



## Memorandum

To: Mel Hudelson, Executive Director, Kansas Chapter American Academy of Pediatrics  
From: Stuart J. Little, Ph.D., Little Government Relations  
Date: September 18, 2020  
Re: September Legislative and Policy Update

### Overview

Interim committees continue to meet in pursuit of making sense of the pandemic's impact on the future of the state's economy and budget. Many of the state's 165 lawmakers are busy campaigning as November 3<sup>rd</sup> inches closer. Most importantly, the state's emergency declaration has been extended to October 15<sup>th</sup>, guaranteeing the state can provide community-based testing, support to local food banks and pantries, and PPE for essential workers. This report provides a snapshot of key events over the last few weeks, links to some key information, and connections to the policy issues we are working on for you. As usual, if you have questions or need follow up information, please contact us.

### Outline:

- State Finance Council (SFC) Rulings
- Strengthening People and Revitalizing Kansas (SPARK) Task Force Activities
- COVID Response and Relief
- Upcoming Legislative Activities

### State Finance Council Actions

- Most notably, on Friday September 11th, after much debate, the SFC voted to extend the state of disaster declaration to October 15<sup>th</sup>. The SFC made one addition to the declaration extension, adding in language at the request of Republican members that states it is the Governor's intention not to use her authority to close businesses. It is expected the SFC will meet again before the October 15<sup>th</sup> deadline to extend the emergency declaration for another 30 days.
- One week prior, the SFC voted not to approve the Governor's request for additional unemployment benefits. The expanded benefits would have included an additional \$100 per week, on top of the \$300 federal payment. Some SFC members argued the \$63 million required for the state's match would be better spent on various projects in Round III funds.
- SFC on September 17<sup>th</sup> approved the SPARK Task Force's recommendations for Round III funds. (See specifics of SPARK recommendations below).

### SPARK Task Force Recommendations

- On September 16<sup>th</sup>, the SPARK Executive Committee approved a recommendation for the totality of \$290 million in Round III funds and the State Finance Council agreed on September 17<sup>th</sup>.
- In summary, a total of \$105 million will be spent for public health (including testing, PPE, etc.); \$120 for essential needs and services (such as housing stability, unemployment support, etc.); and \$65 million for business resiliency and workforce support (specifically child supervision).
- Minimum Funding Amounts for Top Priorities:
  - A minimum of \$50 million is to be spent on testing programs to be administered by KDHE. The agency will develop a process to review and accept applications prior to awarding funds for testing initiatives. KDHE is also in the process of establishing a statewide testing strategy.
  - A minimum of \$35 million for housing stability to be overseen by the Kansas Housing Resources Corporation.
  - A minimum of \$40 million for child supervision to be overseen by the Kansas Children’s Cabinet and Task Force.
- The State Recovery Office can now begin distributing funds for projects immediately and begin accepting applications on a rolling basis for various programs. The Office’s goal is to have all applications open by October 1<sup>st</sup>.
- Finally, the task force identified a remaining \$78 million to be used in a reserve fund. Of the \$78 million, \$33 million will be set aside for public health (with a focus on testing most likely); \$25 million in reserve funding to go toward essential needs and services (with emphasis on housing stability); and \$20 million in reserves for business resiliency and workforce support (with emphasis on child supervision).

	Public Health	Essential Needs & Services	Business Resiliency & Workforce Support
Minimum investment required for emphasis area	\$52.7 M COVID-19 testing	\$35M Housing Stability	\$40M Child Supervision
Allocations	\$10M KDEM/FEMA Match  \$10M PPE for Adult Homes	\$30M Continuity of Ops.  \$30M KDOL	\$5M HIRE Fund
Reserve Fund	\$30.3 M	\$25 M	\$20M
<b>Program total</b>	<b>\$105M</b>	<b>\$120M</b>	<b>\$65M</b>

Current State Impact & Response

August Revenues

- August tax collections totaled \$543.5 million, \$40.2 million (8%) above estimates. This is also \$46.3 million above last August, in part due to delayed tax collections from April.

- Sales tax, particularly compensating use tax, continues to remain strong in the midst of uncertain consumer spending. Compensating use tax collections totaled \$45.3 million, \$9.3 million more than expected. The continued increase in compensating use tax collections is due in large part to increasing the number of remote seller/out-of-state retailer registrations.

The November State revenue estimates will reveal the potential impact on the state budget and programs. Sales tax collections appear to be holding steady and other key issues will be income tax collections and the impact of the end of enhanced unemployment benefits and the next round of property tax collections.

### **Healthcare Issues**

Currently, most areas of healthcare activity have focused on a few interim legislative committees, broad efforts to continue to distribute federal CARES Act relief funding, and plans for what comes next. Issues looming on the horizon in the coming months that we are monitoring include:

- Potential negative activities related to schools and higher education.
- On-going income and employment issues that may increase healthcare demands while reducing the ability to pay for services.
- Preparations for potential negative financial impact on the State and local budgets and the ability to fund healthcare and public health services.
- Potential changes to public health emergency management laws that may impact public health.

We'll continue to monitor these issues, but there have been few specific activities in the last several weeks.

### **Special Committee on Mental Health Modernization & Reform**

- This legislatively created committee will examine the mental health system (substance use disorder is mentioned but not the focus) and determine system-wide issues, barriers to services, and plan for systemwide change.
- We are working to ensure the Committee includes discussion consideration, and action on behavioral health topics that include providers and systems more broadly than just the community mental health system.
- KDADS, KDHE, and DCF provided updates on their respective roles in the mental health system.
- Agency Responses can be found at the following links:
  - DCF: [http://www.kslegislature.org/li/b2019\\_20/committees/ctte\\_spc\\_2020\\_ks\\_mental\\_health\\_modern\\_1/documents/testimony/20200827\\_12.pdf](http://www.kslegislature.org/li/b2019_20/committees/ctte_spc_2020_ks_mental_health_modern_1/documents/testimony/20200827_12.pdf)
  - KDADS: [http://www.kslegislature.org/li/b2019\\_20/committees/ctte\\_spc\\_2020\\_ks\\_mental\\_health\\_modern\\_1/documents/testimony/20200827\\_08.pdf](http://www.kslegislature.org/li/b2019_20/committees/ctte_spc_2020_ks_mental_health_modern_1/documents/testimony/20200827_08.pdf)
  - KDHE: [http://www.kslegislature.org/li/b2019\\_20/committees/ctte\\_spc\\_2020\\_ks\\_mental\\_health\\_modern\\_1/documents/testimony/20200827\\_11.pdf](http://www.kslegislature.org/li/b2019_20/committees/ctte_spc_2020_ks_mental_health_modern_1/documents/testimony/20200827_11.pdf)

- DCF’s presentation included information on Mental Health in Schools, FFPSA update, foster care case management grants, and their work toward a statewide mobile crisis response for youth.
- KDADS 2019 Strategic Plan and Short-Term Goals for 2020-2022 can be found here: [http://www.kslegislature.org/li/b2019\\_20/committees/ctte\\_spc\\_2020\\_ks\\_mental\\_health\\_modern\\_1/documents/testimony/20200827\\_09.pdf](http://www.kslegislature.org/li/b2019_20/committees/ctte_spc_2020_ks_mental_health_modern_1/documents/testimony/20200827_09.pdf)
- KDHE discussed various behavioral health initiatives, including suicide prevention; prevention of Adverse Childhood Experiences (ACEs); maternal and child health, specifically focusing on screening for perinatal mood and anxiety disorders as well as an increased focus on pregnant women and new mothers with SUD needs; and increased workforce development opportunities such as Mental Health First Aid, Communities Supporting Perinatal Behavioral Health Community Collaborative, and Peer-to-Peer Learning.

### Testing Strategies

- The SPARK Task Force has heard from a variety of stakeholders about the best ways to move forward in increasing the state’s testing capacities. Representatives from Wichita State University, MAWD labs in Lenexa, and KDHE updated the task force on their efforts.
- The emphasis on testing strategy reflects the demand to emphasize testing to reduce the impact on schools and the economy.
- Different categories of testing include healthcare testing (for patients who are sick or entering care); public health (focused on protecting the health of communities); surveillance testing (to identify the virus within a population); and economic health (focused on supporting economic activity by providing security for businesses and workforce testing).
- Estimated cost for statewide testing for all 105 counties: \$60 million. An investment of \$40 million is estimated to support testing in 15 of the top 105 counties.
- These groups have stressed the need for coordination of testing by establishing standardized collection methods, as well as supporting public-private partnerships to expand testing capacity, as well as expanding lab capacity in the event there is a surge in demand for healthcare/public health testing.

### Essential Worker Healthcare Fund

- Late last month the Governor announced a collaborative effort between KDHE, DCF, KDADS, and the Children’s Cabinet and Trust Fund to allocate \$8 million of the state’s federal COVID relief funds for healthcare assistance for early childhood professionals and other essential workers who contract COVID-19.
- Eligible essential workers include the following, among others: first responders, healthcare/emergency services, food service and production, custodial/waste services, military, education, childcare providers, frontline behavioral health and social services, and energy, water, and utility workers, etc.
- More information and application can be found at DCF’s HERO Relief Website: <http://ksherorelief.com/>

## **Legislative Activities**

Legislative committees continue to formulate policy recommendations that could serve as potential legislation during the 2021 session.

- Special Committee on the Kansas Emergency Management Act (KEMA).
  - Next meetings: September 22<sup>nd</sup>-24<sup>th</sup> to continue review of KEMA and discuss proposed recommendations and legislation.
- Special Committee on Foster Care Oversight.
  - Next meetings: September 22<sup>nd</sup>-23<sup>rd</sup> and October 20<sup>th</sup>-21<sup>st</sup>.
- Special Committee on Mental Health Modernization and Reform
  - Next meeting: Friday, September 25<sup>th</sup>.
  - The 3 subcommittees will also begin meeting in the coming weeks. Subcommittees include: Finance & Stability; Policy & Treatment; and System Capacity & Transformation.
- Legislative Budget Committee
  - Next Meeting: September 23<sup>rd</sup> to continue assessment of the impact of the pandemic on the state's budget and state and local revenue collections.

Committee hearings, membership, and meeting agendas can be found at this link:

[http://www.kslegislature.org/li/b2019\\_20/committees/](http://www.kslegislature.org/li/b2019_20/committees/)

Live listening to hearings is available at this link: <http://sg001-harmony.sliq.net/00287/Harmony/en/View/Calendar/>

Most committees are archived on YouTube at this link:

<https://www.youtube.com/c/KSLegislatureLIVE/videos>

## **Wrap Up**

We will continue to provide updates as activities evolve and as the 2021 Session approaches. Please let us know if you have questions.