State & Federal Legislative Updates

As we continue to work through our response to the COVID-19 crisis we wanted to give you a quick update on the Kansas Legislature and new Federal legislation concerning COVID-19. We do plan on having our next city officials COVID-19 response conference call at 3 p.m. on Tuesday, March 24, 2020.

Adjournment — The Kansas Legislature adjourned yesterday at about 7:00 p.m. The adjournment resolution passed by the legislature calls for the legislature to return on April 27, however, the Legislative Coordinating Council has the authority to move up or move back the date to protect health and public welfare, and the final day of the session is now scheduled for May 21.

Here is a list of the major bills that became law before adjournment. We expect a busy veto session if the legislature returns.

FY 2021 Appropriations Bill — Before adjournment the legislature passed SB 66, the mega appropriation bill. The bill appropriates $19,902,459,382 in expenditures for all funds and $8,024,056,574 in general fund spending. The bill allocates $15 million to the Kansas Adjutant General’s Department for COVID-19 response, and delegates $50.0 million to the Legislative Coordinating Council for COVID-19 response. The bill also provides for a one-year extension of the STAR Bond program if the legislature does not pass a bill dealing with STAR Bonds upon their return. Section 125 of the bill addresses concerns from bond counsel with the record low bond market.

COVID-19 Resources for Cities

www.lkm.org/COVID-19

The League is actively monitoring the Coronavirus (COVID-19) situation and is working with other agencies to provide our member cities with timely, accurate and important information as it becomes available. We created this web page as a resource for city officials. It is updated numerous times during the day with relevant city information.

See the web page for information on:

- The latest news for cities from state agencies and trusted sources;
- Local emergency declarations;
- Utility and municipal operational guidance;
- Public closure guidance;
- CDC and KDHE guidance on quarantine and social distancing/stopping the spread;
- Meeting guidance and open meeting laws; and
- Messaging examples to use in your cities/organizations.

Please refer to our League COVID-19 page for information. This is the best way we can post updates accessible to everyone during this situation.

More State Legislative Updates on Page 3...

The League Staff is working remotely.
To access contact information for staff

Click Here
Federal COVID-19 Coronavirus Response Act
Summary by Amanda L. Stanley, League General Counsel

Late Wednesday March 18, President Trump signed the COVID-19 Family First Response Act (H.R. 6201). This is the first of the Federal Government’s responses to provide federal assistance. There are several provisions that cities must be aware of and implement asap. This summary is specific to governmental employers.

There are two major provisions of the Act: (1) The Emergency Paid Sick Leave and (2) The Emergency Family and Medical Leave Expansion. This Act will take effect no later than April 2nd and ends on December 31, 2020.

Emergency Paid Sick Leave

The Act requires that governmental employers provide each employee, except for healthcare providers or emergency responders, be provided paid sick leave who is unable to work in person or via telework due to:

(1) The employee being subject to a Federal, State, or local quarantine or isolation order related to COVID–19.
(2) The employee has been advised by a health care provider to self-quarantine due to concerns related to COVID–19.
(3) The employee is experiencing symptoms of COVID–19 and seeking a medical diagnosis.
(4) The employee is caring for an individual who is subject to a quarantine or isolation order related to COVID–19.
(5) The employee is caring for a son or daughter of such employee if the school or place of care of the son or daughter has been closed, or the childcare provider of such son or daughter is unavailable, due to COVID–19 precautions; or
(6) The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretary of the Treasury and the Secretary of Labor.

Paid leave must be paid in the following amounts:

(1) Full Time Employees, 80 hours;
(2) Part Time Employees, a number of hours equal to the number of hours that such employee works, on average, over a 2-week period.

There are different caps on the total payment: $511 per day and $5,110 in the aggregate for an employee personally subject to quarantine or having COVID-19 symptoms and $200 per day and $2,000 in the aggregate for an employee caring for another person.

An employer may not require the employee find a replacement employee to cover the hours during which the employee is using paid sick time AND an employer may not require an employee to use other paid leave provided by the employer to the employee before the employee uses this special COVID-19 sick leave.

Government employers will not be reimbursed for this through payroll tax credits like private employers will be for personnel costs due to this change. Wages required to be paid under the emergency sick leave provisions will NOT be subject to the 6.2% social security payroll tax typically paid by employers on employees’ wages.

Each employer will be required to post a notice prepared by the Secretary of Labor which must be ready by March 25.

Failure to comply with this Act will be punishable under the Fair Labor Standards Act. It is unlawful to discriminate or terminate any employee for utilizing the leave provided under the Act.

There are special rules for employers with multi-employer collective bargaining agreements.

Emergency Leave Act

The Act expands FMLA and, pertinently for cities, applies it to all government employers regardless of the number of employees. The Act applies to all employees who have been employed at least 30 calendar days except for health care providers and emergency responders.

The new Act extends to each employee 12 weeks of job protected leave. The first 10 days of leave can be unpaid leave. During this time the employee can opt to use accrued vacation days or other available paid leave. The remaining days of leave, the employee shall receive pay equal to at least 2/3 of their normal pay rate. The paid leave is capped at $200 per day and $10,000 in the aggregate.

Generally, the employee on leave must be restored to his or her prior position; however, this requirement does not apply to employers with fewer than 25 employees if the position held by the employee on leave no longer exists due to economic conditions or other changes in the employer’s operating conditions caused by the coronavirus pandemic, and the employer makes reasonable efforts to restore the employee to an equivalent position.

Governmental Employers will not be reimbursed for this through payroll tax credits like private employers will be for personnel costs due to this change. Wages required to be paid under the emergency family leave provisions will NOT be subject to the 6.2% social security payroll tax typically paid by employers on employees’ wages.

There are special rules for employers with multi-employer collective bargaining agreements.

Failure to comply with this Act will be punishable under the Family Medical Leave Act. It is unlawful to discriminate or terminate any employee for utilizing the leave provided under the Act.
**Legislative Updates (continued)**

**State of Emergency Resolution** — **HCR 5025** passed in both the House and Senate on Thursday, March 19 after taking a less than direct path through the legislature. This concurrent resolution was needed to extend the State of Emergency declared throughout the state by Governor Kelly on March 12 in response to the COVID-19 Pandemic. The House passed the original version of **HCR 5025** on March 13, but the Senate did not take it up until March 18. On the Senate floor, the resolution was amended to shorten the extension and limit the powers granted to the Governor by statute when emergencies are declared. Since the House did not concur in the Senate’s amendments, the concurrent resolution went to conference committee, where the resulting conference committee report was adopted by both the House and Senate. The final version of **HCR 5025** extends the State of Emergency to May 1, 2020. The State of Emergency can be extended for up to an additional 30 days by the State Finance Council upon application to extend by the Governor. Any extensions needed after the first one can be made by the Legislative Coordinating Council as needed for 30 days at a time. Additionally, **HCR 5025** gives the Legislative Coordinating Council the authority to review and revoke orders made by the Governor during the State of Emergency.

**Judicial Deadlines** — **House Substitute for SB 102** gives the Chief Justice of the Supreme Court the authority during any state of disaster emergency declared, pursuant to **K.S.A. 48-924**, to issue an order to extend or suspend any statutory deadlines or time limitations when the Chief Justice determines such action is necessary to secure the health and safety of court users, staff, and judicial officers. This includes the ability of the Chief Justice to extend or suspend speed trial deadlines. While this bill does allow the Chief Justice to issue an order suspending these deadlines for municipal court, to date, her order has only applied to district and appellate courts.

**Transportation Plan** — The House and Senate agreed to a new 10-year, $10 billion comprehensive transportation plan. The final legislation was **SB 173**. Here are important elements of the new program:

- A two-year rolling project selection process.
- Prioritization of funding preservation and completion of the delayed T-Works projects.
- Prioritization of preservation projects.
- Directs all remaining delayed T-WORKS projects be let (bid) by July 1, 2023. Creates minimum dollar commitment to building new modernization and/or expansion projects in each KDOT district through metrics developed by KDOT.
- Authorizes 5% of the program to be used for alternative delivery with certain stipulations
- Provides for more funding towards short line rail improvements.
- Requires KDOT to develop detailed annual reports that illustrate KDOT’s progress so the legislature has an informed understanding of the program.
- Requires a layer of protection for the sales tax revenue into the State Highway Fund not present in previous programs by levying the tax for the purposes of the highway fund instead of general government purposes. The Legislature still would have power to waive this.
- Officially renames the new transportation plan “the Eisenhower legacy transportation plan”.

**Hospital Service Tax** — **HB 2168** passed out of conference committee on March 18. The contents of the original bill were replaced with the contents of SB 225 and SB 409. SB 409 allows for continuity in Nursing Facility Quality Care Assessment by removing the sunset provisions which would otherwise have allowed this to lapse. More relevant is SB 225 amending **K.S.A. 65-6208**, which, going forward, significantly raises the rate assessed on hospital services (from 1.83% to 3%) and includes for the first-time net inpatient and outpatient operating revenue. This bill came about in response to the hospital rates fund being overspent. These revenues allow the State to leverage state dollars to draw down additional federal funds that are put towards improving physician and hospital Medicaid reimbursement rates the State pays under KanCare for qualified Medicaid services.

**Mayors:**

The League mailed out the Mayor of the Year ballots this week. Be on the look out in your mailbox and cast your vote!