

Report of the Legislative Budget Committee to the 2021 Kansas Legislature

CHAIRPERSON: Senator Carolyn McGinn

VICE-CHAIRPERSON: Representative Troy Waymaster

OTHER MEMBERS: Senators Rick Billinger and Tom Hawk; Representatives Will Carpenter, Kyle Hoffman, and Kathy Wolfe Moore, and Sean Tarwater (substitute member)

CHARGE

State Budget Issues

The Legislative Budget Committee is statutorily directed to:

- Compile fiscal information and study and make recommendations on the state budget, including revenues and expenditures, and the organization and functions of the State, including its departments, subdivisions, and agencies, with a view of reducing the cost of state government and increasing efficiency and economy.

In addition to its statutory duties, the Committee is to:

- In regard to COVID-19 pandemic federal funding and expenditures—Receive updates on federal funding and expenditures by state agencies related to the COVID-19 pandemic;
- In regard to the Kansas Board of Regents and Regents Institutions—Receive a report on the impact of COVID-19-related closures and virtual learning;
- In regard to the Kansas Department of Transportation—Receive an update on T-WORKS and Eisenhower Legacy Transportation Program projects;
- In regard to the Docking State Office Building and Kansas Department of Health and Environment Laboratory—Review proposals for potential renovation and construction;

- In regard to Veterans' residential facilities funding—Receive an update on location, utilization, and funding for residential facilities for veterans; and
- Review and discuss community and technical colleges, including:
 - How the institutions are funded and how the funding is distributed;
 - Mission of the colleges;
 - Transfer of credits to state universities;
 - The efficiencies and effectiveness of the colleges; and
 - Whether the colleges are meeting the needs of Kansas residents.

Legislative Budget Committee

ANNUAL REPORT

Conclusions and Recommendations

Following its review and discussion, the Legislative Budget Committee makes the following recommendations.

Recommendations to the Legislative Coordinating Council

- Transfer \$11.6 million, all from the State General Fund (SGF) Coronavirus Relief Account, to the Department for Children and Families in fiscal year (FY) 2020 for the foster care program;
- Transfer \$830,000, all from the SGF Coronavirus Relief Account, to the Kansas Commission on Veterans Affairs Office in FY 2020 for revenue replacement due to decreased admissions;
- Transfer \$6.9 million, all from the SGF Coronavirus Relief Account, to the Kansas Bureau of Investigation, in FY 2021 for the Automated Biometric Identification System (ABIS);
- Transfer \$5.5 million in FY 2020 and \$5.0 million in FY 2021, all from the SGF Coronavirus Relief Account, to the Department of Commerce to offset Commerce expenditures for the Hospitality Industry Relief Emergency (HIRE) program and invest in the Job Creation Program Fund;
- Transfer \$1.0 million, all from the SGF Coronavirus Relief Account, to the Kansas Department for Health and Environment (KDHE) in FY 2021 for distribution to local health departments; and
- Transfer \$205,000, all from the SGF Coronavirus Relief Account, to the Kansas State Fair in FY 2020, and \$2.3 million, all from the SGF Coronavirus Relief Account, in FY 2021 to replace lost revenue.

Further recommendations

- The Committee concurs with the Special Committee on Kansas Mental Health Modernization and Reform recommendation to support expansion of the federal Excellence in Mental Health Act or a state plan amendment of the 1115 Waiver to allow interested providers to gain access to the Certified Community Behavioral Health Clinic (CCBHC) model when the opportunity is available. The Committee further recommends that the House Committee on Appropriations and the Senate Committee on Ways and Means receive information on the effect the CCBHC model would have on the mental health system by Kansas Department for Aging and Disability Services, KDHE, and appropriate stakeholders.

- The Committee recommends the Kansas Commission on Peace Officers’ Standards and Training and the Kansas Law Enforcement Training Center communicate to law enforcement agencies and local governments that a database of records related to violations of the Kansas Law Enforcement Training Act, including, but not limited to, records of complaints received or maintained by the Commission, is available and should be used to aid in the avoidance of hiring law enforcement officers previously fired for egregious offenses, as referenced in the initial report of the Governor’s Commission on Racial Equity and Justice.
- The Committee encourages the Kansas Department of Agriculture (KDA) to make changes to its price verification inspection process to ensure efficient and effective inspections across the state. The Committee also encourages the use of increased timely enforcement mechanisms in order to encourage compliance by businesses. The Committee requests KDA provide an update to the House Committee on Appropriations and the Senate Committee on Ways and Means during the 2021 Legislative Session.
- The Committee recommends the Board of Indigents’ Defense Services present its September 2020 “A Report on the Status of Public Defense in Kansas” to the appropriate legislative committees during the 2021 Legislative Session, including the applicable budget committees.
- The Committee strongly recommends the 2021 Legislature make a decision regarding the Docking State Office Building to fully renovate the building; partially renovate the building; or demolish the building and replace it with a parking garage, each option with the potential addition of laboratory space for KDHE. The Committee further recommends the Department of Administration provide a cost estimate for an option to build a three-story parking garage with the KDHE laboratory located on top.
- The Committee recommends the Legislature consider convening a meeting of the Legislative Compensation Commission organized under KSA 46-3101 or consider elimination of the Legislative Compensation Commission. The Commission statutorily studies the compensation and expense allowances and reimbursement of members of the Legislature. The Commission last met during the 2000 Interim.
- The Committee recommends the Kansas Department of Revenue report to the House Committee on Appropriations and Senate Committee on Ways and Means concerning the current status of driver’s license offices in the State of Kansas and the impact of the COVID-19 pandemic on their operations.
- The Committee recommends the Legislature consider amending relevant state law (including, but not limited to, KSA 75-7211) to require state agencies to submit proposed information technology projects to the Joint Committee on Information Technology prior to the release of any request for proposal related to such an information technology project.
- The Committee expresses its displeasure concerning how the COVID-19 testing strategy was implemented by KDHE, especially concerning the delay in providing funding to private entities to perform testing activities.

Proposed Legislation: None.

BACKGROUND

The Legislative Budget Committee is statutorily directed in KSA 46-1208 to compile fiscal information. It is also directed to study and make recommendations on the state budget, revenues, and expenditures, and on the organization and functions of the State, including its departments, subdivisions, and agencies, with a view of reducing the cost of state government and increasing efficiency and economy.

COMMITTEE ACTIVITIES

The Legislative Coordinating Council (LCC) authorized ten meeting days for the Committee during the 2020 Interim. In addition, the Committee utilized two of its remaining authorized meeting days from the 2019 Interim with the designated House Chairperson and Senate Vice-chairperson. The Committee met 11 times during the 2020 Interim on the following days: June 15 and 17, July 15, August 3, September 3 and 23, October 6 and 7, November 13, and December 1 and 15.

On June 15, 2020, the Committee met to discuss State General Fund (SGF) receipts and Strengthening People and Revitalizing Kansas (SPARK) Taskforce recommendations.

On June 17, 2020, the Committee met to discuss federal coronavirus response funding and requests by state agencies for SGF moneys from the Coronavirus Relief Account to respond to the COVID-19 pandemic. The Committee made recommendations to the LCC for the expenditure of SGF Coronavirus Relief Account funds.

On July 15, 2020, the Committee received an update on COVID-19 testing, the impact of the COVID-19 pandemic on the Legislature, personal protective equipment (PPE) for nursing facilities, the Department of Commerce Job Creation Program Fund, the Governor's fiscal year (FY) 2021 SGF allotments, and the Attorney General's review of a request for proposal for legal services.

On August 3, 2020, the Committee met to discuss Statehouse technology upgrades, the

unemployment insurance system, SGF receipts, and broadband enhancement proposals.

On September 3, 2020, the Committee received an update on the Statehouse technology upgrades, Coronavirus Relief Fund (CRF) expenditures, year-to-date spending from the SGF, the Job Creation Program Fund, and a request for funding from the Kansas State Fair.

On September 23, 2020, the Committee received updates on COVID-19 testing in nursing facilities, the Veteran's Claims Assistance Program (VCAP), Statehouse technology upgrades, K-12 education system expenditures, the impact of the COVID-19 pandemic on lottery receipts, and the closure of Kansas Department of Revenue driver's license offices.

On October 6 and 7, 2020, the Committee received further updates on COVID-19 testing, particularly in nursing facilities, the status of the state hospitals, the Kansas Water Authority budget, the impact of the COVID-19 pandemic on the courts and the Board of Indigents' Defense Services, future plans for the Docking State Office Building, and flood repairs at the state parks. The Committee also received presentations from private companies on COVID-19 mitigation strategies.

On November 13, 2020, the Committee discussed the Fall 2020 Revised Consensus Revenue Estimates. The Committee also received updates on the Statehouse technology upgrades, COVID-19 financial assistance for businesses, Juvenile Justice Oversight Committee activities, Human Services Caseloads, and funding for the State's prescription drug monitoring program (K-TRACS).

On December 1, 2020, the Committee received reports on the Statehouse technology upgrades, deferred maintenance at the state universities, CRF utilization, COVID-19 vaccines, and unemployment insurance fraud.

On December 15, 2020, the Committee received updated reports on the Statehouse technology upgrades and funding for community mental health centers. The Committee also received a report from the Legislative Division of

Post Audit on the Department of Agriculture's price verification system. The Committee received an update from the Governor's Commission on Racial Equity and Justice and discussed legislative pay. Finally, the Committee made recommendations to the LCC for the expenditure of SGF moneys from the Coronavirus Relief Account.

State Revenue Updates

At the June 15, 2020, meeting, the revised revenue estimates for FY 2020 and FY 2021 were presented. The Spring Estimate reduced estimated revenue by \$1.3 billion over two years. The largest reduction of \$648.8 million was due to the delayed filing deadline for taxes from April 15 to July 15. The remaining reductions were attributable to reduced economic activity due to the impact of the COVID-19 pandemic.

At the August 3, 2020, meeting, the Director of Legislative Research provided an update on SGF receipts for the first month of FY 2021. Total receipts for July were \$8.7 million above the estimate, and SGF receipts from taxes were only below estimates by \$4.6 million; both actual amounts were close to the estimates. Sales tax, compensating use tax, and insurance premiums tax exceeded estimates by more than \$1.0 million. Individual income tax, corporate income tax, and financial institutions privilege tax came in below estimates by more than \$1.0 million.

The Director stated the situation is more complicated when looking at those receipt amounts that were expected to shift from April to July when the tax deadline was moved. June receipts were higher than estimated by approximately \$48.0 million, and July estimates were lower. Overall, concerns remained about the amount of money that will be received, but the withholding tax was coming in higher than anticipated.

Corporate income tax came in below estimates by \$5.2 million for July, but for June, the amount was approximately \$24.4 million above the estimate. Financial institutions privilege tax receipts were about \$2.3 million below what was anticipated in July, but the amount was \$6.0 million above the estimate for June.

At the November 13, 2020, meeting, the Director of Legislative Research presented the Fall Consensus Revenue Estimates. The FY 2021 estimate increased by \$477.2 million to \$7.708 billion, and the FY 2022 estimate decreased \$224.1 million to \$7.484 billion. The Director stated the changes from the Spring Estimate were largely attributable to federal spending in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

FY 2021 SGF Allotments

At the July 15, 2020, meeting, the Director of the Budget provided an overview of the Governor's FY 2021 SGF allotments totaling \$374.5 million in reduced SGF expenditures. In addition, the Director provided an overview of the remainder of the Governor's allotment plan, which includes \$63.0 million in expenditure reductions requiring legislative approval and \$266.8 million in revenue adjustments that also require legislative approval. The total of all three components of the Governor's allotment plan is \$704.3 million.

SPARK Taskforce Recommendations

At the June 15, 2020, meeting, the Executive Director of the Office of Recovery and the SPARK Taskforce Chairperson presented the three-phase plan for the distribution of the federal CRF moneys. The first phase is to distribute \$400.0 million to local cities and counties. The second phase includes expenditures for short- and long-term growth. The third phase will depend on emergent considerations, including the potential for another sudden significant increase of COVID-19 infections. The Executive Director said the SPARK Taskforce based its decisions on an evaluation of what is fair, impactful, and timely, and the CRF moneys must be used for expenditures that are directly related to the COVID-19 pandemic and responses to this public health emergency.

At the September 23, 2020, meeting, the Executive Director of the Office of Recovery provided an update on SPARK Taskforce funding recommendations. Kansas made its biggest investments in July and August when COVID-19 cases increased. In Round 1 of the funding distributions, 105 Kansas counties received portions of \$400.0 million; in Round 2, 23

statewide programs received \$314.0 million for public health, education, economic development, and connectivity; and in Round 3, 3 statewide programs received \$215.0 million for COVID-19 testing, child supervision, and housing stability. More than 20 meetings were held since June to develop the recommendations and gather input from Kansans, the State Finance Council, the Legislative Budget Committee, and representatives from state government. The Executive Director provided an overview of the foundation for distribution of funding. Round 1 funding was based upon a population calculation of \$194.00 per person in the 105 counties, with a \$50.0 million impact fund for county needs. In rounds 2 and 3, the calculation was based on SPARK Taskforce recommendations in topic-focused areas, with a reserve fund of \$75.0 million. A preliminary review of the allocation of funds from all 105 counties showed that \$45.0 million had been spent, \$317.0 million in incremental planned aid will be spent before December 30, 2020, and \$38.0 million was unreconciled funds. In response to questions from Committee members, the Executive Director noted that 42 percent of nursing facility providers (149 out of 357) had returned Kansas Department for Aging and Disability Services (KDADS) attestation forms, and the Executive Director expected the number to increase.

At the December 1, 2020, meeting, The Executive Director of the Office of Recovery presented a report on the CRF utilization. Of the \$1.0 billion in CRF moneys made available, a total of \$440.0 million had been expended by end users as of Oct 31, 2020. The remaining amount included funds awarded but pending payment (\$502.0 million) and funds allocated but unawarded (\$61.5 million). Counties will submit final spending reports on December 10, 2020, and state agencies will submit final spending reports on December 14, 2020. From December 17 to 30, 2020, recipients enter a voluntary recoupment phase. All expenditures must cease on December 30, 2020, but recipients have until January 31, 2021, to pay encumbered expenses. Clawback of unencumbered funds will begin on December 30, 2020. Members expressed concerns about equity in distribution of funds for small business grants and lack of information regarding movie theater assistance.

Requests for Expenditures from the LCC SGF Coronavirus Relief Account

At the June 17, 2020, meeting, the Committee received requests for expenditures from the SGF Coronavirus Relief Account from the Department for Children and Families (DCF), Department of Commerce (Commerce), Department of Corrections (KDOC), Department of Health and Environment, Kansas Board of Regents, Kansas Bureau of Investigation (KBI), Kansas Commission on Veterans Affairs Office (KCVAO), Kansas Highway Patrol, Kansas State Fair, KDADS, and the Judicial Branch, along with recommendations for funding from the Director of the Budget.

The Committee recommended the LCC transfer the following funding: \$11.6 million in FY 2020 to DCF for the foster care program, \$5.5 million in FY 2020 to Commerce for the Job Creation Program Fund, \$205,000 in FY 2020 to the Kansas State Fair for replacement of revenue lost from non-fair facility rentals, and \$6.9 million in FY 2021 to the KBI for the Automated Biometric Identification System (ABIS).

At the September 3, 2020, meeting, the Committee recommended transferring \$5.0 million in FY 2021 to Commerce for the Job Creation Program Fund.

At the October 7, 2020, meeting, the Committee recommended transferring \$1.0 million to the Kansas State Fair to replace lost revenue from the cancellation of the 2020 State Fair event.

At the December 15, 2020, meeting, the Committee recommended transferring an additional \$1.3 million in FY 2021 to the Kansas State Fair for lost revenue due to the cancellation of the 2020 State Fair and \$1.0 million in FY 2021 for local health departments.

Statehouse Technology Upgrades

At the August 3, 2020, meeting, the Director of Legislative Administrative Services provided an overview of the steps taken to date to upgrade technology in the Statehouse in response to a Committee request to provide a cost estimate to implement virtual meeting technologies in the Statehouse. In December 2019, the LCC and the

Committee requested information regarding improving accessibility for people who are deaf or hard of hearing; these requests have been merged due to the COVID-19 pandemic.

The Legislative Chief Information Technology Officer (CITO) from the Kansas Legislative Office of Information Services (KLOIS) provided initial estimates of the cost to “virtualize” the Statehouse (the Kansas Virtual Statehouse project). The Legislative CITO emphasized this estimate is preliminary, as there are many details to be worked out. The current estimate is \$5.068 million in one-time costs plus \$937,000 annually for maintenance and staffing. This includes costs relating to installing video conference systems in the committee rooms and audio system upgrades, integrating audio and video systems, and increasing KLOIS staff. Because the cost exceeds \$250,000, this initiative will need to have a project plan approved and then filed with the Kansas Information Technology Office and reported to the Joint Committee on Information Technology.

At the September 3, 2020, and September 23, 2020, meetings, the Legislative CITO provided an update on the Kansas Virtual Statehouse project. The Kansas Virtual Statehouse project was presented to the LCC on September 16, 2020, and a motion was passed to approve the project. Video conference system requirements were included in the request for proposal (RFP) and were released on September 23, 2020. A request for \$5.068 million from the CRF was submitted on September 3, 2020. The SPARK Taskforce approved the recommendation for funding in Round 3 funding at the September 16, 2020, SPARK Taskforce meeting, and the State Finance Council approved the funding on September 17, 2020. KLOIS will work with Mission Electronics, Inc., on the upgrade plan for the audio systems. The Legislative CITO noted the quote for the upgrade plan was expected to be received the week after the September 23, 2020, meeting and estimated another two to four weeks to receive the equipment. It was estimated to take three business days to install and configure the new systems and complete testing. The Office of Information Technology Services (OITS) was preparing a quote for additional data jacks in the wiring closets for new equipment.

In response to questions from Committee members, the Legislative CITO reported the deadline for responses to the RFP was October 7, 2020. An evaluation of the current infrastructure will be completed by the information technology (IT) staff as part of the equipment installation process. Legislative staff are currently reviewing Microsoft Teams and Cisco Webex platforms for use.

At the November 13, 2020, meeting, the Legislative CITO provided an overview of the current status of proposal considerations, Statehouse infrastructure, platform capabilities, and implementation time frame. The decisions on awarding the contract will be made in the upcoming week, with the plan for full installment of equipment before the 2021 Legislative Session, including discussion of potential options for session remote access.

At the December 1, 2020, meeting, the Legislative CITO provided an update on the IT RFP, stating that a \$2.7 million contract was recently signed with World Wide Technology, which included 24-hour technical assistance for 5 years. Work has begun, with an anticipated completion date of December 30, 2020. The project was expanded to include select conference rooms, in addition to committee rooms and the House and Senate Chambers.

At the December 15, 2020 meeting, the Legislative CITO noted the upgrade project is still on track to be completed by the end of the year, and all equipment is now on-site. The project includes upgrades to the Statehouse infrastructure that are 97 percent complete and should be finished December 15, 2020. Other upgrades include OITS upgrades to the Statehouse network and to the firewall, which are scheduled to be completed this week.

Review of RFP for Legal Services

At the July 15, 2020, meeting, the Attorney General appeared before the Committee to provide information concerning the status of an RFP for legal services on behalf of the State, which totals more than \$1.0 million.

Updates on the Unemployment Insurance System and Claims

At the August 3, 2020, meeting, the Acting Secretary of Labor (Acting Secretary) provided an update on the Unemployment Insurance (UI) system. The Acting Secretary indicated the magnitude of the COVID-19 pandemic crisis has been exacerbated by the legacy IT systems used by the Kansas Department of Labor (KDOL). There are many systems in use and no single point of truth for data verification. The Acting Secretary said he was working with OITS and the Department of Administration to make sure unemployed Kansans receive benefits. The unemployment rate in Kansas went from 2.8 percent in March to 11.9 percent in April. The Acting Secretary stated KDOL was not staffed to handle the rapid increase in call volume and had just over 20 customer service representatives to handle incoming calls, which reached 1.6 million attempted calls. KDOL has subsequently added many representatives to handle intake calls; however, there is 42 percent turnover, as it is not an easy job, and representatives are severely underpaid compared to workers at other call centers in the area, which also have more-user-friendly systems. For each caller, KDOL customer service representatives must check five different systems, with two on mainframe systems, which means the representatives cannot use a mouse to easily toggle between them.

The Acting Secretary also discussed the UI Trust Fund balance. Even though the balance may look concerning, the Acting Secretary noted Kansas is in a much better position than many other states due to previous legislation and the State's strong rating with the U.S. Department of Labor. Because of that strong rating, if Kansas does have to tap into federal funds, the State should be able to use federal funds at a zero percent interest rate. The Acting Secretary said he did not expect to request legislation on the UI Trust Fund for this calendar year but will likely need to request modifications next year.

The Acting Secretary said KDOL is working with its contractor, Accenture, to deal with the surge in demand, improve communication across the agency, and perform program audits to confirm claimants are paid. Accenture is also working on an operational assessment to determine what

KDOL needs to do to stabilize the system and then what needs to be done to modernize it. The report from the assessment is expected in the next week or two. KDOL also intends to hire and train additional call center representatives and programming and analyst staff.

At the December 1, 2020, meeting, members recessed to executive session for discussion on fraud concerns.

Later, the Acting Secretary certified the Kansas UI Trust Fund is solvent for the remainder of FY 2021. The agency was previously concerned the UI Trust Fund would be insolvent in January 2021. However, because the economy is rebounding, unemployment claim expenditures are shifting to federal programs, and due to other provisions of the CARES Act, KDOL was able to extend the estimated solvency date.

Rural Broadband Initiatives

At the August 3, 2020, meeting, the Secretary of Commerce addressed the need to increase Kansans' access to high-quality broadband. The Secretary said this is the most important economic development issue at this time, as it impacts quality of life, health, education, and economic well-being. The Director of Broadband Initiatives, Commerce, provided information on the mechanics of the connectivity proposal.

Spokespersons for the Communications Coalition of Kansas, Kansas Cable Telecommunications Association, Kansas Farm Bureau, Kansas Hospital Association, League of Kansas Municipalities, and University of Kansas Health System provided testimony in support of broadband expansion. The representatives indicated broadband is key to rural healthcare delivery, education, and business.

At the September 23, 2020, meeting, the Chief Counsel for Commerce provided an update on broadband connectivity grants. The Connectivity Emergency Response Grant (CERG) program was created in response to the COVID-19 pandemic to improve Internet connectivity to underserved and unserved areas of the state. The program requires at least a 20 percent match of the total project cost, and the maximum grant award is \$10.0 million. The projects must comply with CARES Act

guidelines and be completed by December 30, 2020. A total of 84 applications were received from all parts of the state and were primarily from Internet service providers and community anchor institutions, including schools, libraries, and cities. Overall, the matching contributions exceeded the minimum 20 percent requirement. There were 31 applications for the Broadband Partnership Adoption Grant, which targets providing Internet subscription support for low-income households. The requested funds totaled \$8.9 million. Commerce provided further updates on October 7, 2020.

Commerce Job and Economic Relief Programs

At the September 3, 2020, meeting, the Secretary of Commerce submitted a request for an additional \$5.0 million from the SGF Coronavirus Relief Account for the Job Creation Program Fund (JCPF). In addition to the request, the Secretary provided an update on the JCPF. The Secretary noted the total number of deals under consideration was up 17 percent above the prior year, which was attributed to having a full-time recruitment staff. The Secretary also noted that during the market changes due to the COVID-19 pandemic, the JCPF can react to economic opportunities and incentivize businesses that are struggling to receive capital. The Secretary reviewed new announced offers and pending offers. At the time of the meeting, Commerce had 10 outstanding JCPF offers, totaling \$6.6 million, which would add 2,419 jobs and over \$243.0 million in capital investment. Additionally, since the July 15, 2020, meeting, there was \$9.1 million in announced offers, up from the \$750,000 at the time of the July meeting. The Secretary noted the request for additional funding was due to this influx in offers, which had left only \$1.6 million in unobligated funds in the JCPF. The Secretary stated this amount was insufficient to be able to react to any offers that may come up prior to the 2021 Legislative Session. After discussion focused on the announced offers, the Committee recommended the LCC approve the additional \$5.0 million requested by Commerce for the JCPF.

At the November 13, 2020, meeting, a representative of Commerce provided an overview of the CARES Act funding, including moneys for broadband grants (*via* the SPARK Taskforce),

Community Development Block Grant (CDBG)-CV, economic development grants (*via* the SPARK Taskforce), and the Kansas Creative Arts Industries Commission. The Committee inquired about the status of the Meals on Wheels funding and expressed concerns about funding and funding levels for entertainment venues. The Committee received further updates on the status of these programs at the October 7, 2020, meeting.

Response of the Universities, Colleges, Technical Colleges, and Community Colleges to the COVID-19 pandemic

At the September 3, 2020, meeting, representatives from each Kansas Board of Regents institution, Washburn University, technical colleges, and community colleges provided briefings to the Committee regarding their response to the COVID-19 pandemic and plans for limiting spread of the disease during the Fall 2020 Semester. Discussion of COVID-19 testing plans included the ability of students to get tested, recent positive COVID-19 case numbers and quarantine procedures, how positive tests would be reported if the student returns to another county to quarantine, CRF county funding received, and athletic departments' response, including what sports are continuing and what sports might be moved to the spring. In addition to the COVID-19 pandemic response plans, the representatives provided outlines of the classroom plans, including what in-person, hybrid, and remote learning may include, and the effect of the pandemic on program and overall enrollment. The representatives of the technical and community colleges in particular noted a drop in career and technical education enrollment in part due to the skills-focused sections, which must be in person, and a disconnect with K-12 institutions' schedules, which shift between in-person, hybrid, and remote learning, depending on the number of COVID-19 cases in the school and county.

Update on the Eisenhower Legacy Transportation Program

At the September 3, 2020, meeting, the Secretary of Transportation provided an update on the Eisenhower Legacy Transportation (IKE) Program. The Secretary noted the agency is determining new performance measures for meeting its three goals for the program: safer

roads, economic growth, and more options for Kansans and more resources for communities. The IKE program continued the eight programs from the previous T-WORKS program and added or reinstated an additional seven programs. The modernization and expansion part of the IKE program incorporates evaluations of projects on a two-year rolling cycle and identifying local project needs after local consults, with targets for each Kansas Department of Transportation (KDOT) district. The Secretary noted that in response to the COVID-19 pandemic, the KDOT met with industry to ensure the safety of workers. Everyone was asked to wear a mask and trailers should be cleaned every week.

KDOT put \$1.6 billion into the project scheduling pipeline in the spring, with the goal of being shovel-ready for any federal stimulus funds and to include sufficient rural projects to meet future specific targets. With the two-year rolling planning cycle, new projects will be added every two years to ensure optimum project progression. Additionally, to ensure completion of the outstanding T-WORKS projects, a T-WORKS project must be let before letting any modernization or expansion projects.

KDOT received \$38.8 million in federal funds related to public transportation: \$5.8 million went to intercity buses for travel across Kansas and the U.S., and the remaining \$33.0 million went to rural general transit, with \$7.2 million expended to local units of government. The Secretary noted the remaining funds are expected to be expended by early FY 2022, though there is no deadline for expenditure.

The Secretary noted KDOT is on schedule to deliver all T-WORKS projects per the accelerated schedules. KDOT anticipates letting \$430.0 million in preservation, the highest investment in five years, and \$212.0 million in modernization and expansion in FY 2021. In July 2020, \$20.0 million was awarded to 24 cost-share projects across Kansas. The cost-share program requires a local match. Other grants closing in fall 2020 include \$18.5 million in 36 City Connecting Link Improvement Program (CCLIP) projects, \$5.0 million for short line projects, \$200 per student for driver's education, \$3.0 million for innovative technology, \$5.0 million for the Kansas Airport Improvement program, \$5.0 million for local

bridges, and \$7.0 million for transportation alternatives.

The Secretary also reviewed FY 2020 revenues, with \$546.0 million in sales tax, \$209.5 million in registration fees, and \$301.0 million in motor fuel sales tax collected. The Secretary noted the motor fuel sales tax estimated receipts amount is below the prior two fiscal years in FY 2021.

In addition to review of the projects, the Secretary noted KDOT hired a program management consultant to manage the program overall to adopt best practices, forecasting, and better tracking. The Secretary also noted KDOT is working with industry leaders to incorporate practices from other states, including more efficient environmental practices.

Veterans' Claims Assistance Program Statutory Update

At the September 23, 2020, meeting, the Deputy Director, Kansas Commission on Veterans Affairs Office (KCVAO), provided an overview of the Veterans' Claims Assistance Program (VCAP), which helps eligible residents of Kansas get assistance and advice for procuring veterans benefits from the State and federal government. In FY 2020, for every dollar provided to the grant participants, \$187 was returned to the State in the form of federal benefits. Since the inception of VCAP, more than 100,000 claims have been approved and awarded, and over \$1.8 billion in claims have been paid to veterans and family members. In response to a question, the Deputy Director stated the proviso in the appropriations bill two years ago, which set a definite amount of Kansas Lottery funds from the Veterans' Benefit lottery game, has helped provide adequate funding for the KCVAO budget. The Committee discussed keeping the proviso, but members expressed a preference for having legislation passed.

COVID-19 Testing and Vaccine Distribution

COVID-19 Testing Discussion

At the October 6, 2020, meeting, the Committee received an update on the COVID-19 testing strategy, provided by a representative from KDHE. The representative indicated the agency

was attempting to balance the moneys it receives for testing and the identified testing populations to utilize those funds economically. The update included an overview of the different types of tests available, including information on when each test is most effective during the life of the disease. The representative stressed the importance of working with universities and private entities to adopt a unified testing strategy, including utilization of funds and laboratory capacity. The representative discussed a need for increased testing as well as the need to test asymptomatic individuals.

Another KDHE representative addressed the Committee regarding the testing of wastewater for COVID-19. The representative indicated the use of wastewater testing has been utilized to track various health issues, including tuberculosis and opioid use, and could be used to track COVID-19. While these tests may be used for monitoring the COVID-19 spread, KDHE is still working to determine how useful the process may be.

At the December 1, 2020, meeting, members expressed general concern that testing of asymptomatic individuals is not proactive. Members were concerned that payment to labs for testing is a reimbursement process, while the SPARK Taskforce intended CRF moneys as advance payment to include purchase of kits. KDHE stated the normal process for labs is to process tests, then be reimbursed on the back end. The Department of Administration directed KDHE to avoid advance payments.

Members were concerned that testing was not focused on the workforce, as intended by the SPARK Taskforce. KDHE stated that testing is provided to the general public by region, as opposed to employers. Employees can be sent to community testing sites. Employers can request testing from contracted labs, in a limited capacity.

Members were concerned that a Dallas, Texas-based firm was selected for testing instead of Kansas firms. KDHE stated WellHealth, of Dallas, was contracted to assist with testing because the firm has capacity to collect samples, which Kansas labs lacked. Kansas labs are the primary source for processing tests. WellHealth has sites in Dodge City, Garden City, and Liberal. Another firm, NicUSA, has sites in Colby, Great Bend, Hays,

and Norton, with mobile units in northwest Kansas.

COVID-19 Testing in Nursing Facilities

At the September 23, 2020, meeting, the Deputy Secretary of Hospitals and Facilities, KDADS, provided information on nursing facility COVID-19 testing. KDHE released a testing strategy on June 10, 2020, that did not recommend general surveillance testing, and on June 12, 2020, KDADS used this testing strategy as guidance to allow nursing facilities to reopen for visitors, in coordination with reopening orders issued by local health departments.

At the October 6, 2020, meeting, the committee heard an update provided by a representative from KDADS on COVID-19 testing and visitation policies in nursing facilities. The representative indicated testing policies are largely established by the federal Centers for Medicare and Medicaid Services (CMS), and facilities are generally required to test all staff and be prepared to test all residents in case of positive test results. The U.S. Department of Health and Human Services (HHS) provided the testing instruments and supplies to the 281 nursing facilities in Kansas.

The KDADS representative proceeded to provide an overview of COVID-19 impacts on the state hospitals. It was indicated that all the state hospitals have developed isolation areas for quarantining confirmed cases and have limited admissions at Larned and Osawatomie state hospitals. The representative also indicated SPARK Taskforce resources were used to provide hazard pay for individuals who have continued to work during the emergency declaration.

On August 26, 2020, CMS issued an interim final rule that required COVID-19 testing in long-term care facilities for staff at a frequency based on the COVID-19 test positivity rates within the county where the facility is located. As of September 13, 2020, there were 31 Kansas counties with a positivity rate of 10 percent or higher, requiring testing 2 times a week; 30 counties, including Johnson, Wyandotte, and Sedgwick with a 5 to 5.9 percent positivity rate, requiring weekly testing; and 44 counties were subject to testing once a month due to a test

positivity rate of less than 5 percent. Facilities were required to use a rapid point-of-care test or an off-site laboratory that could return results within 48 hours and were directed to be prepared to test all residents if positive cases were identified in the facility through routine screening. The HHS sent a one-time shipment of 281 testing machines to those nursing homes in Kansas with a current Clinical Laboratory Improvement Amendments Certificate of Waiver. These machines test for COVID-19 antigens using nasal swabs. The facilities received enough testing kits to complete one round of tests and were directed to reorder test kits from the manufacturers, at which point facilities began reporting a backlog in receiving more test kits. As of September 13, 2020, there were 31 Kansas counties with a positivity rate of 10 percent or higher, requiring testing 2 times a week; 30 counties, including Johnson, Wyandotte, and Sedgwick with a 5 to 5.9 percent positivity rate, requiring weekly testing; and 44 counties were subject to testing once a month due to a test positivity rate of less than 5 percent.

In response to Committee members' questions about how tests were administered, the Deputy Secretary responded the test for COVID-19 antigens is done with a nasal swab or skin prick. The CMS guidance for a positive result on the COVID-19 antigen test is the test should be confirmed with a polymerase chain reaction test that detects genetic material from the virus.

In response to questions about the types of facilities under the CMS regulation for testing, the Deputy Secretary responded that it does not apply to assisted living facilities. Committee members asked about guidelines for reopening nursing facilities to visitors and the Deputy Secretary reported that visiting plans are dependent on decisions at both the facility and county level. CMS had provided new information and guidance in the week before the meeting that could lead to facilities having more flexibility.

COVID-19 Environmental Mitigation

At the October 7, 2020, meeting, representatives from both Ion Environmental Services and Sarus Systems presented information to the Committee regarding sanitation techniques for disinfecting items and spaces for the State. Ion Environmental Services indicated its technology

has been used to disinfect multiple pathogens and microorganisms and is used in multiple hospitals and pharmaceutical plants across the country. The representative from Sarus Systems presented information on their disinfection process and highlighted its use on smaller items like personal protective equipment (PPE), clothing, backpacks, and electronics.

COVID-19 Vaccine Distribution Plan

At the December 1, 2020, meeting, a KDHE representative provided an update on COVID-19 vaccines and distribution. Two vaccines have emerged, one of which requires ultra-cold storage. The Centers for Disease Control and Prevention (CDC) instructed states not to purchase cold storage, as CDC has a solution. Both vaccines are anticipated to be available mid-December, in limited capacity. Initial vaccination will not include children or pregnant women, which is common with new vaccines. Vaccination requires two doses, administered three weeks apart. CDC's Advisory Committee on Immunization Practices (ACIP) will provide guidance to states regarding priorities for vaccination. On approximately December 10, 2020, some vaccine doses will be pre-positioned at five ultra-cold storage sites in Kansas, and vaccination is anticipated to begin December 15, 2020.

KDHE anticipates the following priorities for vaccination, with ACIP providing further guidance regarding Phase 2 and Phase 3. Phase 1 (winter 2020) will include health care workers, first responders, and select correctional staff (200,000 individuals). Phase 2 (spring 2021) will include essential workers. Phase 3 (summer 2021) will include the general public.

Members expressed concern regarding who is defined as an "essential worker." KDHE will determine who qualifies as "essential worker," with guidance from ACIP and the Governor.

Kansas State Fair Funding

At the September 23, 2020, meeting, the President and Chief Executive Officer (CEO) of the International Association of Fairs and Expositions provided background on the different ways state fairs are funded and how they were dealing with the COVID-19 pandemic. Eight of

the United States' state fairs operate under the respective state's department of agriculture and do not feature a carnival or concerts. The New Mexico and Kentucky state fairs operate under their state's respective tourism department, and the Wisconsin State Fair is operated under the state's Department of Administration. Three state fairs are Internal Revenue Service nonprofit organizations (under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code), but they are widely considered to be state agencies despite not having that legal classification, and 14 state fairs are solely nonprofit organizations (under Section 501(c)(3) or 501(c)(5)). Examples of state fair funding other than state general funds are unclaimed property; marijuana taxes; parimutuel betting and casinos; sales taxes; state-issued bonds; municipal or county support; and, in Iowa, the Rebuild Iowa Infrastructure Fund. Due to the COVID-19 pandemic, 95 percent of the U.S. state fair industry had been shut down from full programming, resulting in a \$4.67 billion loss of economic activity.

The President and CEO responded to questions from Committee members regarding the impact of the COVID-19 pandemic on state fairs. Amusement businesses have not totally shut down but have seen shrinkage over the past dozen years prior to 2020, largely due to labor shortages, the high costs of insurance, and moving from location to location. The federal Agricultural Fairs Rescue Act, HR 7883, was introduced by Representative Panetta of California and Representative Long of Missouri. This Act would provide \$500.0 million in grant funding to state, county, and local fair organizations. Money would be allocated through the U.S. Department of Agriculture's Agricultural Marketing Program, which would then distribute funds to respective state agriculture departments. Kansas Legislative Research Department (KLRD) staff advised the committee the Kansas State Fair does have state general fund bonding from 2015 for a building.

At the October 7, 2020, meeting, the Committee considered adding additional funding for the Kansas State Fair. The Committee moved to recommend to the LCC the addition of \$1.0 million, all from the SGF Coronavirus Relief Account, to retain staff and prepare for the 2021 State Fair.

At the December 15, 2020, meeting, the Committee recommended the transfer of an additional \$1.3 million from the SGF Coronavirus Relief Account, for a total of \$2.3 million for FY 2021.

K-12 School Year Expenditures

At the September 23, 2020, meeting, KLRD staff provided an overview of the Kansas State Department of Education (KSDE) COVID-19-related funding and expenditures. There were two primary sources of money available to school districts and other K-12 educational systems: the CRF and the CARES Act. The unified school districts (USDs) and other K-12 institutions were expected to receive approximately \$69.8 million from the CRF. This amount was part of the \$400.0 million issued to county governments from the State CRF *via* the SPARK Taskforce. KSDE also collaborated with other state agencies to fund mutual programs using CRF funds, including \$20.0 million to KDHE for K-12 educational institutions as part of a statewide COVID-19 testing effort and \$40.0 million to the Kansas Children's Cabinet for childcare and remote learning. In addition, Kansas was allocated \$84.5 million to be disbursed to USDs and K-12 education institutions as part of the CARES Act. State education agencies could reserve one-half of 1.0 percent of the funding for administrative costs. KSDE allocated \$76.1 million to be disbursed to the USDs and \$8.0 million to be allocated to USDs for special education funding. After one year from the date of receiving the funds, any unused funds must be returned to the federal government; however, the funding would be available at the federal level until September 21, 2021.

The Deputy Commissioner, Division of Fiscal and Administrative Services, KSDE, provided an update on CARES Act and SPARK Taskforce expenditures and learning formats. In response to questions from Committee members, the Deputy Commissioner stated money was distributed to schools based on the Title I formula. Every district has a home county, but two-thirds of the school districts were in more than one county, and the formula took that into account. The SPARK Taskforce money was to be spent by December 31, 2020; however, the CARES Act funding was available at the federal level until September 21, 2021. A one-year extension required the CARES

Act school money to be spent by September 2022. USDs are using a variety of learning formats, including in-person, hybrid, and fully remote. The majority of the school districts were teaching in person, but the majority of the students were hybrid or remote learning.

At the December 1, 2020, meeting, KLRD staff provided an update regarding CRF and non-CRF moneys provided to K-12 schools. Of the \$400.0 million from the CRF provided to county governments, approximately \$70.8 million was transferred to local K-12 institutions. This was slightly above September estimates. CRF moneys were directly allocated to KSDE for programs through the Children's Cabinet that included remote learning (\$40.0 million) and technologies for families (\$20.0 million). In November 2020, \$23.5 million was recouped from remote learning programs due to under-utilization. The CARES Act provided \$84.5 million in non-CRF federal relief funds for K-12 institutions in Kansas. As of November 2020, a total of \$43.8 million was drawn down and dispersed in FY 2020 and FY 2021.

Committee members inquired as to whether there was a decrease in student headcount from FY 2019 to FY 2020 resulting from the COVID-19 pandemic. KLRD staff stated there was a decrease of roughly 15,000 students in the unaudited headcount between the school years.

Update on Commercial Driver's License Renewal and Satellite Offices

At the September 23, 2020, meeting, the Driver Services Manager, Kansas Department of Revenue, provided an update on commercial driver's license renewals. The Division of Vehicles operations have been impacted significantly since March 2020, beginning with an initial two-week shutdown. The Division began offering services for custom harvesters in the Colby, Dodge City, Edgerton, and Topeka commercial driver's license (CDL) offices as early as April 1, 2020, but the following offices remained closed for CDL services (Tuesday, Wednesday, Thursday only): Chanute, Dodge City, Junction City, Phillipsburg, and Salina. The Driver Services Manager said one of the major challenges has been conducting driving tests for new CDL applicants while still complying with social distancing requirements.

The Federal Motor Carrier Safety Administration (FMCSA) approved the use of a follow/chase vehicle for the road test portion of the exam, allowing the examiner to ride in a separate vehicle and communicate *via* cellphone. The number of CDL applicants processed was down from the number in 2019 due to the shutdown of offices, which caused a backlog of applicants. At the time of the meeting, the Division was working with third-party vendors to provide more testing opportunities for CDL drivers.

Impact of COVID-19 on Lottery and Gaming

At the September 23, 2020, meeting, the Executive Director of the Kansas Lottery provided an update on revenue streams at the four state-owned and state-operated gaming facilities. The four casino gaming facilities suspended operations on March 23, 2020, and resumed operations May 22, 2020, following Governor Kelly's executive order to move the State into a revised Phase 2. Because the casinos' operations were suspended, gaming revenues decreased by nearly \$77.0 million, or 18.7 percent, below FY 2019 revenues. In FY 2020, traditional lottery sales decreased by \$20.3 million, or 6.9 percent, compared to FY 2019 total sales. This included FY 2020 draw ticket sales, such as Powerball, Mega Millions, Lotto America, and other draw games, which decreased by \$40.5 million, or 31.5 percent, compared to FY 2019. The decrease was also due to unusually high jackpots in FY 2019, which drove ticket sales for Powerball, Mega Millions, and Super Kansas Cash games. The COVID-19 pandemic caused a slow rise in jackpots because players nationwide were not visiting retailers as frequently, resulting in minimum increased jackpot rolls. Instant ticket sales in FY 2020 increased by \$20.2 million, or 12.3 percent.

In response to questions from Committee members, the Executive Director explained casinos in Kansas require each person attending to wear a mask, maintain six feet of distance from others, and limited capacity on the gaming floor, including the number of available slot machines and table games. The reopening of casinos was advertised locally *via* radio, newspaper, television, and social media.

Presentation on Juvenile Justice Oversight Committee Activities

At the November 13, 2020, meeting, the chairperson of the Juvenile Justice Oversight Committee gave an overview of 2016 SB 367 and the creation of the Evidence-Based Practice Fund and the programs and activities that have received funding. Committee members noted they would like to have a presentation made to the House Committee on Appropriations and Senate Committee on Ways and Means during the 2021 Legislative Session.

Kansas Criminal Justice Reform Commission

At the December 1, 2020, meeting, the Committee received a briefing from the Chairperson of the Kansas Criminal Justice Reform Commission on the final report, which will include approximately 52 recommendations. The Chairperson focused on recommendations with budgetary impact, such as requests for the Legislative Division of Post Audit to examine data sharing, expanded substance abuse treatment to include people on diversion, continued support of KDOC capacity expansion projects, development of mobile units from Larned State Hospital to eliminate the wait for competency evaluations, and further support of the Board of Indigents' Defense Services for public defense. The Commission will request an additional year to further explore topics, such as race and the criminal justice system.

Human Services Consensus Caseloads

At the November 13, 2020, meeting, KLRD staff provided an explanation on the estimating process, including the entities involved and formula used. The FY 2021 revised estimate is \$4.1 billion, including \$1.2 billion SGF. This is an all funds decrease of \$20.3 million, including \$166.5 million SGF. The FY 2022 estimate is \$4.3 billion, including \$1.4 billion SGF, an all funds increase of \$184.2 million, including \$204.8 million SGF, above the FY 2021 revised estimate.

Presentation on Fall 2020 Assigned Counsel Caseloads

At the November 13, 2020, meeting, KLRD staff presented the revised Assigned Counsel Consensus Estimates. The FY 2021 revised

estimate is \$14.4 million, a \$3.0 million SGF decrease below the FY 2021 approved amount. The FY 2022 estimate is \$16.0 million, an increase of \$1.6 million SGF above the FY 2021 revised estimate.

Presentation of Fall 2020 Education Caseload Estimate

At the November 13, 2020, meeting, KLRD staff presented the revised Education Consensus Caseload Estimate. The FY 2021 revised estimate is \$4.9 billion, an all funds decrease of \$35.7 million below the FY 2021 approved amount. The FY 2022 estimate is \$5.2 billion, an all funds increase of \$263.0 million above the FY 2021 revised estimate. The FY 2023 estimate is \$5.3 billion, an all funds increase of \$137.8 million above the FY 2022 estimate.

Overview of K-TRACS Funding

At the November 13, 2020, meeting, the Executive Secretary of the Board of Pharmacy presented a funding proposal for the State's prescription drug monitoring program (K-TRACS) for FY 2022 and FY 2023. The Executive Secretary stated the Board had projected total budgetary expenditures in FY 2021 of \$1.7 million and in FY 2022 of \$367,303. There was additional discussion of potential fee increases as well as setting up a donation fund. The Executive Secretary also provided a brief comparison to other states.

Deferred Maintenance at State Universities

At the December 1, 2020, meeting, a representative of the Kansas Board of Regents shared two studies, conducted by third-party consultants, intended to inform forthcoming comprehensive deferred maintenance initiative. The Facilities Condition Assessment determined estimated costs to address the deferred maintenance backlog for Educational Building Fund (EBF) eligible buildings are \$1.2 billion, and the Space Utilization Study determined six percent of space (classrooms and teaching labs) is underutilized. Members encouraged the Kansas Board of Regents to consider the lasting impact of a transition to remote learning and to explore the sale of buildings. Members requested action plans be developed to determine disposition of buildings

that rated poorly in the Facilities Condition Assessment.

Kansas Water Authority Presentation

At the October 6, 2020, meeting, the Kansas Water Authority (KWA) briefed the Committee on the KWA budget recommendations. Following an overview and background information on the KWA, a KWA representative briefed the Committee on the fees structure that supports the State Water Plan Fund and the reductions in statutory transfers from the SGF and Economic Development Initiatives Fund over the last several years. The representative indicated the policies and principles that direct KWA's recommendations, prior to outlining several of KWA's recommendations.

Kansas Judicial Branch Shutdown

At the October 6, 2020, meeting, the Committee received a briefing from a Judicial Branch representative regarding the COVID-19 impact on court operations. The representative indicated the courts did not shut down completely, but rather moved to emergency operations. The briefing included an overview of some of the actions taken by the Chief Justice early in the COVID-19 pandemic to extend or suspend deadlines and authorize the use of audio-visual equipment in court proceedings. The representative outlined several of the measures the Judicial Branch has taken to operate remotely, including redirecting COVID-19 relief funds for hardware and software so that all courts have a basic ability to work remotely and conduct remote hearings. The overview ended with a discussion how limiting court operations has affected revenue for the court system, which traditionally relies on filing fees.

Board of Indigents' Defense Services

At the October 6, 2020, meeting, the Committee received a report from the Board of Indigents' Defense Services regarding the agency's staffing problems and its plan moving forward to address those issues. A representative from the agency identified the major contributions to its problems were high workloads and low compensation. A three-phased plan was presented to increase staff salaries and increase the number of staff for certain offices to address both

concerns. Following the staffing report, the representative indicated the agency experienced some issues acquiring equipment to work remotely and described continued caseload issues, as the agency received new cases while the previous cases remain open due to COVID-19-related court delays.

Department of Corrections—Impact of COVID-19

At the October 6, 2020, meeting, the Committee received an update from a representative from KDOC on the impact of the COVID-19 pandemic on the correctional system. According to the KDOC representative, KDHE provided staff to help KDOC establish and monitor testing strategies to limit the spread of COVID-19. Isolation units were established at several facilities, including the former Larned Juvenile Correctional Facility. The representative indicated the adoption of mask requirements and consistent testing protocols have been able to contain outbreaks within the system. Most KDOC employees are considered essential and are unable to work from home, and as a result there is anxiety among the staff related to possible exposure. The representative indicated a decrease in the population due to the COVID-19 court delays; however, KDOC anticipates a spike once the courts normalize operations.

Docking State Office Building

At the October 7, 2020, meeting, the Committee received an update on the plans for the Docking State Office Building and the KDHE Laboratories from a Department of Administration representative. The update contained a brief overview of the four options presented to the Legislature during the 2020 Legislative Session. The representative indicated the basic information regarding timelines and plans have remained the same, but there have been some changes to bond repayment rates since the plans were presented.

The Committee requested the Department of Administration provide the estimated cost of an alternate proposal to replace the existing structure with a three-story parking garage with the KDHE Laboratories on top.

Kansas Department of Wildlife, Parks and Tourism Flood Repairs

At the October 7, 2020, meeting, the Committee received an update from a Kansas Department of Wildlife, Parks and Tourism representative on the status of flood repairs at various state parks. The representative briefly described some of the efforts that have been made and the projects currently pending to restore facilities to pre-flood functionality. The representative indicated the agency is working to finish repairs quickly due to the renewed outdoor recreation interest since the COVID-19 pandemic began.

Impact of COVID-19 on the Foster Care System

At the October 7, 2020, meeting, a Department for Children and Families (DCF) representative provided a brief overview on the impact of the COVID-19 pandemic on the foster care system. The representative indicated that while DCF offices were briefly closed, Child Protective Services and Adult Protective Services continued to receive and respond to abuse reports. The Committee discussed the effect of school closures on the number of reports received by the agency. The overview included a description of DCF's efforts to maintain agency operations while ensuring support for those within the system, including adjustments to licensing requirements, efforts to meet educational needs, expanding independent living supports, and maintaining visitations. The representative stated DCF staff continues to work from home and engage with families and stakeholders to ensure safe delivery of services.

Governor's Commission on Racial Equity and Justice

At the December 15, 2020, meeting, Co-chairpersons of the Governor's Commission on Racial Equity and Justice gave a presentation on the history, process, and recommendations of the Commission. The Commission conducted 26 learning sessions with commission members and stakeholders across the state. A final report was presented to the Governor on December 1, 2020, which included over 60 recommendations divided into 3 categories: recommendations of actions to

be taken by state agencies/the executive branch, the Legislature, and local units of governments. The presentation focused on recommendations for actions by the Legislature that included passing legislation prohibiting a fired law enforcement officer from being hired by another law enforcement agency/security entity, passing legislation which would mandate records be checked before hiring any individual for a law enforcement position, and increasing diversity in the Kansas Commission on Peace Officers' Standards and Training (KCPOST).

Audit on Department of Agriculture Price Verification Inspection Process

At the December 15, 2020, meeting, a representative of the Legislative Division of Post Audit presented to the Committee the findings of the audit on the Department of Agriculture's (KDA) price verification inspection process. He stated the audit found about 60 percent of businesses fail a price verification inspection, meaning that at least 2 percent of scanned items were ringing up incorrectly when checking out. Additionally, KDA is only inspecting a small fraction of businesses in the state and only in certain areas of the state. The audit also noted that although KDA is permitted to bring legal action against businesses who repeatedly fail inspections, KDA either does not bring action at all or not as early as the agency could. The audit also included a study of surrounding states, but the study did not reveal any promising methods for ensuring thorough compliance of a majority of businesses.

Community Mental Health Centers and COVID-19 Funding

At the December 15, 2020, meeting, a KDADS representative detailed that \$7.5 million of the CARES Act and SPARK Taskforce moneys the agency received from Round 2 was allocated to community mental health centers (CMHCs). After this initial transfer, two additional transfers totaling \$6.7 million have been allocated in the form of grants to the majority of CMHCs.

A representative of the Association of Community Mental Health Centers of Kansas discussed how the COVID-19 pandemic has had a negative effect on mental health, including an increase of new clients and crisis service centers.

The representative reviewed several policy recommendations, but the Committee was primarily interested in the expansion of the Certified Community Behavioral Health Clinic (CCBHC) model in Kansas. The representative stated this model provides comprehensive mental and substance use disorder services to vulnerable individuals. In return, CCBHCs received an enhanced Medicaid reimbursement rate that will allow for resources for workforce recruitment and retention.

The Executive Director of High Plains Mental Health Center provided a specific narrative for how some CMHCs are using CARES Act funding, including information technology upgrades to allow for virtual consults and virtual administrative work, such as a new patient information system.

Elected Officials Pay

At the December 15, 2020, meeting a representative of the Legislative Division of Post Audit provided an overview of a 2019 report for the Committee, primarily focusing on how Kansas compares to other states in various salaries, compensation, and allowances. She stated the report found Kansas ranks low in all categories when compared to other states.

The KLRD Assistant Director for Fiscal Affairs provided an overview of the history of the Legislative Compensation Commission. Members of the Committee expressed interested in the LCC convening this Commission as soon as possible in order to create recommendations for the elected officials serving in 2024.

CONCLUSIONS AND RECOMMENDATIONS

Following its review and discussion, the Committee makes the following recommendations:

Recommendations to the LCC:

- Transfer \$11.6 million, all from the SGF Coronavirus Relief Account, to DCF in FY 2020 for the foster care program;

- Transfer \$830,000, all from the SGF Coronavirus Relief Account, to the KCVAO in FY 2020 for revenue replacement due to decreased admissions.
- Transfer \$6.9 million, all from the SGF Coronavirus Relief Account, to the KBI, in FY 2021 for the Automated Biometric Identification System (ABIS);
- Transfer \$5.5 million in FY 2020 and \$5.0 million in FY 2021, all from the SGF Coronavirus Relief Account, to Commerce to offset Commerce expenditures for the HIRE program and invest in the Job Creation Program Fund;
- Transfer \$1.0 million, all from the SGF Coronavirus Relief Account, to KDHE for distribution to local health departments; and
- Transfer \$205,000, all from the SGF Coronavirus Relief Account, to the Kansas State Fair in FY 2020 and \$2.3 million, all from the SGF Coronavirus Relief Account, in FY 2021 to replace lost revenue.

Further recommendations:

The Committee concurs with the Special Committee on Kansas Mental Health Modernization and Reform recommendation to support expansion of the federal Excellence in Mental Health Act or a state plan amendment of the 1115 Waiver to allow interested providers to gain access to the CCBHC model when the opportunity is available. The Committee further recommends the House Committee on Appropriations and the Senate Committee on Ways and Means receive information on the effect the CCBHC model would have on the mental health system by KDADS, KDHE, and appropriate stakeholders.

The Committee recommends the KCPOST and the Kansas Law Enforcement Training Center communicate to law enforcement agencies and local governments that a database of records related to violations of the Kansas Law

Enforcement Training Act, including, but not limited to, records of complaints received or maintained by KCPOST, is available and should be used to aid in the avoidance of hiring law enforcement officers previously fired for egregious offenses, as referenced in the initial report of the Governor's Commission on Racial Equity and Justice.

The Committee encourages KDA to make changes to its price verification inspection process to ensure efficient and effective inspections across the state. The Committee also encourages the use of increased timely enforcement mechanisms in order to encourage compliance by businesses. The Committee requests KDA provide an update to the House Committee on Appropriations and the Senate Committee on Ways and Means during the 2021 Legislative Session.

The Committee recommends the Board of Indigents' Defense Services present their September 2020 "A Report on the Status of Public Defense in Kansas" to the appropriate legislative committees during the 2021 Legislative Session, including the applicable budget committees. The report includes a three-phase plan to address concerns of salary levels and staff numbers.

The Committee strongly recommends the 2021 Legislature make a decision regarding the Docking State Office Building to fully renovate the building; partially renovate the building; or demolish the building and replace with a parking garage, each option with the potential addition of laboratory space for the KDHE Laboratories. The Committee further recommends the Department of

Administration provide a cost estimate for an option to build a three-story parking garage with the KDHE Laboratories located on top.

The Committee recommends the Legislature consider convening a meeting of the Legislative Compensation Commission organized under KSA 46-3101 or consider elimination of the Legislative Compensation Commission. The Commission statutorily studies the compensation and expense allowances and reimbursement of members of the Legislature. The Commission last met during the 2000 Interim.

The Committee recommends the Kansas Department of Revenue report to the House Committee on Appropriations and Senate Committee on Ways and Means concerning the current status of driver's license offices in the State of Kansas and the impact of the COVID-19 pandemic on their operations.

The Committee recommends the Legislature consider amending relevant state law (including, but not limited to, KSA 75-7211) to require state agencies to submit proposed information technology projects to the Joint Committee on Information Technology prior to the release of any request for proposal related to such an information technology project.

The Committee expresses its displeasure concerning how the COVID-19 testing strategy was implemented by KDHE, especially concerning the delay in providing funding to private entities to perform testing activities.