MINUTES

LEGISLATIVE BUDGET COMMITTEE

<u>December 15, 2020</u> Room 548-S—Statehouse

Members Present

Senator Carolyn McGinn, Chairperson
Representative Troy Waymaster, Vice-chairperson
Senator Rick Billinger
Senator Tom Hawk
Representative Kyle Hoffman
Representative Sean Tarwater, appointed substitute member to the Committee
Representative Kathy Wolfe Moore

Members Absent

Representative Will Carpenter

Staff Present

Amy Deckard, Kansas Legislative Research Department (KLRD)

J.G. Scott, KLRD

Chardae Caine, KLRD

Dylan Dear, KLRD

Gabrielle Hull, KLRD

Aaron Klaassen, KLRD

Megan Leopold, KLRD

Edward Penner, KLRD

Victoria Potts, KLRD

Murl Riedel, KLRD

Norma Volkmer, KLRD

Steven Wu, KLRD

Elaina Rudder, KLRD

Sailor Sinclair, KLRD

Scott Abbott, Office of Revisor of Statutes

Zach Fridell, Office of Revisor of Statutes

David Wiese, Office of Revisor of Statutes

Jill Wolters, Office of Revisor of Statutes

Nancy Fontaine, Committee Assistant

Conferees

Alan Weis, Kansas Legislative Office of Information Services
Tom Day, Director, Legislative Administrative Services
Dr. Tiffany Anderson, Governor's Commission on Race Equality and Justice

Dr. Shannon Portillo, Governor's Commission on Race Equality and Justice Josh Luthi, Legislative Division of Post Audit Doug Musick, Kansas Department of Agriculture Jenny Danenberg, Kansas Department of Agriculture Janis DeBoer, Kansas Department of Aging and Disability Services Kyle Kessler, Association of Community Mental Health Centers of Kansas, Inc. Walter Hill, High Plains Mental Health Center Kristen Rottinghaus, Legislative Division of Post Audit Chad Bristow, Board of Regents

Others Attending

See Attached List.

TUESDAY, DECEMBER 15 ALL DAY SESSION

Welcome

Chairperson McGinn welcomed members, staff, and guests to the meeting.

Approval of Minutes of December 1, 2020, Meeting

Representative Waymaster moved and Senator Hawk seconded approval of the minutes for the December 1, 2020, Legislative Budget Committee meeting. Motion carried.

Update on Statehouse Technology Upgrades

Alan Weis, Legislative Chief Information Technology Officer, provided an update on the Statehouse technology upgrades, which he indicated is going fairly well. The World Wide Technology (WWT) and Coltrane teams are working hard to implement the project. Staff from the Office of Information Technology Services (OITS) and the Department of Administration Facilities and Property Management are also being very helpful on this project.

Project Execution: Most of the equipment for the project has been received with the exception of additional cameras for committee rooms and these are due next week. Most of the video displays in committee rooms have been installed and WWT has been working overtime, including weekends, to get the installations completed. Facilities staff is installing shelves for the cameras in the committee rooms. OITS staff is installing needed wiring and data jacks, and they are expected to complete this part of the project later this week. They will also begin staff training this week.

Project Risks: Delivery of the audio system equipment was delayed so the installation has also been delayed by a week. WWT expects to begin the week of December 21, 2020, and still plans for installation to be done by the start of session.

Statehouse Infrastructure: Switch upgrades are going fairly well and they expect this will be completed by OITS today. Firewall updates were delayed but will be finished this week.

There are a few critical items to be completed but they still expect to complete the project in time for Session. Availability of rooms is an issue as the high-priority meeting rooms for installation are being used regularly. WWT is working around the meetings. Mr. Weis responded to questions from Committee members (Attachment 1).

Tom Day, Director, Legislative Administrative Services, responded to questions from Committee members regarding how the Legislature will handle chamber and committee work during session, particularly since the Attorney General has indicated that final action votes will have to be done in the chambers. He stated he hopes to have further information sometime this week. Mr. Day responded to questions from Committee members.

Presentation on Governor's Commission on Racial Equity and Justice

- Dr. Tiffany Anderson and Dr. Shannon Portillo, Co-Chairpersons of the Governor's Commission on Race Equality and Justice, presented information on the Commission's findings and recommendations (Attachment 2).
- Dr. Portillo provided information on the history and background of the Commission. The Commission was established by Governor Kelly in June 2020 and was asked to study issues of racial equity and justice across various systems in Kansas, focusing first on policing and law-enforcement. The Commission had representation from the criminal justice system, education, healthcare, and advocacy organizations.
- Dr. Anderson continued by discussing the timeline and processes used by the Commission. So far there has been 11 meetings of the full Commission where they have heard from experts on areas relating to policing and law-enforcement. The Commission also held 26 learning sessions with community members and stakeholders, including law enforcement, education, municipal governments and academic experts. They attempted to reach out by providing multiple ways for people to communicate with them *via* social media, email, and phone. Based on these meetings, the Commission drafted recommendations and got feedback from stakeholders. The recommendations were presented to the Governor on December 1, 2020.
- Dr. Portillo further discussed the recommendations. The first report included over 60 recommendations for state agencies, the Legislature and local governments. Some legislative recommendations require funding but others are budget neutral. She provided examples of some of the legislative recommendations as well as other areas not relating to the Legislature.

The full Commission report is available online through the Governor's website. Dr. Anderson and Dr. Portillo responded to questions from Committee members.

Presentation on "Evaluating the Department of Agriculture's Price Verification Inspection Process" (November 2020)

Josh Luthi, Senior Auditor, Legislative Division of Post Audit, reported on a performance audit: "Evaluating the Department of Agriculture's Price Verification Inspection Process" dated November 2020 (<u>Attachment 3</u>). The audit objective was to answer two questions:

- What were the results of recent price verification inspections?
- How do other states ensure adequate inspection coverage for point-of-sale systems?

In general, the audit found the Kansas Department of Agriculture's (KDA) inspections only covered a small percentage of all retail businesses and did not cover certain parts of the state. Additionally, KDA did not respond as timely as they could have to failed inspections. KDA fines were small and frequently were reduced even further, which does not encourage businesses to comply.

The auditors reviewed the inspection procedures for five other states. While the other states lacked a process to ensure adequate coverage for point-of-sale systems, they do use inspection strategies KDA could consider, such as having local governments assist with inspections. Mr. Luthi responded to questions from Committee members.

Jenny Danenberg, Staff Attorney, KDA, responded to questions from Committee members.

Doug Musick, Director, Weights and Measures program, KDA, responded to questions from Committee members.

Presentation on Community Mental Health Centers and COVID-19 Funding

Janis DeBoer, Deputy Secretary, Kansas Department for Aging and Disability Services (KDADS), presented information on the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and Strengthening People and Revitalizing Kansas (SPARK) Taskforce funding provided to the Community Mental Health Centers (CMHCs). As of this week, KDADS will have received approximately \$81 million from the CARES Act. Of that amount, the agency initially used \$12.5 million for behavioral health stakeholders including \$7.5 million that was provided to the 26 CMHCs in October. Since then, two additional transfers totaling \$6.7 million have been provided to 20 of the CMHCs. Funding has been expended in many different areas including administrative expenses, testing and contact tracing, food programs, economic support, among others. Ms. DeBoer responded to questions from Committee members (Attachment 4).

Kyle Kessler, Executive Director, Association of Community Mental Health Centers of Kansas, Inc., provided information on the effects of the pandemic on the mental health centers. The COVID-19 pandemic has triggered symptoms associated with anxiety and depression in many people. He indicated the numbers are through the roof for anxiety and suicide ideation compared to last year at this time. The significant increase in telehealth has been a lifesaver for patients and families across the state. They have seen an increase in the need for crisis services, which affects not only the CMHCs but also local hospitals and law enforcement. They expect to see a whiplash effect of new patients when people feel safer to seek treatment. The economic impact on CMHCs due to lost revenue and unexpected costs is over \$37 million since last March. This is over 15 percent of the annual CMHC system budget that has provided

treatment and services to a record number of patients over the last several years. They have been able to recoup some loss through public and private grants as well as federal programs. The impact of the pandemic is far from over and the mental health impacts of stress, trauma and isolation will continue for some time. Mr. Kessler indicated there are policy recommendations included in his testimony that would assist the CMHCs. Mr. Kessler responded to questions from Committee members (<u>Attachment 5</u>).

Walt Hill, Executive Director, High Plains Mental Health Center, discussed the impact of the COVID-19 pandemic on his organization, which serves 20 counties in Northwest Kansas. He has never seen anything quite like the COVID-19 pandemic. This has been a challenge for his staff as they have worked hard to provide services due to increased levels of depression and anxiety as well as helping those dealing with deaths of family members. They have seen an increase in substance abuse and domestic violence. They had already increased their use of telemedicine due to the broad range of the state they serve which has helped them reach out to those who need help. They do continue to meet with people in person and have implemented safety precautions such as using a disinfecting fogger to sanitize spaces. They used CARES Act funding to build their service delivery system by replacing most of the cars in their fleet with vans to transport patients while maintaining social distance and to increase and improve their IT systems. They have used public awareness campaigns so that people know they are available and can still access help and hope in these dark times. They have decent broadband but he emphasized that there are still areas in Northwest Kansas that need help in this regard. Mr. Hill responded to questions from Committee members (Attachment 6).

Chairperson McGinn recessed the meeting at 12:05 pm.

Lunch

Chairperson McGinn reconvened the meeting at 1:35 pm.

Presentation on Elected Officials Pay

Kristen Rottinghaus, Audit Manager, Legislative Division of Post Audit, reported the findings of a study completed by the Division: "Special Study: Salary, Compensation, and Allowance Comparison," which was requested in a 2019 budget proviso (Attachment 7). The objective of the study was to compare how the salaries, compensation, and allowances paid to legislators, elected state officers, and judges in Kansas compare to those in other states. Salaries are very complex and vary greatly from person to person and between states so it was not possible to take into account every possible difference but they did adjust the data for major factors such as cost-of-living and workload differences. In general, the Kansas pay for these positions is lower than surrounding states and others used for comparison. Ms. Rottinghaus responded to questions from Committee members.

Amy Deckard, Assistant Director for Fiscal Affairs, Kansas Legislative Research Department (KLRD), provided information on the history of the the Legislative Compensation Commission. The Commission was established by law in 1998 and was tasked with studying compensation and expense allowances and reimbursement of members of the Legislature. The Commission was to meet in even-numbered years and report to the Governor. The Commission met a few times but has not met since 2000. Ms. Deckard responded to questions from Committee members (Attachment 8).

Ms. Deckard also distributed a document from the National Conference of State Legislatures that provided information regarding compensation commissions of other states (Attachment 9).

Committee Discussion and Recommendations for the Committee Report to the 2021 Legislature

Staff distributed a document with the topics discussed by the Legislative Budget Committee during the interim session for review and possible inclusion in the final report of the Committee (Attachment 10).

- 1. Overview of State General Fund. No action taken.
- 2. CARES Act fund review. No action taken.
- 3. Division of the Budget Recommendation and Committee Discussion on Requests to expend \$50.0 million in SGF allocated to the Legislative Coordinating Council (LCC). Staff distributed a document displaying State General Fund requests from the LCC Coronavirus Relief Account (Attachment 11).

Representative Waymaster discussed the Kansas State Fair request. The Kansas State Fair requested a total of \$2.3 million and was previously provided \$1.0 million to keep the agency going, pending possible action at the federal level. There has been no federal action, and the agency still needs \$1.3 million to fulfill their request.

Victoria Potts, Senior Fiscal Analyst, KLRD, responded to questions to Committee members.

Representative Waymaster moved, and Representative Hoffman seconded, to recommend the LCC approve an additional \$1.3 million for the State Fair from the SGF Coronavirus Relief Account. Motion <u>carried</u>.

Chairperson McGinn expressed concern regarding funding for local health departments.

Chairperson McGinn moved, and Representative Wolfe Moore seconded, to recommend the LCC approve \$1.0 million for local health departments from the SGF Coronavirus Relief Account. Motion carried.

Chairperson McGinn stated this is one-time funding, but this issue needs to be addressed further during the next legislative session.

Megan Leopold, Fiscal Analyst, KLRD, responded to questions from Committee members regarding funding for the health departments. She indicated there is a base amount each local health department received and additional funds provided were based on county population.

4. Legislative technology initiative. No action taken.

- 5. COVID-19 response. Representative Wolfe Moore discussed the Certified Community Behavioral Health Clinic (CCBHC) model included in Mr. Kessler's testimony earlier today. She would like to support expansion of this model when opportunities arise and asked that more information on this be presented to the Senate Committee on Ways and Means and the House Committee on Appropriations during the next legislative session. There was consensus among members to include this item in the report.
- 6. Commerce briefings. No action taken.
- 7. Update on unemployment insurance system modernization. Representative Hoffman proposed inserting language that would initiate discussions concerning requiring state agencies to provide information on information technology (IT) projects to the Joint Committee on Information Technology prior to releasing Requests for Proposals (RFPs). Currently, the Joint Committee does not get information on these projects until it is too late and the RFPs are let. This will need to be changed in statute. There was consensus among members to include this in the report.
- 8. Update on year-to-date expenditures from the Division of the Budget. No action taken.
- 9. Kansas State Fair request for funding. Action already taken.
- 10. Update on the IKE program. No action taken.
- 11. Annual update on the Veterans Claims Assistance program. No action taken.
- 12. Overview of Kansas Water Authority budget recommendations. No action taken.
- 13. Update on K-12 school year and expenditures. No action taken.
- 14. Update on commercial driver's license renewal and satellite offices. Representative Hoffman requested an update on driver's license office closures be provided by the Department of Revenue to the House Committee on Appropriations and Senate Committee on Ways and Means.
- 15. Presentation on reappropriations. No action taken.
- 16. Update on the Docking State Office Building and the Kansas Department of Health and Environment (KDHE) laboratory. Representative Waymaster expressed a desire to reach a decision on the Docking State Office Building. Representative Waymaster offered a further option of putting the KDHE laboratory on top of a parking garage. Chairperson McGinn would like to get more information on these options. Staff will draft language requesting information on the cost to build a three-story parking garage with the KDHE laboratory on top and expressing a strong desire to move this project forward.
- 17. Update of flood repairs at the state parks. No action taken.
- 18. Presentation on Juvenile Justice Oversight Committee activities. No action taken.

- 19. Presentation on the Kansas Criminal Justice Reform Commission. No action taken.
- 20. Board of Indigents' Defense Services caseload. There was consensus among members to include language requiring that further information on the salary study be provided to the appropriate legislative committees during the 2021 Legislative Session, including the applicable budget committees.
- 21. Overview of K-TRACS funding. No action taken.
- 22. Presentation on deferred maintenance at state universities. Shirley Morrow, Principal Fiscal Analyst, KLRD, discussed research she conducted on deferred maintenance going back to 1996. She distributed information on bonding authority maintenance language in appropriations bills (Attachment 12) and 2019 statutory language relating to the maintenance of privately-financed buildings (Attachment 13).

Ms. Morrow also distributed a document of compiled state university responses to the deferred maintenance issue (<u>Attachment 14</u>). Committee discussion ensued. There was consensus among Committee members to request a report that provides information on the amount of maintenance funding set aside for state university buildings.

Chad Bristow, Director of Facilities, Board of Regents, responded to questions from Committee members.

- 23. Presentation on the Governor's Commission on Racial Equity and Justice. There was consensus to include language expressing concern about officers being hired by other law enforcement agencies after being fired.
- 24. Audit evaluating the KDA's price verification inspection process. There was consensus among Committee members to include language encouraging KDA to take steps to be more efficient and effective with the inspections and, if appropriate, use the tools available to penalize those businesses that do not comply. Also, the Committee members asked KDA to report back to the Senate Committee on Ways and Means and the House Committee on Appropriations during the next legislative session.
- 25. Presentation on elected officials pay. There was consensus among members to include language encouraging the LCC to consider convening a meeting of the Legislative Compensation Commission or consider the elimination of the Legislative Compensation Commission.
- 26. Mental health funding. No further action taken.

The Committee expressed its displeasure concerning how the COVID-19 testing strategy was implemented by the Department of Health and Environment, especially concerning the delay in providing funding to private entities to perform testing activities

Adjourn

Following closing remarks, Chairperson McGinn adjourned the meeting at 3:50 p.m.

Prepared by Nancy Fontaine

Edited by Victoria Potts and Amy Deckard

Approved by the Committee on:	
August 31, 2021 (Date)	