



Kansas Legislative Research Department

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June 17, 2020

To: Legislative Coordinating Council

Re: Legislative Budget Committee Recommendations to Expend State General Fund
Coronavirus Response Moneys

The Legislative Budget Committee meet on June 17, 2020, to review the recommendations from the Director of the Budget regarding the requests for funding from the Coronavirus Response Fund from various state agencies. The Legislative Budget Committee recommends allocating \$25,021,292 of the \$50.0 million from the State General Fund (SGF) appropriated to the Coronavirus Response Account.

The Legislative Budget Committee recommends the following items be approved:

Department for Children and Families

The Department for Children and Families (DCF) requested \$11.6 million, all from the SGF, for the foster care program. When the Legislature reconvened in May 2020, the Legislature did not consider GBA No. 1, Item 1, to fund the spring Human Service Consensus Caseload estimate. To fund the consensus caseload estimate, DCF requested an \$12.7 million, including \$11.6 million from the SGF, for foster care. Without the \$11.6 million from the SGF, DCF indicates it will overdraw fee funds and federal funds to pay foster care provider in a timely manner, which will cause accounting issues in the first quarter of FY 2021.

The Legislative Budget Committee recommends the Legislative Coordinating Council approve transferring \$11.6 million to DCF to fund the Human Services Consensus Caseload estimate for foster care in FY 2020.

Kansas Bureau of Investigation

The Kansas Bureau of Investigation (KBI) requested \$6.9 million, all from the SGF, to replace the existing Automated Fingerprint Identification System with an Automated Biometric Identification System (ABIS) in FY 2021. The KBI maintains and operates the Kansas Automated Fingerprint Identification System (AFIS) repository. The AFIS repository contains over 2.0 million fingerprint and palm print records, and annually receives and processes nearly 120,000 criminal justice inquiries and 77,000 non-criminal justice inquiries. The current AFIS was implemented in 2007, with vendor maintenance ending in FY 2022.

The agency is requesting the replacement of the existing KBI AFIS system with a new ABIS. The new ABIS would allow for enhanced identification capacities beyond the current system's capability to include facial recognition, iris matching, and the ability to submit and

search palm print records. The agency indicates that in addition to the costs to develop the system that there would be additional ongoing maintenance expenditures for the ABIS system.

The Legislative Budget Committee recommends the Legislative Coordinating Council approve transferring \$6,886,292 to the KBI for replacement of the AFIS with the ABIS for FY 2021.

Department of Commerce

The Kansas Department of Commerce requested \$37.0 million for FY 2020 and \$18.0 million for FY 2021 in funding from the SGF to replenish the Job Creation Program Fund (JCPF). JCPF has received \$3.5 million in funding each year for the previous three fiscal years. Currently, the Department of Commerce has offers pending to businesses of over \$18.5 million to add over 22,000 new jobs, capital investment of \$3.7 billion and retention of over 1,000 jobs. The agency indicated that diminished JCPF resources interferes with competition nationally with states like Alabama (\$300 million deal closing fund), Texas (\$145 million) or regionally with Oklahoma (\$23 million), Colorado (\$14.6 million), or Arkansas (\$31 million).

Information provided by the agency noted that In addition to the projects above, the COVID-19 pandemic has resulted in losses to many Kansas businesses that may need capital to survive over the coming months. Several Kansas manufacturers also want to transition production lines to making PPE and need financial assistance with redeploying production lines.

The Legislative Budget Committee recommends the Legislative Coordinating Council approve transferring \$5.5 million to the JCPF of the Department of Commerce to support economic development efforts in FY 2020.

Kansas Commission on Veterans' Affairs Office

The Kansas Commission on Veterans' Affairs Office (KCVAO) requested \$830,000, all from the SGF, in FY 2020. The agency reported the funding is needed to replace revenue lost due to a lower than estimated patient census due to a higher than normal death rate; staffing costs for additional temporary positions of door monitors and door screeners; additional custodial staff; additional cleaning supplies, medical equipment, pharmaceuticals, and sterilizing equipment; and increased information technology equipment and supplies to allow residents to communicate with loved ones *via* screen as opposed to personal contact. The agency reports it has reduced planned expenditures by delaying updating computers and printers, as well as waiting to pay bills until due to assist with cashflow management.

The Legislative Budget Committee recommends the Legislative Coordinating Council approve transferring \$830,000 to the KCVAO to replace lost revenue from admissions in FY 2020.

Kansas State Fair

The Kansas State Fair requested \$205,000, all from the SGF, to replace lost revenue from non-Fair facility rentals and RV Park revenue. The lost non-Fair facility rental revenue totaled \$99,529 and is based on actual bookings and events canceled because of the COVID-19 pandemic. RV Park revenue loss totals \$104,970 and is estimated based on profits of the

previous year. The agency estimates it will be unable to make the statutory \$300,000 transfer from the State Fair Fee Fund to the State Fair Capital Improvements Fund without the additional funds.

The Legislative Budget Committee recommends the Legislative Coordinating Council approve transferring \$205,000 to the Kansas State Fair to replace lost revenue from non-Fair facility rentals and RV Park revenues in FY 2020.

Kansas Department for Aging and Disability Services

The Kansas Department for Aging and Disability Services (KDADS) requested \$21.4 million, including \$7.7 million from the SGF, in FY 2020 and \$2.2 million, including \$928,181 from the SGF, for FY 2021 to provide a temporary (120-day) rate increase for nursing facilities and nursing facilities for mental health to mitigate the facilities' increased costs due to the COVID-19 public health emergency. Representatives from KDADS report the increase is estimated at \$20 per day, per Medicaid eligible resident for each Medicaid licensed facility. The 120-day rate increase would begin March 13, 2020. The agency reports these facilities have incurred increased costs due to implementation of more stringent infection control protocols, increased personnel to ensure appropriate staffing of designated units and alternate care sites, and the purchasing of additional PPE.

The Legislative Budget Committee recommends the Legislative Coordinating Council request the Governor's SPARK Committee explore the use of federal Coronavirus Relief Funds for this purpose. In the event that the SPARK Committee does not meet prior to July 1, 2020, the Legislative Budget Committee recommends that the Legislative Coordinating Council convey that recommendation directly to the State Finance Council for consideration for funding the KDADS request.

Department of Health and Environment

The Kansas Department of Health and Environment (KDHE) requested \$4.1 million, all from the SGF, to support local health departments (LHD) in their ability to carry out COVID-19 response activities as local communities move from the current phase of response to less restrictive measures of prevention. KDHE relies on LHDs to provide disease control and prevention functions, such as testing, case investigations, and contact tracing at a local level, including carrying out the monitoring and safety procedures needed to ensure businesses and communities can safely reopen and remain open. Many LHDs are reporting they have already incurred COVID-19 expenses above their federal support allocation and lack the capacity to rapidly identify and investigate all COVID-19 cases and to conduct thorough contact tracing and monitoring.

KDHE expects to allocate these funds directly to LHDs based on a combination of population and number of COVID cases and LHDs will have the ability to use funds for their highest priority response needs, including, but not limited to funding temporary workers, salaries and wages, testing supplies, and PPE. This request has been reduced from an original \$13.1 million due to \$9.0 million of federal Epidemiology and Laboratory Capacity funds being allocated to LHDs.

The Legislative Budget Committee does not recommend the KDHE funding request; however, it recommends the Legislative Coordinating Council direct KDHE to reach out to LHDs

to pursue funding opportunities from their counties. The Legislative Budget Committee notes that Kansas counties were approved to receive \$400.0 million in federal funds from the Coronavirus Relief Fund that could be provided to LHDs.

The Legislative Budget Committee **does not recommend** the following agency requests:

Department of Corrections

The Kansas Department of Corrections (KDOC) requested \$3.0 million in FY 2020 and \$2.0 million for FY 2021 to support operational expenditures related to staffing at state correctional facilities with positive cases of COVID-19, primarily at the Lansing Correctional Facility (LCF). The request includes funding for overtime and meritorious pandemic cash award payments for staff working at facilities which house COVID-19 positive inmates, lodging and travel expenses for staff providing assistance to LCF, acquisition and production of PPE, and acquisition of IT assets to implement work from home policies, among other expenses. Funds were also requested for costs incurred in the conversion of housing units into isolation and quarantine units at the Kansas Juvenile Correctional Facility, Larned Correctional Mental Health Facility, and the Topeka Correctional Facility. The agency request noted the pandemic is having a significant impact on KDOC. As of June 15, 894 inmates and 109 staff tested positive, requiring robust monitoring and quarantine actions.

The Legislative Budget Committee does not recommend the KDOC funding request as it has been withdrawn.

Kansas Bureau of Investigation

The KBI requested \$520,000, all from the SGF, for laptops, secure virtual collaboration platform, other technology and equipment, supplies including PPE, Meals Ready to Eat (MREs), water bottle provisions for nine communal KBI facilities, and isolation housing opportunities for FY 2021. Details for the request follow:

- Replacement of 60 laptops which were refurbished after being decommissioned. The agency states that these computers are past their life expectancy. The KBI also requests additional computers, laptops, cell phones, tablets, docking stations, monitors, scanners, printers, fax machine, USB document camera, wireless keyboards, wireless mice, external DVD drives, webcams, and office chairs for employees to use to work remotely/at home;
- Replacement of video conferencing software. Currently, the KBI utilizes Polycom RealPresence Desktop (Polycom). This application allows for video conferencing to be conducted on a secure system. The agency found this software to have limitations with document sharing, and the agency would like a more effective platform for virtual collaboration. The KBI plans to build out the Skype for Business application to allow for more users to video conference at one time- Polycom only allows 20 people to be logged in at one time creating issues with multiple meetings needing to take place at one time;

- Purchase of inventory management software to assist in identifying current inventory, inventory usage, and future needs;
- Purchase of PPE. The agency's safety officer prepared a protocol for different levels of PPE with situations requiring more or less PPE depending upon the level of threat(s). PPE that is required for agency employees are Frogg Toggs (two piece full-body suits that can be laundered/go through decontamination protocols), face shields (these provide better coverage than eyewear alone, covering the mouth, nose, and eyes without fogging easily), shoe covers, N95 masks, gloves, and disposable gowns. Additional safety items the agency lacks include thermometers, alcohol wipes, hand sanitizer, decontamination foggers, Pure, and Decon 7 decontamination chemicals;
- Purchase of MREs as many restaurants and food supply sources were either closed or had little food available throughout the state of Kansas;
- Purchase of water, at all nine of the KBI facilities which have communal water through a water dispenser. These were shut off during the pandemic due to the risk of contamination;
- Funding for isolation housing to employees who have been exposed to a pandemic virus while in the performance of their official duties, or to provide temporary housing of office space to employees working remotely to conduct investigations when normal housing is unsafe. The preferred agency solution is an Air Beam Tent/Shelter designed and built for similar purpose for the U.S. Military; and
- Purchase of personal space barriers and furniture to allow for more personal space within offices and for better protection from viral transmission. These items would consist of but are not limited to new cubicle spaces and configurations and the construction and installation of barrier devices.

The Legislative Budget Committee does not recommend the Legislative Coordinating Council fund any further requests from the KBI but does recommend the KBI explore other available funding.

Judicial Branch

The Judicial Branch requested \$2.6 million, including \$1.7 million from the SGF, for information technology expenses related to providing digital access to judicial services. To support these expenditures, the Judicial Branch has established the 2020 Remote Technology Operation program to provide additional resources to courts with restricted in-person operations due to the COVID-19 pandemic. Courts may only use these funds for equipment, services, and software necessary for telework and virtual court proceedings. The Judicial Branch indicates it has set aside \$750,000 in fee funds and grant funds to provide district courts with the opportunity to apply for funding from the 2020 Remote Technology Operation program. However, the Judicial Branch also indicates that the 2020 Remote Technology Opportunity fund is insufficient to meet the demonstrated needs of these districts and that about 57.0 percent of Kansas courts serve rural areas where reliable internet service is unavailable.

These expenses include:

- IT Expenses for District Courts (\$1.1 million) - As of May 13, 2020, the Judicial Branch has received requests for \$507,070 in technology resources from 16 of 31 judicial districts and anticipates \$594,234 in additional expenditures for the remaining 15 judicial districts. Expenditures include the purchase of laptops, tablets, hot spots, and other remote technology items.
- VPN and Remote Meeting Access Costs (\$669,928) - This request includes Zoom licenses for each of the 267 judges and each courthouse (\$89,950) as well as VPN support to enable remote connections to the judicial network (\$579,678). The expenditures are for licenses and service contracts for remote meeting applications and other software to support processing digital records and access to judicial resources off-site of courthouses.
- Centralized Email System (\$349,664) - Expenditures are to integrate personnel accounts into a centralized email server. The Judicial Branch indicates that this will mitigate the risk of a security breach during transmission of court documents, data, and communications between district court and centralized judicial personnel.
- Increased Access to Digital Justice (\$441,754) - This request includes funding to implement a statewide web portal for protection of abuse orders without the assistance of an attorney (\$175,000) as well as remote access terminals in courthouses for self-represented litigants (\$266,754).

The Legislative Budget Committee does not recommend the Judicial Branch request but does recommend the Judicial Branch explore other available funding.

Kansas Highway Patrol

The Kansas Highway Patrol (KHP) requested \$1.1 million, all from the SGF, for PPE, disinfectant, sanitation supplies and equipment, and new technology for remote communications capabilities. The agency states that its highest priority need is PPE and sanitation supplies (e.g., gloves, eye protection with transition lenses, automatic hand sanitizer stations, disinfecting wipes and Electrostatic Disinfectant Sprayers for sanitizing cars and other areas accessible to the public). The agency is requesting \$274,467, for PPE and sanitization supplies in FY 2020.

The agency requested \$809,598 for the Critical Connect Solution in FY 2020. The agency also states that the KHP dispatch is centrally located in Salina, where the agency has more than 20 dispatch personnel covering three shifts, operating to provide service to seven regions covering all 105 counties in the state to provide for public safety. Funding of a Critical Connect solution is requested to prevent loss or disruption to the ability for dispatch to receive calls from the public, conduct a variety of officer safety inquiries, relay information to Law Enforcement Officers and other law enforcement agencies in a timely manner, which can have life or death consequences to the public and officers without adequate connectivity.

The Legislative Budget Committee does not recommend the KHP request but does recommend the KHP explore other available funding.

Kansas Board of Regents

The Kansas Board of Regents requested \$13.1 million, all from the SGF, for the 32 public Kansas institutions of higher education. Costs were incurred to move to online delivery of courses, expand technology infrastructure for remote operation of campuses, offer additional student advising, and devote additional staff time and materials for cleaning and sanitizing spaces. This request considers the request to the Governor for allocation of the Governor's Emergency Education Relief (GEER) Fund available *via* the federal CARES Act to the Board.

The Legislative Budget Committee does not recommend the Kansas Board of Regents request but does recommend the Board explore other available funding.