Government Accountability Office report highlighted that federal agencies may not always monitor E-Verify requirements. Finally, a 2019 New York State Comptroller audit of IT services found deficiencies in monitoring, creating a high risk that the state never received the required deliverables. Kansas legislators have raised concerns that contractors may use less qualified staff, potentially causing sub-standard services or project delays. Lastly, questions exist about whether the use of temporary staffing contracts is efficient and effective. | 1. Did the Office of Procurement and Contracts appropriately monitor and enforce certain contracts to ensure vendors comply with relevant reporting and worker qualification requirements? 2. Did state agencies get the agreed-upon services for selected contracted IT services or individual task orders? 3. Did the use of temporary staffing contracts produce cost savings for the state for selected IT services? | 4 staff (5 months) |

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| NEW | 23 E Reviewing Agencies' Implementation of Selected Performance Audit Recommendations | The Legislative Post Audit Committee's rules include a process to check on prior audit recommendations. That process, included in LPAC Rule 3-4, has two primary components. First, we follow up with each agency twice a year to update their progress on past recommendations. Second, we prepare this audit proposal each year. It aims to confirm agencies' self-reported actions on past audit recommendations. This audit would follow up on recommendations from LPA's 2024 and 2025 audits of Osawatomie State Hospital, adult virtual school funding, and the Veterans' Claims Assistance Program. | <i>1. To what extent have agencies implemented selected audit recommendations from performance audits issued in recent years?</i> | 1 staff (2 months) |
| | 24 E Evaluating Whether Law Enforcement Wiped Seized Personal Electronics before Reselling Them | Kansas civil forfeiture laws authorize law enforcement in Kansas to seize and take ownership of property used in the commission of a crime. Once property is forfeited, the law enforcement agency may sell it via a public auction among other things. The law enforcement agency should wipe forfeited electronic devices like cell phones or computers of any personally identifiable information before selling them. A 2023 study by the University of Maryland found that 27% of the cell phones they purchased from police auctions contained personal data from previous users. A review of Kansas law enforcement departments' practices could help legislators determine the risk of disclosing personally identifiable information by law enforcement not wiping personal electronics received via forfeiture. | <i>1. Do law enforcement agencies have adequate policies and procedures to prevent personal electronics from being sold while still containing personal data?</i> | 4 staff (4 months) |

Proposal Number: 1 L

AUDIT PROPOSAL

Comparing the Number and Types of Standards Included in the Kansas Assessment Program to Other States' Assessments

SOURCE

This audit proposal was requested by Representative Susan Estes.

BACKGROUND

The Kansas Assessment Program (KAP) is a series of standardized tests mandated by K.S.A. 72-5170. The assessments are designed to evaluate whether a student has mastered state standards. KAP includes assessments for English language arts, math, science, and social studies. Students take assessments periodically from 3rd grade through 11th grade. Students take the English language arts and math assessment every year in grades 3 through 8 and in 10th grade. Students take a science and social studies assessment (history and government for high school students) once in elementary school, middle school, and high school. Students take the tests across 2 days in March or April and are allowed to take as much time as they need to complete them. Student scores are placed into a performance level for each test ranging from 1 (limited ability) to 4 (advanced ability).

Legislators have expressed interest in understanding how the length of the state assessments and the number of standards they cover compares to other states.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How do Kansas educational assessments compare to other similar states in terms of the length of the test and the standards covered? Our tentative methodology would include the following:

- Talk with KSDE officials and review documents to understand how the assessments are designed, how long the assessments are, and what standards they cover.
- Talk with officials and review documents from several similar peer states to collect various information about their state assessments. This would include information such as which subjects they cover, how many questions and standards are included on each test, and any other relevant information.
- Compare Kansas assessments to the information we collected in other states. For any areas where Kansas departs from other states, talk with KSDE officials and stakeholders about the reasons for the differences and their advantages and disadvantages.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **3 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 2 L

AUDIT PROPOSAL Reviewing Educational Growth Models

SOURCE

This audit proposal was requested by Representative Susan Estes.

BACKGROUND

Measures of student academic growth can offer additional understanding of student and teacher performance. In Kansas, state assessments measure student academic performance at one moment in time. Additionally, they measure the student's performance against a set standard. For example, state assessments show how a student is performing compared to a standard that measures career and college readiness. Although these types of measures indicate how a student is performing compared to an absolute standard, they may not reflect how much a student has learned during the school year. However, a growth model can use student data over time to evaluate how much academic growth the student has achieved in a set period of time. This information can also provide insight into teacher effectiveness. This is because traditional state assessments only show how a student performed at the end of the year without regard to where the student started. Understanding how much growth the student achieved through the year can provide one measure of educator performance.

There are several types of common growth models available. Each model measures different types of growth, requires different types of data, and has different strengths and weaknesses. For example:

- Value added measures use advanced statistics and several data points to evaluate student achievement through things like grades or test scores.
- Student growth percentile measures use statistics and past performance data to evaluate how a student's progress compares to their academic peers.
- Growth-to-standard measures evaluate a student's current performance, how much growth they've made in the past, and estimates how soon a student might meet a particular standard.

Legislators have expressed interest in understanding how Kansas might utilize growth models to better understand student and teacher performance.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for the objectives convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: What are some common growth models and what are the strengths and weaknesses of each? Our tentative methodology would include the following:

- Work with Kansas State Department of Education (KSDE) officials to identify relevant resources on the different types of growth models.

- Review those resources and other applicable research to identify various growth models and to collect information about each. This would include information such as how the model works, what type of data it needs, what it measures, and how it's relevant to understanding student and teacher performance.
- Talk with educational stakeholders and review research and other documents to identify the strengths and weaknesses of each model.

Objective 2: To what extent are growth models currently being utilized by school districts in Kansas and other states? Our tentative methodology would include the following:

- Talk with KSDE officials and education stakeholders to identify any Kansas school districts that use growth models. For any district we identify, talk with the district about what model they use and their experiences with it.
- Conduct research and talk to stakeholders to identify school districts in other states that use growth models. For a selection of states we identify, talk with officials from those states about the model they use and their experiences with it.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 3 L

AUDIT PROPOSAL

Evaluating the Distribution of Unified Government Funds to Certain Cities

SOURCE

This audit proposal was requested by Representative Carolyn Caiharr.

BACKGROUND

During the mid-1990's Wyandotte County was struggling financially, with a declining tax base and high property taxes. The 1996 Kansas Legislature authorized a study commission to explore a city/county consolidation, which voters approved. From May to October 1996, the commission held public hearings and meetings. Merger proponents argued it would reduce overhead costs, reduce duplicated services, and cut red tape to help attract economic development. Opponents feared a loss of identity for smaller incorporated areas, such as Bonner Springs and Edwardsville. The 1996 Legislature allowed the commission to develop a plan to merge all cities with the county or to merge only the largest city (Kansas City) with the county. To ensure passage of a public vote, the commission pursued a consolidation plan that allowed existing incorporated cities other than Kansas City to maintain their own city governments.

The study commission finalized its report and provided it to the Governor and the Legislature. The Legislature didn't reject the plan, thus triggering the merger question to be part of the April 1997 election. County residents voted in favor of the Wyandotte/Kansas City merger by a 60% to 40% margin. The merger abolished the then separate city and county commissions and replaced them with a single Chief Executive and a 10-member Board of Commissioners. The new Unified Government (UG) became a county and a city with all the powers, functions, and duties under state law and constitution. According to state law (K.S.A. 12-345), the UG provides its county services to the full county and provides its city services to only Kansas City, not the other incorporated cities of Bonner Springs, Edwardsville, and Lake Quivira. For example, Bonner Springs receives county services (district attorney, sheriff) from the UG, but doesn't receive city services such as police, fire, and public works services.

Recently, legislators have expressed concerns that UG revenues are not spent proportionally. Specifically, legislators raised questions about whether the cities that are not part of the UG receive proportional county services. Legislators are also curious whether Coronavirus Aid, Relief, and Economic Security Act (CARES) funds distributed to the UG in 2020 were shared equitably with other local entities such as Bonner Springs and Edwardsville.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Did the Unified Government spend county-dedicated funds proportionally across the county in line with relevant requirements? Our tentative methodology would include the following:

- Review statutes, the UG charter, and other relevant documents to learn what county services must be provided to the cities that are not part of the UG. Also interview officials from Bonner Springs, Edwardsville, and Lake Quivira to get their understanding of services to be provided to those cities through the UG.
- Interview UG officials to understand what relevant revenue streams come into the UG and should be earmarked for county services.
- Review statutes and other relevant documents to understand what rules exist to segregate those revenues for county purposes, and what requirements exist to spend various revenues on specific county services.
- Request and review budget document summaries and accounting details for the most recent completed fiscal year to determine whether county-earmarked revenues were allocated and used in line with required county services.
- For any requirements that weren't met or any other problem findings, interview stakeholders to confirm and understand the reasons.

Objective 2: Did the Unified Government distribute certain federal CARES funding to cities in line with relevant requirements? Our tentative methodology would include the following:

- Talk to state officials and review available reports to determine the amount of direct county aid the Strengthening People and Revitalizing Kansas taskforce allocated to the UG from federal discretionary CARES funds by funding category (e.g. public health, education, city and county operations). Also talk to UG officials and review relevant written agreements to identify the requirements the UG established for distributing direct county aid funds to the county and each city (Bonner Springs, Edwardsville, and Lake Quivira).
- Select a few funding categories that had clear distribution requirements and review relevant expenditures and other records to determine whether the selected funding categories were distributed to Bonner Springs, Edwardsville, and Lake Quivira in line with the agreement.
- Interview UG and city officials to understand the reasons for any identified problems.

ESTIMATED RESOURCES

We estimate this audit would require **3 auditors** for a total of about **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 4 L

AUDIT PROPOSAL

Evaluating the Department for Children and Families' Processes for Tracking, Investigating, and Communicating Allegations of Abuse and Neglect by a Parent

SOURCE

This audit proposal was requested by Representative David Buehler.

BACKGROUND

The Department for Children and Families (DCF) operates the Kansas Protection Report Center (KPRC). The center receives reports about children who may be victims of abuse or neglect. Anyone can submit a report to the KPRC. This includes mandated reporters like teachers and doctors, family members, or members of the public. The report is required to include specific information such as the reasons the reporter suspects a child may be being abused or neglected, the nature and extent of harm to the child, and the identity of the person(s) responsible for the abuse. In fiscal year 2025, the KPRC received more than 51,500 reports of abuse and neglect.

DCF staff review and investigate reports to determine whether they are valid and if action is required to protect the child from further abuse or neglect. When DCF staff receive a report, they first determine if it meets the criteria for DCF involvement. Reports that meet the criteria are assigned to DCF staff for investigation. In certain cases, DCF staff may coordinate with law enforcement to conduct the investigation. The investigator assesses the safety of the child by completing a risk and safety assessment. This assessment may include interviews with the person who reported the abuse or neglect and the alleged perpetrator among other things. The investigator uses this assessment to determine whether the report is substantiated, meaning the evidence suggests that it's likely the perpetrator's actions meet the legal definition of abuse or neglect. If the alleged perpetrator is a parent or household member and DCF staff determine a report isn't substantiated, they may determine the child is safe to remain in the home but they may refer the family to receive family preservation services or other services available in the community. If DCF staff determine the report is substantiated and the child is unsafe in the home, they can request the county or district attorney to file a petition to remove the child from the home. The district court, not DCF, ultimately decides whether the child should be returned to or removed from their parents' care. In fiscal year 2025, DCF staff determined that almost 97% of the roughly 51,500 reports of abuse and neglect were unsubstantiated. Only 3% were substantiated.

DCF issues a formal written notification to the perpetrator of the abuse or neglect for reports they determine are substantiated. That person then has the right to file an appeal if they disagree with DCF's determination. The appeals process starts with DCF but may escalate to the courts.

Legislators have expressed concern that some parents may make false allegations about another parent abusing or neglecting their child, and that DCF does not have adequate processes for identifying and ending false accusations. Because those allegations can have

significant repercussions that lead to a child being removed from their home and denied time with a parent, legislators want to know if DCF has adequate processes to investigate allegations of abuse and neglect and if parents have adequate processes to appeal allegations against them.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Does the Department for Children and Families (DCF) have an adequate process for tracking, investigating, and communicating allegations of abuse and neglect by a parent? Our tentative methodology would include the following:

- Read state law, DCF's policies and templates, and interview DCF staff to understand the department's process to track and investigate allegations of abuse and neglect by a parent and to determine whether the allegations are substantiated or unsubstantiated. This would include understanding the department's process for referring allegations to or coordinating with law enforcement.
- Compare DCF's policies and templates to federal and state laws and best practices to evaluate whether DCF's investigation and tracking processes are adequately designed.
- Review a selection of allegations from the most recent couple of years to determine whether DCF staff followed the investigation and tracking processes the department designed.
- Review DCF's data to determine how many allegations of abuse and neglect by a parent from another parent DCF received and how many allegations were substantiated and unsubstantiated in the most recent couple of years. This would include reviewing any data DCF maintains on who made the allegations to look for patterns in repeat reporters that resulted in unsubstantiated findings. If possible, identify the reason the findings were unsubstantiated for a selection of reports to determine which allegations DCF investigators thought may have been false reports and which ones they thought were valid but did not meet the evidentiary threshold. Also identify whether the families in those cases were receiving DCF services like family preservation or foster care services.
- Review DCF's policies and interview DCF staff to determine if the department has a process for identifying and tracking false allegations of abuse and neglect, especially repeat reporters. Also ask DCF staff about any repeat allegations they identified as potential false reports in our review of DCF's data and what, if anything, they communicated to other entities about these allegations (e.g., courts, parents, and law enforcement).

- Note: LPA's ability to answer this question depends on our access to KPRC reporting details such as reporter names.

Objective 2: Does DCF have an appropriate process for parents to appeal allegations of abuse and neglect? Our tentative methodology would include the following:

- Read DCF's policies and templates and interview DCF staff to understand the department's process for parents to appeal allegations of abuse and neglect. This would include developing an understanding of what DCF staff do to ensure parents' appeals are handled timely and appropriately.
- Review DCF's data to determine how many parents appealed allegations of abuse and neglect and what the outcomes of those appeals were in the most recent couple of years.
- Compare DCF's policies and templates to state law, regulations, and other relevant best practices to evaluate whether DCF's appeals process for parents is appropriately designed.

Objective 3: Does DCF train its staff on tracking, investigating, and communicating allegations of abuse and neglect by a parent? Our tentative methodology would include the following:

- Read the department's training policies to determine the types and frequency of training DCF staff are required to receive related to tracking, investigating, and communicating allegations of abuse and neglect by a parent.
- Review the department's training records for the most recent couple of years to determine if the relevant staff received all training they were supposed to related to tracking, investigating, and communicating abuse and neglect allegations.
- Survey relevant DCF staff about their opinions on whether the training they received is adequate and what improvements they think the department could make.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 5 L

AUDIT PROPOSAL

Reviewing the Behavioral Sciences Regulatory Board's Oversight of Licensees

SOURCE

This audit proposal was requested by Representative David Buehler.

BACKGROUND

The mission of the Behavioral Sciences Regulatory Board (BSRB) is to protect the public's health, safety, and welfare from unlawful or unprofessional practitioners who fall under the board's jurisdiction. Kansas statute (K.S.A. 74-7507) directs the BSRB to regulate approximately 14,000 licensed professionals working in 6 disciplines. These include psychologists, social workers, professional counselors, marriage and family therapists, addiction counselors, and behavioral analysts. The 12-member board is appointed by the Governor.

In addition to licensing and reviewing continuing education, the BSRB may discipline their licensees for misconduct. The board receives about 200 complaints a year, and most complaints about practice come from a patient. Investigators open a case when a complaint is determined to be within the board's jurisdiction. A committee reviews completed cases, determines whether a violation occurred, and disciplines licensees when appropriate. To fulfill its mission, the BSRB must handle investigations and disciplinary actions both consistently and promptly.

Other states periodically evaluate their licensing and regulatory boards. However, LPA has not reviewed the BSRB in several decades. Audits in other states found similar boards had insufficient supervision of investigations and lacked the guidelines and data systems needed for consistent, fair decisions.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Does BSRB have adequate processes to ensure consistent and timely resolution of misconduct complaints? Our tentative methodology would include the following:

- Review state law, regulations, and other relevant information to understand the work BSRB does and the professions they license. This also would include reviewing BSRB data to determine certain information about the board's operations such as how many complaints BSRB received and investigated in recent years as well as the outcome and average length of those investigations, if possible.
- Review best practices for licensed professional regulatory agencies to identify what processes and internal controls are necessary to ensure consistent and timely resolution of misconduct complaints.

- Talk to BSRB staff and board members and review their policies, processes, and other controls related to complaint intake, investigation, tracking, and disciplinary decision-making to understand how they ensure and monitor consistency and timeliness in the disciplinary process.
- Compare the agency's investigation and disciplinary action processes and controls to the identified best practices to determine whether they are adequately designed.
- Review BSRB data to select about 30 complaints the board received in the last 3 years. For the selected cases, review relevant documentation to determine if BSRB applied the processes and controls they designed. This might include things like requirements related to case file documentation, case tracking and monitoring mechanisms, or managerial review. This work also would measure the time elapsed at each stage of the process (e.g., complaint, investigation, resolution) to determine BSRB's timeliness.
- Follow up with BSRB staff and board members to understand potential causes of any issues we identify.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 6 L

AUDIT PROPOSAL

Evaluating the Business Enterprise Program's Finances and Operations

SOURCE

This audit proposal was requested by Representative Kristey Williams.

BACKGROUND

The Business Enterprise Program (BEP) provides Kansans who are legally blind an opportunity to operate food service businesses such as snack bars, cafeterias, and vending machines in public and government-owned facilities. These facilities include state and local office buildings, the Statehouse, military dining facilities, and highway rest areas. The goal of the program is to provide blind individuals with employment opportunities that can allow them to be economically self-sufficient.

The program is administered by the Department for Children and Families (DCF). DCF is responsible for licensing, recruiting, and placing vendors in available locations. DCF identifies and announces potential food service opportunities when they become available. Licensed blind vendors who are interested may apply for those opportunities. DCF selects vendors through a competitive bidding process. They then provide the selected vendors training, marketing assistance, accounting services, and operational support.

Only individuals who are legally blind and capable of managing food service operations are allowed to participate in the program. Interested vendors typically work with DCF staff to assess their vocational readiness, develop necessary business skills, and receive training and support for things like financial management. DCF reported that in the fall of 2025, 8 vendors operated about 85 food service businesses in various buildings throughout 8 Kansas counties.

The BEP is funded through federal monies and BEP vendor fees. BEP vendors are supposed to give 9% of the net profits from their food service businesses to DCF for program administration costs. These fees are used as a state match to receive federal grant funding through the Randolph-Sheppard Act. 78% of the program is funded by federal grant dollars and 22% is funded by vendor fees. DCF uses the federal funding and vendor fees it receives to support 2 staff who help administer the program. They also use the funds to help vendors with costs to repair, replace, and rent equipment and for utilities.

Kansas also has two advisory committees that provide feedback and advice to DCF on the programs and services the agency provides to individuals who are blind or visually impaired. The Kansas Advisory Committee for the Blind and Visually Impaired has 15 members and the BEP Advisory Committee has 5 members. In particular, the BEP Advisory Committee assists DCF with the BEP by participating in major administrative decisions, program development, and training. They also advocate for blind vendors and receive vendor grievances.

During the 2026 legislative session, the House Select Committee on Government Oversight held a hearing on the BEP. Stakeholders and DCF staff provided testimony describing

numerous concerns with the program's operations and financial reporting. Based on that testimony and associated documentation, legislators raised questions about the accountability of BEP revenues, including how they're collected, reported, and used. They also expressed concerns about how the program is administered. This included questions about the processes DCF and its advisory committees use to select and place blind vendors, provide support services, and handle vendor grievances.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Do the Department for Children and Families (DCF) and Business Enterprise Program (BEP) vendors have adequate controls to ensure complete and accurate accounting of program revenues? Our tentative methodology would include the following:

- Work with DCF staff and review BEP policies and other documentation to understand how the BEP works. This would include information about the stakeholders who are involved in the program and their responsibilities.
- Review federal law, state law, and financial best practices to identify key financial requirements and processes DCF and BEP vendors should have.
- Talk to DCF staff and all BEP vendors and review agency policies and relevant financial documentation to determine what processes they have designed and implemented to check their accounting records and to ensure their financial reports are complete and accurate. This would include work to verify that DCF and BEP vendors used the processes they developed to check their data.
- Compare DCF and BEP vendors' processes to key legal requirements and financial practices to determine if the processes they designed and implemented were adequate.
- Talk to DCF staff and BEP vendors to determine the causes of any identified issues and to identify potential improvements to address them.

Objective 2: Did DCF and BEP vendors properly collect, report, and use program revenues in the most recent year? Our tentative methodology would include the following:

- Work with DCF staff and review relevant laws and program policies to identify requirements for how BEP vendors calculate and report program revenues to DCF. This work also would identify the requirements for how DCF staff collect and spend BEP revenues as well as how they report that information to the federal government.
- Select a projectable sample of BEP food service businesses to review. Review financial documentation and other relevant information for the sampled businesses to

determine if vendors reported accurate program revenues to DCF in the most recent year. Also review that financial documentation to determine if vendors properly calculated and remitted 9% of their businesses' net profits to DCF as required.

- Work with DCF staff and review financial documentation and other relevant information to determine if DCF staff properly collected and used program revenues in the most recent year. This would include determining what types of expenses DCF paid with program revenues, such as program salaries, vendor equipment costs, and utilities.
- Compare DCF's financial documentation to the information they reported to the federal government to determine if the report was complete and accurate.
- Talk to DCF staff and BEP vendors to determine the causes of any identified issues and to identify potential improvements to address them.

Objective 3: Is the BEP's process for selecting, placing, and providing support services to BEP vendors objective and equitable? Our tentative methodology would include the following:

- Review federal law, state law, and best practices to identify what processes DCF and the BEP Advisory Committee should use to select and place BEP vendors to ensure that interested vendors have equal employment opportunities. Also identify what processes DCF should use to ensure that program services and revenues are equally distributed to BEP vendors. This work would include identifying best practices for eliminating conflicts of interest.
- Review BEP policies and documentation from DCF's competitive bidding process to determine how DCF and the advisory committee selected and placed BEP vendors for several of the most recent opportunities that were available.
- Review financial documentation from Objective 2 to determine what program costs (i.e., equipment and utility costs) BEP vendors requested assistance with and which ones DCF and advisory committee funded. Also review other program documentation to determine the types and level of support services DCF provided to each BEP vendor. Support services could include services such as training, marketing, accounting, and equipment assistance.
- Compare DCF's policies and processes to legal requirements and best practices to determine if they align with requirements. Also determine if DCF and advisory committee objectively and equally distributed business opportunities and program services and revenues across BEP vendors.

- Interview BEP vendors and other relevant stakeholders to gather their opinions about DCF and the advisory committee's processes for selecting and placing BEP vendors and their satisfaction with the support services they receive.
- Talk to DCF staff and other stakeholders as needed to determine the causes of any identified issues and to identify potential improvements.

Objective 4: Is the BEP's grievance process objective and effective? Our tentative methodology would include the following:

- Review federal law, state law, and best practices to identify what processes the BEP should have to ensure that the process for handling BEP vendors' complaints is effective. This work also would include identifying best practices for eliminating conflicts of interest.
- Review documentation from the BEP Advisory Committee's grievance process to identify and categorize the frequency and types of complaints the committee received in recent years.
- Select a small number of the complaints the advisory committee received. For the selected complaints, review documentation and talk to committee members as needed to determine how they handled each complaint and what the resolution was.
- Compare DCF's policies and the advisory committee's grievance process to legal requirements and best practices to determine if the process aligns with requirements and was objective (i.e. free of conflicts of interest) and effective (i.e. resolved the issue).
- Interview BEP vendors, applicants who weren't awarded a food service contract, and other relevant stakeholders to gather their opinions about the effectiveness of the BEP's processes for handling grievances and their satisfaction with it.
- Talk to DCF staff, BEP Advisory Committee members, and other stakeholders as needed to determine the causes of any identified issues and to identify potential process improvements.

ESTIMATED RESOURCES

We estimate this audit would require a team of **5 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 7 L

AUDIT PROPOSAL

Evaluating Spending from the Economic Development Initiatives Fund

SOURCE

This audit proposal was requested by Senator Mike Thompson.

BACKGROUND

The Economic Development Initiatives Fund (EDIF) was established in 1986 to support and enhance the state's economy. EDIF is funded through gaming proceeds. Up to \$50 million in revenues from the Kansas Lottery is transferred each year to the State Gaming Revenue Fund, a holding fund from which further transfers are made to other funds. After a small transfer to the Problem Gambling and Addictions Grant Fund, 85% of the balance in the gaming fund is transferred to the EDIF (a maximum of approximately \$42 million a year).

The Legislature distributes EDIF funds through the state's annual budget request process. Agencies request EDIF funds based on the amount of funding that's available and the Legislature distributes funds to specific agency programs through its appropriation bills. State law requires that EDIF funds be used to support and enhance the state's economy. It also requires EDIF funds to flow through specific accounts that support innovative companies and products, research and development, and infrastructure development.

In 2019, Legislative Post Audit (LPA) completed an audit evaluating the state's use of EDIF funding in fiscal year 2018. In that year, the state spent \$42.3 million in EDIF funds. LPA found that only 18% of EDIF funds went to programs whose purposes aligned with the three accounts specified in state law. Another 34% of EDIF funds went to programs broadly related to economic development, but 48% of EDIF funds (\$20 million) were transferred to the state general fund, which did not align with legislative intent.

Legislators have expressed interest in understanding whether this problem has been corrected or if EDIF funds continue to be spent on programs that don't align with the original intent of the fund.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work.

The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Are the programs that receive EDIF funding consistent with the intended use of the fund? Our tentative methodology would include the following:

- Review state law and work with the Office of the Revisor of Statutes to determine the intended use of EDIF.

- Work with the Legislative Research Department and state agencies and review publicly available documents to identify the programs that received EDIF funding in recent years and understand their purposes.
- Compare the purpose of each program to the intended use of the EDIF fund to determine whether they align.
- Note: We would not determine why EDIF funding was distributed to any programs that may not be consistent with the intent of the fund because funding decisions are made by the Legislature and we're legislative staff.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **3 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 8 L

AUDIT PROPOSAL

Reviewing Public Universities' Arrangements with and Financial Support from Entities in Foreign Countries of Concern

SOURCE

This audit proposal was requested by Senator Mike Thompson.

BACKGROUND

Kansas has 7 public universities that are located across the state: Emporia State University, Fort Hays State University, Kansas State University, Pittsburg State University, University of Kansas, Washburn University, and Wichita State University. Of these 7 public universities, only Washburn University is not a state institution.

Those universities establish formal arrangements with foreign entities, such as companies, universities, governments, and other organizations, to conduct research and exchange academic ideas and resources. Universities establish these arrangements for many reasons. Some are non-binding agreements of mutual interest to explore future research or other cooperation without yet committing university resources. Others are binding contracts that establish terms for student or faculty exchanges, intellectual property protection, or commit universities to conduct research, consult, or provide training.

Public universities also receive money from foreign sources for many reasons. Most commonly, this is for tuition and fees related to foreign students attending Kansas universities. Much smaller amounts are related to formal arrangements with or monetary gifts from foreign entities. In a 2024 audit, Legislative Post Audit found the 6 state universities reported receiving \$116 million from foreign entities in 170 countries during the 2022-2023 school year. Nearly all (96%) was from foreign students' tuition and fees. India and China contributed the most in tuition and fees (\$58 million). The United Kingdom and Switzerland paid the most related to contracts (\$1.6 million). About \$100,000 came from gifts, mostly from Canada and Sweden.

Legislators have expressed concern about possible security risks related to arrangements with entities in certain countries of concern, including China, Iran, North Korea, Qatar, Russia, and Venezuela. These possible risks relate to things like intellectual property protection or restrictions on access to research, data, or technology that could be used for foreign military or intelligence purposes.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: What formal arrangements have public universities had with foreign entities in countries of concern, and what security safeguards and oversight exist for them? Our tentative methodology would include the following:

- Work with the Kansas Board of Regents (KBOR) and staff from the 7 public universities to understand why and how universities might make formal arrangements with foreign entities from the countries of concern.
- Review data and documentation and talk to university staff to determine the formal arrangements the public universities have had with foreign entities from the countries of concern in recent years. This would include determining the nature, scope, and purpose of each arrangement.
- Review data and documentation and talk to KBOR and university staff to determine the security-related safeguards and oversight that exist for the arrangements we identified. These might include things like intellectual property protections or restrictions on foreign entities' or individuals' access to sensitive research, data, or technology. This would include safeguards and oversight in the contract terms or in KBOR or university policy.

Objective 2: How much money have public universities received from foreign entities in countries of concern in recent years, how has this money been used, and what security safeguards and oversight exist for this money? Our tentative methodology would include the following:

- Work with KBOR and staff from the 7 public universities to understand why and how universities receive money from foreign entities from the countries of concern. This would exclude money related to payment of students' tuition and fees.
- Review data and documentation and talk to university staff to determine how much money the public universities have received from foreign entities from the countries of concern in recent years and how they used those funds. This would include determining the nature, scope, and purpose of this money.
- Review data and documentation and talk to KBOR and university staff to determine the security-related safeguards and oversight that exist for the money we identified. These might include disclosures or restrictions on the sources, recipients, and uses of money received from foreign entities. This would include any safeguards and oversight in the funding terms or in KBOR or university policy.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **5 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 9 L

AUDIT PROPOSAL

Reviewing Courts' Use of Bond Supervision Fee Funds

SOURCE

This audit proposal was requested by Senator Mike Thompson.

BACKGROUND

K.S.A. 22-2802 allows Kansas magistrates to assess a bond supervision fee. Generally, bond supervision fees are used to help cover pre-trial monitoring costs for defendants that are released on bond. Magistrates can order defendants to pay up to \$15 a week to help offset monitoring costs. These costs include officers' salaries, equipment, and the administrative costs of monitoring defendants (e.g., weekly check-ins). Depending on the terms of release, courts may also impose further fees to help cover the cost of pre-trial treatment, drug testing, or ankle monitors. Bond supervision fees are in addition to any bond surety amount defendants must pay.

It is unclear how often Kansas courts assess bond supervision fees. Whether to assess a supervision fee is up to individual magistrates and can vary from court to court and case to case. As such, there does not appear to be an inventory of which judicial districts or courts assess these fees. The Office of Judicial Administration (OJA) confirmed that courts in at least 8 judicial districts have recently collected bond supervision fees. This appears to include courts in the 3rd district (Shawnee County), 10th district (Johnson County), and 18th district (Sedgwick County).

Legislators have expressed concern about how courts have used bond supervision fees. State law does not appear to dictate how bond supervision fees can be used, but local jurisdictions may have requirements. It appears the intent of state law was to help Kansas courts offset the cost of pre-trial monitoring (e.g., ankle monitors). There is some concern that courts may be using these funds on other, post-trial costs (e.g., rehabilitation programs).

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work.

The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Have a selection of Kansas district courts complied with requirements related to spending bond supervision fees? Our tentative methodology would include the following:

- Work with a selection of district courts to understand what if any local requirements exist surrounding how bond supervision fees can be used. Also review state law (K.S.A. 22-2802) to understand the original intent of bond supervision fees.

- Compare local requirements for the selected courts' bond supervision fees to statutory intent to determine if they align.
- Work with the selected district courts and review county financial records and other relevant documents to determine how much in bond supervision fees they've collected in recent years and how the courts used those funds.
- For the selected district courts, review supporting documentation for a sample of court expenditures to verify how the courts used bond supervision fee funds in recent years. Compare expenditures to relevant local requirements and statutory intent to determine whether the courts' spending complied with relevant requirements.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **3 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 10 L

AUDIT PROPOSAL

Comparing Kansas's Sports Wagering Revenue Structure and Allocation to other States

SOURCE

This audit proposal was requested by Representative Francis Averkamp.

BACKGROUND

In 2018, the federal Supreme Court struck down a law that made sports wagering illegal across the states. Following that ruling, 33 states had authorized sports wagering by the fall of 2025. The Kansas Legislature legalized sports wagering in 2022 by amending the Lottery and Expanded Lottery Acts. Specifically, House Substitute for SB 84 allowed retail and mobile sports wagering by allowing each of the 4 state-owned casinos to contract with up to 3 mobile platforms (e.g. DraftKings, FanDuel). As of September 1, 2022, all 4 casinos negotiated amendments to their existing casino management contracts to provide sports wagering.

The Kansas Lottery and Kansas Racing and Gaming Commission share various duties to manage and oversee sports wagering. For example, the Lottery must approve the platforms, and create rules and regulations for the management contracts, confidentiality, and other components. The Lottery also is charged to receive, certify and remit various revenues to the State Treasurer. The Kansas Racing and Gaming Commission must, among other things, conduct background investigations of platform providers and create a voluntary exclusion program. This program allows individuals who struggle with gambling problems, to ban themselves from casinos and online betting platforms.

In fiscal year 2025, Kansas's sports wagering net revenue (after prize payouts, free play and promotion deductions, and federal excise tax) was \$174.5 million. The law specifies 90% (\$157 million in fiscal year 2025) of the revenues to go to the 4 casinos, and the remaining 10% (\$17.5 million in fiscal year 2025) to go to the state. The law also specifies the state revenues to be allocated to 4 funds or purposes, as follows:

- \$750,000 to the White Collar Crime Fund (paid before other distributions)
- 80% to the Attracting Professional Sports to Kansas Fund (\$13.4 million in FY 2025)
- 18% to the State General Fund (\$3 million in FY 2025)
- 2% to the Problem Gambling and Addictions Grant Fund (\$334,722 in FY 2025)

Based on data from SportsHandle, Kansas ranked 29th of 33 states in the amount of revenue the state received per \$1 million wagered since inception.

Legislators expressed concerns that the sports wagering formulas established in 2022 resulted in lower revenues than most other states. They also want to know how the Kansas City Chiefs STAR bonds project would be affected if the statutory sports wagering formulas were changed. Lastly, legislators are concerned that the state is experiencing growing social problems from allowing sports wagering.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How do Kansas's sports wagering revenues compare with similar states? Our tentative methodology would include the following:

- Review the Kansas Constitution, statutes, and other relevant documents to understand how Kansas legalized sports wagering, what structure was set up, and what stakeholders are involved.
- Review Kansas sports wagering revenues from the Kansas Lottery for the past 2 fiscal years to determine the gross revenues ("sports handle"), applicable deductions, and net revenue disbursements to the various stakeholders and state. As part of this review, learn about how those data are audited and verified.
- Identify other states that are similar to Kansas in terms of factors like population size, average household income, cost of living, and their constitutional and legal authority for sports betting. Select 2 or 3 of these other states to compare Kansas to.
- Gather relevant information from the 2-3 selected comparison states to understand those states' sports wagering revenue structures, fiscal year 2024 and 2025 sports wagering revenue data (gross revenues, various deductions, net revenues), and calculate the profit splits between stakeholders and the state. Also determine how those data are audited and verified.
- Compare Kansas revenue data to the comparison states to identify the variances in proportional revenues the states received. Talk to state officials from Kansas and other states and other sports wagering stakeholders to identify the main structural differences that explain the variances. Also interview them to learn what Kansas could do to increase its revenue share from sports wagering, and what consequences any changes might have.

Objective 2: What impact would changes to the sports wagering funding structure have on the projected debt service coverage ratios for the Kansas City Chiefs STAR bonds project? Our tentative methodology would include the following:

- Review 2024 HB 2001 to understand the legislative authority created for the STAR Bond program to authorize projects involving major sports complexes.
- Interview Department of Commerce officials and other stakeholders and review any financing agreements and other applicable documents to understand how lottery and sports wagering revenues are related to how the Kansas City Chiefs STAR bonds project is going to be financed.

- Review relevant accounting information to determine the amount of lottery revenues (e.g. traditional lottery, lottery vending machines, sports wagering) that have been transferred to the Attracting Professional Sports to Kansas Fund since 2022.
- Interview Commerce, Kansas Lottery officials, legal staff, and other stakeholders to understand what legal, timing, or other issues the state would face if the legislature changed the funding formula and anticipated revenues flowing into the Attracting Professional Sports to Kansas Fund. As part of that work, ask officials about any suggestions they have to address those issues.

Objective 3: Does Kansas provide types and levels of problem gambling services that align with best practices? Our tentative methodology would include the following:

- Review the Kansas 2025 gambling survey and other studies to learn about the prevalence and trends of problem gambling in Kansas since sports wagering was authorized in 2018.
- Interview officials from the Kansas Department for Aging and Disability Services, Kansas Racing and Gaming Commission, and other agencies as applicable, to identify and summarize what state-level services Kansas offers to combat problem gambling, and specifically online gambling problems if possible.
- Gather and analyze expenditure data for state-level services to help individuals with gambling problems over the past 5 years. As part of that work, learn how those services are funded, and determine whether state expenditures for combatting problem gambling have kept pace with gambling revenues the state received over that same time period.
- Conduct research (e.g. National Council on Problem Gambling) to identify recommended best practices for types and levels of traditional and online problem gambling programming for consumer protection (e.g. help line accessibility, no-cost treatment availability, sufficient counselors or clinical support, voluntary self-exclusion programs). As part of that work, learn what specific risks exist with online gambling such as sports wagering, and what types of services or service categories are most effective to specifically combat (online) problem gambling based on evidence-based research.
- Interview and gather applicable usage information from state officials and service providers to determine whether various available services appear to cover Kansans' demand (in total and geographic distribution if possible). As part of this work, compare Kansas' offerings to the levels and types of services that best practices recommend to determine if the state is effectively managing the risk of online gambling problems.
- For identified issues with service shortages or service inefficacies, specific to online gambling if possible, talk with stakeholders to understand possible reasons, and ask their input towards potential solutions for identified issues.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 11 L

AUDIT PROPOSAL

Evaluating the Effects of Kansas's Affordable Housing Programs

SOURCE

This audit proposal was requested by Representative Kyler Sweely.

BACKGROUND

In recent years, stakeholders have expressed concern about the availability of affordable housing in Kansas. For example, a 2021 statewide housing needs assessment found a shortage of quality, affordable housing in Kansas. Aging housing stock and high development costs may contribute to lack of availability of affordable housing, particularly in rural Kansas, where some areas lose more housing to deterioration than is being created annually. These issues may make it challenging for Kansans to find affordable rental or owner-occupied housing.

Kansas has several programs intended to help address issues with housing availability. Some programs, such as the recently created Kansas Affordable Housing and Kansas Housing Investor tax credits, use tax incentives to encourage investment in housing developments. Other programs, like the Moderate Income Housing Program, make grants or loans to cities and counties to develop housing. These programs are generally administered by the Kansas Housing Resources Corporation (KHRC). KHRC and the Department of Commerce also administer some federally funded programs that assist with housing availability, such as Community Development Block Grants and the HOME Investment Partnerships Program. Lastly, state law also authorizes local governments in Kansas to administer certain housing programs. This includes programs like the Reinvestment Housing Incentive Districts program, which allows cities and counties to issue bonds to help finance infrastructure and site preparation costs that support housing development.

Legislators have expressed interest in learning about the amount of financial resources Kansas has committed to affordable housing and whether those commitments have improved housing affordability or generated other returns.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How much money has Kansas committed to affordable housing programs during the past 5 years and what has that money been used for? Our tentative methodology would include the following:

- Work with KHRC and other agencies as needed to identify the federal, state, and local low and moderate-income housing programs Kansas has and what agency administers each program.

- Work with state agency staff and review data and documentation to determine the amount of state funds Kansas has committed to those programs (e.g., through appropriations, forgone tax revenues, etc.) during the past 5 years.
- For the programs that used state funds, work with state agency staff and review data and documentation to determine how those programs spent state funds and what that spending accomplished (e.g., built a 30-unit apartment complex in Topeka).

Objective 2: Have selected affordable housing programs had measurable effects on housing affordability or availability in Kansas? Our tentative methodology would include the following:

- Review the affordable housing programs that used state funds to determine whether they have existed long enough and have enough data to allow for an evaluation of program effects.
- If enough data is available to evaluate, select a sample of programs or projects to estimate their effects on housing affordability and availability. These effects may include measures like median rent and home prices, changes in housing supply, vacancy rates, tenancy rates, eviction rates, or rent delinquencies. This work could include working with a consultant who has expertise in studying Kansas's housing market.
- Interview program staff and other stakeholders to get their input about the effects of the programs we reviewed.
- Note: LPA's ability to answer this question depends on the status of the projects that housing programs funded such as whether the projects are complete and enough time has lapsed to have measurable data.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 12 L

AUDIT PROPOSAL

Reviewing University Policies on Diversity, Equity, and Inclusion Activities

SOURCE

This audit proposal was requested by Representative Rebecca Schmoe.

BACKGROUND

In 2025, the Kansas legislature passed a law that required the Secretary of Administration to certify that state agencies have taken steps to eliminate certain diversity, equity, and inclusion (DEI) activities. This included steps such as eliminating any positions related to DEI, eliminating related mandates and training, canceling grants related to DEI, and other activities. However, the law did not define DEI. In July 2025, the Secretary of Administration confirmed to the State Finance Council that all state agencies complied with the law.

The Kansas Board of Regents (KBOR) provided guidance to state universities to help them comply with this law. KBOR provided a definition of DEI to universities to help them identify prohibited activities. KBOR defined DEI as activities that are intended to intentionally give preferences to individuals or groups, to the exclusion of others, on the basis of race, color, or national origin. KBOR specifically noted that activities related to curriculum, instruction, or research were not prohibited.

Legislators have expressed interest in learning about whether universities have policies to ensure they comply with state law and KBOR rules.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Do state universities have policies and procedures that align with state laws and Board of Regents' rules regarding the prohibition of certain DEI activities? Our tentative methodology would include the following:

- Review state law and work with Revisor's staff as necessary to understand what DEI activities are prohibited. Also, review documents and work with KBOR staff to understand any rules they have regarding the prohibition of DEI activities at the 6 state universities.
- Work with the 6 state universities to determine what policies and procedures they have in place regarding the prohibition of certain DEI activities.
- Compare the policies and procedures universities have to state law and any KBOR rules to determine whether those policies align with those laws and rules. For any issues we find, work with university staff to understand the problems.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 13 L

AUDIT PROPOSAL

Evaluating the Effectiveness of KDHE's Dry Cleaning and Storage Tank Remediation Programs

SOURCE

This audit proposal was requested by Representative Jim Minnix.

BACKGROUND

Housed within the Kansas Department of Health and Environment (KDHE), the Bureau of Environmental Remediation (BER) helps assess and resolve environmentally contaminated sites in Kansas. This includes providing emergency responses to pollutant spills or natural disasters, providing regulatory oversight, and permitting regulated facilities. There are several programs under BER that help oversee environmental contaminants. These include programs dedicated to overseeing the state's dry-cleaning facilities and fuel storage tanks.

Established under the 1995 Drycleaner Environmental Response Act, the Kansas Dry-Cleaning Program regulates dry-cleaning facilities and provides corrective action at contaminated sites. The program also oversees The Kansas Dry-Cleaning Facility Release Trust Fund. The fund provides financial assistance to contaminated drycleaning facilities that require remediation. Dry cleaning owners must pay a \$5,000 deductible to access the funds. The fund can be used to pay up to \$5 million in cleanup costs per site. Revenue for the fund comes from four main sources: Owner paid registration fees, solvent fees, deductibles, and a 2.5% environmental surcharge on all dry cleaners' gross receipts. In 2026, KDHE reported that the fund generated about \$721,000 annually. That's down from a high of about \$1.4 million annually in 2007.

Established under the 1989 Kansas Storage Tank Act, the Storage Tank Program helps investigate and remediate issues related to contaminated fuel storage sites in Kansas. The program also oversees two storage tank fee funds. These funds can be used to help tank owners replace, remove, or repair damaged tanks. The funds are financed from a \$0.01 fee on each gallon of petroleum product manufactured in or imported into the state. Tank owners must pay a \$3,000 deductible (plus \$500 per damaged tank) to access these funds. The funds can be used to cover up to \$2 million in remediation costs per site. As of 2026, KDHE reported a balance of \$5.7 million in the Underground Petroleum Storage Tank Release Trust Fund and \$6.4 million in the Aboveground Tank Trust Fund.

Legislators have expressed concern that these programs are not effectively remediating environmental contamination sites in Kansas and that the revenues they collect are not sufficient.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How effective is the Kansas Dry-Cleaning Program at remediating contaminated dry-cleaning sites? Our tentative methodology would include the following:

- Work with KDHE staff and review budget documents to understand how the balance of the state's dry-cleaning fee fund has changed in recent years. This should also include work to determine how KDHE has spent these funds in recent years.
- Work with KDHE staff and review agency data to understand the number of contaminated dry-cleaning sites in Kansas since the program was created. As part of this work, identify how many sites have been completely remediated and how many still require corrective action.
- Work with KDHE staff and review agency data to estimate the total cost and time needed to fully remediate all actively contaminated dry cleaner sites in Kansas. Compare those costs to projected fee revenue to determine if the revenue is sufficient to cover the costs. This work should also review recently proposed legislation to determine how the proposed changes to the current fee structure would impact KDHE's cost and time to remediate all contaminated sites.
- Work with KDHE staff to understand the reasons why a selection of contaminated sites have not been remediated (e.g., cost, time, staff). As part of this, also work with KDHE staff to understand how they prioritize and schedule the sites they remediate.
- Work with relevant stakeholders to understand what impact changes to the dry-cleaning fee schedule in recently proposed legislation could have on dry cleaners.

Objective 2: How effective is the state's Storage Tank Program at remediating contaminated storage tank sites? Our tentative methodology would include the following:

- Work with KDHE staff and review budget documents to understand how the balances of the state's storage tank fee funds have changed in recent years. This should also include work to determine how KDHE has spent these funds in recent years.
- Work with KDHE staff and review agency data to understand the number of contaminated storage tank sites in Kansas since the program was created. As part of this work, identify how many sites have been completely remediated and how many still require corrective action.
- Work with KDHE staff and review agency data to estimate the total cost and time needed to fully remediate all actively contaminated storage tank sites in Kansas. Compare those costs to projected fee revenue to determine if the revenue is sufficient to cover the costs. If revenue is not sufficient, estimate how the fee schedule would need to change to fully cover the anticipated costs.

- Work with KDHE staff to understand the reasons why a selection of contaminated sites have not been remediated (e.g., cost, time, staff). As part of this, also work with KDHE staff to understand how they prioritize and schedule the sites they remediate.
- Work with relevant stakeholders to understand what impact our estimated changes to the storage tank fee schedule could have on tank owners.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 14 L

AUDIT PROPOSAL

Evaluating the Impacts of Medicaid Add-On Payments on Kansas Nursing Facilities

SOURCE

This audit proposal was requested by Representative Angela Stiens.

BACKGROUND

Medicaid pays for health care for low-income individuals using a combination of state and federal funds. The federal government matches part of what states spend on eligible Medicaid services, including care in nursing facilities. Across the country, Medicaid is the largest single payer for nursing facility care, covering about two-thirds of all residents.

Facilities that serve many Medicaid patients often struggle financially because Medicaid payment rates have historically been lower than the actual cost of care. Recent studies show that, on average, Medicaid payments only cover about 82 cents of every dollar facilities report spending on Medicaid residents. When payments fall short, it may affect the financial stability of facilities and reduce the number of beds available to Medicaid recipients as facilities shift their focus to private-pay residents.

Kansas has approximately 300 licensed nursing facilities that serve a mix of private-pay and Medicaid residents. In 2023, testimony before the Special Committee on Nursing Facility Reimbursement Rate Methodology indicated that low Medicaid reimbursement rates may have contributed to roughly 50 facilities closing or reducing Medicaid services in recent years. In response, the Kansas Legislature began providing additional Medicaid “add-on” payments in fiscal year 2024. The add-on payments support facilities caring for Medicaid residents by helping to cover care costs not reimbursed by Medicaid. In fiscal year 2026, the add-on was about \$20 per Medicaid resident per day.

Legislators want to know whether the Medicaid add-on payments are working as intended and are an effective use of state funds. Specifically, they are interested in whether these payments help maintain access to care for Medicaid residents and prevent avoidable nursing facility closures.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work.

The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Have Medicaid add-on payments increased the financial stability of nursing facilities and increased the availability of care for Medicaid recipients in Kansas?

Our tentative methodology would include the following:

- Interview Kansas Department for Aging and Disability Services (KDADS) and Kansas Department of Health and Environment (KDHE) officials and review relevant state law to understand the Medicaid nursing facility rate structure (including base and add-on payments), including how add-on payments work, their purpose, and the eligibility

criteria for getting them. Also determine what data KDADS collects from facilities (e.g., cost reports, private-pay and Medicaid rates, and Medicaid bed capacity/occupancy). As a part of this, assess the reliability of private-pay rate data reported to KDADS to determine whether it is useful for comparing private-pay and Medicaid rates.

- Analyze several years of statewide facility cost report data from KDADS. Compare facilities' reported allowable costs to base Medicaid payment rates and to total Medicaid payments (including the add-on) to determine whether Medicaid payments cover the cost of care and how much the add-on helps close any funding gaps.
- Compare several years of statewide private-pay and Medicaid payment rates from KDADS, accounting for differences in covered services and resident needs when possible, to determine how much more (or less) private-pay residents pay for similar care compared to how much Medicaid pays.
- Review several years of available nursing facility data to identify any notable trends or patterns from before and after Medicaid add-on payments were implemented in fiscal year 2024. For each year, identify how many facilities were operating; which facilities received add-on payments and how much they received; facilities' Medicaid occupancy rates and bed capacity; and whether facilities were in rural or urban areas.
- As needed, conduct a multivariate analysis to determine whether add-on payments were associated with changes in Medicaid bed capacity and financial stability, and whether any effects differed between rural and urban facilities or based on Medicaid to private-pay resident ratios. If possible, control for any complementary effects of other incentives such as quality or value-based payments.
- Talk to KDADS, other state agency officials, and a sample of facilities to understand the possible reasons for any notable trends or patterns and how Medicaid add-on payments may be relevant to those trends.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **5 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 15 L

AUDIT PROPOSAL

Reviewing At-Risk Funding Methods, Uses, and Counts

SOURCE

This audit proposal was requested by Senator Joseph Claeys.

BACKGROUND

In Kansas, the state provides at-risk funding to school districts. Districts are meant to use this funding to provide additional services to students at risk of academic failure. At-risk funding is largely allocated based on the number of students in the district who are eligible for a free lunch on September 20th. The state allocates at-risk funding based on a weighting that is multiplied by the base state aid. In 2024-25, the weighting was .484 and the base aid was \$5,378. In 2024-25, the state paid about \$507 million for at-risk funding. The state also provides high-density at-risk funding. This funding is only for districts whose free lunch percentage is 35% or greater. In 2024-25, the state paid about \$77 million in high-density at-risk funding.

Other states use different methods for allocating at-risk funds. For example, Massachusetts uses the number of students who receive certain federal benefits such as Medicaid and SNAP. Connecticut allocates funding based on the number of students who receive federal Title I services. States also use different methods for determining the amount of funding. Although many use a weighting (like Kansas) others use different methods. This includes a sliding scale (the more at-risk students the greater the per pupil amount), block grants, and a per-teacher amount.

School districts determine what at-risk services to offer, and which students need those services. However, districts can only use their at-risk funding for programming that the Kansas State Department of Education (KSDE) has approved, and the personnel, support, or contracted services related to those programs. Districts determine which students receive those services. State law and KSDE provide rules and guidance to districts for which students can be considered at-risk. This includes students who are not working at grade level, have been retained, or have dyslexia.

Legislators have expressed interest in understanding several aspects of at-risk funding including other at-risk funding allocation methods, district uses of at-risk funding, and issues with the at-risk funding count.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for the objectives convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How does the method Kansas currently uses to allocate at-risk funding to school districts compare to other methods? Our tentative methodology would include the following:

- Review state law and other documents as necessary to understand how Kansas allocates at-risk funding. Talk with KSDE officials, district officials, and other stakeholders to understand the strengths and weaknesses of that method.
- Identify other methods of allocating at-risk funding by reviewing documents and conducting interviews. This would include determining the funding methods used in a sample of other states, reviewing academic literature, and talking to education stakeholders.
- Talk to education stakeholders and review documents to understand the strengths and weaknesses of each identified method. Compare those strengths and weaknesses to Kansas's method for allocating at-risk funding.
- Data permitting, estimate how different at-risk funding allocation methods might affect the at-risk funding that districts receive. In methods where the funding might significantly differ from current funding, talk with district officials about the possible effects.

Objective 2: What are the potential administrative costs to KSDE and school districts related to implementing an alternative method for allocating at-risk funding to school districts? Our tentative methodology would include the following:

- Work with KSDE and school district officials to understand the processes and data systems currently used to calculate and allocate at-risk funding.
- For the alternative at-risk allocation methods we identified in Objective 1, determine what changes KSDE and districts would have to make to implement those methods. This could include changes such as data collection, administrative changes, and other process changes.
- For the identified changes, work with KSDE and district officials from a selection of school districts to understand if those entities would incur any additional costs to make those changes. If so, work with them to estimate what those costs would be. This would include both one-time costs and on-going costs.
- Talk with educational stakeholders and review any available documents to identify other states that have recently changed how they fund their at-risk (or equivalent) programs. For any states we identify, work with them to gather any data they have regarding the cost of those changes.

Objective 3: How do select school districts spend their at-risk funding and does that spending comply with state law? Our tentative methodology would include the following:

- Work with a selection of school districts to receive and review their accounting records to determine how they spent their at-risk funds in the most recently concluded school year.
- Review state law and work with KSDE to understand what types of at-risk expenditures are allowable under state law.
- Compare how districts spent their at-risk funding to the allowable expenditures to determine whether the expenditures aligned with state law. Talk to KSDE and district officials about the reasons for any issues we identify.

Objective 4: Over the last few years, how has the number of students districts received at-risk funding for compared to the number of students districts provided at-risk services to? Our tentative methodology would include the following:

- Work with KSDE and school district officials and review documents to understand how districts identify students who need at-risk services.
- Using data from KSDE for all school districts, determine the number of students each district received at-risk funding for and how many students each district provided at-risk services to. Compare those 2 numbers for each school district.
- For districts that have significant differences between those 2 numbers, talk with the district about why that is and any challenges that poses.

Objective 5: Do school districts regularly evaluate their at-risk programs and are those evaluations adequate for determining the effectiveness of those programs?

- For a selection of school districts, talk with district officials and review documents to determine how they evaluate the effectiveness of their at-risk programs.
- Talk with KSDE staff and review documents to understand any requirements or guidance the department has for evaluating at-risk programs.
- Talk with educational researchers and look for best practices on how to appropriately evaluate the effectiveness of educational programs.
- Compare how the selection of districts evaluates their at-risk programs to any best practices and KSDE guidance or requirements to determine whether district processes are adequate for effectively evaluating their at-risk programs.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 16 L

AUDIT PROPOSAL

Reviewing Certified Community Behavioral Health Clinics' Funding and Outcomes

SOURCE

This audit proposal was requested by Representative Sean Tarwater and Senator Caryn Tyson.

BACKGROUND

Certified Community Behavioral Health Clinics (CCBHCs) in Kansas are designed to provide a comprehensive system of mental health and substance use care. They serve as central access points where individuals can receive a wide range of services, including crisis intervention, screening and diagnosis, outpatient treatment, case management, and psychiatric rehabilitation. The clinics coordinate with physical health and social service providers to deliver services. CCBHCs aren't new providers; they're existing providers that have received a new designation. Currently, the 26 community mental health centers in Kansas have been certified by the Kansas Department for Aging and Disability Services (KDADS) as CCBHCs.

CCBHCs emphasize access and integration. Clinics must serve anyone who seeks care regardless of their ability to pay. They also often extend services beyond traditional clinic settings—such as through telehealth, home visits, and community outreach—and connect patients to other supports—such as housing, employment assistance, and primary care. The CCBHC model was developed by the U.S. Department of Health and Human Services with the intent to reduce fragmentation in the behavioral health system, expand access, and ensure use of evidence-based treatment practices.

Kansas shifted to the CCBHC model of care through a phased approach that started in 2021. Under the previous structure, many providers reported issues with underfunding, workforce shortages, and limited service access, especially in rural areas. Kansas adopted the CCBHC model from the federal government to try to address these issues through better care coordination and accountability.

The shift to the CCBHC model included a major funding change. Under the previous structure, providers were reimbursed for each individual service they provided, but the reimbursement rate did not cover providers' administrative costs. Under the current structure, CCBHCs are reimbursed through a prospective payment system. This system pays clinics a fixed daily rate designed to cover the full cost of care for a comprehensive set of behavioral health services, including administrative expenses. The fixed daily rate varies across CCBHCs. CCBHCs are funded primarily through Medicaid but also receive federal grant money, state general funds, and private fees.

Legislators have expressed interest in understanding more about how CCBHCs are funded and how that compares to the way other behavioral health service providers are funded as well as what outcomes CCBHCs have produced.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: How do Certified Community Behavioral Health Clinics' (CCBHCs') funding structures compare to other providers' funding? Our tentative methodology would include the following:

- Work with staff from the Kansas Department for Aging and Disability Services (KDADS) and the Kansas Department of Health and Environment (KDHE) and review relevant documentation to determine how CCBHCs are funded. This work would include understanding the reimbursement rate structure CCBHCs use and identifying their funding sources such as Medicaid, federal grants, state appropriations, and private pay.
- Review KDADS data to provide aggregated statewide information about all 26 CCBHCs' funding amounts and sources and reimbursement rates.
- Use that statewide data to select a small number of CCBHCs to review in more detail. For the selected CCBHCs, work with clinic staff and KDADS staff to determine what their reimbursement rates are and how they determined those rates. This would include understanding what the clinics' costs are to provide the services that they do as well as the associated administrative costs such as executive salaries. Also work with the selected CCBHCs to understand their processes for collecting medical debt including how much debt they collect, how they determine what gets sent to collections, and how that affects their reimbursement rates.
- If possible, compare the selected CCBHCs' reimbursement rates over time and to other providers to identify notable trends and key differences. For example, to the extent the data is available, compare how each CCBHC's funding, costs, and reimbursement rates changed before and after they changed to the CCBHC model. Also compare the selected CCBHCs' rates to other providers' rates for a selection of similar services for the most recent year to identify key differences (e.g., compare the Medicaid rate to the CCBHC rate for the same service).
- Talk to KDADS, KDHE, and CCBHC staff about the results of the funding comparison to understand the context for and meaning of key differences.

Objective 2: What outcomes have CCBHCs produced in recent years? Our tentative methodology would include the following:

- Conduct a literature review to identify studies that the federal government or other mental health and substance use stakeholders have conducted to measure CCBHCs' performance and outcomes nationally or for individual states. This work would

include identifying those studies' conclusions on the effectiveness of the CCBHC model.

- Talk to KDADS, CCBHC, and U.S. Health and Human Services staff to understand what data they collect on outcomes or performance measures. This would include developing an understanding of how long they've collected the data and any significant changes in how it's tracked and reported.
- Review the data that state and federal agencies maintain to provide high-level performance metrics for all 26 CCBHCs in the most recent year.
- Also review the data that federal and state agencies maintain to provide more detailed performance metrics for the CCBHCs selected in Objective 1 for several years. Compare the data over time to identify notable changes to their outcomes or performance metrics from before and after they changed to the CCBHC model. This could include measures like the number of people they serve, their responsiveness (e.g., average days from initial outreach to service being provided, length of wait lists), and service utilization (which services are being used and not being used).
- Talk to KDADS and CCBHCs to understand their perspectives on the causes of any notable changes in outcomes or performance.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **6 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 17 L

AUDIT PROPOSAL

Evaluating Financial Oversight Processes for the Pregnancy Compassion Awareness Program

SOURCE

This audit proposal was requested by Representative Nikki McDonald and Senator Pat Pettey.

BACKGROUND

In April 2023, the Kansas Legislature passed a budget proviso creating a statewide program to provide adoption and childbirth resources to mothers and fathers during pregnancy and up to 24 months after the birth of their child. The program was initially called the Alternatives to Abortion program but was renamed the Pregnancy Compassion Awareness Program in 2024. It received \$2 million in state general funds in fiscal years 2024 and 2025.

The program provides support, guidance, and assistance to mothers and fathers who are pregnant or have young children through a network of nonprofit service providers, including pregnancy resource centers, maternity homes, and adoption agencies. Network providers provide a range of services such as counseling, childbirth and financial education classes, career assistance, and referrals to other community agencies and resources. The Kansas Pregnancy Care Network contracts with the Office of the State Treasurer to administer the program and establish and oversee the provider network. As of June 2024, the Kansas Pregnancy Care Network had 2 full-time staff and about 25 providers.

The State Treasurer provides funding to the Kansas Pregnancy Care Network in quarterly installments. Network providers bill the Kansas Pregnancy Care Network for approved services and materials provided to mothers and fathers. Providers do not charge clients for the services and materials they bill to the program. The Kansas Pregnancy Care Network reported that it received more than 4,600 invoices from providers in the first 8 months of the program. Providers also may receive funds from charitable donations.

Legislators have expressed concern that the program lacks criteria and monitoring and oversight processes to ensure providers and clients appropriately spend program funds.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Do the Kansas Pregnancy Care Network and its network providers have sufficient processes for monitoring and verifying spending through the Pregnancy Compassion Awareness program? Our tentative methodology would include the following:

- Work with State Treasurer and Kansas Pregnancy Care Network officials and review available documentation to develop an understanding of how the program operates and the flow of funding between entities.

- Work with Kansas Pregnancy Care Network officials to determine what processes they use to monitor and verify that network providers' invoices cover legitimate and allowable expenses. Also work with officials from a small selection of network providers to determine what processes they use to monitor and verify that the assistance they provide to clients isn't wasted or abused. Based on this work, identify areas within the Kansas Pregnancy Care Network and network providers' processes that create the biggest risks for funds being misused.
- Do research to identify the practices that organizations should use to prevent, identify, and mitigate the risks in their processes. This would include practices for monitoring and verifying spending.
- Compare the Kansas Pregnancy Care Network and network providers' processes to best practices to determine if their processes are sufficient to prevent program funds from being misused. This would include identifying ways the organizations could improve their monitoring and verification processes.

Objective 2: Did the Kansas Pregnancy Care Network and a sample of its network providers follow their processes for monitoring and verifying spending in 2024? Our tentative methodology would include the following:

- Review documentation from the Kansas Pregnancy Care Network and a small selection of network providers to determine whether officials followed the processes they described in Objective 1 to monitor and verify providers' invoices and assistance to clients in 2024.
- Talk to officials to understand if their monitoring and verification processes identified any instances of program funds being misused and what they did to resolve those instances. This would include understanding any steps officials took to change their processes or educate staff or clients to reduce similar issues in the future.
- Work with officials as needed to understand the cause for any instances of staff not following their organization's monitoring and verification processes.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 18 L

AUDIT PROPOSAL

Evaluating Contributions, Distributions, and Tax Credits to the Tax Credit for Low Income Students Scholarship Program

SOURCE

This audit proposal was request by Senator Dinah Sykes.

BACKGROUND

The Tax Credit for Low Income Students Scholarship Program (TCLISSP) started in 2015 and provides scholarships to students whose annual family incomes are 250% or less of the federal poverty guidelines to attend certain qualifying private schools in Kansas. Kansas taxpayers, both individuals and businesses, can make contributions to nonprofit organizations that issue private school scholarships to K-12 students. The taxpayer receives a tax credit for their contribution. The nonprofit organization uses the contributions it receives to provide scholarships to students. The scholarships help pay for all or a portion of students' tuition and fees. According to the Kansas State Department of Education's 2025 annual report to the Legislature, taxpayers have contributed \$46.3 million to nonprofit organizations since its inception and those organizations have awarded \$30.3 million in student scholarships.

State law requires nonprofit organizations to use at least 90% of the contributions they receive for student scholarships within 3 years. If they don't, nonprofit organizations are not supposed to take any new contributions until 90% of the existing contributions have been disbursed to students.

Legislative Post Audit completed a limited-scope audit of this issue in 2022. We found that 2 of the 8 nonprofits we reviewed from 2015-2021 did not comply with the 90% distribution requirement. At the time, nonprofit officials told us they didn't meet the requirement due to a lack of eligible students. The Legislature has since expanded the definition of students who are eligible to participate in the program.

Legislators are interested in updating this information. They would like to know whether participating nonprofit organizations are meeting the 90% distribution requirement and if not, whether they've stopped accepting new contributions. Legislators also have questions about the number of low-income students participating in the program and the amount of tax credits taxpayers have received but not used.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Have scholarship granting organizations disbursed TCLISSP contributions according to state law? Our tentative methodology would include the following:

- Work with Department of Education officials to understand the program including information about which organizations are involved in administering the program and how, who qualifies for the program, and how it's changed over time. Also talk to officials from the department and nonprofit organizations to understand what processes they use to determine which students receive scholarships and how much they receive.
- Collect and summarize high-level information about the student scholarship portion of the program since its inception. This information would include how many students have applied for the program, received scholarships, and the range of scholarship award amounts.
- Review state law and other program documents to identify the statutory requirements related to how nonprofit organizations receive contributions and disburse funds for student scholarships.
- Work with staff from the Departments of Education and Revenue to understand how scholarship granting organizations track and report program contributions and disbursements. Also talk to department and nonprofit officials and review supporting documentation showing the processes they use to monitor whether the nonprofit organizations are compliant with statutory requirements.
- Review documentation to determine how much nonprofit organizations have received and disbursed in recent years for this program.
- Compare organizations' receipts and disbursements to state legal requirements to determine whether the requirements are being met.
- For any organizations that do not appear to have disbursed funds appropriately, interview officials to understand why not and what action has been taken as a result. This would include whether the nonprofit organizations stopped collecting contributions from taxpayers related to the program.

Objective 2: How much in tax credits have Kansas taxpayers received and used related to the TCLISSP? Our tentative methodology would include the following:

- Work with officials from the Departments of Education and Revenue to collect and summarize high-level information about the tax credit portion of the program since its inception. This would include information like how many taxpayers have contributed to the program, received tax credits, and used credits to reduce their state income tax liabilities. This would also include the current amount of tax credits not used, but available for taxpayers to carry forward to future tax years.

- Review state law and other program documents to determine whether the tax credit is refundable, transferable, and able to be carried forward and for how long.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **3 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 19 E

AUDIT PROPOSAL

Evaluating State and Local Oversight of Bridge Inspections

SOURCE

This audit proposal was suggested by LPA staff.

BACKGROUND

Kansas maintains one of the largest bridge inventories in the country. The Kansas Department of Transportation (KDOT) reported 24,891 highway bridges to the Federal Highway Administration in 2025. This is the 5th largest inventory in the United States. Of the 24,891 bridges, 77% are locally owned bridges, 21% are state-owned bridges, 1% are owned by the Kansas Turnpike Authority (KTA), and less than 1% are federally owned.

The Bridge Inspection Unit within KDOT's Bureau of Structures and Geotechnical Services (BSGS) is responsible for inspecting and monitoring state-owned structures. Local governments, KTA, and the federal government are responsible for the bridges they own. All bridge inspections must comply with the National Bridge Inspection Standards established by the U.S. Department of Transportation. Local governments and KTA report their bridge inspection data to KDOT and KDOT then reports the condition and age of all bridges (local, state, and KTA bridges) annually to the Federal Highway Administration.

Recent events underscore the critical importance of providing rigorous oversight of bridge inspections. In 2022, a 60-foot barrier wall from an I-70 bridge in Topeka collapsed into a parking lot. An internal review later revealed that warning signs of bridge deterioration were either missed or not reported during the inspection prior to the collapse. In response, KDOT initiated reviews of similarly constructed structures. Additionally, a century old bridge in Lyon County collapsed in 2024 and injured a driver. In that case, the county had scheduled the bridge for replacement prior to the collapse.

These events demonstrate that a breakdown in inspection procedures can have immediate safety consequences and can require emergency closures or substantial corrective measures. Given the size and age of Kansas's bridge network, sustained oversight and continuous review of inspection practices are essential to protect public safety, maintain infrastructure reliability, and ensure compliance with federal standards.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Do KDOT's policies and processes for reviewing the timeliness and accuracy of state-owned bridge inspections align with relevant requirements and best practices?

Our tentative methodology would include the following:

- Review the Federal Highway Administration's ratings of Kansas's Bridge Inspection Program to learn about the state's overall compliance with National Bridge Inspection Standards in recent years. This work would focus on ratings that reflect the timeliness and accuracy of bridge inspections to identify specific bridge types that may be higher risk. Review any corrective action plans resulting from these federal ratings. Talk with officials to learn about how and if they implemented the corrective action plans.
- Review the most recently completed KDOT bridge data to learn about bridge locations, ownership, traffic levels, inspection dates, inspection timelines, and condition. This work will help determine if state-owned bridges in Kansas are being inspected timely and if there are specific bridge types or bridges of certain conditions that LPA should consider for sample selection in subsequently described work.
- Review federal regulations, state and federal laws, National Bridge Inspection Standards, national organizations (like professional transportation organizations or NCSL), and talk to KDOT officials to identify the requirements and industry best practices for reviewing and overseeing bridge inspections. This would include best practices for ensuring timely and accurate bridge inspections.
- Work with KDOT officials and review relevant documentation to determine what policies and processes KDOT has in place to review bridge inspections for state-owned bridges. This work would focus on KDOT's processes for ensuring the timeliness and accuracy of inspections. For example, this work would identify the amount, frequency, and extent of KDOT's reviews of inspection reports and the tools they use to review them (e.g., inspection schedules, review checklists, quality assurance reviews).
- Compare KDOT's policies and processes to statutory requirements and industry best practices to determine if they align.
- Survey KDOT bridge program staff for their perspectives on KDOT's policies and processes for reviewing the timeliness and accuracy of bridge inspections as well as staff's level of confidence in bridge inspections for state-owned bridges. This work also may guide our sample selection.
- For the most recent year, select a sample of all state-owned bridge inspections to verify that KDOT officials reviewed them for accuracy before approving them. If possible, review available data from KDOT's quality assurance reviews to verify if a sample of state-owned bridges were reviewed in alignment with requirements and best practices.
- Talk to KDOT officials about the reasons for any issues we identify.

Objective 2: Do a selection of local governments' policies and processes for reviewing the timeliness and accuracy of locally owned bridge inspections align with relevant requirements and best practices? Our tentative methodology would include the following:

- Review KDOT's bridge data, the Federal Highway Administration's ratings of Kansas's Bridge inspection program, and other relevant reports to identify a selection of local governments for review based on risk factors such as age of bridges, number of bridges, condition of bridges, traffic on bridges, or bridge inspection concerns.
- Select a handful of local governments to review. For the selected local governments, work with officials and review relevant documentation to determine what policies and processes they have in place to review bridge inspections for locally owned bridges to ensure they're accurate and timely. This work would identify the amount, frequency, and extent of local governments' review of inspection reports and the tools they use to review them.
- Compare the requirements and industry best practices identified in Objective 1 to the selected local governments' policies and processes to determine if they align.
- For the selected local governments, use KDOT bridge data to learn about their locally owned bridge locations, traffic levels, inspection dates, inspection timelines, and condition. This work will help determine if locally owned bridges are being inspected timely and if there are specific bridge types or bridges of certain conditions that LPA should consider for sample selection in subsequently described work.
- Survey local bridge program staff from the selected local governments to learn their perspectives on their local government's policies and processes for reviewing the timeliness and accuracy of bridge inspections as well as staff's level of confidence in bridge inspections for locally owned bridges. This work also may guide our sample selection.
- For the most recent year, use KDOT data to select a small sample of local bridge inspections. Review the selected local governments' data and reports to verify that they followed their processes for ensuring the accuracy and timeliness of inspections.
- Talk to local officials about the reasons for any issues we identify. Also interview KDOT officials to identify whether they have any oversight processes that could help to mitigate those issues.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **5 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 20 E

AUDIT PROPOSAL

Evaluating the Kansas Department of Revenue's Processes to Collect Delinquent Individual State Income Taxes

SOURCE

This audit proposal was suggested by LPA staff.

BACKGROUND

The Kansas Department of Revenue (KDOR) administers and enforces Kansas's tax laws. As part of this responsibility, the agency must identify and collect individual income taxes that individuals fail to pay by the required deadlines. These unpaid amounts, known as delinquent taxes, enter KDOR's compliance and enforcement processes.

Within KDOR's Tax Operations Division, the Revenue Recovery unit is responsible for collecting delinquent taxes. The department uses several tools to enforce collection, including issuing notices to non-payers, filing tax warrants and liens, seizing property, publicly listing tax delinquencies on KDOR's website, and establishing payment plans with taxpayers.

Individual income tax revenue funded nearly half of the \$10 billion of state general fund collections in fiscal year 2025. Additionally, at the close of fiscal year 2025, Kansas carried around \$240 million in outstanding delinquent individual income tax receivables. This accounted for 56% of all delinquent taxes that KDOR identified as being owed to the state. These amounts illustrate the importance of effective identification and collection practices as well as timely intervention, as older debts become increasingly difficult to recover. Identifying and collecting delinquent taxes protects state resources, promotes fairness among taxpayers, and helps ensure ongoing compliance with tax laws.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Are the Kansas Department of Revenue's (KDOR's) policies and processes for collecting delinquent income taxes from individuals effective? Our tentative methodology would include the following:

- Review state law and regulations, work with KDOR staff, and reach out to national or professional organizations to learn about requirements and best practices for collecting delinquent individual income taxes. This includes identifying requirements and best practices for finding and notifying delinquent taxpayers as well as the enforcement actions used to improve payment compliance.
- Work with officials at the Kansas Department of Revenue to learn about what policies and processes they use to identify delinquent taxpayers and collect delinquent

income taxes from individuals, including the enforcement actions they use. This might include things like enforcing tax liens and increasing financial penalties.

- If possible, select a judgmental sample of delinquent income tax cases from the most recently closed fiscal year to determine whether KDOR followed their policies and processes for collecting delinquent individual income taxes.
- Compare statutory requirements, regulatory requirements, and best practices to KDOR's policies and processes to determine if KDOR's processes were adequately designed and implemented to collect delinquent income taxes in a timely and effective manner.
- Review available KDOR data for the previous 2 fiscal years to determine if KDOR's processes were effective for timely collecting delinquent income taxes. This work would include reviewing the data to determine the average length of time it took KDOR to resolve delinquent individual income tax accounts, the age of delinquent income taxes, the amount of delinquent taxes the state writes off each year as being non-collectable, and the amount of delinquent taxes KDOR successfully collected.
- Talk to KDOR staff to determine the causes of any identified issues and to identify potential improvements to address them.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 21 E

AUDIT PROPOSAL

Evaluating Kansas State Agencies' Use of Sole Source Contracts

SOURCE

This audit proposal was suggested by LPA staff.

BACKGROUND

State law requires state agencies to follow specific procurement and contract processes for contracts that will exceed a cost of \$5,000 within a single fiscal year. For contracts exceeding \$5,000 annually, the state's policy is to obtain goods and services from the private sector through a fair and open competitive bidding process. This process is intended to ensure government funds are spent efficiently and fairly. While most contracts must be selected through this bidding process, some contracts are exempted from it. For example, some contracts are exempted by specific statutes or narrow circumstances (e.g., there is no competition or it's addressing a time-sensitive emergency). The contracts that fall under these exceptions are referred to as sole source contracts.

In instances where an agency believes that no competition exists or an emergency is at hand, the agency must submit a prior authorization form and supporting documentation to the Kansas Department of Administration's Office of Procurement and Contracts (OPC) and get the Director's authorization to move forward. Approval is decided through a formal process within the OPC, and agencies are not allowed to enter into the contract until they have received that final approval unless an emergency condition is life-threatening. When approved, these sole source contracts must be reported to the Kansas Legislature.

The OPC maintains record of all contracts with the state. Each year, OPC processes thousands of prior authorization forms for requested sole source contracts. According to information from Legislative Research, the number of prior authorizations sought more than tripled each year from 2009 to 2018. Legislative Post Audit hasn't evaluated sole source contracts in many years, so a review would help to ensure that the growing number of them comply with statutory requirements.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Does the Kansas Department of Administration (KDOA) have policies and processes to ensure that state agencies only enter sole source contracts when statutory conditions are met? Our tentative methodology would include the following:

- Review federal and state laws and best practices to identify key requirements and processes KDOA should have to ensure state agencies do not inappropriately award sole source contracts when they should have used competitive bids. This work would also include identifying requirements sole source contract requests should meet to be approved.

- Work with KDOA and review documentation as needed to develop an understanding of what policies and processes they have designed and implemented to decide whether prior authorization requests for sole source contracts are approved or denied under specific exceptions. This would include work to verify that KDOA is using the processes it has designed. It could also include talking with KDOA officials about what controls, if any, individual state agencies have and how much of the burden is on them to ensure that sole source contracts aren't sought if competitive bidding is more appropriate.
- Compare KDOA's processes with requirements and best practices to determine if the processes designed and implemented are adequate to ensure sole source contracts are only approved when they fall under an exception to the competitive bidding requirement.
- Talk to KDOA officials to determine the causes of any identified issues and to identify potential improvements to address them.

Objective 2: Did select sole source contracts in 2024 and 2025 meet statutory requirements for being exempted from competitive bidding? Our tentative methodology would include the following:

- Select a sample of sole source contracts approved by KDOA over the past two fiscal years to determine if they met statutory requirements for being exempted from the competitive bidding process. The selected contracts would include ones that were exempted for 2-3 different reasons (e.g., lack of competition or emergency situation). For each contract selected, also determine whether KDOA's policies and processes were followed. This includes speaking with KDOA about those applications received, reviewing documentation of each step of the process, and evaluating whether supporting documentation was thorough enough to support the approval.
- Compare the annual sole source contract reports provided to the Kansas Legislature to the data we received to ensure the 2024 and 2025 reports were complete and accurate.
- Talk to KDOA to understand the reason for any inappropriate approvals and any deviations from KDOA policy or statutory requirements.

ESTIMATED RESOURCES

We estimate this audit would require a team of **3 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 22 E

AUDIT PROPOSAL

Reviewing Selected State Contracts for IT-Related Services

SOURCE

This audit proposal was suggested by LPA staff.

BACKGROUND

The Office of Procurement and Contracts, within the Department of Administration, entered into numerous statewide contracts to provide 3 types of staffing services to state agencies and local governments. Overall, these contracts are designed to create a flexible framework for agencies to get certain services and speed up the procurement cycle. Lastly, they can save costs by leveraging the state's buying power.

- Within the temporary staffing services contracts, agencies work with the respective contractors and subcontractors to get temporary staff for various positions such as administrative support (e.g. customer service representative), trade professionals (e.g. custodial worker), and information technology (e.g. database administrator, information security officer, IT help desk analyst). Agencies may end up hiring temporary staff based on specific rules and paying conversion fees to the contractor or subcontractor. As of February 2026, the state had nearly 130 contracts in place.
- Within the information technology services contracts, agencies and local governments may work with pre-qualified contractors for specific task orders in various areas (e.g. database support, application development). These contracts must be used for fixed-bid task orders rather than staff augmentation.
- Within the master consulting services contracts, the state has authorized contractors to provide various types of consulting services, including strategic planning, financial and performance management, and technology. Agencies needing specific services valued at more than \$100,000 may create a task order for all eligible contractors to bid on. In turn, agencies select a successful bidder based on resumes or other relevant information received from the bidding contractors.

These staffing services contracts include numerous overarching requirements. This includes contractor assurances that assigned workers are fully qualified for the specified work and are properly classified as employees (not independent contractors). It also includes requirements for the contractor to conduct federal employment verification (E-Verify) and complete security awareness training and other security or confidentiality requirements. Lastly, these contracts include various monitoring or reporting requirements.

Several audits have raised questions about IT-related contracts and some of the associated requirements. For example, a recent Legislative Post Audit IT security audit report raised questions about the staff qualifications of a particular vendor providing IT services to a state agency. A 2023 Government Accountability Office (GAO) report highlighted that federal agencies may not always monitor E-Verify requirements. Finally, a 2019 New York State

Comptroller audit of IT services found deficiencies in monitoring, creating a high risk that the state never received the required deliverables. Kansas legislators have raised concerns that contractors may use less qualified staff, potentially causing sub-standard services or project delays. Lastly, questions exist about whether the use of temporary staffing contracts is efficient and effective.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objectives listed below are the questions we would answer through our audit work. The steps listed for each objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Did the Office of Procurement and Contracts appropriately monitor and enforce certain contracts to ensure vendors comply with relevant reporting and worker qualification requirements? Our tentative methodology would include the following:

- Work with Office of Procurement and Contracts (OPC) staff to identify all temporary staffing, IT services, and master consulting services contracts, as well as their utilization by state agencies and local governments.
- Select a subset of 3-6 contracts and identify relevant overarching contract and worker qualification requirements (e.g. quarterly reporting requirements, training completion, compliance with E-Verify, employment classification).
- For the selected requirements, review the selected contracts and identify relevant best practices for monitoring and enforcement activities.
- Interview OPC staff, select state agencies, and contractors, and request and review supporting documentation from stakeholders to determine what monitoring and enforcement activities are taking place for selected contract and worker qualification requirements.
- Compare the monitoring activities taking place to the best practices and contract requirements to evaluate whether the selected contract and worker qualification requirements have been sufficiently monitored and enforced.
- Interview OPC staff, state agencies, and other stakeholders to understand the reasons for any identified monitoring and enforcement weaknesses.

Objective 2: Did state agencies get the agreed-upon services for selected contracted IT services or individual task orders? Our tentative methodology would include the following:

- From the list of IT services and master consulting services contracts received from OPC, select 2-3 contracts frequently used by state agencies.
- Contact those state agencies to identify a subset of IT services or individual task orders they have completed under these contracts. Select a small number of these IT services or task orders to evaluate in more detail. Consider selecting services or tasks that state officials said had issues with things like unexpected delays, quality, or higher costs.

- For the selected IT services and task orders, summarize relevant components such as the statement of work, expected deadlines, required qualifications, level or length of experience, or certifications.
- Interview agency staff to understand what they did to select a contractor with matching criteria, and what activities they performed during the project to ensure the work was completed within expected timeframes and at the expected level of experience and quality.
- Request and review agency and contractor's documentation to evaluate whether and how the stated requirements were met for the contract staff involved in completing the work.
- For any requirements that weren't met, interview agency and contractor staff to confirm and understand the reasons for non-compliance.

Objective 3: Did the use of temporary staffing contracts produce cost savings for the state for selected IT services?

- Work with OPC staff and other stakeholders to identify temporary IT staffing contracts state agencies use frequently.
- Talk with state agency officials and other stakeholders to learn about the variables involved in hiring certain IT staff outright compared to hiring them through the conversion option of a temporary staff contract. As part of the interviews, also ask about less quantifiable variables such as qualified IT staff shortages in rural areas.
- Select several temporary staffing contracts state agencies have used to hire temporary IT staff, and gather such information as job classification, length of employment, whether the conversion option was exercised, direct and indirect expenditures, onboarding costs, and other relevant factors.
- Compare the estimated cost of hiring a state employee to the cost of hiring a temporary staff through the conversion option to determine the cost difference.
- Analyze available data to determine when agencies typically convert IT staff, and what the conversion rate is.
- Talk with stakeholders about any problem findings we identified.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **5 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

Proposal Number: 23 E

AUDIT PROPOSAL

Reviewing Agencies' Implementation of Selected Performance Audit Recommendations

SOURCE

This audit proposal was suggested by LPA staff to satisfy requirements in LPAC Rule 3-4.

BACKGROUND

The Legislative Post Audit Committee's rules include a process to check prior audit recommendations. That process, included in LPAC Rule 3-4, has two primary components. First, we follow up with each agency twice a year to update their progress on past recommendations. Second, we prepare this audit proposal each year. It aims to confirm agencies' self-reported actions on past audit recommendations.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work. The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: To what extent have agencies implemented selected audit recommendations from performance audits issued in recent years? Our tentative methodology would include the following:

- **Attachment A** lists the audit recommendations we are proposing for follow-up work.
- Review materials provided by agency officials as part of the follow-up process to determine the reported status of each recommendation.
- Interview agency officials and staff, review agency documents, and conduct other work as needed to verify the actual status of each recommendation.
- For any recommendations that do not appear to have been implemented as reported, follow up with agency officials to determine why not.

ESTIMATED RESOURCES

We estimate this audit would require **1 auditor** for a total of **2 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

ATTACHMENT A

Proposed Recommendations for Follow-Up Audit Work

Evaluating Staff Safety at Osawatomie State Hospital (December 2024)

1. To ensure staff have clear expectations regarding physical security and processes, Osawatomie State Hospital management should develop and regularly review, update, and clarify policies. This includes areas we noted in the report such as security staff patrol processes and documentation, security staff fire training, key return for departing staff, and progressive discipline. (In Progress)
2. Osawatomie State Hospital should regularly review, update, and clarify existing policies to ensure policies and practices align. This includes areas we noted in the report such as personal security alarm checks, communication of safety assessment reports, and safety concerns form. (Implemented)
3. As part of Osawatomie State Hospital's policy review and updating, management should develop data systems and tracking to inform the updates. This includes important areas we identified such as use of personal security alarms, overtime, and disciplinary action. (Implemented)
4. Osawatomie State Hospital should use newly created and already existing data to monitor safety issues to include Environment of Care Committee results, trends in personal security alarms (i.e., by area, staff member, and patient), overtime by staff member, trends in disciplinary action (i.e., by area and staff member). (Implemented)
5. To improve morale and working conditions, Osawatomie State Hospital management should work on communication and setting clear expectations. Management should develop processes to ensure all staff are held to expectations consistently. (In Progress)

Evaluating Adult Virtual School Funding (March 2025)

1. The Central Plains school district should review all transcripts each year with Graduation Alliance to ensure accurate transcripts. (Implemented)
2. Kansas State Department of Education (KSDE) officials should create a written policy and procedure manual that incorporates the rules the department intends to apply when reviewing adult virtual education credits. The department should ensure those policies do not inadvertently restrict or limit statutorily compliant credits from being funded. (Implemented)
3. KSDE should incorporate general audit practices such as supervisory review and appropriate audit documentation into their written policies for adult virtual school funding audits. (Implemented)

4. Once the department has created a written policy and procedure manual for adult virtual school funding audits, officials should train all audit staff to ensure that department policies are consistently followed. (Implemented)

Reviewing Veterans' Claims Assistance Program Matching Requirements (March 2025)

1. The Kansas Office of Veterans Services (KOVVS) should provide written guidance to the veteran service organizations that define what activities or costs are allowable as matching support of the VCAP program. This should include how to estimate and report on shared office staff and resources (i.e., state headquarters). (Implemented)
2. KOVVS should require the organizations to provide documentation with their match summary reports that's sufficiently detailed to allow officials to determine what the amounts are and how they support the VCAP program directly. (Implemented)
3. KOVVS officials should review this documentation and request clarifications or additional information as needed prior to approving grant reimbursements or future grant applications. (Implemented)
4. KOVVS should ensure that they understand what their annual VCAP allocations are and extend grant contracts that are correct when they are signed. Furthermore, KOVVS should follow proper state contract procedures when changes are needed and make sure that any changes to the contracts are properly documented. (Implemented)

Proposal Number: 24 E

AUDIT PROPOSAL

Evaluating Whether Law Enforcement Wiped Seized Personal Electronics before Reselling Them

SOURCE

This audit proposal was suggested by LPA staff.

BACKGROUND

Kansas civil forfeiture laws authorize law enforcement in Kansas to seize and take ownership of property used in the commission of a crime. Seizure occurs when law enforcement officers take property into their custody. Forfeiture occurs when a judge awards ownership of the property to the law enforcement agency. Once property is forfeited, the law enforcement agency may keep the property, transfer it to any government agency, destroy it, use it for training purposes, or sell it. If the law enforcement agency chooses to sell the property, Kansas statute requires property, other than real property, to be sold at a public sale to the highest bidder. If the property is an electronic device that contains personally identifiable information such as a cell phone or computer, the law enforcement agency should wipe the device of the sensitive data before selling it.

A 2023 study by the University of Maryland looked at whether user data was available on cell phones purchased from police auctions. Researchers found that 61 of 228 (or 26.8%) cell phones they purchased had data from previous users. The user data included contact information, photographs, location information, and sensitive data such as social security numbers, bank information, and identification information. Disclosure of such data due to inadequate processes for wiping user data can lead to privacy and safety risks for devices' original owners and victims of the original crimes.

A review of Kansas law enforcement departments' practices could help legislators determine the risk of disclosing personally identifiable information by law enforcement not wiping personal electronics received via forfeiture.

AUDIT OBJECTIVES AND TENTATIVE METHODOLOGY

The audit objective listed below is the question we would answer through our audit work.

The steps listed for the objective convey the type of work we would do. These may change as we learn more about the audit issues.

Objective 1: Do law enforcement agencies have adequate policies and procedures to prevent personal electronics from being sold while still containing personal data? Our

tentative methodology would include the following:

- Review federal and state laws, regulations, and the KBI Asset Forfeiture Handbook to understand what requirements there are for seized and forfeited personal electronics that will be sold.

- Review information security standards and best practices (e.g., Kansas Information Technology Executive Council standards) to determine what practices law enforcement agencies should use to ensure user data is wiped from personal electronics before they're sold.
- Work with KBI staff to review the Kansas Asset Seizure and Forfeiture Repository to see what data is available in the repository. Use the Kansas Asset Seizure and Forfeiture Repository to select about ten state and local law enforcement agencies to review.
- Compare the selected law enforcement agencies' asset seizure and forfeiture policies to the information security practices we identified to determine if they're adequate to ensure electronics have their data wiped before being sold.
- Work with law enforcement agency staff to identify personal electronics that have been approved for sale. For those devices, review documentation to determine if the law enforcement agency followed its policies for wiping user data. If possible, also inspect those personal electronic items to determine if they contain personal data. Talk to agency staff to understand the reason for any identified issues.

ESTIMATED RESOURCES

We estimate this audit would require a team of **4 auditors** for a total of **4 months** (from the time the audit starts to our best estimate of when it would be ready for the committee).

