

SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2788

As Amended by House Committee on
Appropriations

Brief*

HB 2788, as amended, would establish a Business Enterprise Program Oversight Task Force (Task Force) to study, discuss, and make recommendations on the administration, accountability, and integrity of the Business Enterprise Program (BEP) for blind individuals administered by the Kansas Department for Children and Families (DCF) pursuant to the federal Randolph-Sheppard Vending Stand Act. The bill would outline the topics to be studied by the Task Force, provide for the appointment and compensation of Task Force members, establish the frequency and location of meetings, require a report to the Legislature, and provide for a fiscal audit and a performance audit of the BEP, among other provisions.

The bill would rename the Vending Facilities Advisory Committee to the Committee of Blind Vendors (Committee), establish meeting notification requirements, and require the Committee to establish a formal process for electing members.

The bill would also make technical and conforming amendments.

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

Business Enterprise Program Oversight Task Force

Task Force Study Topics

The bill would require the Task Force to study the following topics:

- State statutes, administrative rules and regulations, and DCF policies governing the BEP;
- Blind vendor recruitment, licensing, and selection processes;
- Training, services, and supports for licensed blind vendors;
- Procedures for collection, distribution, and expenditures of set-aside funds;
- Required reports by and accounting practices of licensed blind vendors;
- Complaints, disputes, and allegations of misconduct in the administration of the BEP and payments to licensed blind vendors;
- Accounting and set-aside funds of DCF and the Committee;
- Compliance with state and federal statutes; and
- Structure, bylaws, leadership, and voting requirements of the Committee as provided in statute.

Membership

The Task Force would consist of nine members:

- One member appointed by the Speaker of the House of Representatives;
- One current or former licensed blind vendor, appointed by the Majority Leader of the House of Representatives;
- One member appointed by the Minority Leader of the House of Representatives;
- One member appointed by the President of the Senate;
- One current or former licensed blind vendor appointed by the Majority Leader of the Senate;
- One member appointed by the Minority Leader of the Senate;
- One member appointed by the Governor;
- One ex officio non-voting member who is the Secretary for Children and Families (Secretary) or the Secretary's designee; and
- One ex officio non-voting member who is appointed by the American Council of the Blind.

Member terms would expire on June 30, 2028, unless extended for one year by a majority vote of the Legislative Coordinating Council (LCC) on an annual basis.

Vacancies on the Task Force would be filled in a similar manner to the original appointment.

The chairperson of the Task Force would be appointed by the Speaker of the House of Representatives.

Meetings

The bill would authorize the Task Force to meet in an open meeting at any time and any place in the state upon call of the chairperson. A quorum would be four members. Any action by the Task Force would require a motion to be adopted by the majority of members when there is a quorum.

Compensation

Task Force members attending meetings authorized by the Task Force would receive compensation as provided in statute regarding compensation of board members, to be paid from the state operations account of the State General Fund of DCF. The bill would provide that members could attend meetings through remote means but would not be paid for expenses, mileage, or subsistence.

Support Services

The bill would require the staff of the Office of Revisor of Statutes, the Legislative Research Department, the Division of Legislative Administrative Services, and the Legislative Division of Post Audit (LPA) to provide assistance as requested by the Task Force.

Report

The bill would require the Task Force to submit a report on the Task Force's findings and recommendations for the BEP on or before July 1, 2027.

Sunset

The provisions of the bill regarding the Task Force would expire on June 30, 2028, unless otherwise extended for one year by a majority vote of the LCC on an annual basis. If the Task Force is extended, members would continue to be appointed in accordance with the bill.

Audit

On or before July 1, 2027, subject to the approval by the Legislative Post Audit Committee, the bill would require the LPA to conduct:

- A fiscal audit of BEP revenues, earnings, expenditures, and set-aside funds and whether they are accurately collected, reported, and used in accordance with federal and state law. The audit could include review of a representative sample of vending facility sites and an evaluation of benefits to participating licensed blind vendors; and
- A performance audit of the BEP and whether it provides the required services and operates lawfully, which could include a review of training, support services, equipment assistance, fair and equitable distribution, and access to vendors, selection and placement of vendors, and the available grievance and dispute resolution processes.

If requested, the bill would require the audit to be reported to the Legislative Post Audit Committee and to the Task Force on or before June 30, 2028.

Committee of Blind Vendors

The bill would rename the Vending Facilities Advisory Committee to the Committee of Blind Vendors and direct that the Committee's meeting notice be provided to members within five business days of the meeting.

The bill would require the Committee to create a formal method for electing its members. Elections would be required to use a secret ballot, and the chosen method would be required to be sent to the Secretary, who would appoint a neutral representative to attend and help ensure fair, biennial

elections. The bill would allow the Committee to change the election method by majority vote, but the secret ballot requirement would be required to remain.

The bill would require the Secretary to consider Committee input in good faith when making decisions regarding the BEP. If the Secretary rejects the Committee's input, the Secretary would be required to provide a written notice to the Committee listing the reasons for such decision.

Business Enterprise Program Fund

The bill would create in the State Treasury the Business Enterprise Program Fund (Fund) to replace the current vending facilities account that receives set-aside funds from the BEP at DCF. The bill would abolish the BEP vending facilities account established outside of the State Treasury.

Background

The bill was introduced by the House Committee on Appropriations at the request of Representative K. Williams.

[*Note:* The 2025 House Select Committee on Government Oversight held two informational briefings on the BEP prior to the bill's introduction.]

House Committee on Appropriations

In the House Committee hearing on March 4, 2026, **proponent** testimony was provided by Representative K. Williams, who stated the bill would help clarify and strengthen the BEP while ensuring compliance with federal law. She also said the bill would help protect opportunities for blind and visually impaired Kansans operating vending facility businesses.

Written-only proponent testimony was provided by three private citizens, two of whom self-identified as BEP business owners.

Neutral testimony was provided by the President of the Kansas affiliate of the National Federation of the Blind, who suggested a friendly amendment to add to the Task Force membership one representative from each of the following: the Elected Committee of Blind Vendors, the Kansas Advisory Committee on Services for the Blind, the National Federation of the Blind, and the National Association of Blind Merchants.

Written-only neutral testimony was provided by the Secretary, who stated that while the bill allows for the Governor to appoint a member to the Task Force, and that member could be a member of the State Licensing Authority (SLA), the bill as introduced did not require that appointee to be a member of the SLA. The Secretary recommended the bill be amended to make that requirement.

The House Committee amended the bill to:

- Authorize the Legislative Post Audit Committee to request an audit;
- Add two non-voting members to the Task Force: the Secretary or their designee and an appointee of the American Council of the Blind; and
- Add a requirement for the Committee to adopt a method for the election of its members.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on HB 2788, DCF estimates a cost of \$31,872 from the State General Fund for FY 2027. Per year, this estimate includes one meeting per month of the Task Force,

meeting space, a one-night hotel stay, and mileage of attending Task Force members.

The Division of Legislative Administrative Services and the LPA indicated no fiscal impact. However, LPA noted that absorbing the cost of the two audits within existing resources would mean that LPA could not do one or two other performance audits.

The Office of Revisor of Statutes and the Legislative Research Department had not responded to inquiries of fiscal impact as of publication of the fiscal note.

Business Enterprise Program; Business Enterprise Program Task Force; blind vendors; vending facilities; State Treasury; Department for Children and Families; Legislative Division of Post Audit