

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE SUBSTITUTE FOR HOUSE BILL NO. 2240**

As Agreed to March 25, 2025

Brief*

Senate Sub. for HB 2240 would prohibit state agencies, on and after July 1, 2025, from seeking or implementing any public assistance program waiver or other authorization from the federal government that would expand eligibility for any public assistance program or would increase any cost to the State. The bill would also prohibit making certain changes to services for persons with intellectual or developmental disabilities (I/DD) without the express consent or approval of either the Legislature or the Legislative Coordinating Council (LCC).

Public Assistance Waivers and I/DD Programs

The bill would prohibit state agencies, on or after July 1, 2025, from doing the following without Legislative approval:

- Seeking or implementing, at minimum, a Medicaid state plan, any Medicaid state plan amendment, or any state demonstration or waiver pursuant to Section 1115 or 1915 of the federal Social Security Act, if the public assistance waivers or other authorizations from the federal government would increase any cost to the State; or
- Seek or implement any change to the funding structures, day services, or targeted case management (TCM) services for persons with I/DD.

Legislative Approval

The bill would require any approval or consent for said waiver or other authorization or a change to funding structures, day services, or TCM for persons with I/DD to be an act of the Legislature. Should the Legislature not be in session, the bill would allow the LCC to approve or refuse a state agency's request for a waiver or other authorization or a change to funding structures, day services, or TCM for persons with I/DD.

The bill would also allow for the LCC to designate a standing committee or special committee to review an agency's request and make recommendations to the LCC.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <https://klrd.gov/>

The bill would establish a deadline of 14 calendar days from the LCC's receipt of a state agency's official notification for an approval request by which the LCC or its designated committee must meet to consider and take action on said request.

Definitions

The bill would define the following terms as follows:

- "Public assistance program" would mean any assistance included in KSA 39-709 for which federal or state moneys or both are expended and currently includes the following programs: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP food assistance), the Child Care Subsidy Program, Medicaid, and the Children's Health Insurance Program (CHIP); and
- "State agency" would mean any state office or officer, department, board, commission, institution, bureau, or any agency, division, or unit within any office, department, board, commission, or other state authority, or any person requesting a state appropriation.

Conference Committee Action

The second Conference Committee agreed to the contents of the substitute bill with the following amendments:

- Reorganized the bill so that LCC approval when the Legislature is not in session would apply to changes for both public assistance and I/DD programs.

Background

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

House Committee on Welfare Reform

In the House Committee hearing, **proponent** testimony was provided by representatives of COF Training Services; Developmental Services of Northwest Kansas, Inc.; InterHab; Opportunity Solutions Project; and a private citizen. The proponents generally stated the bill was needed to ensure legislative oversight of proposed expansion of public assistance programs by the Executive Branch and help ensure stakeholder involvement in potential changes.

Written-only proponent testimony was provided by a representative of Big Lakes Community Developmental Disability Organization Administration; three representatives of Big Lakes Developmental Center, Inc.; and two private citizens.

Opponent testimony was provided by representatives of KanCare Advocates Network and Kansas Action for Children, and a representative of Thrive Allen County and Thrive Kansas. The opponents generally stated the bill would impact the ability of agencies to quickly respond to

new issues, good or bad, that could arise when the Legislature is not in session. The opponents stated these additional barriers would harm individuals who utilize these programs.

Written-only opponent testimony was provided by representatives of the Alliance for a Healthy Kansas; Johnson County Department of Health and Environment; Kansas Breastfeeding Coalition, Inc.; Kansas Chapter of the American Academy of Pediatrics; Kansas Department for Aging and Disability Services (KDADS); Kansas Department of Health and Environment (KDHE); Lawrence-Douglas County Public Health; Mid-America Regional Council Emergency Rescue; and Oral Health Kansas.

No other testimony was provided.

The House Committee amended the bill as follows:

- Authorize the LCC to approve a state agency's request for a Medicaid state plan, state plan amendment, state demonstration, or a waiver pursuant to Section 1115 or 1015 of the federal Social Security Act when the Legislature is not in session or designate a standing or special committee to review such agency's request and make recommendations to the LCC; and
- Prohibit changes to I/DD funding structures, day services, and TCM services for persons with I/DD without either legislative or LCC approval, allowing for LCC designation of a standing or special committee to review such requests and make recommendations to the LCC. [*Note: The second Conference Committee did not retain these amendments.*]

Senate Committee on Government Efficiency

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Big Lakes Developmental Center, Inc.; COF Training Services; InterHab; Opportunity Solutions Project; Rainbows United; and one private citizen. The proponents generally stated that the Legislature should have more oversight for large welfare programs rather than unelected officials. Furthermore, proponents were concerned with proposed changes by KDADS and believed this enhanced oversight would ensure better engagement by state agencies with stakeholders were implementing changes.

Proponent written-only testimony was provided by representatives of Ability Point; Developmental Services of Northwest Kansas, Inc.; Goodwill Industries of Kansas; Johnson County Developmental Supports; TARC; three representatives of Big Lakes Developmental Center, Inc.; and 5 private citizens who identified themselves as parents of individuals with disabilities.

Opponent testimony was provided by representatives of Alliance for a Healthy Kansas, Disability Rights Center of Kansas, KanCare Advocate Network, Kansas Action for Children, Kansas Council on Developmental Disabilities, KDADS, and KDHE. The opponents generally stated that the bill could limit the State's ability to adjust to changes in Medicaid and could lead to issues of noncompliance or other unintended consequences.

Opponent written-only was provided by representatives of American Academy of Pediatrics, Health Forward Foundation, Johnson County Department of Health and Environment, Oral Health Kansas, and Thrive KS.

No other testimony was provided.

The Senate Committee amended the bill as follows:

- Remove the contents of HB 2240, as amended by House Committee, and insert the contents of SB 161, as amended by Senate Committee;
- Add language allowing the LCC to designate a standing or special committee to review an agency request; and
- Establish a deadline of 14 calendar days by which action on an agency request must be taken up by the LCC or its designee.

The Senate Committee recommended a substitute bill be passed. [*Note*: The second Conference Committee retained these amendments.]

Fiscal Information

According to the fiscal notes prepared by the Division of the Budget on both HB 2240 and SB 161, as introduced, KDADS and KDHE state the bill would prohibit the addition of required eligibility groups or services that are mandated either by federal law or federal regulations. The agencies indicate the Kansas Medicaid Program would be out of compliance and the State would be at risk for losing federal match dollars. The agencies state, if there is a Medicaid rate adjustment, the bill may prohibit Kansas from complying and be out of compliance with federal requirements until the increases are approved by the Legislature.

The agencies indicate, while they are unable to determine specific implications, it is likely that failure on the part of the State to provide any or all Centers for Medicare and Medicaid Service mandated services would put the federal share of the funds for the Kansas Medicaid Program at risk in its entirety.

The agencies estimate the federal share of the Kansas Medicaid program across both KDHE and KDADS is \$3.8 billion for FY 2026 and \$3.9 billion for FY 2027.

The Department for Children and Families states enactment of the bill would have no immediate effect to TANF cash assistance, food assistance, and child care subsidy programs. However, the requirement to seek legislative approval could result in delays in funding or an inability to accept new funding. Currently, TANF and food assistance benefits paid to eligible families are financed entirely from federal funds, while child care subsidy payments include state funds to meet matching and maintenance of effort requirements, and state funds are required to administer the food assistance program.

Any fiscal effect associated with the bills are not reflected in *The FY 2026 Governor's Budget Report*.

Public assistance; Legislature; Legislative Coordinating Council; public assistance program waiver; eligibility; intellectual or developmental disability

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