To: Legislative Coordinating Council

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

The Legislative Budget Committee (Committee) met on December 15, 2020, and made recommendations on requests from the Kansas State Fair Board (Board) and the Kansas Department of Health and Environment (KDHE) for funding from the Coronavirus Response Account of the State General Fund (SGF).

The Committee made the following recommendations.

**Kansas State Fair Board**

The Board requested $2.3 million SGF in fiscal year (FY) 2021 to replace lost revenue due to the cancellation of the 2020 State Fair. Using the 2019 State Fair’s revenue and expenditures, the Board estimated a revenue shortfall of $2.3 million. The Board stated the revenue shortfall has resulted in the elimination of two positions and the furlough of employees in four positions. Four additional employees have left the agency of their own accord, leaving the agency short-staffed by ten positions. According to the Board, in order to prepare for, plan, and execute the 2021 State Fair, the furloughed employees will need to be reinstated by early calendar year 2021.

On June 18, 2020, the Legislative Coordinating Council approved the transfer of $205,000, all from the Coronavirus Response Account of the SGF, to the Board for FY 2020 to replace lost revenue from non-Fair facility rentals and RV Park revenue due to canceled events in March, April, and May.

On November 19, 2020, the Legislative Coordinating Council approved the transfer of $1.0 million, all from the Coronavirus Response Account of the SGF, to the Board for FY 2021 to replace lost revenue due to the cancellation of the 2020 State Fair.

To enable full planning and execution of the 2021 State Fair, the Committee recommends the Legislative Coordinating Council approve the transfer of an additional $1.3 million from the Coronavirus Response Account of the SGF to the Board for FY 2021. This would bring the transfer to a total of $2.3 million in FY 2021.
KDHE requested $4.1 million, all SGF, in June of 2020, to support local health departments (LHD) in their ability to carry out COVID-19 response activities. KDHE relies on LHDs to provide disease control and prevention functions, including assistance in COVID-19 testing, contact tracing, and the disbursement of vaccines. KDHE has reported that many LHDs are incurring expenses related to COVID-19 that extend beyond their allocation of federal support. KDHE expects to allocate these funds directly to LHDs based on a combination of population and the number of COVID-19 cases. 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 personal protection equipment. When KDHE made their original request in June of 2020, the Committee recommended that KDHE work with LHDs to pursue funding opportunities from their respective counties using the CARES Act money allocated to each of the Kansas counties.

The State of Kansas provides statutory formula aid to LHD’s to support their ability to carry out their statutory requirements; however, this formula has remained at $2.22 million since 1992, and has not been adjusted for inflation. The 2020 Kansas Legislature approved a $900,000 increase to the statutory formula aid to LHD’s but the increase was lapsed in the Governor’s July 2020 allotment. In order to support LHD’s in their efforts to provide COVID-19 relief to their communities, the Committee recommends the Legislative Coordinating Council approve a transfer of $1.0 million from the Coronavirus Response Account of the SGF to KDHE for FY 2021.