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House Bill 2110, Proponent Testimony

House Bill 2110 is intended to facilitate the State 911 Board's transition to a state agency and provide more flexible grant funding for PSAPs.

## Easing the Transition – Near term concerns

HB 2690, passed last year, established January 2, 2026, as the date for creating the **State 911 Operations Fund, State 911 Grant Fund, and State 911 Fund** within the state treasury. It also set this date for transferring all existing 911 fund balances into these newly established treasury funds.

As we have worked through the transition, it has become clear that these funds need to be created earlier—on **July 1, 2025**—to ensure proper financial management of expenses such as payroll and services obtained from other agencies, such as OITS. Additionally, funds must be available in the State 911 Operations Fund to cover these expenses. Under the current structure, the Department of Administration is covering costs upfront and invoicing the Board bi-weekly. The proposed change would reduce the administrative burden for both our staff and the Department of Administration while also ensuring that the Board's **FY 2026** expenses are accurately reflected in state financial reports.

- **Section 12** establishes the **State 911 Operations Fund** on **July 1, 2025**, and authorizes a **\$1,000,000** transfer from the existing 911 Operations Fund (currently held outside the treasury) into the new treasury-based fund.
- **Sections 13 and 14** establish the **State 911 Grant Fund** and **State 911 Fund** on the same date.

## Easing the Transition – Long term concerns

Since its inception, the **Kansas 911 Act** has defined the **Local Collection Point Administrator (LCPA)** as the entity designated by the 911 Coordinating Council (now the **State 911 Board**) to collect and distribute 911 fees. HB 2690 transferred **fee distribution** responsibilities from the LCPA directly to the Board, since 911 fees will now be held in the state treasury before distribution. However, **fee collection** remains a contract function, and there is concern that **procurement for such a limited scope may fail to attract viable bids**.

Discussions with **Mainstream Non-Profit Solutions (the current LCPA), the Office of Accounts and Reports, the Office of Procurement & Contracts, and the State Treasurer's Office** have led to the conclusion that the Board needs greater flexibility in how it manages fee collection. Specifically, the Board should have the authority to:

- **Procure collection services through a contract** if it remains cost-effective,
- **Handle fee collection internally** with Board staff, or
- **Collaborate with other state agencies** for collection if procurement is unsuccessful.

The best way to ensure this flexibility is to **remove the LCPA language entirely** from the **Kansas 911 Act**, making fee collection and distribution the direct responsibility of the **State 911 Board**. This will allow for procurement of contract services **if advantageous**, while also providing the option to **internalize or collaborate** on the process as needed.

- Every section in the bill includes amendments to remove the LCPA language and align with this updated framework.

## Flexible Grant Funding

Under the current **Kansas 911 Act**, **one cent** from every **911 fee** is directed to the **State 911 Grant Fund**, generating approximately **\$360,000 per year**. Due to the slow accumulation of funds and the **rising cost of PSAP equipment**, the **911 Coordinating Council** has historically restricted grants to **specific critical needs and emergency equipment replacement**.

Many PSAPs, however, **lack surplus 911 fees** to save for necessary equipment upgrades. Expanding grant eligibility would allow them to apply for funding to cover **essential equipment costs that exceed their fiscal capacity**.

Meanwhile, the **State 911 Operations Fund** receives **23 cents** from each **911 fee**, covering costs for:

- **The statewide hosted phone system**, and
- **The agency's administrative expenses**.

Although **all 23 cents** will likely be needed to sustain the system in the future, **past expenditures did not require the full amount**, leaving the Operations Fund with **unencumbered reserves** earmarked for future system upgrades and equipment replacement.

- **Section 12** authorizes the **State 911 Board** to **transfer a portion of these unencumbered funds** into the **State 911 Grant Fund**, once per year as needed.
- **New Section 1** removes the existing **\$2,000,000 cap** on the Grant Fund, allowing transfers to better support **PSAPs**.

## Language Correction/Clarification – Striking 12-5374(a)(3)

Before the passage of **HB 2690** in the 2024 Legislative Session, **K.S.A. 12-5374(a)(2)** outlined the **Minimum Distribution** of 911 fees and how it should be handled. The original text stated:

"There shall be a minimum county distribution of \$60,000 and no county shall receive less than \$60,000 of direct distribution moneys. If there is more than one PSAP in a county, then the direct distribution allocated to that county by population shall be deducted from the minimum county distribution, and the difference shall be proportionately divided between the PSAPs in the county. All moneys remaining after distribution, moneys withheld pursuant to K.S.A. 2021 Supp. 12-5368(b)(1), and amendments thereto, and any moneys that cannot be attributed to a specific PSAP shall be transferred to the 911 Operations Fund."

**HB 2690** divided this text into three separate clauses: **12-5374(a)(2)**, **(a)(3)**, and **(a)(4)**. In doing so, the phrase "**if there is more than one PSAP in a county...**" was inadvertently separated from its intended context—the **Minimum Distribution**—and appeared to apply more broadly than intended.

Upon reviewing this issue with the **Revisor's Office**, we agreed that the best solution was to **strike the line entirely** to prevent confusion.

For **PSAPs in counties that receive more than the Minimum Distribution**, 911 fees are distributed as designated by the telephone companies that collect and remit them. For multiple **PSAPs in counties that require supplemental funds to meet the Minimum Distribution**, we would have followed the original text. However, **no**

**county in Kansas with more than one PSAP has ever required supplemental funds to meet the Minimum Distribution**, and none do today.

Thus, **this edit does not change current distributions** but removes a provision that could cause confusion. Should a **county with more than one PSAP** ever require a **Minimum Distribution supplement** in the future, the **State 911 Board** would have the authority to **establish a policy or promulgate a K.A.R.** that best fits the circumstances at that time.

- The language in question is in **Section 8**, on page 8, lines 40-43.