



April 23, 2020

## ITEMS FOR OMNIBUS CONSIDERATION

### Kansas Department of Commerce

#### **A. Review the Use of Economic Development Initiatives Fund (House Committee).**

The Economic Development Initiatives Fund (EDIF) is funded by an annual \$42.4 million transfer from the State Gaming Revenues Fund. The State Gaming Revenues Fund receives its funding from the sale of lottery tickets, instant ticket games and other regular lottery receipts. According to KSA 79-4804, all expenditures from the EDIF shall be used to support and enhance the existing economic foundation of the State, foster growth, and promote the establishment and attraction of new commercial and industrial enterprises.

Use of the EDIF is restricted in several fashions. First, 50.0 percent of the available funds in the EDIF shall be spent equally between the four congressional districts. Second, expenditures shall be made from one of the following three accounts for the stated purposes:

- Kansas Economic Development Research and Development Account – funding shall be used to promote, encourage, and implement research and development programs and provide technical assistance to state educational institutions;
- Kansas Economic Development Endowment Account – funding shall be used to support community infrastructure projects; and
- Kansas Capital Formation Account – funding shall be used to provide, encourage, and implement capital development and formation in Kansas.

Third, except as modified by an act of appropriation, \$2.0 million per year shall be transferred from the EDIF to the State Water Plan Fund. No other EDIF funds shall be used to support water projects or programs. The first two items listed above have not been adhered to in recent history and the transfer to the State Water Plan Fund has been reduced in appropriations bills since at least Fiscal Year (FY) 2008.

For FY 2020, SB 66 approves \$26.1 million in expenditures from the EDIF. The bill appropriates \$15.4 million to the Department of Commerce; including \$11.1 million for Department of Commerce operations, \$1.2 million for the Rural Opportunity Zone Program, \$583,068 for the Older Kansans Employment Program, \$578,905 for the Kansas Creative Arts Industries Program, \$500,000 in grants for Public Broadcasting, and \$1.4 million for other expenditures.

For the Board of Regents and Universities, the bill approves EDIF expenditures of \$4.6 million in FY 2020. Supported programs include Vocational Education and Capital Outlay (\$2.5 million), The National Science Foundation (NSF) Established Program to Stimulate Competitive Research [EPSCoR], Community College Grants, Kansas State University—Extension Systems and Agricultural Research Programs, and Technology Innovation Internships.

SB 66 also approves \$5.2 million for the Kansas Department of Wildlife, Parks and Tourism operations and \$1.0 million for the Agricultural Marketing program in the Department of Agriculture.

In addition to the \$26.1 million in expenditures, SB 66 also approves transfers of \$20.1 million from the EDIF to other funds. These transfers include \$2.0 million to the State Housing Trust Fund to support the Moderate Income Housing Program of the Kansas Housing Resources Corporation, \$500,000 to the State Water Plan Fund, and \$17.6 million to the State General Fund in FY 2020.

**B. Review the Status of the Contract with Kansas Global Trade Services (House Committee).** Kansas Global Trade Services is a private export trade assistance and outreach firm that has partnered with the Kansas Department of Commerce since FY 2015. The firm hosts regional export promotion meetings as well as export outreach to individual companies. The budget for the contract has ranged from \$75,000 per year to \$250,000 per year. The number of regional meetings and export outreach contacts varies dependent on the level of funding. Additionally, in FY 2019 and FY 2020, the firm is promoting a grant to reimburse up to 50.0 percent of a company's eligible direct expenses up to \$5,000 for foreign sales trips and other expenses tied to developing new international trade relationships.

The contract with Kansas Global Trade Services is funded through FY 2020; however, the Department of Commerce requested the specific line item for the contract be eliminated from the EDIF appropriation. The Department of Commerce has indicated its desire to maintain some type of relationship with Kansas Global Trade Services in FY 2021, but there is no signed contract for that year. Both parties have indicated that they were having discussions over a new contract in February of this year but negotiations have substantially reduced since that time.

**C. Review the Status of the Transfer of Agricultural Marketing Positions from the Department of Agriculture to the Department of Commerce (Senate Committee).** The Governor recommended moving 6.5 FTE positions and \$650,000, all from the EDIF, from the Department of Agriculture, Agricultural Marketing Division to the Department of Commerce. The positions were primarily involved in business development, international trade, and workforce development.

SB 66 deleted the positions from the Department of Commerce and moved the positions and the funding back to the Department of Agriculture.

## **Department of Corrections**

**A. Review the Deletion of Funding for the Jobs for America's Graduates-Kansas (JAG-K) Program Expansion (House and Conference Committees).** The House Committee recommended deleting \$539,000, all from the Evidence Based Juvenile Programs account of the State General Fund, for JAG-K expansion at the Department for Children and Families (DCF). JAG-K is the Kansas affiliate of Jobs for America's Graduates, a national organization

offering public school classes on employment skills that help students graduate and transition into post-secondary education, military service, or the workforce. JAG-K is administered by DCF and traditionally relies on federal Temporary Assistance for Needy Families (TANF) Fund moneys.

The Governor recommended utilizing expenditures from the Evidence Based Juvenile Programs account to expand JAG-K into additional school districts (\$350,000) and within the juvenile justice system (\$189,000). The program account is administered by the Department of Corrections, draws revenue from direct appropriations and savings within the correctional system, and is intended for the development of evidence-based community programs that serve juvenile offenders and juveniles experiencing mental health crises.

The Conference Committee recommended deleting \$539,000, all from the Evidence Based Juvenile Programs account of the State General Fund, for JAG-K expansion at DCF and review at Omnibus potential restoration of funding.

**B. Review the Addition of Funding for Unit Team Counselors at Correctional Facilities (House Committee).** The House Committee recommended reviewing the possible addition of two agency enhancement requests that were not recommended by the Governor. The items to be reviewed total \$3.3 million, all from the State General Fund, for FY 2021. The items include:

- \$1.1 million, all from the State General Fund, for the addition 16.0 FTE positions as unit team counselors at correctional facilities for FY 2021. The agency states team counselors serve as offender case managers and additional positions would reduce caseloads from 70 cases per counselor to 50 cases per counselor; and
- \$2.2 million, all from the State General Fund, to adjust unit team counselor salaries for FY 2021. The agency states the adjustments would increase unit team counselor pay by 15.0 percent in order to achieve equity with recent pay increases for correctional officers.

**C. Review the Addition of Funding for Hepatitis C Treatment for Inmates within Correctional Facilities (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$3.1 million, all from the State General Fund, to support the agency's enhancement request for additional Hepatitis C treatment for FY 2021. The enhancement would supplement \$6.0 million appropriated in SB 66 for Hepatitis C treatment for FY 2021. The agency states inmate populations are prone to Hepatitis C, a blood-borne virus that leads to liver disease, cancer, or cirrhosis. New drugs emerged in 2017 with a cure rate of 90.0 percent, but treatment remains costly at \$15,000 per patient. As of January 3, 2020, the agency estimates that 41 new admissions per month will require treatment, which totals approximately 500 patients for FY 2021. The Governor did not recommend this enhancement request due to the agency working through the process of rebidding the health care services contract for inmates, which includes Hepatitis C treatment.

On April 17, 2020, the agency awarded a contract to Centurion of Kansas, LLC, for all services associated with inmate health care for adult and juvenile offenders at nine facilities totaling \$86.5 million for FY 2021. Services include medical, dental, behavioral health, pharmacy, off-site hospital care, Hepatitis C treatment, and an electronic health records system. SB 66 appropriated \$73.8 million, all from the State General Fund, for the health care services contract, which included \$6.0 million for Hepatitis C treatment, for FY 2021. As part of the

agency's budget submitted in September 2019, enhancements were requested to fully fund the health care services contract (\$4.7 million) and provide additional Hepatitis C treatment (\$3.1 million) for FY 2021. However, the Governor did not recommend these enhancements due to the agency rebidding the contract. The agency states that if additional funds were not appropriated for constitutionally-required inmate health care, substantial reductions would likely be made to community corrections, parole, and offender programs to cover health care expenditures.

**D. Appropriate an Improving Criminal Justice Response (ICJR) Domestic Violence Federal Fund (House and Senate Committees).** The agency recently received federal grant moneys from the U.S. Department of Justice totaling \$117,756 to support salary and travel for a temporary Domestic Violence Program Coordinator (DVPC) to train professionals in the criminal justice system on domestic violence response for a three-year period. The agency requests the ICJR Domestic Violence Federal Fund be appropriated and the addition of expenditures from the fund totaling \$33,327 in FY 2020 and \$84,429 for FY 2021. The agency also requests the DVPC be added as a 0.5 FTE unclassified temporary position to the Victims Services Program within the DOC Central Office. The agency states that terms of the grant prohibit use of moneys for existing staff, as that would be considered supplanting state resources. No state matching funds are required.

The grant is an initiative of the Governor's Advisory Council on Domestic and Sexual Violence Response and involves the Office of the Attorney General, Kansas Supreme Court, Office of Judicial Administration, and the DOC.

## **Kansas Sentencing Commission**

**A. Review the Potential Use of Problem Gambling and Addictions Grant Fund (PGAGF) Moneys for the Agency's Substance Abuse Treatment Program (House Committee).** The House Committee recommended reviewing the possibility of using Problem Gambling and Addictions Grant Fund (PGAGF) moneys to support the agency's substance abuse treatment program for drug offenders in community corrections for FY 2021.

The Kansas Sentencing Commission (Commission) administers the substance abuse treatment program outlined in KSA 21-6824, commonly known as the SB 123 program. Passed in 2003, the program provides certified substance abuse treatment to nonviolent adult offenders convicted of drug possession or distribution and sentenced with non-prison sanctions. The program is designed to divert non-violent drug offenders out of the prison population and reduce likelihood to reoffend. The Commission partners with independent substance abuse providers across the state to administer up to 18 months of treatment as part of probation. In most instances, placement in the program is mandatory and supervised by community corrections services. SB 66 appropriated \$8.7 million, all from the State General Fund, to the SB 123 program for treatment of 3,639 offenders for FY 2021.

The Problem Gambling Fund was established by the Legislature in 2000 and was changed to the PGAGF in 2007 as part of the Kansas Expanded Lottery Act. According to KSA 79-4805, moneys from this fund shall be used for grants to support the treatment and research of problem gambling, alcoholism, drug abuse, and other additions. The fund is administered by the Kansas Department for Aging and Disability Services and annual revenues include 2.0 percent of state-owned casino revenues and an \$80,000 transfer from the State Gaming

Revenue Fund. SB 66 includes expenditures from the PGAGF totaling \$7.1 million for FY 2021, with no remaining balance at the end of the fiscal year.

Major expenditures from the PGAGF for FY 2021 include a portion of the state match for Medicaid Mental Health Addiction Services (\$1.0 million) and Behavioral Health Services (\$3.0 million) for Human Services Consensus Caseloads; Addiction and Prevention Service Grants (\$2.0 million) for substance use disorder treatment among the uninsured; and direct problem gambling services (\$808,000) that include public education, data collection, and treatment. There is an annual transfer from the PGAGF to the Department of Corrections (\$500,000) to aid local community corrections agencies with substance abuse treatment for non-drug offenders.

## Adjutant General’s Department

**A. Capital Improvements – Energy Resilience Enhancement Funding (Joint Committee).** The Joint Committee on State Building Construction recommended adding \$2.0 million, including \$43,740 from the State General Fund, in FY 2020, and \$1.6 million, including \$84,000 from the State General Fund for FY 2021, for energy resilience projects. This recommendation was made after both the House Committee and Senate Committee had made recommendations on the agency’s budget in FY 2020 and FY 2021. This funding was not included in SB 66.

The agency originally requested this enhanced funding for projects to install direct digital HVAC controls (DDC) at six locations, and standby emergency generators at four other locations in FY 2020, and installing direct digital HVAC controls at nine locations, and standby emergency generators at two other locations for FY 2021. DDCs are expected to save 20.0 percent annually on energy costs per facility, and standby emergency generators increase a facility’s energy resilience, and better prepare the facility for use as an emergency management center in the case of severe weather or natural disasters. The Governor did not recommend enhanced funding for these projects in FY 2020 nor FY 2021.

### Energy Resilience Projects FY 2020

Project Title	State	Federal	Total
Leavenworth Greenlief Hall 1952 Generator	\$ 0	\$ 450,000	\$ 450,000
Forbes Bldg 2003 Generator	19,740	262,260	282,000
Wichita North FMS DDC	0	96,000	96,000
Salina RTSM Maintenance 55S DDC	0	178,630	178,630
Topeka PFO Warehouse 202 DDC	0	84,000	84,000
Salina AASF 2 DDC	0	134,400	134,400
Topeka Bldg 103 US PFO DDC	0	58,260	58,260
Salina Eckert Hall Generator	0	351,000	351,000
Salina UTES Generator	0	351,000	351,000
Hiawatha Readiness Center DDC	24,000	72,000	96,000
<b>TOTAL</b>	<b>\$ 43,740</b>	<b>\$ 2,037,550</b>	<b>\$ 2,081,290</b>

**Energy Resilience Projects FY 2021**

<b>Project Title</b>	<b>State</b>	<b>Federal</b>	<b>Total</b>
Salina UTES DDC	\$ 21,000	\$ 63,000	\$ <b>84,000</b>
Coffeyville Readiness Center DDC	18,000	54,000	<b>72,000</b>
Salina KSRTC Classroom DDC	0	280,000	<b>280,000</b>
Salina RTSM Allied Trades 556 DDC	0	100,800	<b>100,800</b>
Wichita South Readiness Center DDC	21,000	63,000	<b>84,000</b>
Salina West Readiness Center DDC	24,000	72,000	<b>96,000</b>
Salina KSRTC Open Bay Barracks 465 DDC	0	72,000	<b>72,000</b>
Topeka CSMS EN Mint 304 DDC	0	36,000	<b>36,000</b>
Leavenworth MTC 1967 Latrine DDC	0	36,000	<b>36,000</b>
Forbes 680 Generator	0	351,000	<b>351,000</b>
Forbes 681 Generator	0	351,000	<b>351,000</b>
<b>TOTAL</b>	<b>\$ 84,000</b>	<b>\$ 1,478,800</b>	<b>\$ 1,562,800</b>

**Kansas Highway Patrol**

**A. Review the Possible Transfer from the State Highway Fund to the Kansas Highway Patrol (KHP) for the Replacement of Law Enforcement Aircraft for FY 2021 (House and Senate Committees).** The House and Senate Committees recommended reviewing law enforcement aircraft replacement for FY 2021.

The agency originally requested a FY 2021 enhancement of \$14.45 million, all from special revenue funds, for Law Enforcement (LE) Aircraft Replacement. Moneys requested were for the purchase of two new helicopters for \$11.0 million (\$5.5 million per helicopter), one multi-purpose single-engine airplane for \$4.8 million, and the upgrade of FLIR (Forward Looking Infrared Radar) on one existing aircraft (\$650,000) for FY 2021. This request would include the trade-in of three current agency aircraft for a credit of \$2.0 million (Bell 407/1998 Cessna/1978 Cessna). The agency requested the provision of funding for this enhancement come from the State Highway Fund, which is currently the agency’s primary funding source for operations. The Governor recommended the one-time transfer of \$14.45 million, all from the State Highway Fund, to a newly created LE aircraft fund to purchase the requested LE aircraft for FY 2021. The Conference Committee on SB 66 recommended deleting the transfer of \$14.45 from the State Highway Fund to the Highway Patrol for LE aircraft replacement, and recommended reviewing this funding at Omnibus.

**B. Review the Agency’s Enhancement Request for Additional Operations and Maintenance Funding for Current, and New Aircraft, for FY 2021 (Senate Committee).** The Senate Committee recommended reviewing the agency’s enhancement request for a new funding source and additional funding for aircraft operations and maintenance for FY 2021.

The agency originally requested this enhancement to modify funding for operations and maintenance as part of its request for Law Enforcement Asset Replacement. The agency requests stopping the current transfer from the KHP Motor Vehicle Fund (MVF), and that a transfer from the State Highway Fund be provided to an agency aircraft fund in order to support aircraft operations at \$1.3 million annually (the rate provided is under the assumption that all new aircraft requested were approved). Funding for aircraft operations and maintenance is currently provided by annual budget proviso to transfer \$600,000 from the MVF to the agency’s

aircraft fund. The MVF is the fund that provides for vehicle replacements for the Highway Patrol. The MVF receives \$3.50 on each certificate of title issued in Kansas, as well as proceeds from the sale of retired agency vehicles, parts, and accessories. This annual MVF transfer to the aircraft fund started at \$400,000 in FY 2006, and was raised to \$600,000 in FY 2019. The agency indicated as the cost of vehicles and associated equipment continues to grow, along with the initiative to increase Law Enforcement presence on roads, the MVF will see expenditures increase past FY 2021, and has therefore requested an annual transfer from the State Highway Fund, the agency's primary funding source, as the new funding source for aircraft operations and maintenance. The agency noted, in the event that no new replacement aircraft were provided, the agency would still request \$696,436, be provided *via* a transfer from the State Highway Fund for annual operations and maintenance of aircraft for FY 2021.

### Motor Vehicle Fund

Resource Estimate	Actual FY 2019	Agency Estimate FY 2020	Gov. Rec. FY 2020	Agency Request FY 2021	Gov. Rec. FY 2021
Beginning Balance	\$ 4,088,487	\$ 3,409,710	\$ 3,409,710	\$ 2,445,076	\$ 2,445,076
Revenue	7,052,889	5,512,000	5,512,000	5,501,000	5,501,000
Transfers in	0	0	0	0	0
<i>Funds Available</i>	<i>\$ 11,141,376</i>	<i>\$ 8,921,710</i>	<i>\$ 8,921,710</i>	<i>\$ 7,946,076</i>	<i>\$ 7,946,076</i>
Less:					
Expenditures	\$ 7,131,666	\$ 5,876,634	\$ 5,876,634	\$ 5,876,635	\$ 5,876,635
Transfers Out	600,000	600,000	600,000	600,000	600,000
Off Budget Expenditures	0	0	0	0	0
<b>Ending Balance</b>	<b>\$ 3,409,710</b>	<b>\$ 2,445,076</b>	<b>\$ 2,445,076</b>	<b>\$ 1,469,441</b>	<b>\$ 1,469,441</b>
Ending Balance as Percent of Expenditures	47.8%	41.6%	41.6%	25.0%	25.0%
Month Highest Ending Balance	June \$ 4,170,148	June \$ 2,990,380	June \$ 2,990,380	June \$ 1,797,158	June \$ 1,797,158
Month Lowest Ending Balance	January \$ 1,754,756	January \$ 1,258,322	January \$ 1,258,322	January \$ 756,226	January \$ 756,226

**C. Review the Funding Source for the Agency's Enhancement Request for Additional Aircraft for FY 2021 (Senate Committee).** The Senate Committee recommended reviewing the funding source for the agency's enhancement request for LE aircraft for FY 2021. The agency originally requested an enhancement from the State Highway Fund, the agency's primary source of funding. The Governor's recommendation included an additional one-time transfer from the State Highway Fund to a newly created Law Enforcement Aircraft Fund for LE aircraft for FY 2021.

### **Kansas Department of Transportation**

**A. Review the Possible Addition of Language to Transfer up to \$50.0 million from the State General Fund to the State Highway Fund in FY 2020 (Senate Committee).** The Senate Committee recommended reviewing the addition of language to transfer \$50.0 million from the State General Fund to the State Highway Fund, based upon the amount that State General Fund revenues exceed the Consensus Revenue Estimates during FY 2020, with a 25.0 percent match required for any funds transferred, and the amount transferred not exceed \$50.0 million.

**B. Review the Possible transfer of up to \$50.0 million from the State General Fund to the State Highway Fund in FY 2020 (Senate Committee).** The Senate Committee recommended Omnibus review of the possible transfer of an additional \$50.0 million from the State General Fund to the State Highway Fund in FY 2020.

**C. Review the Possible Transfer of an Additional \$25.0 million from the State General Fund to the State Highway Fund for FY 2021 (Conference Committee).** The Conference Committee on SB 66 recommended reviewing the possible transfer of \$25.0 million from the State General Fund to the State Highway Fund for FY 2021. Substitute for SB 386 (2020) included the transfer of \$50.0 million from the State General Fund to the State Highway Fund for FY 2021. The Conference Committee recommended deleting \$25.0 million, instead of \$50.0 million, from the primary transfer from the State Highway Fund to the State General Fund for FY 2021, with review of the additional deletion of \$25.0 million from the transfer at Omnibus. Conference Committee action on SB 66 reduced the transfer from the State Highway Fund to the State General Fund from \$158.7 million to \$133.7 million for FY 2021.

**D. House Sub. for SB 173, Eisenhower Legacy Transportation Program (Law).** As signed Thursday, April 2, 2020, House Sub. for SB 173 authorizes and directs the Secretary of Transportation (Secretary) to initiate a program to be called the Eisenhower Legacy Transportation Program. The bill specifies the types of projects authorized, addresses local funding and new and continuing grant programs, authorizes alternative procurement methods under certain circumstances, increases city connecting links payments, adds reporting requirements, requires at least \$8 million to be spent in each county through FY 2030, states 16.154 percent of sales tax shall be levied for the State Highway Fund (SHF), and makes additional changes to law. This law establishes new funds for particular grants and improvement expenditures, as detailed here below. The agency is requesting these new funds be appropriated as no limit funds in FY 2020 and FY 2021. The agency states, “[t]hese new funds are the same as current special revenue funds that support grant programs, which are all currently appropriated as no limit funds. In addition, lettings for grant projects sometimes get delayed or accelerated, which results in one fiscal year being higher and one lower than the normal amount anticipated.”

**(1) Transportation Technology Development Fund – New Section 2(b).** The bill authorizes the Secretary to participate in or make grants for projects to plan, assess, and field new capabilities and innovative technologies for modes of transportation including, but not limited to, aviation and highway transportation. The bill states the new capabilities should represent increased efficiency for state operations, public cost savings, increased safety, or economic development. The bill establishes the Transportation Technology Development Fund for the purposes of the grant. Expenditures from this fund are to be made in accordance with the provisions of appropriations acts. The bill states that grants made by the Secretary from this fund will be upon such terms and conditions as the Secretary deems appropriate. The bill requires the Director of Accounts and Reports to transfer \$2.0 million from the SHF to the Transportation Technology Development Fund on July 1, 2020, and each July 1 thereafter, through July 1, 2030. The Secretary is authorized to transfer additional moneys between the Transportation Technology Development Fund and the SHF. The agency requests the Transportation Technology Development Fund be appropriated as a no limit special revenue fund in FY 2020 and FY 2021.

**(2) Broadband Infrastructure Construction Grant Fund – New Section 3(b).** The bill authorizes the Secretary, working jointly with the Office of Broadband Development within the Department of Commerce, to make grants for construction projects that expand and improve broadband service in Kansas. The bill requires grants made by the Secretary to reimburse grant

recipients for up to 50.0 percent of actual construction costs in expanding and improving broadband service. Such grant reimbursements will be upon the terms and conditions the Secretary deems appropriate, in coordination with the Secretary of Commerce. The bill establishes the Broadband Infrastructure Construction Grant Fund, to be used to provide grants for the expansion of broadband service in Kansas. Expenditures from this fund will be made in accordance with the provisions of appropriations acts. The bill requires the Director of Accounts and Reports to transfer \$5.0 million from the SHF to the Broadband Infrastructure Construction Grant Fund on July 1, 2020, 2021, and 2022. On July 1, 2023, and each July 1 thereafter, through July 1, 2030, the bill requires the transfer to be \$10.0 million. The bill authorizes the Secretary to notify the Director of Accounts and Reports to transfer all remaining and unencumbered funds from the Broadband Infrastructure Construction Grant Fund to the SHF at the end of each fiscal year. The agency requests the Broadband Infrastructure Construction Grant Fund be appropriated as a no limit special revenue fund in FY 2020 and FY 2021.

**(3) Short Line Rail Improvement Fund – New Sec. 5(a).** The bill establishes the Short Line Rail Improvement Fund (SLRI Fund) to be administered by the Secretary. The SLRI Fund will be subject to appropriations acts and expenditures will require the written approval of the Secretary. The bill requires expenditures from the SLRI Fund to be made for a qualified railroad track maintenance expenditure constructed by an eligible entity and to be matched on a basis of 70 percent state moneys to 30 percent eligible entity moneys. The bill requires the transfer of \$5.0 million from the SHF to the SLRI Fund on July 1, 2020, 2021, and 2022. The bill defines an “eligible entity” as a class II or class III railroad as defined in federal regulations in effect as of January 1, 2020, or any owner or lessee industry track located on or adjacent to a class II or class III railroad in Kansas. The bill defines “qualified railroad track maintenance expenditure” as gross expenditures for maintenance, reconstruction, or replacement of railroad track and related structures in Kansas, if the track was owned or leased by an eligible entity as of January 1, 2020. The agency requests the *SLRI Fund* be appropriated as a no limit special revenue fund in FY 2020 and FY 2021.

**(4) Drivers Education Scholarship Program – New Sec. 6.** The bill directs the Secretary to develop a driver’s education scholarship grant program to assist qualified individuals in becoming safe drivers. The bill allows any entity that desires to provide a driver’s education program to submit an application for a competitive grant for an amount to be determined by the Secretary for the purpose of paying the costs of scholarships to attend driver’s education. Amounts available will be subject to appropriations. The bill limits a scholarship for a qualified individual to not more than \$200, to be awarded upon completion of the driver’s education program. The bill authorizes the Secretary to adopt rules and regulations to establish criteria and for other matters necessary for this program. The bill defines a qualified individual for this purpose as a resident of Kansas younger than age 30 whose household income is positive and not more than 200 percent of the most recent federal poverty level published by the U.S. Department of Health and Human Services for the tax year prior to the year in which the application is submitted. The bill requires the Secretary to provide a report on this program to the House Committees on Appropriations and Transportation and the Senate Committees on Ways and Means and Transportation on or before January 9, 2023. The provisions related to the driver’s education scholarship grant program will expire June 30, 2023. The agency states, “In order to effectively administer and provide proper accounting and tracking for this program, the agency requests that a new fund be created entitled the Driver’s Education Scholarship Grant (DESG) Fund .” The agency requests that the DESG Fund be appropriated as a no limit fund for the purposes of this grant in FY 2020 and FY 2021. The agency also requests language authorizing the Secretary of Transportation, with approval of the Director of the Budget, to transfer funds between the SHF and the DESG Fund, as well as authority to transfer funds from the DESG Fund to the SHF.

## **Kansas Department of Health and Environment–Division of Health**

### **A. Review the Deletion of Funding for Medicaid Expansion (House Committee).**

The House Committee recommended reviewing at Omnibus its recommendation to delete \$562.5 million, including \$17.5 million from the State General Fund, for Medicaid expansion for FY 2021. The Conference Committee on SB 66 did not delete funding for Medicaid expansion, but added language transferring \$17.5 million, all from the State General Fund, to the Coronavirus Prevention Fund of the Legislative Coordinating Council if Medicaid expansion in not passed into law by the 2020 Legislature. The Conference Committee also added language prohibiting Medicaid expansion without the approval of the 2020 Legislature for FY 2021.

**B. HB 2168 (Law).** HB 2168 amends law concerning the hospital provider assessment known as the Healthcare Access Improvement Program (HCAIP) by increasing the annual hospital provider assessment rate from 1.83 percent to 3.0 percent, expanding taxable revenue to include outpatient net operating revenue, and adjusting revenue eligible for assessment to the hospital's fiscal year three years prior to the assessment year. In addition, the bill requires all disbursements related to HCAIP be paid from moneys appropriated to the Healthcare Access Improvement Fund (Fund) and would further provide no State General Fund appropriations be used to supplement the Fund.

Before the changes outlined in HB 2168 can be implemented by KDHE, the federal Centers for Medicare and Medicaid Services (CMS) must approve the program. Until this time, HCAIP will continue in its current form. Because CMS had not provided approval at the time of the Spring Human Services Caseload Estimates, both FY 2020 and FY 2021 caseload estimates include funding for HCAIP in its current form. As required by HB 2168, KDHE will continue to pursue the approval of CMS to implement the new program. The implementation of the changes outlined in HB 2168 are expected bring in an additional \$271.5 million increase in funds over the current provider assessment.

This bill also extends the sunset for the Nursing Facility Quality Care Assessment to July 1, 2030. More information about this funding can be found within the information on the Human Services Consensus Caseloads.

**C. Human Services Consensus Caseloads.** The Division of the Budget, Department for Children and Families (DCF), Department of Health and Environment (KDHE), Department for Aging and Disability Services (KDADS), and the Legislative Research Department met on April 16, 2020, to revise the estimates on human services caseload expenditures for FY 2020 and FY 2021. The caseload estimates include expenditures for Temporary Assistance for Families, the Reintegration/Foster Care Contracts, KanCare Regular Medical Assistance, and KDADS Non-KanCare. A chart summarizing the estimates for FY 2020 and FY 2021 is attached at the end of this memorandum.

The starting point for the April 2020 estimates was the budget approved by the 2020 Legislature for FY 2020 and FY 2021. The estimate for FY 2020 is an increase of \$12.4 million from all funding sources and a State General Fund decrease of \$106.1 million compared to the FY 2020 approved. The estimate for FY 2021 is a decrease of \$21.8 million from all funding sources and a State General Fund increase of \$65.2 million above the FY 2021 approved. The combined estimate for FY 2020 and FY 2021 is an all funds decrease of \$9.4 million and a State General Fund decrease of \$40.9 million below the approved amount.

The administration of KanCare within the state is accomplished by KDHE maintaining fiscal management and contract oversight including regular medical services, while KDADS administers the Medicaid Home and Community Based Services waiver programs for disability services as well as long-term care services, mental health and substance abuse services, and the State Hospitals. Throughout this memorandum, KanCare Medical estimates include all Medicaid KanCare expenditures for all agencies.

## ***FY 2020***

The FY 2020 revised estimate for all human service caseloads is \$3.7 billion from all funding sources, including \$1.2 billion from the State General Fund. The estimate is a change from the amount approved by the 2020 Legislature, reflecting an all funds increase of \$12.4 million and a State General Fund decrease of \$106.1 million.

The FY 2020 estimate for the Temporary Assistance for Needy Families (TANF) Program is \$12.6 million from all funding sources, which is equal to the approved amount. At the beginning of FY 2020, TANF Cash Assistance caseloads were increasing. This corresponded with an increase in the number of hardships being approved. Hardships were granted to families still in need of assistance but whose 24-month lifetime limit had been exceeded. These families were granted up to an additional 12 months. After an initial increase related to the hardship cases, the caseload began to decline beginning in September 2019. At this point, the hardship caseload has leveled off and the historical decline in cases resumed. The number of applications had also begun to decrease, and the percentage of cases denied had begun to increase. However, beginning in March 2020, the number of new applications began to increase again in response to the COVID-19 pandemic. This increase was identified beginning in mid-March and is expected to continue. With the increase in applications, additional cases are expected to be approved for TANF cash assistance. No additional funds are being requested in FY 2020 due to the lower caseload at the beginning of the fiscal year.

The FY 2020 estimate for the Foster Care Program is \$259.0 million, including \$183.6 million from the State General Fund. Estimated expenditures for the Foster Care program were increased above the approved by \$12.7 million from all funding sources, including \$11.6 million from the State General Fund.

The number of children anticipated to be served in the foster care system is expected to decrease below previous fiscal years, and the new estimate for children in care is below the number estimated in the fall. However, it is estimated that contract costs will continue to increase. The main drivers of increased costs in FY 2020 are lower than anticipated fall estimates for direct placements and Child Placing Agency administration expenditures. This is causing a deficit in funding due to the following factors:

- Family foster homes increased by 14.0 percent;
- The average Family Foster Home Intellectual or Developmental Disability rate increased by \$6 a day;
- Relative placements had an intensity decrease overall, but all rates were increased by \$1 per day;

- Qualified Residential Treatment Programs (QRTPs) increased by 70.0 percent over fall consensus caseload estimates. These placements are \$250 per day; and
- Corona virus assistance add-on payments for foster care placements of \$8 per day for foster homes, relative home, and non-related kin placements and \$39 per day for residential and group home placements. These additional payments began March 23, 2020 and will end May 15, 2020.

DCF is experiencing funding changes also. Title IV-E eligibility percentage rate has dropped over the last two quarters. There are three major reasons. First, some of the recent reduction in the penetration rate is preparation for the Title IV-E federal review. Historically, the rate decreases as the agency prepares for the review and converts questionable IV-E cases. Second, childcare and transportation costs will no longer be able to be claimed out of TANF. The agency is now treating transportation provided by the Case Management Provider as an administration cost and claiming it only to Title IV-E at the Title IV-E foster care administration eligibility rate. This is a change that is related to the old foster care contracts. Previously, DCF claimed TANF for maintenance, which included childcare and transportation. Also, the childcare that was formerly paid by the foster care providers under the old contracts are now paid through the electronic benefits card with Child Care Development Funds. Lastly, Title IV-E cannot be claimed on residential placements and group homes after October 1, 2019 because of Kansas' participation in the Family First Prevention Service Act (FFPSA). Since Kansas is still in the approval process for a Prevention State Plan, Title IV-E cannot be claimed on QRTPs. Once the Prevention Plan is approved by the Children's Bureau and the appropriate data is collected, DCF will be able to claim for this placement type. Additionally, in taking the FFPSA grant dollars in October, DCF agreed to only claim 14 days IV-E for residential facilities except QRTPs and some limited exceptions. Children are still staying in Youth Residential Centers past the 14 days and these are currently paid with State General Fund. Lastly, there is a big push to place more children with relatives and kin, which are not eligible for Title IV-E. DCF has raised these rates and created a process to consider relative and kin placements. TANF and State General Fund are needed to absorb higher placement costs.

The Family First Prevention Grants are still starting up and slowly beginning to accept referrals. As this program continues to expand, foster care caseloads are expected to decrease further. The Family Preservation Contracts that began January 1, 2020 also provide some evidence-based services that were not available to families in prior contracts, these will also serve to reduce the number of children removed from homes.

The FY 2020 estimate for KanCare Medical is \$3.4 billion, including \$962.3 million from the State General Fund, reflecting an increase of \$4.7 million from all funding sources and a State General Fund decrease of \$113.7 million below the approved amount. The KanCare Medical estimate includes medical expenditures for KDHE and KDADS. The all funds increase in KanCare Medical costs is primarily attributable to an increase in previously estimated population growth. Increased population growth is expected in FY 2020 due to increased enrollment resulting from COVID-19 and federal restrictions on removing individuals from Medicaid until the end of the month when the public health emergency ends. The all funds increase is partially offset by decreases to Health Insurer Provider Fee (HIPF) expenditures and Delivery System Reform Incentive Payment (DSRIP) expenditures. The decrease in HIPF expenditures is the result of payments that were originally anticipated in FY 2020 being shifted to FY 2021. The decrease to DSRIP expenditures is attributable to payments that were delayed from FY 2019 and scheduled to be paid in FY 2020 that are no longer required.

The State General Fund decrease is primarily attributable to the federal Families First Coronavirus Response Act which provided states a temporary 6.2 percentage-point increase to the Federal Medical Assistance Percentage (FMAP). The change in the FMAP is estimated to decrease the required state share of Medicaid expenditures by approximately \$90.0 million. The temporary increase in the FMAP is in effect from January 1, 2020, and extends through the last day of the calendar quarter in which the public health emergency is declared terminated by the federal Department of Health and Human Services. The Centers for Medicare and Medicaid Services (CMS) will inform states when the public health emergency period for COVID-19 ends. The caseload estimates assume the enhanced funding will only be available through June 30, 2020. A portion of the State General Fund reduction from the increased FMAP will be used to provide grants to hospitals for COVID-19 relief. A total of \$17.3 million from the State General Fund will be made available to over 120 hospitals, with grants ranging from \$100,000 up to \$250,000. Also contributing to the State General Fund reduction is an increase of \$16.3 million from the Medical Assistance Fee Fund (Privilege Fee) and \$7.5 million from the Medical Programs Fee Fund that is available to offset State General Fund obligations.

The Nursing Facility Provider Assessment receipts were decreased by \$5.0 million in the revised estimate. The estimate was reduced as some provider are struggling with COVID-19 related expenditures. Additionally, some facilities have decreased the number of beds or taken steps to qualify as Continuing Care Retirement Facilities, resulting in a lower amount per bed. It is estimated that the delayed contributions will be received during FY 2021.

The FY 2020 estimate for KDADS Non-KanCare is \$56.0 million, including \$31.0 million from the State General Fund. The estimate reflects a decrease of \$5.0 million from all funding sources and a State General Fund decrease of \$4.0 million below the approved amount. The decrease in KDADS Non-KanCare costs is primarily attributable to a decrease in expenditures for retroactive fee-for-service payments to nursing facilities related to eligibility determinations for pended claims. Of the \$4.0 million State General Fund decrease, \$1.2 million is attributable to FMAP savings for six months of FY 2020.

## ***FY 2021***

The FY 2021 revised estimate is \$4.1 billion from all funding sources, including \$1.4 billion from the State General Fund. The estimate is a change from the amount approved by the 2020 Legislature, reflecting an all funds decrease of \$21.8 million and a State General Fund increase of \$65.2 million.

The FY 2021 estimate for the TANF Program is \$15.3 million from all funding sources. The estimate is an increase of \$2.7 million from all funding sources from the approved amount. The number of applications in March increased by over 40.0 percent. DCF indicates while not all these individuals will be eligible, they anticipate the caseload increasing by 20.0 percent.

The FY 2021 estimate for the Foster Care Program is \$263.1 million, including \$189.6 million from the State General Fund. The estimate is an increase of \$3.1 million from all funding sources, including \$8.6 million from the State General Fund, above the approved amount. The number of children anticipated to be served in the foster care system is expected to decrease from FY 2020. The costs for foster care services are expected to continue to increase compared to the approved for continuation of the conditions discussed in FY 2020.

The FY 2021 estimate for KanCare Medical is \$3.8 billion from all funding sources, including \$1.2 billion from the State General Fund. The estimate reflects a decrease of \$26.6

million from all funding sources and a State General Fund increase of \$58.1 million from the approved amount. The all funds decrease is primarily attributable to changes to the Health Care Access Improvement Program (HCAIP) that were anticipated to begin in FY 2021 but have not yet been approved by CMS. Changes to the program include an increase in the hospital provider assessment from 1.83 percent to 3.0 percent and an expansion of taxable revenue to include income from both inpatient and outpatient services. It is unknown when or if HCAIP changes will be approved by CMS. The spring estimate for FY 2021 KanCare Medical assumes a continuation of the current HCAIP program with a 1.83 percent provider assessment. HCAIP estimates for FY 2021 will be updated in future consensus caseload estimates should CMS grant approval of the program changes in FY 2021.

The State General Fund increase is largely attributable to increases in KanCare capitation expenditures resulting from a growth in cost trends and membership base. It is estimated that per member per month costs will increase by 3.2 percent and membership will grow by 4.0 percent in FY 2021. The State General Fund increase also includes increased expenditures for Health Insurance Provider Fees and HCAIP. The increase in HIPF is due to payments that were originally anticipated to be made in FY 2020 that have shifted to FY 2021. The temporary 6.2 percentage-point increase to FMAP was not applied to KanCare Medical estimates for FY 2021 because it is unknown when the public health emergency will be declared terminated, effectively reducing the rate to the regular FMAP percentage.

SB 66 included the reallocation of \$3.0 million from the Problem Gambling and Addictions Grant Fund, which had previously been used in the human services consensus caseloads as the state match for mental health addiction services, to be used to provide a rate increase for behavioral health services for FY 2021. The spring estimate includes the addition of \$3.0 million from the State General Fund to replace these reallocated funds for FY 2021.

Reductions in Medicaid Disproportionate Share Hospital (DSH) allotments were authorized by the initial passage of the Affordable Care Act, but were delayed by Congress through November of 2020. The FY 2021 caseload estimate for DSH has been reduced in accordance with existing federal law and assumes no additional delays are enacted.

The Nursing Facility Provider Assessment estimate is increased by \$29.0 million in the spring revised estimate. The estimate for the Nursing Facility Provider Assessment was reduced to \$9.0 million in the fall 2019 estimate due to existing law that the Nursing Facility Provider Assessment would sunset at the end of FY 2020, and the agency anticipated receiving one quarter of contributions in FY 2021 due to a lag in receipts. Enacted HB 2168 set a new sunset for the Nursing Facility Provider Assessment of July 1, 2030, so the estimate has been raised to reflect a full year of contributions and recoupment of delayed payments from facilities from FY 2020.

Expenditures for Medicaid Expansion are not included in the KanCare Medical estimates for FY 2020 or FY 2021. While the additional funding for Medicaid Expansion was included in the FY 2021 budget approved by the 2020 legislature, SB 66 also stipulates that no money shall be expended to expand eligibility for Medicaid unless the Legislature expressly consents to such expansion by an act of the Legislature. Because the expansion of Medicaid eligibility was not approved by the 2020 Kansas Legislature at the time of the estimating meeting, the money was not factored into the estimated caseload expenditures for either fiscal year.

The FY 2021 estimate for KDADS Non-KanCare is \$61.0 million, including \$34.0 million from the State General Fund. The estimate reflects a decrease of \$1.0 million, including \$1.5 million from the State General Fund, below the approved. The decrease in KDADS Non-

KanCare costs is primarily attributable to a decrease in expenditures for retroactive fee-for-service payments to nursing facilities related to eligibility determinations for pended claims.

## **Kansas Department for Aging and Disability Services**

**A. Review Nursing Facility Reimbursement Rates (House Committee).** The House Committee recommended reviewing the possible addition of \$42.0 million, including \$17.0 million from the State General Fund, to fully rebase the reimbursement rates for nursing facilities according to the statutory formula in KSA 75-5958 for FY 2021. This amount of funding would provide a 6.4 percent increase above the reimbursement rates in FY 2020. This amount of funding was included in the Fall 2019 Human Services Consensus Caseload estimate, but was not recommended in the Governor's recommendation for FY 2021.

KSA 75-5958 provides, subject to provisions in appropriation acts, the Secretary for Aging and Disability Services is directed to implement a base-year model for calculating reimbursement rate increases for nursing facilities using the three most recent calendar years preceding the beginning of FY 2021. This methodology would result in an increase of \$42.0 million, including \$17.0 million from the State General Fund, for FY 2021. Section 74(q) of SB 66 includes proviso language stating that notwithstanding the requirements of KSA 75-5958 or any other statute and included language that the Secretary of Aging and Disability Services may provide a rate increase for nursing facilities within appropriations for FY 2021. This proviso language is similar to proviso language in previous appropriations bills back to the 2010 Legislative Session.

The Conference Committee on SB 66 added \$6.6 million, including \$2.7 million from the State General Fund, to provide a 1.0 percent increase in the Medicaid reimbursement rates for nursing facilities for FY 2021.

**B. Review Funding for Medicaid Home and Community Based Services (HCBS) Intellectual/Developmental Disability (I/DD) Waiver Rate Increases (House and Conference Committees).** The House Committee recommended reviewing the possible addition of \$31.0 million, including \$12.5 million from the State General Fund, to provide a 7.0 percent increase in reimbursement rates for providers of Medicaid HCBS I/DD waiver services for FY 2021. The House recommendation also included language to lapse the funding if 2020 HB 2550, or a similar bill providing rate increases for the Medicaid HCBS I/DD waiver, is enacted by the 2020 Legislature.

HB 2550 includes annual rate increases for the Medicaid HCBS I/DD waiver, beginning with a 7.0 percent increase in FY 2021. The House Social Services Budget Committee held a bill hearing on HB 2550, amended the bill to reflect revised estimates for the costs of the rate increases, and the amended bill was approved favorable for passage on February 24, 2020. HB 2550 was stricken from the House Calendar by Rule 1507 on February 27, 2020. SB 348 is identical to HB 2550, as introduced. SB 348 received a hearing by the Senate Committee on Ways and Means on February 12, 2020.

The Conference Committee on SB 66 added \$22.1 million, including \$9.0 million from the State General Fund, to provide a 5.0 percent increase in the reimbursement rates for the Medicaid I/DD HCBS waiver and recommended reviewing the possible addition of \$8.9 million, including \$3.6 million from the State General Fund, to provide an additional 2.0 percent increase above the 5.0 percent increase added by the Conference Committee for FY 2021.

**C. Review Funding for Medicaid HCBS Technology Assisted (TA) Waiver Rate Increases and Request a Report from KDADS on the Estimated Cost Savings for this Increase (House Committee).** The House Committee recommended reviewing the possible addition of \$18.1 million, including \$7.3 million from the State General Fund, and language directing this funding to be used to increase provider reimbursements for the Specialized Medicaid Care (T1000) services code. This recommendation would increase provider rates from the current rate of \$31.55 per hour to \$47.00 per hour for in-home Medicaid Care Registered Nurse/Licensed Practical Nurse nursing services for this waiver. The House Committee also requested a report from the Kansas Department for Aging and Disability Services (KDADS) on the savings estimated from cost avoidance by this increase for FY 2021. This amount of funding was originally requested by the agency as an enhancement request for FY 2021.

Representatives from KDADS provided information noting this funding has the potential to offset a portion of the cost with savings in other areas, such as reducing the number of inpatient days for the TA waiver population. The representatives also noted the level of savings is unclear at this point, but could be approximated to be 10.0 percent to 15.0 percent of inpatient days for this group of individuals, though the agency notes the savings are likely not to be realized for at least a year, as providers require time to increasing staffing levels. It was noted that if every member of the TA waiver had a one day reduction in inpatient days, it would save \$500,000 from the State General Fund, each year, and to offset the entire cost of the increase to \$47 per hour, it would require a reduction of about 7.8 inpatient days per year for each member of the this population. It was also noted that savings are dependent on providers being able to hire sufficient staff and some hospital policies that regulate how long an individual is required to incur inpatient stays.

The Conference Committee on SB 66 added \$6.4 million, including \$2.7 million from the State General Fund, and added language directing the funding to be used to increase the provider reimbursement rates for the Specialized Medical Care (T1000) services code from the current rate of \$31.55 per hour to \$37.00 per hour for in-home Medicaid Care Registered Nurse/Licensed Practical Nurse nursing services for this waiver. Information provided by KDADS noted through the anticipated increase in these services and decrease in inpatient days, the savings would be captured in future rate setting periods, leading to organic decline in costs for the program.

**D. Review Funding for Medicaid HCBS Brain Injury (BI) Waiver Rate Increase (House Committee).** The House Committee recommended reviewing the possible addition of \$6.4 million, including \$2.6 million from the State General Fund, to provide increases in the reimbursements for providers of Medicaid HCBS BI waiver services to incentivize expanding the provider network by providing higher rates for services for FY 2021. This amount of funding was originally requested by the agency as an enhancement request for FY 2021.

**E. Review Funding for Psychiatric Residential Treatment Facilities (PRTF) to Increase Capacity (House Committee).** The House Committee recommended reviewing the possible addition of \$5.0 million, all from the State General Fund, to increase the bed capacity for PRTFs, particularly in western Kansas and other areas where there are insufficient beds for FY 2021. Representatives from KDADS report since January 2019, 50 additional PRTF beds have been licensed in Kansas and the agency is currently working with a number of providers to license additional facilities in communities around the the state. As of April 13, 2020, there are 117 children on the PRTF waiting list.

**F. Review Funding for PRTF Pilot Program at Ember Hope (House Committee).** The House Committee recommended reviewing the possible addition of \$1.0 million, all from the

State General Fund, for a PRTF pilot program at Ember Hope in Newton for FY 2021. This funding would be used to create 12 new PRTF beds. The Conference Committee on SB 66 added this funding for FY 2021.

**G. Review Community Mental Health Centers (CMHCs) Grant Funding (House Committee).** The House Committee recommended reviewing the possible addition of \$4.0 million, all from the State General Fund, to increase grant funding for CMHCs for FY 2021. The Governor's recommendation included \$53.9 million for grants for CMHCs for FY 2021.

The Conference Committee on SB 66 added \$2.0 million, all from the State General Fund, to increase grant funding for CMHCs for FY 2021.

**H. Review Funding for Youth Mobile Response and Stabilization Services and 24/7/365 Crisis Hotline (House Committee).** The House Committee recommended reviewing the possible addition of \$3.0 million, all from the State General Fund, to provide Youth Mobile Response and Stabilization Services and a 24/7/365 crisis hotline. These services would allow youth to receive services in their current residences with the goal of decreasing the need for repeated hospitalizations for FY 2021. This amount of funding was originally requested by the agency as an enhancement request for FY 2021. Representatives from KDADS note this item matches a recommendation from the 2019 Mental Health Task Force Report (Recommendation 1.3.c). The representatives further state, if funding is approved, an RFP would be released for providers of these services for FY 2021.

**I. Review Funding for Suicide Prevention Services (House Committee).** The House Committee recommended reviewing the possible addition of \$100,000, all from the State General Fund, for suicide prevention services. These funds would support a suicide prevention hotline through an agreement with Headquarters Inc. for FY 2021. The agency originally requested \$1.5 million, all from the State General Fund, to establish a statewide suicide prevention program for FY 2021.

Representatives from KDADS report they are working with Headquarters, Inc., on National Suicide Prevention Lifeline initiatives to increase the in-state answer rate in Kansas.

**J. Review Funding for Respite Services for Intellectual or Developmental Disability Population (House Committee).** The House Committee recommended reviewing the possible addition of \$75,000, all from the State General Fund, for funding for respite services through Catholic Charities of North East Kansas for individuals with intellectual or developmental disabilities for FY 2021. This funding was not originally requested as an enhancement request by KDADS.

Representatives from KDADS note these services were originally funded by through a one-time \$97,500 grant awarded to Catholic Charities in June 2017 to provide respite services for the intellectual and developmental disability population and this funding will be exhausted in FY 2020.

**K. Request Report On the Louisiana Medicaid HCBS I/DD Waiver (House Committee).** The House Committee requested a report from KDADS detailing the Louisiana model for its Medicaid HCBS I/DD waivers, the steps taken by Louisiana to eliminate its Medicaid HCBS I/DD waiting list, the feasibility of Kansas utilizing a similar model, and the potential cost impact of using such a model.

Representatives from KDADS provided the following report. As of April 2018, Louisiana reports that it had eliminated its waiting list for specialized services. To accomplish this, Louisiana developed a tiered waiver program that prioritized people with urgent need for receiving the most appropriate home and community based services, rather than the prior approach of first-come, first-served.

Louisiana's waiver programs for individuals with an intellectual or developmental disability consist of five separate programs: three designed to serve children and two designed to serve adults. Kansas utilizes a single waiver to serve both children and adults.

1. **Early Steps (Children).** The Early Steps program includes Louisiana's services to families with infants and toddlers aged birth to three years who have a medical condition likely to result in a developmental delay, or who have developmental delays.
2. **Children's Choice (Children).** The Children's Choice waiver is supplemental support to children through age 18 who currently live at home with their families or with foster families. Funding is received for support coordination, family supports, center-based respite, family training, environmental accessibility adaptations (including vehicles), specialized medical equipment and supplies, housing stabilization services, housing stabilization transition services, and therapy services (aquatic, art, music, hippotherapy/therapeutic horseback riding, sensory integration, and applied behavioral analysis).
3. **New Opportunities (Children).** The New Opportunities Waiver offers children age 3 and older supports that include: individual/family supports (day/night), community integration and development, environmental adaptations, assistive devices, specialized medical equipment and supplies, supported living, substitute family care, day habilitation or supported employment with transportation, employment-related training, professional services, personal emergency response systems, skilled nursing services, center-based respite, one-time transitional services, self-direction option, housing stabilization transition services, and housing stabilization services.
4. **Supports Waiver (Adults).** The Supports Waiver: people age 18 and older services including: supported employment, day habilitation, pre-vocational services respite, habilitation, permanent supportive housing stabilization, permanent supportive housing stabilization transition, and personal response systems.
5. **Residential Options Waiver (All Ages/Adults).** The Residential Options Waiver (ROW): services for individuals of all ages designed to support moves from ICF-IID and nursing facilities to community-based settings and to service as an alternative to institutionalization. ROW services include residential services (host homes, shared living), vocational services (e.g., day habilitation and supported employment), support services (e.g., support coordination, one-time transition services, respite out-of-home), and professional services (e.g., speech, psychology).

Louisiana uses a tool called the Screening for Urgency of Need (SUN), to determine the urgency of an individual's need for waiver services. Urgency of need is not solely based on the severity or complexity of the person's disability. Supports currently in place, supports needed, and any overall changes in a person's life or living situation are considered.

The tool breaks out the level of need as:

- 4 = Emergent: Supports needed in the next 90 days;
- 3 = Urgent: Supports needed in the next 3-12 months;
- 2 = Critical: Supports needed in the next 1-2 years;
- 1 = Planning: Supports needed in the next 3-5 years; and
- 0 = No unmet needs.

Everyone in tiers 3 and 4 are offered the most appropriate services and supports. Individuals in tiers 0, 1, and 2 are placed on a “registry” to be reassessed at predetermined intervals.

Re-assessments of needs are conducted based on the individual’s tier:

1. Urgent = every year;
2. Critical = every 2 years;
3. Planning = every 3 years; and
4. Needs met = every 5 years.

Representatives from KDADS report Louisiana’s model trades a “waiting list” for a “registry,” as not every individual receives services at the time they are assessed as functionally eligible for one of the I/DD programs. Further, representatives from KDADS note that implementing a model similar to Louisiana could cost approximately five times as much to administer, since multiple waivers would be operated, rather than one, as Kansas currently has.

**L. Review Funding for Senior Care Act Services (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$3.0 million, all from the State General Fund, for Senior Care Act services for FY 2021. As of December 2019, there were 478 individuals on the waiting list for services. The Senior Care Act is a program that offers Kansans 60 year of age and older the opportunity to receive in-home, non-medical supports in their homes to prevent premature nursing home placement for persons who have not exhausted their financial resources.

The Conference Committee on SB 66 added this funding for FY 2021. Representatives from KDADS state they will work with the local Area Agencies on Aging (AAAs) to reduce the waiting list for Senior Care Act services.

**M. Review Funding for Senior Nutrition Services (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$3.0 million, all from the State General Fund, to provide funding for additional meals through grants to the senior nutrition program (Meals on Wheels) for FY 2021.

SB 66 includes nutrition funding totaling \$13.2 million, including \$4.0 million from the State General Fund, for congregate meals and home-delivered meals in both FY 2020 and FY

2021. The current estimate is the CARES Act and other federal legislation will add \$6.1 million for additional congregate meals and home-delivered meals for FY 2021.

**N. Douglas County Community Crisis Center (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$750,000, all from the State General Fund, for the Douglas County Community Crisis Center and the possible appropriation of the Douglas County Crisis Center Base Services account as a separate State General Fund account for the purpose of funding the Douglas County Crisis Center for FY 2021.

The Conference Committee on SB 66 added this funding and appropriated this fund for FY 2021. Representatives from KDADS report they are working with Douglas County to support this Community Crisis Center and appreciates having designated funds to assist in the costs of its implementation and operations that are separate from the Kansas Lottery Vending Machines funding.

**O. Review Employment Rates Proviso Language for Medicaid HCBS I/DD Waiver (Senate Committee).** The Senate Committee recommended reviewing the possible addition of language directing KDADS to contract with national experts for the purpose of creating an effective stakeholder engagement process. This process is intended to effectively incentivize competitive, integrated employment for Kansans with disabilities through the development of new employment reimbursement rates for the Medicaid HCBS I/DD waiver services for FY 2021.

Representatives from KDADS state, if the Legislature adds this language, the agency will contract with national experts for the purpose of creating an effective stakeholder engagement process in Kansas to discuss new employment opportunities for home and community based consumers.

**P. Human Services Consensus Caseloads.** The Division of the Budget, Department for Children and Families (DCF), Department of Health and Environment (KDHE), Department for Aging and Disability Services (KDADS), and the Legislative Research Department met on April 16, 2020, to revise the estimates on human services caseload expenditures for FY 2020 and FY 2021.

The FY 2020 estimate for KDADS Non-KanCare is \$56.0 million, including \$31.0 million from the State General Fund. The estimate reflects a decrease of \$5.0 million from all funding sources and a State General Fund decrease of \$4.0 million below the approved amount. The decrease in KDADS Non-KanCare costs is primarily attributable to a decrease in expenditures for retroactive fee-for-service payments to nursing facilities related to eligibility determinations for pended claims. Of the \$4.0 million State General Fund decrease, \$1.2 million is attributable to FMAP savings for six months of FY 2020.

The FY 2021 estimate for KDADS Non-KanCare is \$61.0 million, including \$34.0 million from the State General Fund. The estimate reflects a decrease of \$1.0 million, including \$1.5 million from the State General Fund, below the approved. The decrease in KDADS Non-KanCare costs is primarily attributable to a decrease in expenditures for retroactive fee-for-service payments to nursing facilities related to eligibility determinations for pended claims.

## State Hospitals

**A. Review the Possible Addition of Funding to Address Salary Disparity Issues at the State Hospitals (House and Conference Committees).** On December 21, 2019, the Governor released Executive Directive 19-510, which provided salary increases for certain employees at Larned State Hospital, in an effort to address pay disparity between Larned State Hospital positions and similar positions at the Larned Correctional Mental Health Facility.

The House Committee recommended adding funding to provide a 10.0 percent salary increase for Mental Health Developmental Disability Technicians (MHDDTs) at the Kansas Neurological Institute (\$855,381 from the State General Fund), Osawatomie State Hospital (\$445,466 from the State General Fund), and Parsons State Hospital and Training Center (\$768,257 from the State General Fund) for FY 2021. It was noted these positions had lower starting wages than similar positions at Larned State Hospital and the hospitals reported difficulty retaining employees. The House Committee also recommended considering a 2.5 percent salary increase for non-MHDDTs at the Kansas Neurological Institute (\$209,429 from the State General Fund), Osawatomie State Hospital (\$569,646 from the State General Fund), and Parsons State Hospital and Training Center (\$324,261 from the State General Fund) prior to finalizing the budget for FY 2021.

The Conference Committee on SB 66 did not recommend funding for salary increases, but recommended review of state hospital employee salaries at Omnibus. The Kansas Neurological Institute and Osawatomie State Hospital did not originally request funding for salary increases for MHDDTs as an enhancement request for FY 2021. Parsons State Hospital and Training Center originally requested enhancement funding to provide salary increases for direct care workers, of which \$1.7 million from the State General Fund would have been used to provide salary increases for MHDDTs for FY 2021. This funding was not included in SB 66.

Representatives from KDADS provided information on starting salaries for direct support staff positions at the four state hospitals, which provide direct personal care, health services, or security. The agency noted the roles are closely aligned to the nursing classifications, MHDDT or aides and security officers across the four hospitals. KDADS reviewed other agencies that have similar roles, finding few comparisons with the MHDDT or aide classifications. The agency noted the state veterans homes certified nurse aides starting wages of \$12.75 to \$13.75 per hour and entry level correctional officers start at \$18.26 per hour.

State Hospital Starting Salaries for Direct Support Staff				
Position	KNI	PSH&TC	LSH	OSH
Activity Specialist	\$19.16	\$15.75	--	\$15.75
Activity Therapist Tech	\$13.61	--	--	--
Activity Therapist	--	--	\$16.56	\$17.39
Client Training Supervisor	\$15.75	\$15.75	\$16.56	--
Developmental Disability Spc.	\$12.98	--	--	--
Licensed Mental Health Tech.	--	--	\$17.39	\$16.56
Licensed Practical Nurse	\$18.00	\$15.75	\$19.65	\$18.70
Licensed Practical Nurse SR	--	--	\$20.13	--
Mental Health Professional	--	--	\$16.56	--
MHDD Technician or Aide	\$12.35	\$12.35	\$16.16	\$13.95
Qualified Intellectual Disability Professional	\$19.16	--	--	--
Registered Nurse	\$28.00	\$22.16	\$29.73	\$28.44
Registered Nurse Senior	--	\$23.31	\$29.73	--
Registered Nurse Specialist/ Supervisor	--	\$26.98	\$30.46	\$31.98
Safety and Security Officer I	\$13.61	\$13.61	\$18.26	\$14.66
Safety and Security Officer II	--	\$15.03	\$19.16	\$15.75
Safety and Security Chief	\$16.56	\$16.56	\$25.68	\$22.82
Safety Officer	--	--	--	\$14.30

**B. Review the Plans to Remodel the Biddle Building at Osawatomi State Hospital (House Committee).** The House Committee recommended reviewing the KDADS plans to remodel the Biddle Building at Osawatomi State Hospital in preparation to end the moratorium at the hospital and pursue certification of additional beds for FY 2021.

House Sub. for SB 25 (2019), Section 85(r), included language directing KDADS to create a plan for Osawatomi State Hospital to end the moratorium on voluntary admissions and increase the limit of involuntary patients above the previous limit of 166 patients, and for the report to be submitted to the 2020 Legislature. KDADS submitted this plan to the 2020 Legislature, which included a request to renovate unused space in the Biddle Building to open additional beds for patients, allow the agency to convert most of the double occupancy rooms in the Adair Acute Care unit to single rooms to improve the therapeutic environment, and also increase the number of beds eligible for federal reimbursements by CMS. After the renovation, pending review and approval by CMS, KDADS estimates the total number of certified beds would increase from 60 to 72. SB 66 included \$5.3 million, all from the State Institutions Building Fund, to renovate the Biddle Building for FY 2021. Representatives from KDADS state the plan is for the moratorium to be lifted in May 2021, with hopes that the additional beds in the Biddle Building could be certified for federal reimbursements by CMS in September 2021.

## Department for Children and Families

**A. Review Funding from the Child Care and Development Block Grant (Senate and Conference Committees).** The Senate Committee recommended reviewing the addition of \$2.4 million, including \$1.0 million from the State General Fund, in FY 2020, and \$2.5 million, including \$1.0 million from the State General Fund, for FY 2021 to draw down additional Child Care and Development Block Grant federal funds for the child care assistance program. The additional funding would allow the agency to increase the subsidy rate from the 65th percentile to the 75th percentile, which is the federal recommendation. The House Committee added \$5.4 million, including \$2.1 million from the State General Fund, to draw down all available federal funds from the Child Care and Development Block Grant for FY 2021 for childcare assistance and childcare quality. The agency did not request this additional funding, nor was any testimony submitted to support this addition above the original request. The Conference Committee agreed to review the \$5.4 million in additional funding at Omnibus.

**B. Review Funding Enhanced Services for Youth 15 and Older (House and Conference Committees).** The House Committee added \$3.0 million, including \$2.7 million from the State General Fund, and 8.0 FTE positions, for enhanced services for youth ages 15 and older facing crisis, juvenile offender allegations, or risk of entry into foster care for FY 2021. In its budget submission, the agency requested funding for this enhancement request. The agency intends to use this funding to hire new staff and purchase four additional services including behavioral intervention services, family functional therapy, community based mentoring, and intensive in-home family preservation. The Governor did not recommend funding this enhancement request. The Conference Committee agreed to review adding this funding at Omnibus.

**C. Review Adding Language Requiring DCF Spend \$6.0 Million for JAG-K (House and Conference Committees).** The House Committee added language requiring the agency to spend \$6.0 million, all from the Temporary Assistance for Needy Families (TANF) Fund, for Jobs for America's Graduates-Kansas (JAG-K) for FY 2021. JAG-K is the Kansas affiliate for Jobs for America's Graduates, which is a national organization offering public school classes focused on career paths and employable skills to ensure students graduate and successfully transition into post-secondary education, military service, or the workforce. The Conference Committee agreed to review adding the language at Omnibus.

**D. Review Adding Language Requiring Documentation from the Alliance for Boys and Girls Clubs (House and Conference Committees).** The House Committee added language requiring the Alliance of Boys and Girls Clubs to provide documentation regarding all grant program outcomes required by the Department for Children and Families, and to provide all financial reports and documentation requested by the agency as part of the grant reimbursement process. The Conference Committee agreed to review the language at Omnibus.

**E. Review Setting Minimum Funding for the Alliance of Boys and Girls Clubs (Senate and Conference Committee).** The Senate Committee recommended reviewing at Omnibus the setting of minimum funding for the Alliance of Boys and Girls Clubs, all from the federal TANF Fund, for Smartmoves, Kidzlit, and Out of School Programming for FY 2021. The House Committee added language requiring the agency to fund the Alliance of Boys and Girls Clubs at \$3.0 million, all from the federal TANF Fund, for Smartmoves, Kidzlit, and Alliance of Boys and Girls Clubs for FY 2021. This addition was contingent on the completion of the Request for Proposal (RFP) process and would be decreased by any amount received as part of that process. The funding for these programs was included in the Governor's budget

recommendation as part of the TANF Youth Service Grants RFP Process. The Conference Committee added language requiring the agency to fund the Alliance for Boy and Girls Clubs at \$2.6 million, all from the federal TANF Fund, for Smartmoves, Kidzlit, and Out of School programming for FY 2021.

**F. Review Setting Minimum Funding for Reading Roadmap (Senate Committee).**

The Senate Committee recommended reviewing at Omnibus the setting of minimum funding for the Kansas Reading Roadmap Program, all from federal TANF Fund, for FY 2021. The funding of this program is included in the Governor's budget recommendation as part of the TANF Youth Service Grants RFP Process.

**G. Human Services Consensus Caseloads.** The Division of the Budget, Department for Children and Families (DCF), Department of Health and Environment (KDHE), Department for Aging and Disability Services (KDADS), and the Legislative Research Department met on April 16, 2020, to revise the estimates on human services caseload expenditures for FY 2020 and FY 2021.

The FY 2020 estimate for the Temporary Assistance for Needy Families (TANF) Program is \$12.6 million from all funding sources, which is equal to the approved amount. At the beginning of FY 2020, TANF Cash Assistance caseloads were increasing. This corresponded with an increase in the number of hardships being approved. Hardships were granted to families still in need of assistance but whose 24-month lifetime limit had been exceeded. These families were granted up to an additional 12 months. After an initial increase related to the hardship cases, the caseload began to decline beginning in September 2019. At this point, the hardship caseload has leveled off and the historical decline in cases resumed. The number of applications had also begun to decrease, and the percentage of cases denied had begun to increase. However, beginning in March 2020, the number of new applications began to increase again in response to the COVID-19 pandemic. This increase was identified beginning in mid-March and is expected to continue. With the increase in applications, additional cases are expected to be approved for TANF cash assistance. No additional funds are being requested in FY 2020 due to the lower caseload at the beginning of the fiscal year.

The FY 2020 estimate for the Foster Care Program is \$259.0 million, including \$183.6 million from the State General Fund. Estimated expenditures for the Foster Care program were increased above the approved by \$12.7 million from all funding sources, including \$11.6 million from the State General Fund.

The number of children anticipated to be served in the foster care system is expected to decrease below previous fiscal years, and the new estimate for children in care is below the number estimated in the fall. However, it is estimated that contract costs will continue to increase. The main drivers of increased costs in FY 2020 are lower than anticipated fall estimates for direct placements and Child Placing Agency administration expenditures. This is causing a deficit in funding due to the following factors:

- Family foster homes increased by 14.0 percent;
- The average Family Foster Home Intellectual or Developmental Disability rate increased by \$6 a day;
- Relative placements had an intensity decrease overall, but all rates were increased by \$1 per day;

- Qualified Residential Treatment Programs (QRTPs) increased by 70.0 percent over fall consensus caseload estimates. These placements are \$250 per day; and
- Corona virus assistance add-on payments for foster care placements of \$8 per day for foster homes, relative home, and non-related kin placements and \$39 per day for residential and group home placements. These additional payments began March 23, 2020 and will end May 15, 2020.

DCF is experiencing funding changes also. Title IV-E eligibility percentage rate has dropped over the last two quarters. There are three major reasons. First, some of the recent reduction in the penetration rate is preparation for the Title IV-E federal review. Historically, the rate decreases as the agency prepares for the review and converts questionable IV-E cases. Second, childcare and transportation costs will no longer be able to be claimed out of TANF. The agency is now treating transportation provided by the Case Management Provider as an administration cost and claiming it only to Title IV-E at the Title IV-E foster care administration eligibility rate. This is a change that is related to the old foster care contracts. Previously, DCF claimed TANF for maintenance, which included childcare and transportation. Also, the childcare that was formerly paid by the foster care providers under the old contracts are now paid through the electronic benefits card with Child Care Development Funds. Lastly, Title IV-E cannot be claimed on residential placements and group homes after October 1, 2019 because of Kansas' participation in the Family First Prevention Service Act (FFPSA). Since Kansas is still in the approval process for a Prevention State Plan, Title IV-E cannot be claimed on QRTPs. Once the Prevention Plan is approved by the Children's Bureau and the appropriate data is collected, DCF will be able to claim for this placement type. Additionally, in taking the FFPSA grant dollars in October, DCF agreed to only claim 14 days IV-E for residential facilities except QRTPs and some limited exceptions. Children are still staying in Youth Residential Centers past the 14 days and these are currently paid with State General Fund. Lastly, there is a big push to place more children with relatives and kin, which are not eligible for Title IV-E. DCF has raised these rates and created a process to consider relative and kin placements. TANF and State General Fund are needed to absorb higher placement costs.

The Family First Prevention Grants are still starting up and slowly beginning to accept referrals. As this program continues to expand, foster care caseloads are expected to decrease further. The Family Preservation Contracts that began January 1, 2020 also provide some evidence-based services that were not available to families in prior contracts, these will also serve to reduce the number of children removed from homes.

The FY 2021 estimate for the TANF Program is \$15.3 million from all funding sources. The estimate is an increase of \$2.7 million from all funding sources from the approved amount. The number of applications in March increased by over 40.0 percent. DCF indicates while not all these individuals will be eligible, they anticipate the caseload increasing by 20.0 percent.

The FY 2021 estimate for the Foster Care Program is \$263.1 million, including \$189.6 million from the State General Fund. The estimate is an increase of \$3.1 million from all funding sources, including \$8.6 million from the State General Fund, above the approved amount. The number of children anticipated to be served in the foster care system is expected to decrease from FY 2020. The costs for foster care services are expected to continue to increase compared to the approved for continuation of the conditions discussed in FY 2020.

## **Kansas Guardianship Program**

**A. Review the Agency's Enhancement Request for Funding for Base Salary Increases for Agency Personnel (House and Senate Committees).** The House and Senate Committees recommended a review of the Kansas Guardianship Program's enhancement request for additional funding for base salary increases for FY 2021.

The agency originally requested enhancement funding totaling \$57,258, all from the State General Fund, to increase the base salaries of all employees, including Kansas Public Employees Retirement System and fringe benefits. The agency states the last base adjustment for salaries and wages for staff became effective July 1, 2008. During a periodic review, the agency found base adjustments have occurred in the last 13 years within the civil service system. The agency believes the increase is necessary to maintain a stable and experienced workforce, reduce staff turnover, attract qualified personnel, and maintain a more competitive peer level base line salary.

Separately from this enhancement request, the Senate Committee recommended including the Kansas Guardianship Program in a 2.5 percent pay increase through the State Finance Council that also included the Judicial Branch, Board of Regents, and other executive agencies not included in the Governor's recommended budget. This 2.5 percent pay increase and other requested salary increases were referred to Omnibus by the Conference Committee for SB 66.

## **Office of Administrative Hearings**

**A. Review Off-Budget Funding for Contractual Services Expenditures (House Committee).** The House Committee deleted \$85,008, all from the Administrative Hearings Office Fund, for off-budget contractual services expenditures for FY 2021 and recommended review of the deletion at Omnibus. SB 66 included the deletion of this funding for FY 2021. The agency indicates this additional funding is necessary due to both higher projected caseloads and additional casework related to the potential expansion of Medicaid.

## **Judicial Branch**

**A. Review the Judicial Branch's FY 2021 Enhancement Requests (Senate Committee).** The Senate Committee deleted enhancement funding for the Judicial Branch and recommended review at Omnibus. For FY 2021, the Judicial Branch requests enhancement funding totaling \$18.3 million, all from the State General Fund, and 13.0 FTE positions for the following items:

- \$9.9 million, all from the State General Fund, for salary increases for non-judge employees for FY 2021. The request includes approximately \$8.0 million in salaries and \$1.9 million in benefits, which represents increases between 1.7 and 17.9 percent depending on the position. The agency indicates this brings employee salaries to market level;
- \$7.1 million, all from the State General Fund, for salary increases for judges and justices for FY 2021. The request includes approximately \$5.7 million in salaries and \$1.4 million in benefits, which represents a 19.3 percent increase. The

agency indicates this would bring district judge salaries equal to the average adjusted salaries of district judges in Colorado, Missouri, Nebraska, and Oklahoma; and

- \$1.2 million, all from the State General Fund, and 13.0 FTE positions for three district judges, four district magistrate judges, three official court reporters, and three administrative assistant positions for FY 2021. The agency indicates additional personnel are needed for higher volume judicial districts and that relocating judges is difficult because of a statutory requirement (KSA 20-301) for one resident judge per county in Kansas.

The Conference Committee on SB 66 concurred with the Senate position to not fund the enhancement requests and review at Omnibus.

**B. Review the Court Appointed Special Advocate (CASA) Program (Senate Committee).** The Senate Committee recommended reviewing the funding and operations of the statewide Kansas CASA Association office at Omnibus. The CASA program uses citizen volunteers to investigate facts, conditions, and circumstances affecting the welfare of abused and neglected children. In Kansas, the CASA program includes both local offices throughout the state as well as a statewide administrative office in Topeka. SB 66 includes \$200,000 in funding, all from the Permanent Families Account of the Families and Children Investment Fund, for CASA, which is subsequently transferred to the statewide office for distribution to local offices.

## **Board of Indigents' Defense Services**

**A. Review the Agency's Supplemental Request for Salaries and Wages Increases for Certain Offices (House and Senate Committees).** On December 30, 2019, prior to the release of the Governor's budget recommendation, the Board of Indigents' Defense Services (BIDS) requested additional funding for salary increases for six positions in its Salina and Sedgwick County Public Defender offices. The agency's request also included funding for six new positions in its Salina, Sedgwick County, and Shawnee County offices. The total estimate for both the salary increases and the new positions was an increase of \$539,008, all from the State General Fund for both FY 2020 and FY 2021.

Due to the timing of the agency's request, it was not considered as part of the Governor's budget recommendations. The agency brought its request to both the House Budget Committee and the Senate Subcommittee. Additionally, on March 2, 2020, the agency made a formal request for a Governor's Budget Amendment to include the above request.

The House Committee on Appropriations recommended reviewing the possible addition of \$27,000 to increase the salaries for the six currently vacant positions in its Salina and Sedgwick County Public Defender offices in FY 2020 and \$159,944 for the six currently vacant positions in its Salina and Sedgwick County Public Defender offices for FY 2021 at Omnibus.

The Senate Committee recommended considering the request at Omnibus, with the addendum that the agency request a Governor's Budget Amendment for the agency's additional request.

**B. Review FY 2020 and FY 2021 Assigned Counsel Expenditures (Senate Committee).** The Assigned Counsel program provides for attorneys not employed by the

agency (assigned counsel) to provide legal services for indigent defendants, that the agency otherwise cannot provide for through a public defender office, either due to high caseloads or conflicts of interest. In Fall 2019, representatives of BIDS, the Division of the Budget (DOB), and the Legislative Research Department (KLRD) developed a caseload estimate for the Assigned Counsel program for FY 2020 and FY 2021. Those estimates are included in the Governor's budget recommendation.

The Governor's budget recommendation included a total of \$17.0 million, including \$16.8 million from the State General Fund, for assigned counsel expenditures in FY 2020. This was an increase of \$600,000 over the expenditures approved by the 2019 Legislature. Additionally, the Governor's recommendation included a total of \$17.9 million, including \$17.7 million from the State General Fund, for assigned counsel expenditures for FY 2021. This was an increase of \$1.5 million over the original estimate.

In April 2020, BIDS, DOB, and KLRD met again to review the caseload estimate. Based on the assigned counsel expenditures thus far in FY 2020, as well as the current uncertainty with the ongoing COVID-19 pandemic, the group determined there was not sufficient information to warrant adjusting the estimates for FY 2020 and FY 2021.

## **Attorney General**

**A. Request for Additional Information Regarding the Youth Suicide Prevention Coordinator Position at the Office of the Attorney General (Senate Committee).** HB 2290 (2019) authorized the Attorney General to appoint a Kansas Youth Suicide Prevention Coordinator and additional support staff (as appropriations allow) to identify, create, coordinate, and support youth suicide awareness and prevention efforts throughout the state. The coordinator may:

- Lead the development, implementation, and marketing of a website, online application, and mobile phone application to facilitate communication with youth for the purpose of promoting youth safety and well-being;
- Develop and promote multidisciplinary and interagency strategies to help communities, schools, mental health professionals, medical professionals, law enforcement, and others work together and coordinate efforts to prevent and address youth suicide;
- Organize events that bring together youth, educators, and community members from across the state to share information and receive training to prevent and address youth suicide in their communities;
- Gather, disseminate, and promote information focused on suicide reduction; and
- Perform any other duty assigned by the Attorney General to carry out the provisions of the bill.

On August 6, 2019, the Attorney General announced the appointment of Gina Meier-Humel to serve as the first Kansas Youth Suicide Prevention Coordinator. She is currently filling

the role in a part-time capacity. The Legislature approved a 1.0 FTE position in SB 66 and the agency is currently funding the position through special revenue funds.

The position originated from recommendations made by the Kansas Youth Suicide Prevention Task Force State Report (December 2018) which recommended that this position be created in the Office of the Attorney General. The Task Force surveyed ongoing local and state efforts to combat youth suicide in Kansas by holding field hearings in Topeka, Salina, Iola, Wichita, Johnson County, and Dodge City.

The creation of the position is part of a larger set of recommendations that include changes in practice, policy, or law. These recommendations included the goal of youth suicides in the state to zero as an aspirational goal, gathering accurate and complete data, improving communication, improving access to mental health services, and integrating and supporting suicide prevention in schools. The Task Force also spent a sizable amount of time considering internet and mobile applications aimed at providing youth a resource for submitting tips and reaching out for help.

**B. Request for Additional Information Regarding Funds Recouped Due to Medicaid Fraud Investigations (Senate Committee).** The Office of the Attorney General submitted a FY 2021 budget enhancement request for \$670,749 and 7.0 FTE positions to expand the agency's Medicaid Fraud Control Unit (MFCU). Of that amount 75.0 percent is funded through federal funds while 25.0 percent is funded through the agency's Medicaid Fraud Prosecution Revolving Fund. The Legislature fully funded the request. The need for additional staffing was identified by a federal review of the MFCU by the U.S. Department of Health and Human Services Office of Inspector General (OIG). The on site inspection was conducted in May 2018 and the report was published in July 2019. The report concluded that the agency should develop an action plan to lower staff caseloads that included expanding staff capacity.

MFCUs are the only state entity that has the authority to determine Medicaid fraud. The primary function of the MFCU is to identify, investigate, and prosecute Medicaid provider fraud and physical abuse, neglect, and financial exploitation of dependent adults in residential care facilities and board and care facilities that receive Medicaid funding. If a case is not within MFCU's prosecutorial authority, it will be referred to KDHE's Medicaid Integrity Division, the appropriate licensing entity, Kansas Department for Aging and Disability Services, a local prosecutor, or another entity with jurisdiction over the matter. When a determination is made in a case that a federal health care program other than Medicaid is the primary victim, it will be referred to the U.S. Attorney's Office or to the OIG. Managed Care Organizations (MCOs) also have investigative units, but once fraud is suspected the case is referred to the MFCU.

The agency's Office of the Medicaid Inspector General (OMIG) is focused on audits, reviews, and investigations to identify weaknesses in the structure of Medicaid, State Children's Health Insurance Program (SCHIP), and MediKan. Unlike the MFCU, the OMIG is also authorized to investigate allegations of Medicaid eligibility fraud, audit state agencies involved in administering Medicaid, and make recommendations to improve system performance and accountability.

According to the Office of the Attorney General, over the past nine years, the MFCU has recovered more than \$117.0 million for the Kansas Medicaid Program while operating on an annual budget of just under \$2.0 million. The OIG report disclosed that Kansas' MFCU reported 28 indictments, 32 convictions, 33 civil settlements and judgments for a combined criminal and civil recoveries of over \$16.0 million for FY 2015 through FY 2017. The recoveries go back to the Medicaid program based on the Federal Medical Assistance Percentage (FMAP) at the time

the monies were originally allocated. All funds are forwarded to the Kansas Department of Health and Environment - Division of Health Care Finance and reported by its federal reporting team to return the federal share.

## **Kansas Bureau of Investigation**

**A. Review Funding for Major Violent Crimes and Crimes Against Children (House Committee).** The House Committee recommended reviewing the possible addition of \$1.1 million, all from the State General Fund, and 8.0 FTE positions, to provide half the funding for the agency's Major Violent Crimes and Crimes Against Children enhancement request for FY 2021. This addition would expand the agency's capacity to investigate child abuse and crimes against children by the Child Victims Unit (CVU).

The agency seeks funding to add additional staff and resources to investigate child abuse cases. The agency has begun to focus on Jessica's Law cases and does not have the resources to accept many felony child abuse cases. According to KBI, many law enforcement agencies lack specially trained and dedicated investigative personnel leading to these cases not receiving the attention necessary to establish probable cause. These additional resources would be part of a multi-disciplinary approach, which the agency believes is the key to the successful investigations of crimes against children. This approach would expand and reinforce information sharing with Department of Children and Families where a collaborative effort would result in joint training and deeper levels of communication and cooperation.

The agency has indicated that it will use the funding as the first of a three-phase approach with this initiation funding to be utilized in the western region of the state. With the funding, the agency has developed a plan to hire 11.0 FTE positions by hiring later in the year. This would allow the agency to make one-time purchases for equipment and to maintain the salaries for these 11.0 FTE positions in later years. The agency indicates to fully implement Phase I, it will need \$1,117,202 (\$607,054 for Salaries and Wages, \$127,148 for Contractual Services, \$33,000 for Commodities, and \$350,000 for Capital Outlay) for FY 2021.

**B. Forensic Scientist Recruitment and Retention Incentive (House Committee).** The House Committee recommended reviewing the possible addition of \$228,313, all from the State General Fund, for salary increases for the Forensic Scientist Recruitment and Retention Incentive enhancement request for FY 2021. This proposal provides a competitive compensation plan designed to recruit and retain qualified forensic scientists through a competitive pay plan.

The agency has had difficulty maintaining qualified forensic scientists long-term. The agency states it is unable to keep forensic scientists on staff due to low wages compared to the private sector. The agency is successful in hiring forensic scientists with little to no training. After a 12 to 24 month long training process, which ranges in cost from \$80,000 to \$200,000 per person, many forensic scientists become marketable with the skills they have gained and will move on to the private sector or other government entities.

With the funding, the agency will implement a competitive pay plan that provides merit and years of service adjustments. The pay plan will consist of the following classifications:

- Forensic Scientist I – These scientists are in the training process and will receive adjustments either for completing a Master's degree and/or mid-way through the program as their production improves and becomes more significant. Salaries

would range from \$22.16 per hour to \$23.31 per hour for no experience and \$25.05 to \$26.29 per hour with one or more years of experience;

- Forensic Scientist II – These scientists have successfully completed the training program and would be placed in a pay band within their particular discipline such as biology, firearms, or chemistry. Adjustments would be made within three separate pay bands of 2 to 4 years, 5 to 6 years, 7 to 9 years, and 10 or more years of experience. Hourly pay would range from \$28.31 per hour to \$31.98 per hour;
- Forensic Scientist III – These scientists would allow for an adjustment of salary based on 5 to 7 years experience with pay band extending to over 30 years of experience. Adjustments could be made on training competency and yearly proficiency, knowledge, skills and abilities, sitting on a Forensic Scientist Organization board, or publishing research. Hourly pay would range from \$32.78 per hour to \$41.81 per hour; and
- Forensic Scientist IV – These scientists lead a unit within the laboratory with adjustments made within four different pay bands of 0 to 3 years, 4 to 5 years, 6 to 8 years, and 9 to 10 years in the position. Hourly pay would range from \$42.90 per hour to \$46.14 per hour.

## **Department of Agriculture**

**A. Review the Possible Addition of \$100,000 and 1.0 FTE position for a Water Structures Engineer (Conference Committee).** The Conference Committee on SB 66 recommended reviewing the possible addition of \$100,000, all from the State General Fund, and 1.0 FTE position for a water structures engineer for FY 2021. This position is designed to support the structures team in the Parsons field office. Currently, the water structures team responds to complaints and inspects structures throughout the state. A significant portion of inspected structures are in the southeast area of the state. The agency states, with this position, it would be better placed in Parsons to serve that area in a timely manner. The position would also be equipped to assist in application calculations and construction documents of water structures for the region.

## **Kansas Department of Health and Environment–Division of Environment**

**A. Review the Air Quality Program (House and Senate Committees).** The House and Senate Committees recommended reviewing the Air Quality Program and new fees proposed by the Division of Environment for FY 2021. The Air Quality Program is funded through fees on emissions. The agency states as emissions are reduced, revenue for the program is decreasing. The agency plans to implement new fees in order to continue to fund the program. The House Committee added \$300,000, all from the State General Fund, for FY 2021 and added language preventing the agency from raising fees or creating new fees in FY 2020 or FY 2021 and requiring the agency to work with stakeholders to create a fee schedule to be implemented during the 2021 Legislative Session. The Senate Committee recommended reviewing the program at Omnibus. SB 66 contains language prohibiting the agency from raising fees or creating new fees in FY 2020 or FY 2021.

## Department of Education

**A. Review the Agency's Enhancement Request for a Statewide Dyslexia/Early Literacy Education Coordinator (House and Conference Committees).** The agency requested \$96,994, all from the State General Fund, and 1.0 FTE position for FY 2021 for a new position to direct and implement statewide dyslexia and early literacy initiatives. The report of the Legislative Task Force on Dyslexia (Task Force) to the 2019 Legislature included the recommendation that the State Board of Education (State Board) should identify a dyslexia coordinator within the Kansas State Department of Education (KSDE). The report of the Task Force to the 2020 Legislature recommended the Legislature appropriate additional moneys to KSDE to hire a statewide dyslexia coordinator.

The Governor did not recommend the agency's enhancement request. The House Committee recommended reviewing the agency's enhancement request at Omnibus and encouraged the Governor to add funding for the agency's enhancement request as part of a Governor's budget amendment. The Senate Committee added funding for the agency's enhancement request. The Conference Committee on SB 66 did not add funding for the agency's enhancement request and recommended reviewing the request at Omnibus.

**B. Review the Status of the Mental Health Intervention Team Pilot Program (House and Conference Committees).** The 2018 Legislature created the Mental Health Intervention Team (MHIT) Pilot Program to improve social-emotional wellness and outcomes for students by increases to schools' access to counselors, social workers, and psychologists statewide. The MHIT Pilot Program is based on a partnership between participating school districts and local CMHCs. During the 2018-2019 school year, the pilot program included 79 schools in 9 school districts. The 2019 Legislature reauthorized the MHIT Pilot Program for the 2019-2020 school year and authorized the State Board to expand the pilot program to additional school districts. During the 2019-2020 school year, the pilot program includes 180 schools in 32 school districts. Total funding for the MHIT Pilot Program is \$9.0 million, all from the State General Fund, in FY 2020. This includes \$8.7 million for state aid to school districts and \$280,000 for administration of the program by the KSDE.

The Governor's budget recommendation for FY 2021 includes \$13.0 million, all from the State General Fund, for the continuation and further expansion of the MHIT Pilot Program. This includes \$12.7 million for state aid to school districts and \$280,000 for administration of the program. The Governor's recommendation is an increase of \$5.0 million above the agency's request for FY 2021 for the MHIT Pilot Program. The Governor's recommendation also amends the proviso language governing the program. Under the amended proviso language, the expanded MHIT Pilot Program be administered as a competitive grant program. This would allow additional mental health organizations to provide services to students. Additional information provided by the Office of the Governor indicates current school districts would not be required to amend the existing structure of their program or CMHC partnership. If the current structure and CMHC partnership works successfully for a school district, the district could apply for funding using that structure.

The House Committee deleted both the Governor's recommended proviso and all of the funding for the MHIT Pilot Program for FY 2021 and recommended reviewing the status of the program at Omnibus. The Senate Committee made no changes to the Governor's recommendation. The Conference Committee retained the funding for the MHIT Pilot Program, but deleted the Governor's recommended proviso language and recommended reviewing the status of the MHIT Pilot Program at Omnibus. As approved in SB 66, funding for the MHIT Pilot Program totals \$13.0 million, all from the State General Fund, for FY 2021, including \$12.7

million for state aid to school districts and \$280,000 for administration of the program. However, no proviso language governing the MHIT pilot program for FY 2021 was included in SB 66.

**C. Review the Level of Funding for Special Education State Aid (House and Senate Committees).** The House and the Senate Committees both recommended reviewing the level of funding for Special Education State Aid for FY 2021 at Omnibus. KSA 72-3422 provides for Special Education State Aid to cover 92.0 percent of excess costs for special education. However, Special Education State Aid is projected to cover 75.3 percent in FY 2020, 72.0 percent in FY 2021, and 69.2 percent in FY 2022. Additionally, the Fall 2019 Education Consensus Estimates projected decreased expenditures to fund the school finance formula approved by the Kansas Supreme Court. The total obligation on the State General Fund is projected to decrease by \$39.9 million in FY 2020. This includes decreased State General Fund expenditures of \$32.9 million, primarily for State Foundation Aid and KPERS–School employer contributions, and decreased expenditures of \$7.0 million for Capital Improvement State Aid, which is funded through a revenue transfer from the State General Fund. SB 66 adopted the Fall 2019 Education Consensus Estimates for FY 2020.

During budget hearings, KSDE requested the decreased funding for school finance be used to increase funding for Special Education State Aid for FY 2021. According to KSDE, additional special education funding of \$39.9 million would increase the percent of excess costs covered by state aid to 77.7 percent for FY 2021. The House Committee and Senate Committee both recommended reviewing the level of funding for Special Education State Aid at Omnibus and encouraged the Governor to consider issuing a Governor’s budget amendment using all, or a portion, of the State General Fund savings for school finance in FY 2020 to add funding for special education for FY 2021.

SB 66 includes an increase of \$7.5 million, all from the State General Fund, for Special Education State Aid for FY 2021. This increase was part of the school funding increases included in 2018 Sub. for SB 423 and 2018 House Sub. for SB 16. Any increase in the appropriation for Special Education State Aid increases the State’s maintenance of effort requirement for federal special education funding, which requires the State’s funding for special education be at least equal to the level of funding in the previous fiscal year.

**D. Reduction of State General Fund Revenue Transfer for Capital Improvement State Aid in FY 2020 (House and Senate Committees).** The Spring 2020 education consensus estimating group did not meet to revise the full estimates for K-12 school finance for FY 2020, FY 2021, and FY 2022. However, KSDE indicates the State General Fund revenue transfer for Capital Improvement State Aid can be reduced from \$208.0 million to \$204.0 million in FY 2020. This decrease has the effect of increasing available revenue in the State General Fund and has already been reflected in the Spring 2020 Consensus Revenue Estimates. No changes were made to the projected revenue transfers for FY 2021 and FY 2022, which are estimated at \$213.0 million and \$218.0 million, respectively.

## **Children’s Initiatives Fund**

**A. Tobacco Settlement Revenue Estimates.** KLRD, the Division of the Budget, and the Office of the Attorney General met on April 22, 2020, to discuss the projected revenue from the tobacco settlement. The revenue from the tobacco settlement is deposited in the Kansas Endowment for Youth (KEY) Fund, then moneys are transferred annually from the KEY Fund to the Children’s Initiatives Fund. The consensus estimate for receipts from the tobacco settlement in FY 2020 is \$53.3 million, which is an increase of \$1.3 million above the Fall 2019 estimate.

The consensus estimate for tobacco settlement receipts for FY 2021 totals \$50.0 million, which is the same as the Fall 2019 estimate.

## **Kansas State School for the Deaf**

**A. Review the Agency's Enhancement Request for Additional Funding for the Implementation of the Language Assessment Program (House Senate Committees).** The House and Senate Committees recommended reviewing the possible addition of \$466,658, all from the State General Fund, for FY 2021 to fund the agency's enhancement request for funding for the continued implementation of the Language Assessment Program (LAP). As required by KSA 75-5397e, the agency is implementing the LAP to assess the hearing of every child (ages birth through eight) who is deaf or hard-of-hearing at least once per year to ensure that such children are meeting linguistic milestones. The agency began implementation of the LAP in FY 2019 and expanded the program in FY 2020. The agency estimates total costs for the first two years of implementation at \$216,926. These costs were funded by existing resources and federal grants.

The enhancement request is to fund the third year of the LAP, which is being phased in over a five-year period. To expand the program for FY 2021 the agency requests enhancement funding of \$466,658, all from the State General Fund. Of the total enhancement request, \$264,032 is for salaries and wages to hire additional staff, primarily to conduct evaluations of deaf and hard-of-hearing children, and \$128,096 is for in-state travel, so staff can travel to various regions of the state to conduct evaluations. The remainder is for other contractual services and commodities expenditures. The agency estimates at least 250 children will be served during FY 2021.

The agency plans to fully implement the LAP during FY 2023. To do so, the agency has indicated it will request additional funding in both FY 2022 and FY 2023. Additionally, the agency's enhancement request includes travel costs based on one assessment per child per year. If the agency conducted two assessments per child per year, which the agency indicates is the ultimate goal of the LAP, travel costs for the program would increase. Finally, the agency indicates there are many unknown factors that may influence future enhancement requests. In particular, the number of deaf and hard-of-hearing children aged birth through eight in the state, along with where they live, is not known. More accurate data about where these children are located could have an effect on the costs of implementing the LAP.

The Senate Committee requested the agency provide estimates for the number of children to be served and the total cost for full implementation of the LAP at Omnibus. According to information provided by the agency, the LAP is expected to serve 250 children in FY 2021, 400 children in FY 2022, and 772 children in FY 2023. The agency estimates total expenditures of \$858,097, all from the State General Fund, for FY 2023 to fully implement the LAP. This includes the agency's enhancement request of \$466,658 for FY 2021, an additional \$192,207 for FY 2022, and an additional \$199,232 for FY 2023. Based on the agency's estimates, total State General Fund expenditures for the LAP in each year would be as follows:

- FY 2021: \$466,658;
- FY 2022: \$658,865; and
- FY 2023: \$858,097.

The FY 2022 additional funding estimate of \$192,207 includes the following items of expenditure:

- Salaries and wages for 2.5 FTE positions: \$176,325;
- Computers and cell phones for new staff: \$7,600;
- Training: \$5,310; and
- Assessment tools: \$2,972.

The FY 2023 additional funding estimate of \$199,232 includes the following items of expenditure:

- Salaries and wages for 2.5 FTE positions: \$181,071;
- Computers and cell phones for new staff: \$7,600;
- Training: \$5,310; and
- Assessment tools: \$5,251.

According to the agency, the estimates for FY 2022 and FY 2023 assume one assessment per child per year. However, there are no additional travel costs because the agency now assumes the LAP will have regional specialists located throughout the state. Additionally, the agency states increased efficiencies, such as evaluating multiple children in one area over an extended period of time and using rental cars as opposed to paying mileage, will further decrease travel costs. Finally, the agency notes that travel costs will depend on the ability to hire qualified regional specialists throughout the State.

## Board of Regents

**A. Review the Addition of Funding for Tuition for Technical Education (SB 155) (House and Senate Committees).** The Senate Committee recommended reviewing the addition of \$1.5 million, all from the State General Fund, for both FY 2020 and FY 2021. The House Committee recommended reviewing the addition of \$1.5 million, all from the State General Fund, for FY 2021 only. The Governor added \$4.5 million in FY 2020 and \$8.5 million for FY 2021 for the program. The Board of Regents will not have a final headcount for the FY 2020 academic year until October 2020.

**B. Review the Deletion of \$2.5 million from the New Kansas Access Scholarship Program (Senate Committee).** The Senate Committee recommended reviewing the possible deletion of \$2.5 million, all from the State General Fund, for the newly created Kansas Access scholarship program. The Governor recommended \$5.0 million for this program. The Conference Committee on SB 66 recommended deleting the entire \$5.0 million and the program was removed from the bill.

**C. Review the Addition of \$12.3 million to the State Finance Council for Salaries for the State Universities (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$12.3 million, all from the State General Fund, for the state universities to provide salary increases at their discretion to employees of the universities. The Governor's recommendation for a 2.5 percent salary increase did not include the state university employees.

**D. Review the Addition of \$10.0 million for Salaries for the State Universities (House Committee).** The House Committee recommended reviewing the possible addition of \$10.0 million, all from the State General Fund, to the Postsecondary Education Operating Fund for salaries, which would be divided among the state universities for FY 2021.

**E. Review the Addition of \$195,125 for Washburn University (House Committee).**

The House Committee recommended reviewing the possible addition of \$195,125, all from the State General Fund, as a proportional increase from the state universities amount to Washburn University through the Municipal University Operating Grant for FY 2021.

**F. Review the Addition of \$1.75 million for the Seven Technical Colleges for Capital Outlay (House Committee).** The House Committee recommended reviewing the possible addition of \$1.75 million, all from the State General Fund, for the Vocational Capital Outlay Fund with language that the funds are for the seven technical colleges for buildings and equipment for FY 2021.

## **University of Kansas Medical Center**

**A. Review the Addition of \$250,000 for the Midwest Stem Cell Therapy Center (House Committee).** The House Committee recommended reviewing the possible addition of \$250,000, all from the State General Fund, for the Midwest Stem Cell Therapy Center for FY 2021.

## **Pittsburg State University**

**A. Review the Addition of \$150,000 for Dyslexia Funding (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$150,000, all from the State General Fund, for the Center for Research, Evaluation, and Awareness of Dyslexia and 1.5 FTE positions with a proviso that best practices be shared with all Regents' institutions for FY 2021.

## **Kansas State University**

**A. Review the Addition of \$5.0 million for a New Program (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$5.0 million, all from the State General Fund, for Global Institute for Food, Health, and Biosecurity upon appropriate vetting and approval by the Board of Regents for FY 2021.

According to the agency, there is a renewed focus on the land grant core strengths in global food, health, and biosecurity. A central challenge facing this and following generations is how the world will address the critical nexus of food, health, and biosecurity. The demand on resources will grow exponentially due to increased population, environmental challenges, and large-scale migrations. Food quality, availability, safety, cost, and security will be of paramount importance to human health and social stability.

The funding request includes \$1.5 million for programming and administration; \$500,000 for research and outreach; and \$3.0 million for debt service to bond \$40.0 million to update critical infrastructure.

The Board of Regents unanimously approved this program at the board meeting on April 15, 2020, with language added that an annual report be provided to the Legislature on the economic stimulus the program provides.

**B. Review the Addition of \$250,000 for the Midwest Institute of Comparative Stem Cell Biology program (House Committee).** The House Committee recommended reviewing

the possible addition of \$250,000, all from the State General Fund, for the Midwest Institute of Comparative Stem Cell Biology program for FY 2021.

## **Wichita State University**

**A. Review the Addition of \$5.0 million for a New Program (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$5.0 million, all from the State General Fund, for the National Institute of Digital Transformation and Convergence Sciences upon appropriate vetting and approval by the Board of Regents for FY 2021.

According to the agency, the National Institute of Digital Transformation (NIDT) and Convergence Sciences entails integrating knowledge, methods, and expertise from different disciplines and forming novel frameworks to catalyze scientific discovery and innovation. The program will focus on research and innovation in cloud computing and software development utilizing high speed broadband in Kansas; and research and science laboratories to provide the needed technology for Kansas to compete globally. The labs would support these endeavors and include: (1) cybersecurity; (2) environmental testing and certification for hardware and Internet of Things (“IoT”) devices; (3) interoperability and solutions testing; (4) machine learning and artificial intelligence; and (5) simulations and virtual and augmented reality for systems engineering.

The NIDT anticipates an equipment investment of \$20.0 million with half to be donated by the private sector and half funded by the public sector.

The Board of Regents unanimously approved this program at the board meeting on April 15, 2020, with language added that an annual report be provided to the Legislature on the economic stimulus the program provides.

## **Fort Hays State University**

**A. Review the Addition of \$363,000 for a New Program for the Military (Senate Committee).** The Senate Committee recommended reviewing the possible addition of \$363,000, all from the State General Fund, for the Military Education Pathway program upon appropriate vetting and approval from the Board of Regents for FY 2021.

According to the agency, the program will be titled the Transfer and Military Initiative Program and will provide a centralized location for information on programs, transfer and evaluation of military credits, alignment to Fort Hays State University programs, military financial benefits, and a centralized point of contact for all other student support services. The program is designed to not only support military students, but all transfer students in their pursuit of a four year degree.

The funding request includes \$45,000 for a current position reallocation; \$301,000 for six new positions over five years for advertising and recruiting; and \$17,000 for programming, travel, and technology.

The Board of Regents unanimously approved this program at the board meeting on April 15, 2020, with language added that an annual report be provided to the Legislature on the economic stimulus the program provides.

## Legislature

**A. Leadership Office Budgets (House Committee).** The House Committee recommended reviewing the possible addition of language directing the agency to increase the funding allocations for the House and Senate leadership offices from within existing resources by \$141,186, all in the State General Fund, for FY 2021. The proposed distribution is as follows.

<b>Leadership Budgets</b>			
	<b>FY 2020</b>		<b>FY 2021 Proposed</b>
<b>Senate</b>			
President	\$	239,880	\$ 250,000
Vice President		55,485	87,500
Majority Leader		150,437	175,000
Minority Leader		171,105	175,000
<b>House of Representatives</b>			
Speaker	\$	239,880	\$ 250,000
Speaker Pro Tem		55,485	87,500
Majority Leader		150,437	175,000
Minority Leader		171,105	175,000