All In For Kansas Kids

Access to Quality Care and Remote Learning Support for School-age Children

SPARK Committee   9/4/2020

BACKGROUND

2019 **Comprehensive Needs Assessment**

➢ **Key Themes:**

- The experiences of Kansas families are **shaped by where they live**, both across the regions of the state and within their communities.

- Children are growing up in families where **basic needs are not being met.**

All In For Kansas Kids 5 year Strategic Plan

All In For Kansas Kids

Kansas Children's Cabinet and Trust Fund Partners:

- Kansas Department of Health and Environment
- Kansas Department of Children and Families
- Kansas State Department of Education
- Eligible Community Partners including:
  - Licensed Child Care Providers
  - YMCAs
  - Boys and Girls Clubs
  - Parks & Recreation Departments
  - 21st Century Community Learning Centers
  - Faith-based and Other Organizations

Partnerships

➤ **Actions to address public health emergency—school-age children**

- EO 20-19 extends deadlines for licensure renewal

- Federal waivers

- Emergency child care authorizations (March 2020)

- **KDHE guidance for Academic Services to Support K-12 Remote Learning (issued 8-10-2020)**

- **SPARK Round 2** – Child Care Health Consultants to provide TA & support to help providers make adjustments due to COVID-19 (health care fund & Technology grants)

LICENSING

- **Actions to address public health emergency—school age children**
  - Hero Relief Program – Child Care Subsidy for Essential Workers
    - Expanded to include teachers, paras, other school employees
  - Child Care Subsidy Waiver—Extension of summer time benefits (8-31-2020)

Child Care Subsidy

BY THE NUMBERS

District Plans & AS/OST Program Projections

490,000 K-12 students (Most recent headcount as of 2019/2020 school year)	286 School Districts	56,340 Licensed capacity for school-aged children as of 8/2020
253,529 K-6th graders	**250 districts with enrollment less than 2,500 students** Most operating in-person to start the year	**3,670 vacancies reported** Per Kansas Child Care Aware of Kansas (referral agent)
100,000 K-6th graders on free lunch Expected to rise 2020-21 school year due to COVID-19	**36 districts with enrollment higher than 2,500 students** Operating in hybrid/remote learning modes **2/3 of Kansas students will be in hybrid/remote modes**	**14% child care facilities reporting temporary closure due to COVID -19** 679 facilities - Includes 175 licensed school age/drop-in programs with total capacity for 18,879 school-age children

Round 3 CARES Act funding to ensure Quality Care & Remote Learning Support for School-Age Children

In order to quickly respond to the changing needs of schools and families, provider organizations must have access to financial resources to adapt physical environments for safe learning and have staff available to provide quality supports.

School-age Supports

DELIVERY MODEL

- Children's Cabinet as fiscal agent for this program

- Coordination with other state agencies

- Simple application, proposal & budget required from community providers

- CARES Act Accountability & compliance built into application

- Quick & efficient review process

- Technical Assistance to support applicants through the process

Kansas Children's Cabinet and Trust Fund

Potential Coverage

Days per Week	Cost per Student per Day	Number of Weeks	Number of Students	Total
2	$30	15	25,000	$22,500,000
3	$30	15	25,000	$33,750,000
4	$30	15	25,000	$45,000,000
5	$30	15	25,000	$56,250,000

QUESTIONS & ANSWERS

Share your thoughts

www.kschildrenscabinet.org/share

THANK YOU!

Melissa Rooker

Executive Director, KS Children's Cabinet

mrooker@ksde.org

THANK YOU!

Agenda for info session

Ideas for SPARK to consider

- Kansas Children's Cabinet
- KHDE: Access to Quality Care & Remote Learning Support for School-age Children

Considerations from Research

Open discussion and Q&A

Initial findings

- COVID-19 Pandemic is challenging an already stretched child care ecosystem, both by shrinking financials of child care providers and by conditioning working parents
  - Since +65% of children live in a house where all parents, time out of school poses a challenge for working parents
  - 65% of children ages 5-12 will start the school year in a remote or hybrid setting
  - 14% of early child care facilities have closed, and 61% of those that remained open have seen a 40-50% attendance reduction

- Not addressing these needs, may have consequences into the economy and health of our society
  - Reducing availability and productivity of the labor force, including essential workers
  - Permanent closure of child care facilities in an already stretched ecosystem
  - Limitations in cognitive development and learning retention

- Potential policies to address child care include waiving fees for low-income families, providing financial support to child care facilities that remain open despite unfavorable financials or create additional space for families that depend on school for child care supervision

Pre-covid numbers already showed a stretched child care system in Kansas

~45%

Infants
and toddlers
live in a child care deserts

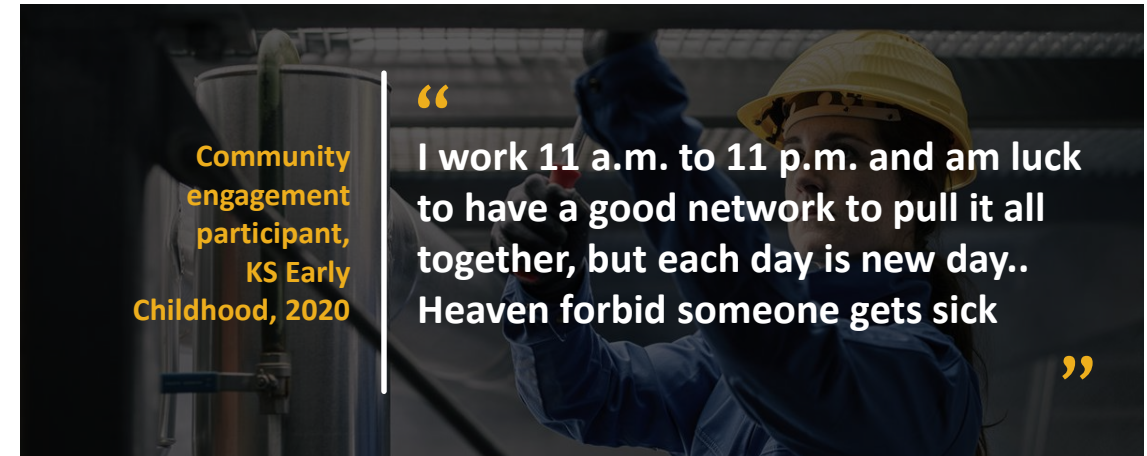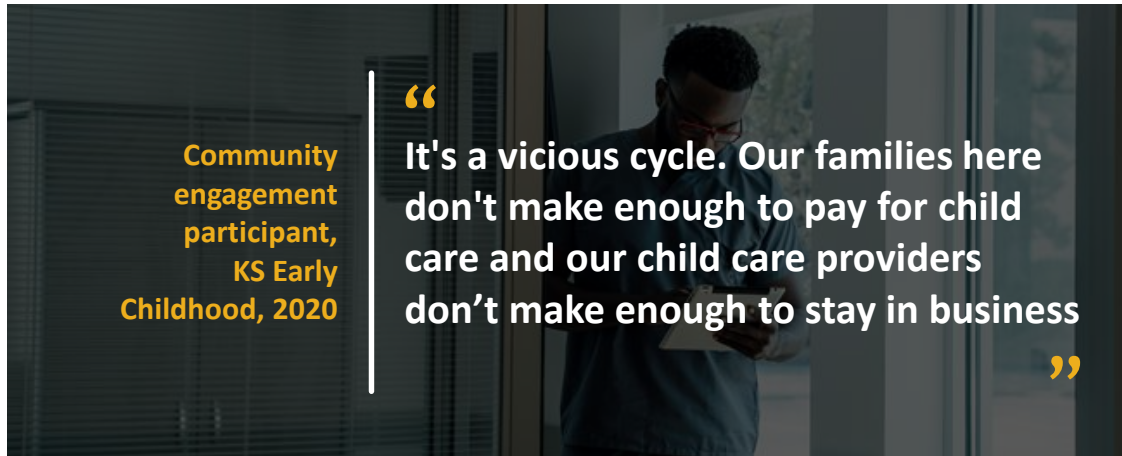**~24%**

school-age
children

~20%

of children were
living in poverty even
before the pandemic

+4,500

Early **child care
facilities** in Kansas

~98%

of **rural counties lack
capacity** to meet early
child care demand

*Community
engagement
participant,
KS Early
Childhood, 2020*

"
**It's a vicious cycle. Our families here
don't make enough to pay for child
care and our child care providers
don't make enough to stay in business**
"

*Community
engagement
participant,
KS Early
Childhood, 2020*

"
**I work 11 a.m. to 11 p.m. and am luck
to have a good network to pull it all
together, but each day is new day..
Heaven forbid someone gets sick**
"

COVID-19 Pandemic is challenging the child care ecosystem, both to working families and child care providers

Child care has become a key priority since …

~40%
of workers have **children**

65-70%
of children live in households where **all parents are working**[1]

… the majority of school-age children will start school in hybrid or remote settings …

~65%
of **school-age children** estimated to start the school year in a **remote or hybrid mode**

… and there is an increasing constraint in child care capacity for children <5 years

~14%
Early child care facilities estimated to **have closed**

~61%
Facilities that remain open may risk closing as they are **facing loss of income**

Tradeoffs

💲 Economic

Limitations in workers availability and productivity, including essential workers

Unemployed population unable to rejoin the workforce due to child care needs

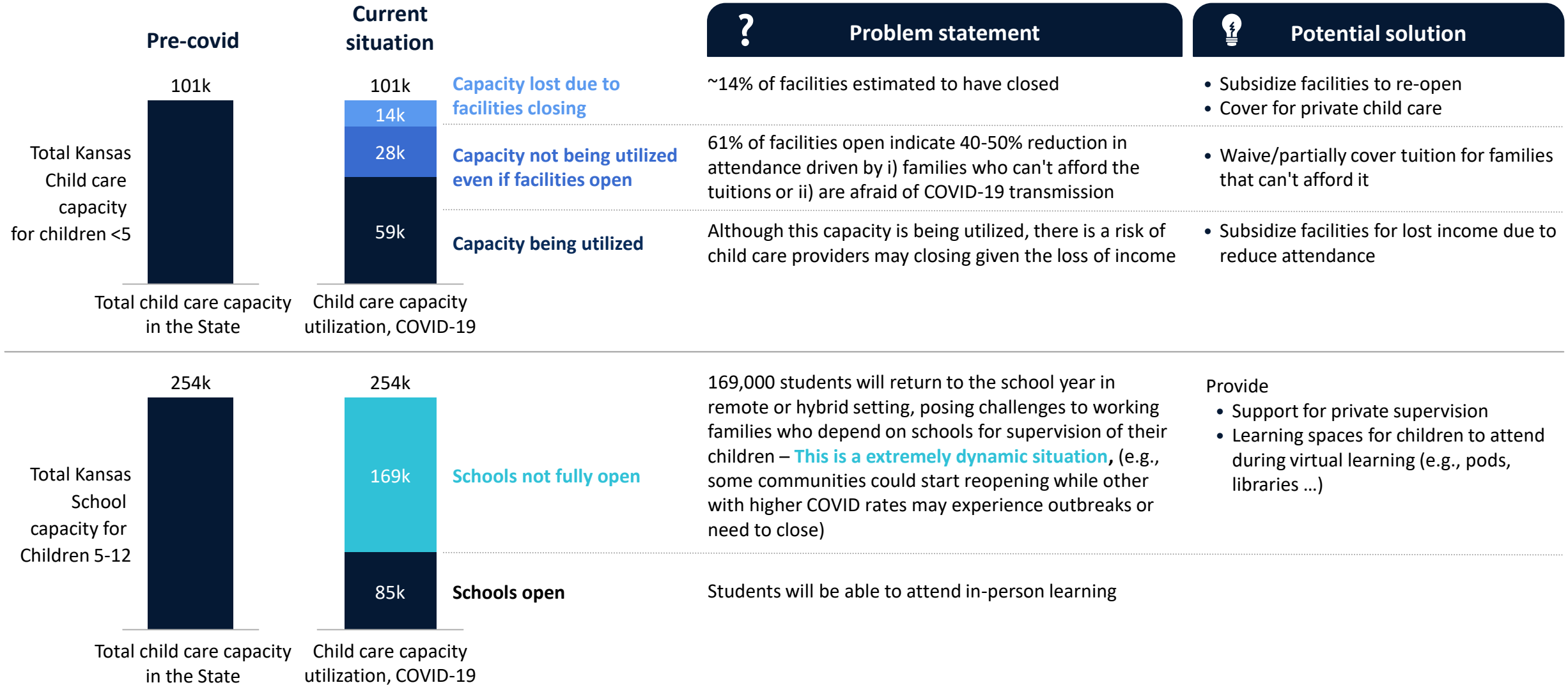Facilities may close permanently given loss of revenue aggravating capacity constraints

✚ Health

Limited cognitive development and learning retention, with 30-50% of distance learning not being retained

Snapshot of child care needs amid COVID-19

	Pre-covid	Current situation		Problem statement	Potential solution

Pre-covid | **Current situation** | **? Problem statement** | **💡 Potential solution**

Total Kansas Child care capacity for children <5

- 101k (Pre-covid)
- 101k (Current situation)
  - 14k — **Capacity lost due to facilities closing**
  - 28k — **Capacity not being utilized even if facilities open**
  - 59k — **Capacity being utilized**

Total child care capacity in the State | Child care capacity utilization, COVID-19

Problem statement:
- ~14% of facilities estimated to have closed
- 61% of facilities open indicate 40-50% reduction in attendance driven by i) families who can't afford the tuitions or ii) are afraid of COVID-19 transmission
- Although this capacity is being utilized, there is a risk of child care providers may closing given the loss of income

Potential solution:
- Subsidize facilities to re-open
- Cover for private child care
- Waive/partially cover tuition for families that can't afford it
- Subsidize facilities for lost income due to reduce attendance

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Total Kansas School capacity for Children 5-12

- 254k (Pre-covid)
- 254k (Current situation)
  - 169k — **Schools not fully open**
  - 85k — **Schools open**

Total child care capacity in the State | Child care capacity utilization, COVID-19

Problem statement:
- 169,000 students will return to the school year in remote or hybrid setting, posing challenges to working families who depend on schools for supervision of their children – **This is a extremely dynamic situation**, (e.g., some communities could start reopening while other with higher COVID rates may experience outbreaks or need to close)
- Students will be able to attend in-person learning

Potential solution:
Provide
- Support for private supervision
- Learning spaces for children to attend during virtual learning (e.g., pods, libraries …)

A majority of states in the country have developed programs to support child care needs
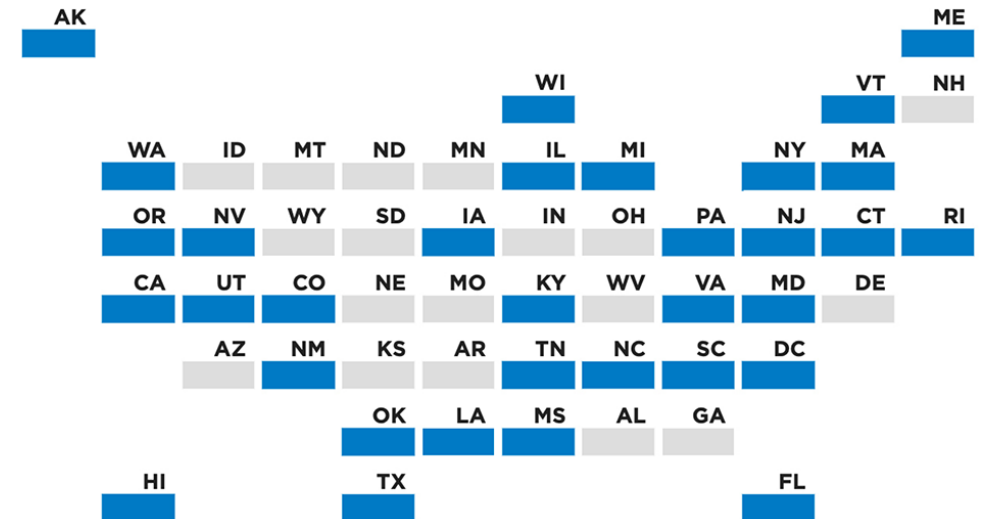
Supporting child care providers

44 states and Washington, DC are continuing to pay child care providers who accept subsidies during this period of closure or low attendance.
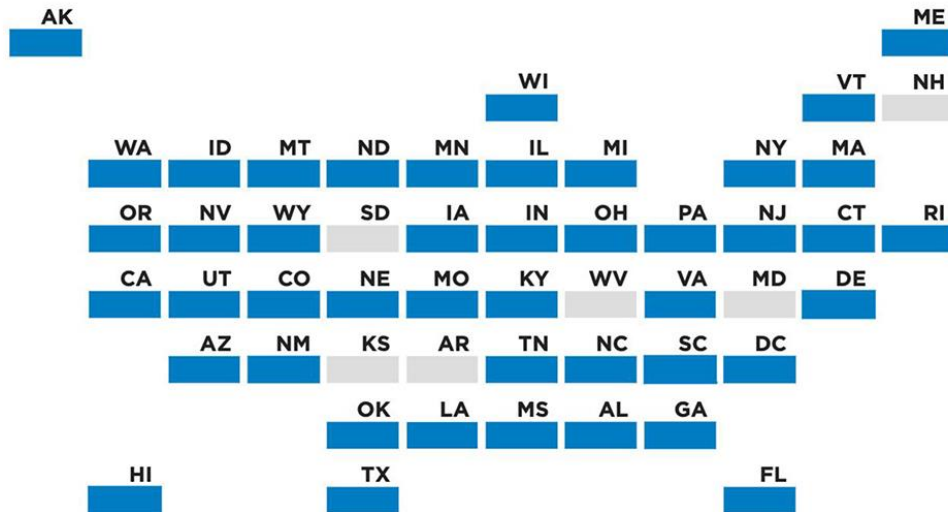
Supporting families

32 states and Washington, DC are waiving or covering a part of child care tuition that families may otherwise be required to pay.
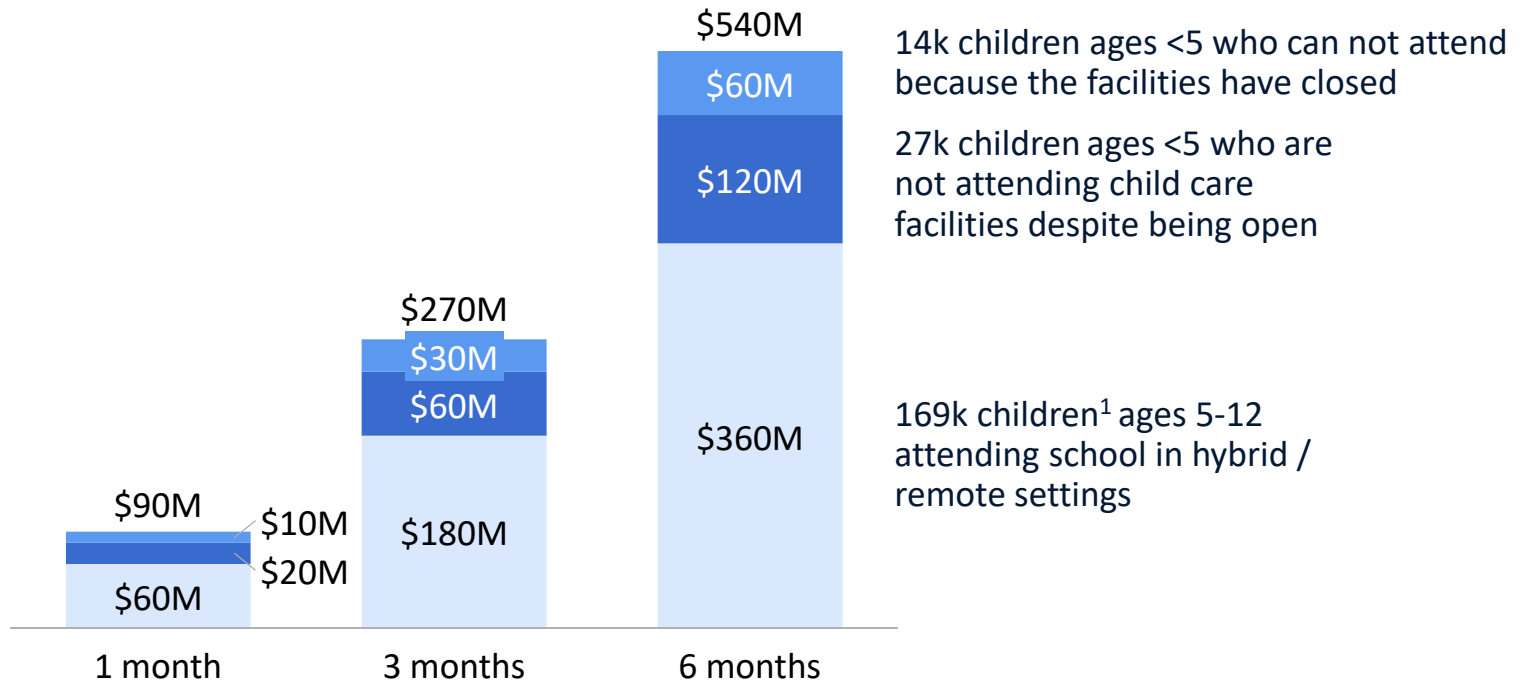
Source: Data as June 17, 2020 https://www.childtrends.org/publications/states-are-using-the-cares-act-to-improve-child-care-access-during-covid-19

Policy options to address child care providers and families needs

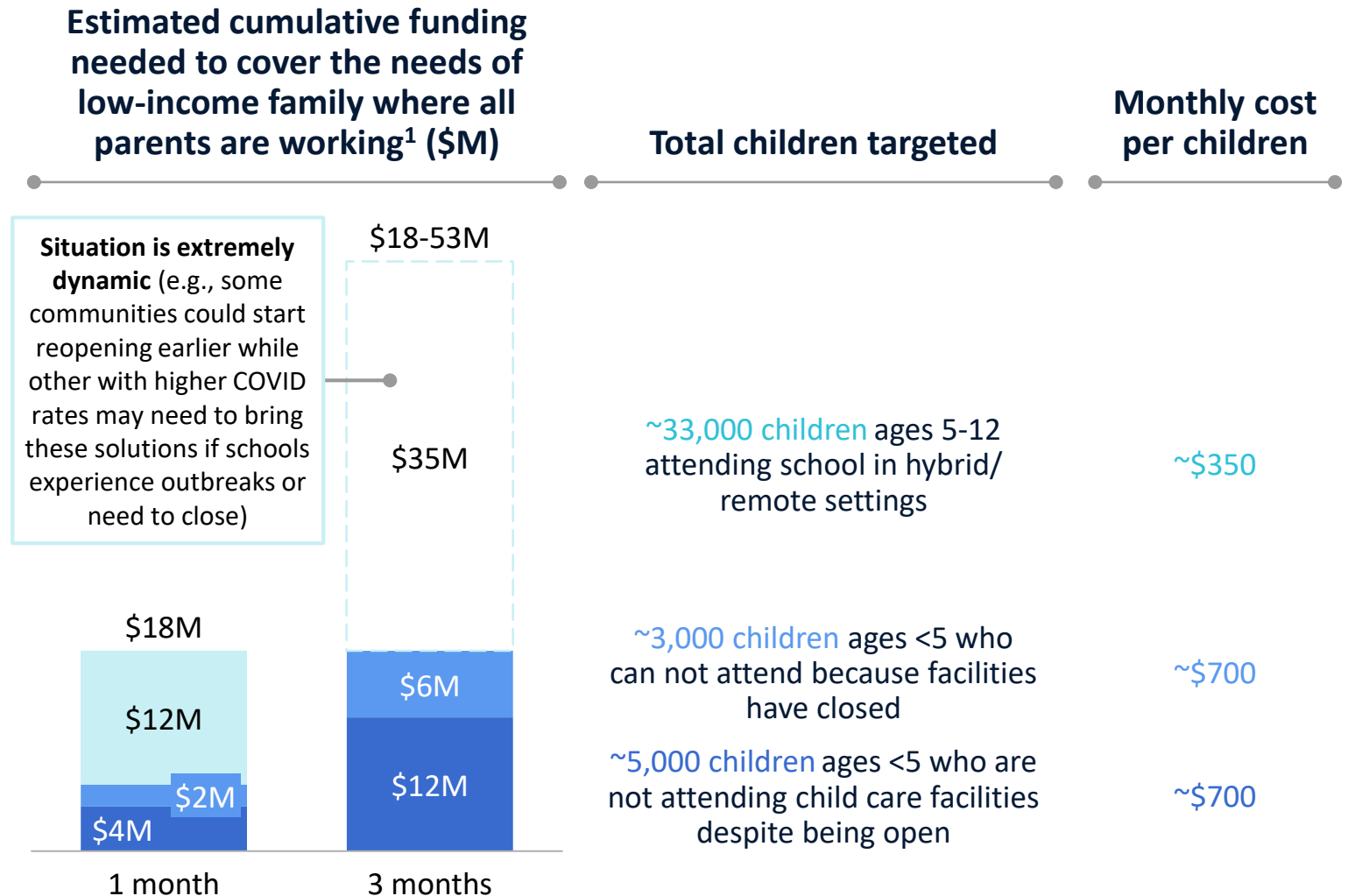|	Target	Problem(s) addressed	Delivery mechanism	Illustrative examples from other States
1	**Child care providers (ages <5)**	Capacity lost due to facilities closing Capacity being utilized but at risk of closing	• Subsidize operational costs (e.g., rent, utilities, wages) • Subsidizing equipment / supplies to ensure safe operationalization (e.g. PPE)	• Minnesota provides grants to child care providers who remain open to care for the children of essential workers • North Carolina is providing bonus pay for child care staff providing services during CV19
2	**Families (economically impacted by COVID-19)**	Capacity not being utilized even if facilities are open due to financial constraints in family	Waiving or covering a portion of child care tuition Can be addressed as paycheck/ direct transfer to families or through transfer to the child care providers	• Washington state is waiving all fees for families who receive subsidies for the months of April-June • Arkansas has developed a Grant program to help cover the cost of child care for some essential workers ❗ KS DCF has announced child care subsidies for low-income families
3	**Child care providers (ages 5-12)**	Capacity offered in remote / hybrid setting	Creating additional space for in-person learning to allocate students who can't stay at home Can be addressed by volunteering public spaces (e.g., libraries, sport facilities) or by building temporary buildings	• Boys & Girls Clubs of greater Houston has created a learning space where members can attend virtual classes during school hours • Boston public schools will launch learning pods for students to assist remote learning with supervision

~$270M
of funding would be
needed
to address
child care needs
for children up
to 12 years old
for 3 months

Estimated cumulative funding needed to
cover all child care needs ($M)

$540M
$60M
$120M

14k children ages <5 who can not attend
because the facilities have closed

27k children ages <5 who are
not attending child care
facilities despite being open

$270M
$30M
$60M

$360M

$90M
$10M
$20M

$180M

169k children[1] ages 5-12
attending school in hybrid /
remote settings

$60M

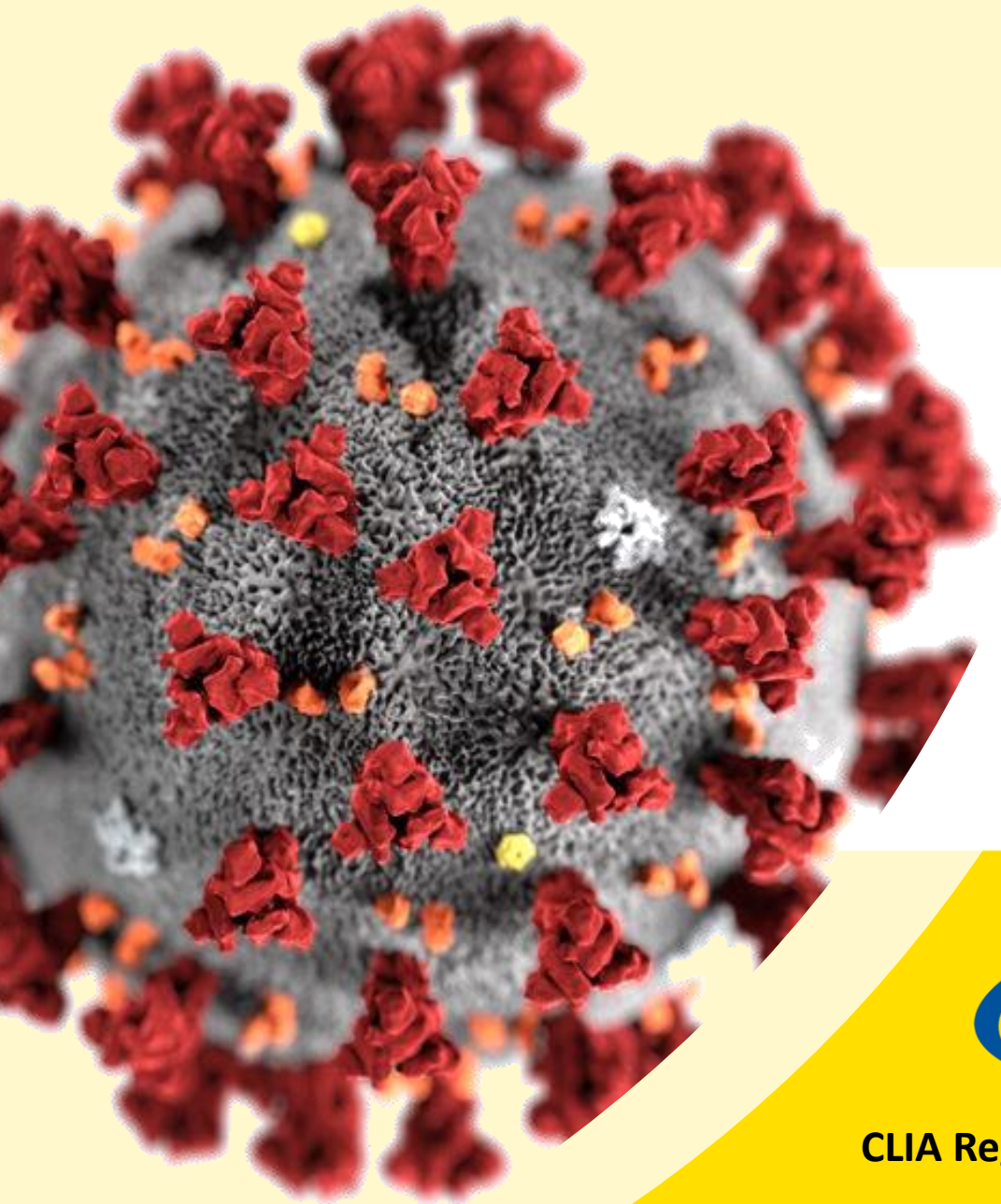1 month   3 months   6 months

1. Assumes cost per children as 50% of child care cost. Assumes hybrid / remote settings don't change in the 6-month period
Source: ChildCare Aware Kansas, 2019 State Child Care Facts; Census ACS-1 Year Estimates, 2018; The Kansas Early Childhood
Systems Building Needs Assessment, 2020; Center for the Study of Child Care Employment; KHDE SPARK Proposal, Access to
Quality Care & Remote Learning Support for School-age Children

Funding support would depend on the coverage period and should allow for flexibility to adapt in an extremely dynamic scenario

Estimated cumulative funding needed to cover the needs of low-income family where all parents are working[1] ($M)

Total children targeted

Monthly cost per children

$18-53M

Situation is extremely dynamic (e.g., some communities could start reopening earlier while other with higher COVID rates may need to bring these solutions if schools experience outbreaks or need to close)

$35M

$18M

$12M

$4M $2M

$6M

$12M

1 month   3 months

~33,000 children ages 5-12 attending school in hybrid/remote settings

~$350

~3,000 children ages <5 who can not attend because facilities have closed

~$700

~5,000 children ages <5 who are not attending child care facilities despite being open

~$700

Wichita State University
National Institute for Digital Transformation

Molecular Diagnostic Laboratory
(WSU MDL)

4174 S. Oliver, Bld. #174H, Wichita, KS 67210

CLIA Registered Laboratory, 17D2189034

Wichita State MDL: Objective

WSU seeks to partner with the State of Kansas to establish a regional, high-throughput, low-cost, quick-response COVID-19 virus test processing laboratory to **keep our economy open**.

- Keep schools and childcare open
- Keep businesses and services open
- Keep our communities healthy

yes we're OPEN!

Wichita State MDL: Outcome

Increased testing capacity enables Kansas to live with the virus and minimize, and hopefully avoid, school, childcare, business, and service closures.

High volume testing would allow for:

- Precision quarantine instead of mass quarantine
- Preservation of our health care clinics and hospitals to continue to serve
- Detect first cases in new areas or settings as rapidly as possible and take immediate measure to prevent (further) spread.

24 HOUR TURNAROUND

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Wichita State MDL: Ask

WSU requests $12M to cover costs of providing COVID-19 testing

With this funding, the State is purchasing a guarantee of 200,000 tests that can be distributed during the covered period.

WSU will partner across the state with the following groups to to determine testing needs in conjunction with establishing distribution and sample collection.

- State and local health departments
- Public health clinics
- Schools and childcare providers
- First responders and health care providers
- Local Chambers to determine the distribution for employers

WICHITA STATE
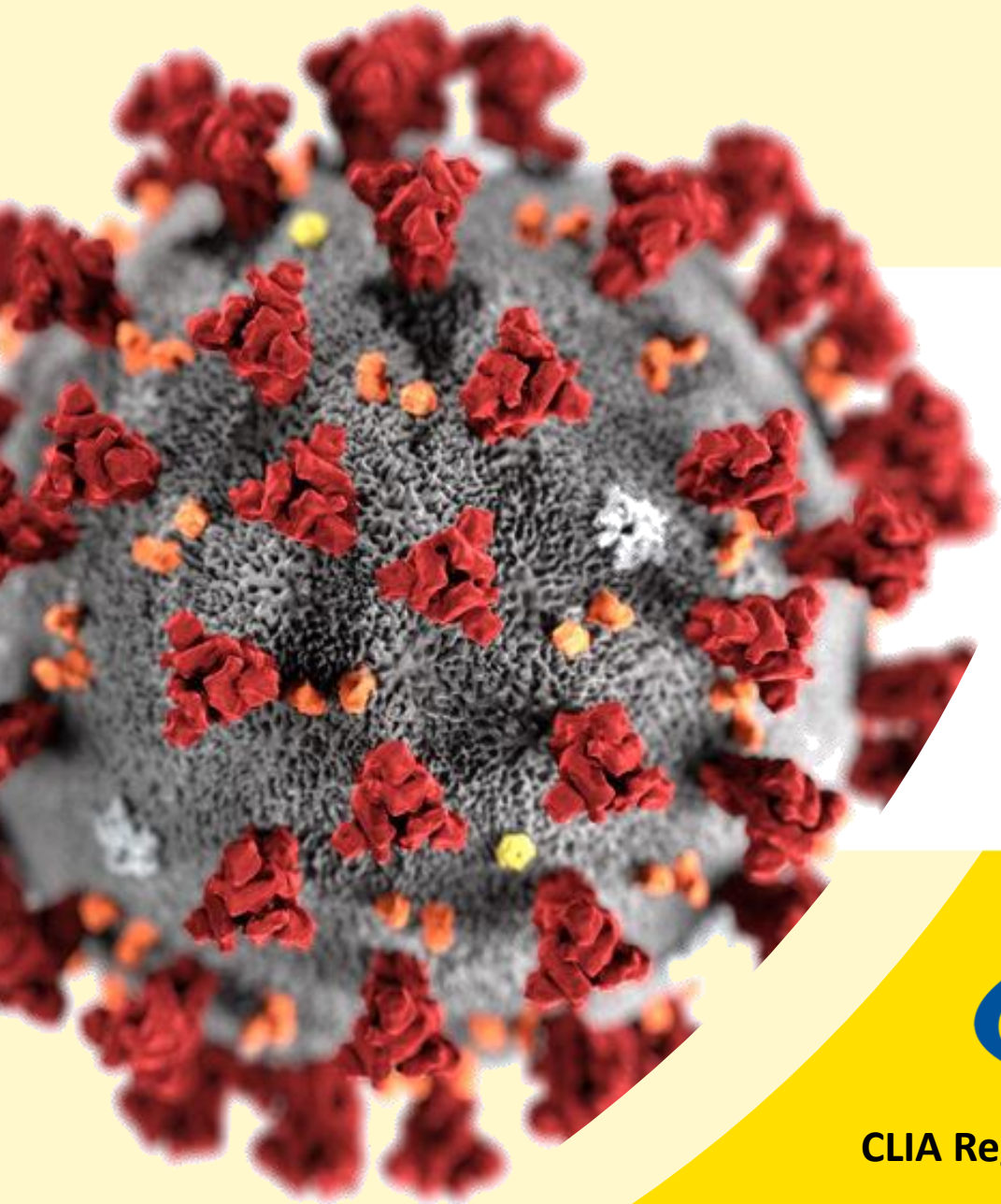UNIVERSITY

Path Forward to Award

The CARES Act and Additional Wichita State University Reassurances

- CARES Act funding guidelines for funding the increased capacity of WSU's lab based on a "reasonableness" test

- It is reasonable to conclude that the increased COVID-19 testing capacity proposed by WSU is needed in the State and surrounding areas

- The reasonableness test is measured at the time performance is sought – i.e. time of entry into a procurement contract specifying a time for delivery

Virus testing will continue to be an important part in the fight against COVID-19 as flu season approaches.

Dr. Lee Norman, Kansas Department of Health and Environment Secretary

Wednesday, September 2, 2020

WSU MDL: Summary

WSU MDL will provide Kansas citizens with the much-needed laboratory testing capacity that will aid our community in returning to work and school and continuing the delivery of critical health and safety service.

Importance of Testing

- Data driven outcomes for precision instead of mass quarantine

- Local Lab Capacity to control process, priority and pricing

- Utilization of lab developed tests that allow for more control of supply chain and cost and adoption of improved testing protocol

Regional Capacity Advantage

- Molecular genetic active virus testing protocol using RT-PCR

- High-throughput

- Low-cost, 40%-60% savings

- Quick-response, 24-hours

- Control of testing process, prioritization and price

Path to Zero

	Population	Daily Tests	Monthly	Annual
United States	331,002,651	4,250,000	129,270,800	1,551,250,000
Kansas	**2,774,044**	**35,600**	**1,082,800**	**12,994,000**
Wichita MSA	644,766	8,300	252,500	3,029,500
Sedgwick County	514,243	6,600	200,800	2,409,000
To suppress COVID-19 to less than 1 daily new case per 100,000 people (.001% case incidence), the United States need between 3.5 to 5 million daily viral tests with a 24-hour turnaround time.				

WSU MDL: Team

The WSU MDL team is made up of medical lab and automation and testing professionals with 25+ years of experience.

Name	Position
Dr. Joel Alderson	CLIA Lab Director
Steve Wright	Operations Director
Sarah Nickel	Medical Laboratory Science Director
Andrew Schlapp	Exec Director, Government Relations & Strategy
John Tomblin, PhD	SVP, Industry and Defense
Tonya Witherspoon	AVP, Industry Engagement and Applied Learning
Debra Franklin	AVP, Strategic Initiatives
Robert Gerlach	Exec Dir, Technology Transfer & Commercialization

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WSU MDL: Testing Protocol

The WSU MDL is an open lab system allowing the flexibility to use multiple reagents and testing protocols.

- Currently, MDL is using the following Molecular genetic active virus testing protocols using RT-PCR:
    1. Thermo Fisher Scientific, Inc. TaqPath COVID-19 Combo Kit
    2. Yale School of Public Health, Department of Epidemiology of Microbial Diseases, SalivaDirect
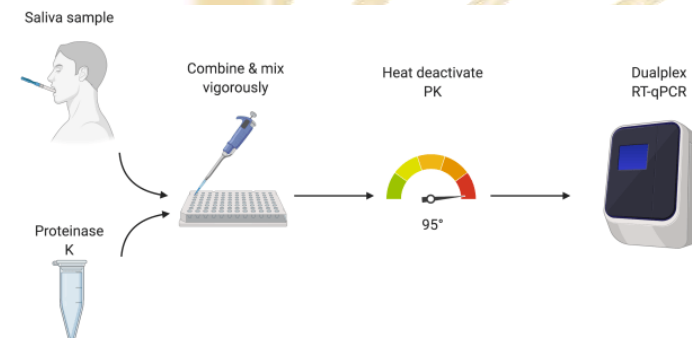
WSU MDL: Testing Protocol

Thermo Fisher Scientific TaqPath™ COVID-19 Combo Kit.

- TaqPath™ COVID-19 Combo Kit contains the assays and controls
- The gold standard for testing: full viral RNA extraction on the KingFisher Flex with real-time reverse transcription polymerase chain reaction (RT-PCR) on the QuantStudio 7
- EUA approved for use on all CDC approved respiratory specimens (such as **nasopharyngeal, oropharyngeal, nasal, and mid-turbinate swabs, and nasopharyngeal aspirate**) and bronchoalveolar lavage (BAL) specimens.
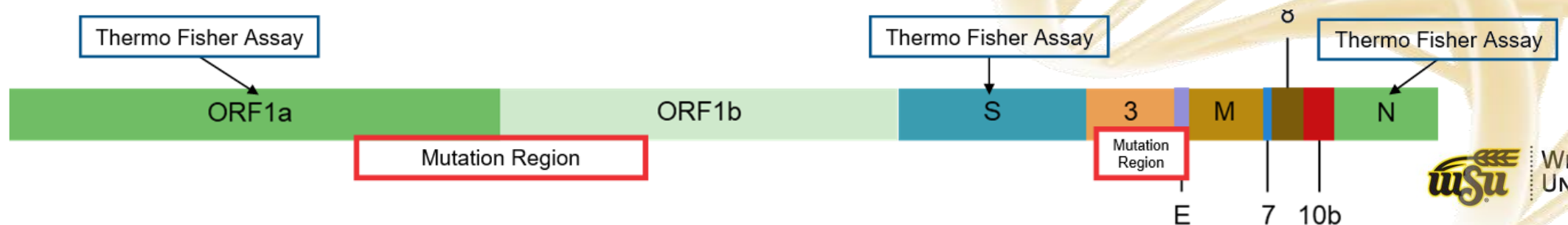   - EUA for saliva and multiplex assay approval ETA October.

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Testing Sensitivity and Specificity

TaqPath™ COVID-19 Combo Kit

- 100% sensitivity at the level of 10 genomic copies/reaction.
- Targeted specificity to 100% of currently available complete genomes for SARS-CoV-2
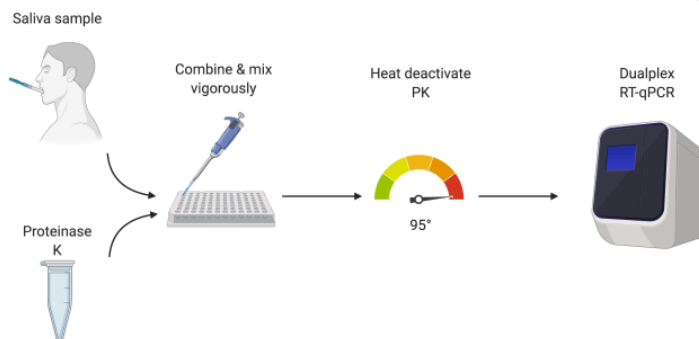- This method targets 3 different regions of the viral genome.

https://www.thermofisher.com/us/en/home/clinical/clinical-genomics/pathogen-detection-solutions/taqpath-covid-19-diagnostic-kit.htm

WSU MDL: Testing Protocol

Yale School of Public Health, Department of Epidemiology of Microbial Diseases, SalivaDirect

- Saliva specimens collected in sterile cups or tubes without addition of any preservatives providing greater ease in sample collection
- Utilizes combinations of alternate and substitute reagents, at each step adding redundancy and flexibility in the supply chain
- Skips nucleic acid extraction with real-time reverse transcription polymerase chain reaction (RT-PCR) on the Thermo Fisher Scientific Applied BioSystems 7500 Fast Dx
  - SalivaDirect was issued an Emergency Use Authorization (EUA) from the US Food and Drug Administration (FDA) on August 15, 2020

Saliva sample

Combine & mix vigorously

Heat deactivate PK

95°

Dualplex RT-qPCR

Proteinase K

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Testing Sensitivity and Specificity

SalivaDirect

- Positive agreement with CDC RT-PCR 94.6%

- Negative agreement with CDC RT-PCR 100%

- Level of detection is 6 copies per microliter
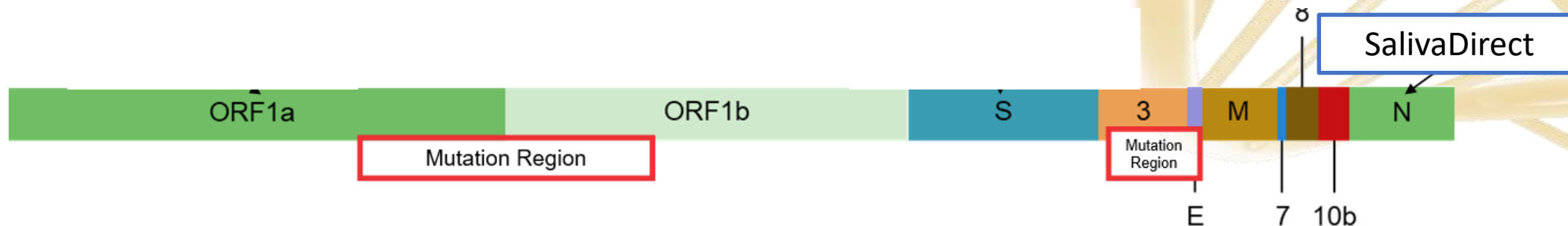
WSU MDL: Increased Capacity

The WSU MDL proposal provides The State of Kansas additional COVID-19 testing capacity. With this additional testing capacity, the Wichita State MDL will be able to process 1,500 samples per 8-hour shift or 7,500 per shift week. The cost of 100,000 testing devices, sample processing, and reporting of test outcomes is $6 million, and 200,000 for $12 million.

- Samples will be collected by existing or additional health care professionals off-site and sent to MDL for processing and reporting outcomes.

- If the State elects to provide testing kits to business/industry and schools, then testing can be conducted at the workplace and schools (with parental consent) under the supervision of a healthcare professional.

MDL: Increased Testing Capacity
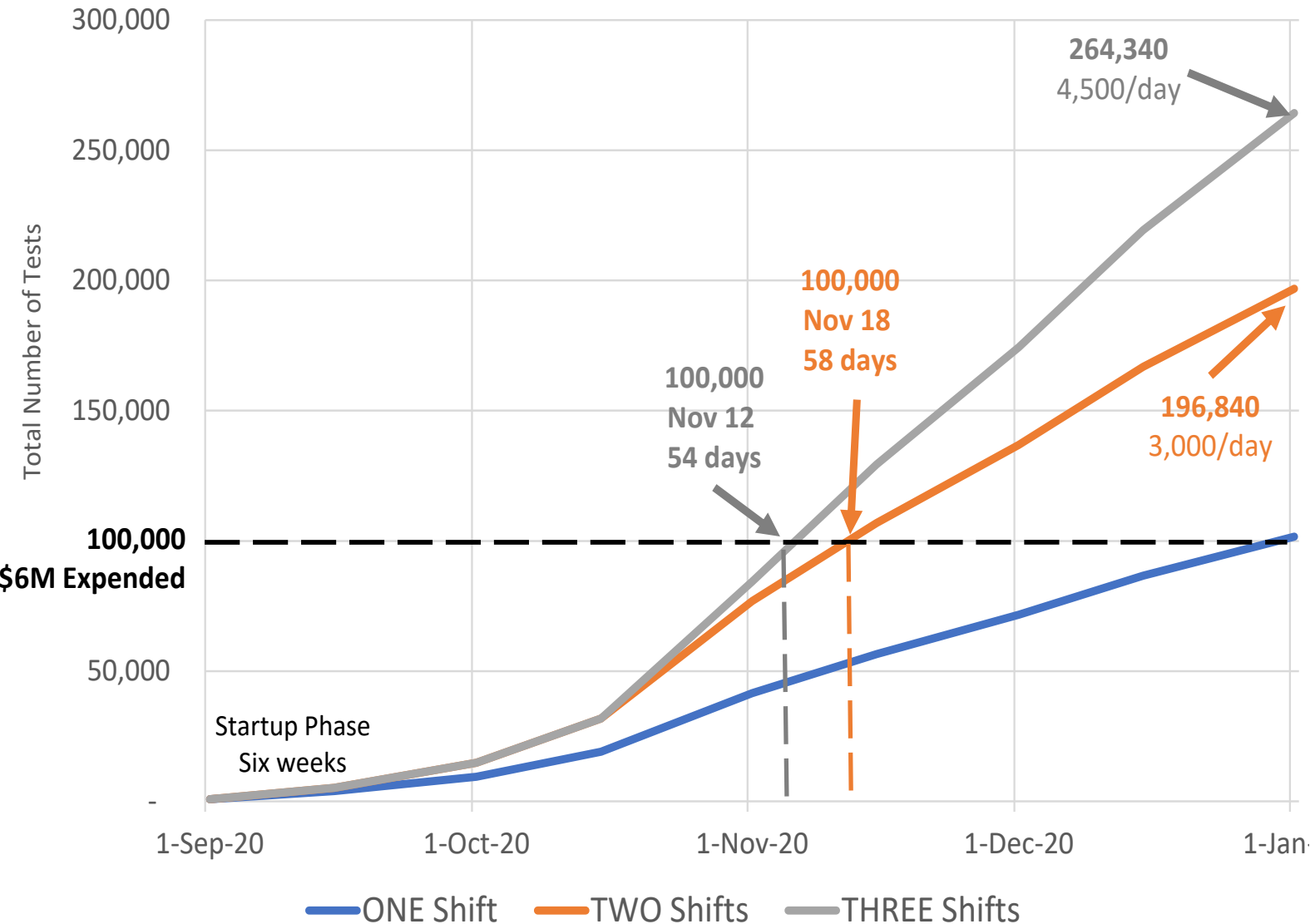
Assumptions

Startup: 200 per 8-hour shift or 1,000 per shift week

- Six-week startup period
- Increasing capacity at 33% per week
- Add second shift in week 3

Scale: 1,500 per 8-hour shift or 7,500 per shift week

- Scale begins week 8
- Add third shift in week 10

Note: 90 weekdays between Sept 1 and Dec 31

Chart labels:
- 264,340 — 4,500/day
- 196,840 — 3,000/day
- 100,000 — Nov 18 — 58 days
- 100,000 — Nov 12 — 54 days
- 100,000 — $6M Expended
- Startup Phase — Six weeks

Y-axis: Total Number of Tests (300,000; 250,000; 200,000; 150,000; 100,000; 50,000; -)

X-axis: 1-Sep-20, 1-Oct-20, 1-Nov-20, 1-Dec-20, 1-Jan-

Legend: ONE Shift — TWO Shifts — THREE Shifts

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WSU MDL: Sample Collection

Enables utilization of an unlimited number of collection sites to provide safe and nimble access to all populations.

 20,000 Symptomatic

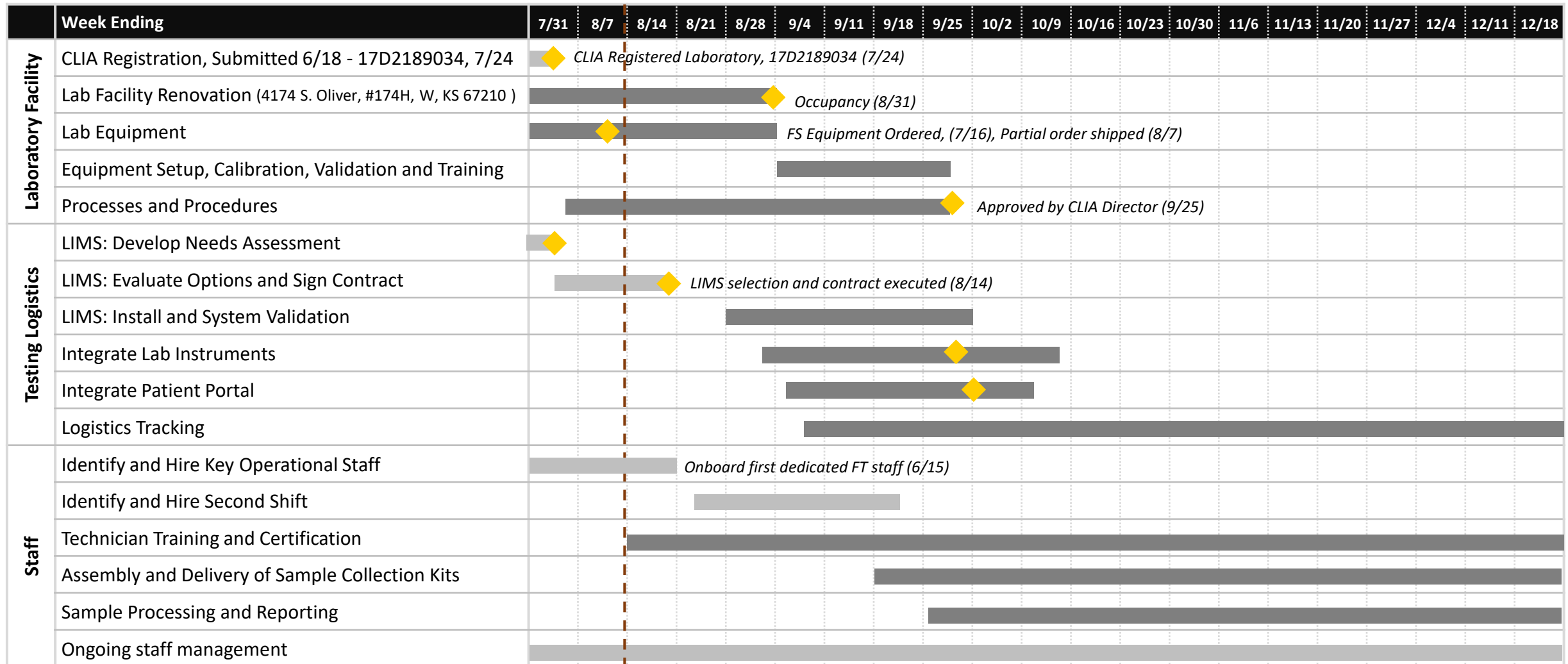 30,000 Nursing Homes & Long-Term Care

 30,000 Schools

 20,000 Business and Industry

WSU MDL: Timeline

◆ Milestone
◻ Indirect Lab Activities
⬤ Direct Lab Activities

VALUE CHAIN CAPABILITY CHECKLIST ACTIVITIES

Today ◆

Week Ending	7/31	8/7	8/14	8/21	8/28	9/4	9/11	9/18	9/25	10/2	10/9	10/16	10/23	10/30	11/6	11/13	11/20	11/27	12/4	12/11	12/18

Laboratory Facility

- CLIA Registration, Submitted 6/18 - 17D2189034, 7/24 — ◆ *CLIA Registered Laboratory, 17D2189034 (7/24)*
- Lab Facility Renovation (4174 S. Oliver, #174H, W, KS 67210) — ◆ *Occupancy (8/31)*
- Lab Equipment — ◆ *FS Equipment Ordered, (7/16), Partial order shipped (8/7)*
- Equipment Setup, Calibration, Validation and Training
- Processes and Procedures — ◆ *Approved by CLIA Director (9/25)*

Testing Logistics

- LIMS: Develop Needs Assessment — ◆
- LIMS: Evaluate Options and Sign Contract — ◆ *LIMS selection and contract executed (8/14)*
- LIMS: Install and System Validation
- Integrate Lab Instruments — ◆
- Integrate Patient Portal — ◆
- Logistics Tracking

Staff

- Identify and Hire Key Operational Staff — *Onboard first dedicated FT staff (6/15)*
- Identify and Hire Second Shift
- Technician Training and Certification
- Assembly and Delivery of Sample Collection Kits
- Sample Processing and Reporting
- Ongoing staff management

WSU MDL: User Experience & Process Integration Vision

The Patient Experience is Simple…

Sign-up in Patient Portal

Status Alert to Patient

Receive Test Results

…*because the testing process is comprehensive*

Product Development
Product definition, patient experience, customer requirements

Logistics, Distribution, & Facilities
Demand planning, supply forecasting, warehouse operations

Supply Chain & Procurement
Sample collection, supplier management

Compliance
Lab certification, test method and equipment validation

Lab Systems
LIMS implementation and integration, Patient Portal

G&A
Staffing, financial reporting, marketing, tax planning

Employer & Patient Management
Employer outreach, enrollment, scheduling

Site Management & Collections
Sample kit processing, inventory management, maintenance

Lab Testing
Sample testing, quality management, sample genealogy

Revenue Cycle & Billing
Payer contracting, payment posting, reporting

Deloitte.

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COVID-19 Testing
Policy overview

Agenda for today

Overview of Testing - 20 min

- Review of test types & processes
- Kansas testing metrics vs. benchmarks
- Why we need testing
- Designing & operationalizing a testing strategy
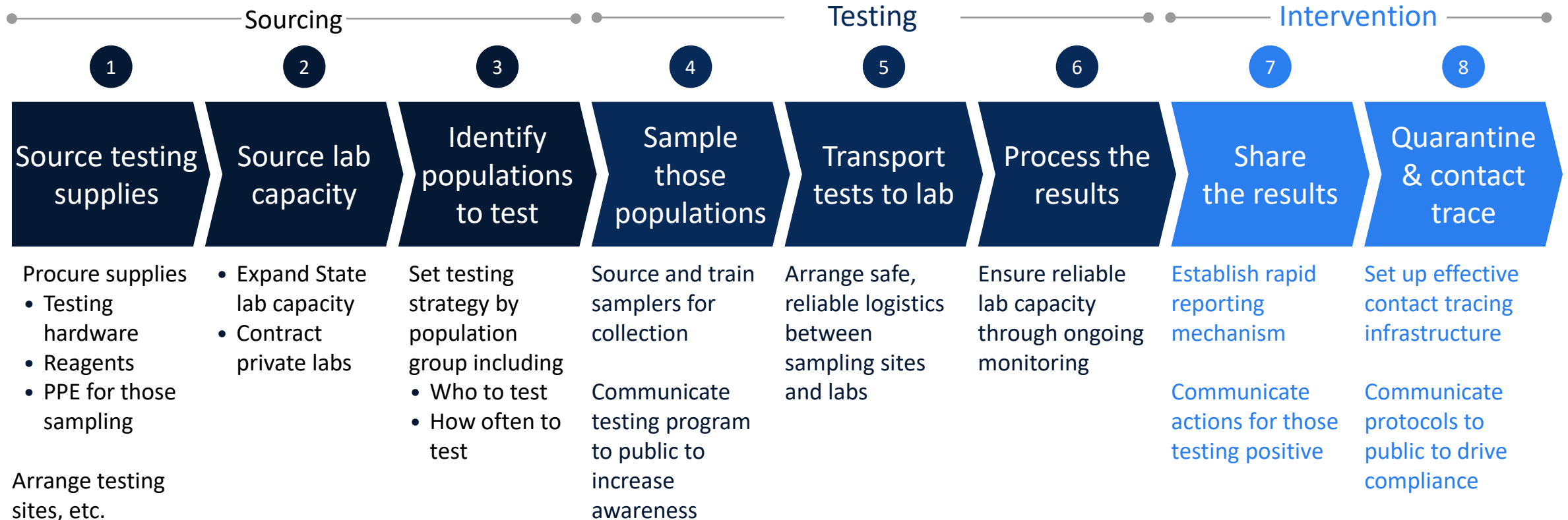- Recent testing innovations

Testing proposals - 20 min

Open discussion and Q&A - 20 min

There are 2 primary types of tests

	Molecular	Serological
Purpose	• Diagnoses only **active coronavirus infection**	• Shows **past infection of COVID-19**
Description	• Cannot detect if you ever had COVID-19 or were infected with COVID-19 in the past and subsequently recovered	• Cannot diagnose active coronavirus infection at the time of the test or show that you do not have COVID-19
Types of test	**PCR test (Lab equipment needed)** • Detects genetic material of the virus • 2 sampling methods: Vast majority nasal or throat swab, but saliva has also received approval from EUA • Results available in minutes if analyzed on-site or many days in locations with test processing delays • Most accurate kind of test **Antigen test (No lab equipment needed)** • Detects certain proteins in the virus • Collected from a nasal or throat swab to get fluid sample • Results available in minutes • Less accurate than PCR; potential for false-negative results	**Serological test (Lab equipment needed)** • Detects presence of antibodies • Collected from a finger prick or by drawing blood • Results available typically within a few days • Accuracy affected by timing (how soon you take the test after infection) and type
Processing time	• Nasal Swab- 10 hours, Saliva (PCR)-1 hr, Saliva (Antigen)-15 min	• 10 hours
Use cases	• Treat symptoms, control outbreaks through contact tracing	• Plasma donations for infusion treatment • Note: not conclusive evidence antibodies constitute immunity

☆Focus of today's discussion

Implementing a testing program requires establishing a complex end-to-end ecosystem

E2E testing operations

Sourcing | Testing | Intervention

1	2	3	4	5	6	7	8
Source testing supplies	**Source lab capacity**	**Identify populations to test**	**Sample those populations**	**Transport tests to lab**	**Process the results**	**Share the results**	**Quarantine & contact trace**

Procure supplies	• Expand State lab capacity	Set testing strategy by population group including	Source and train samplers for collection	Arrange safe, reliable logistics between sampling sites and labs	Ensure reliable lab capacity through ongoing monitoring	Establish rapid reporting mechanism	Set up effective contact tracing infrastructure
• Testing hardware • Reagents • PPE for those sampling	• Contract private labs	• Who to test • How often to test	Communicate testing program to public to increase awareness			Communicate actions for those testing positive	Communicate protocols to public to drive compliance
Arrange testing sites, etc.							

Kansas total testing volume lower than Northeastern states and Missouri, but lower positive test rate compared to Missouri

Current statistics

Metric	Description	KS	MO	CT	NJ
# Cumulative tests to date	No. diagnostic tests (molecular or antigen) per 1,000 people - cumulative to date	138	164	320	316
Positive test rate	% of total diagnostic tests positive for COVID-19; Recommended benchmark 5% or lower	10%	13%	2%	1%
Average turnaround time	No. days (on average) to receive testing results	State: 24-72 hours Private (small): 48-72 hours Private (large): 7-14 days		24-72 hours	24-48 hours
No. sampling sites	No. sampling sites per 100,000 people	2.4	3.3	2.8	4.8
Total lab capacity	No. tests lab can process in any given day per 1,000 people at current capacity	2.7	3.3	3.4	4.2

A testing strategy can achieve of up to 3 public health goals depending on which populations are tested

Key factors to consider

|	What should our goals be?	Which populations should we prioritize testing for?	How frequently should we test these populations?	Monthly volume (at $100 per test)
Minimum testing strategy	**1. Identify positive cases** – Test those showing symptoms to provide timely and appropriate treatment for COVID-19	**All symptomatic** individuals to ensure they are being treated & quarantined	• As needed	• 139K tests
Intermediate testing strategy	**2. Monitor high risk groups** – Test groups where an outbreak is potentially most damaging and prevent deadly outbreaks	**Asymptomatic** individuals in nursing homes, prisons, meat packing plants, healthcare workers- to prevent transmission/death in all places with high likelihood	• On-going (e.g., weekly in nursing homes, bi-weekly in prisons, meat packing plants upon first case)	• 267K tests
Broad testing strategy	**3. Detect & respond to disease prevalence** – Carry out broad testing to identify emerging outbreaks	**Asymptomatic** individuals in dense, urban centers & low-income populations- test 2% (to see outbreaks) or 10% (to see true view of prevalence) and identify emerging outbreaks	• On-going (monthly)	• 325K tests

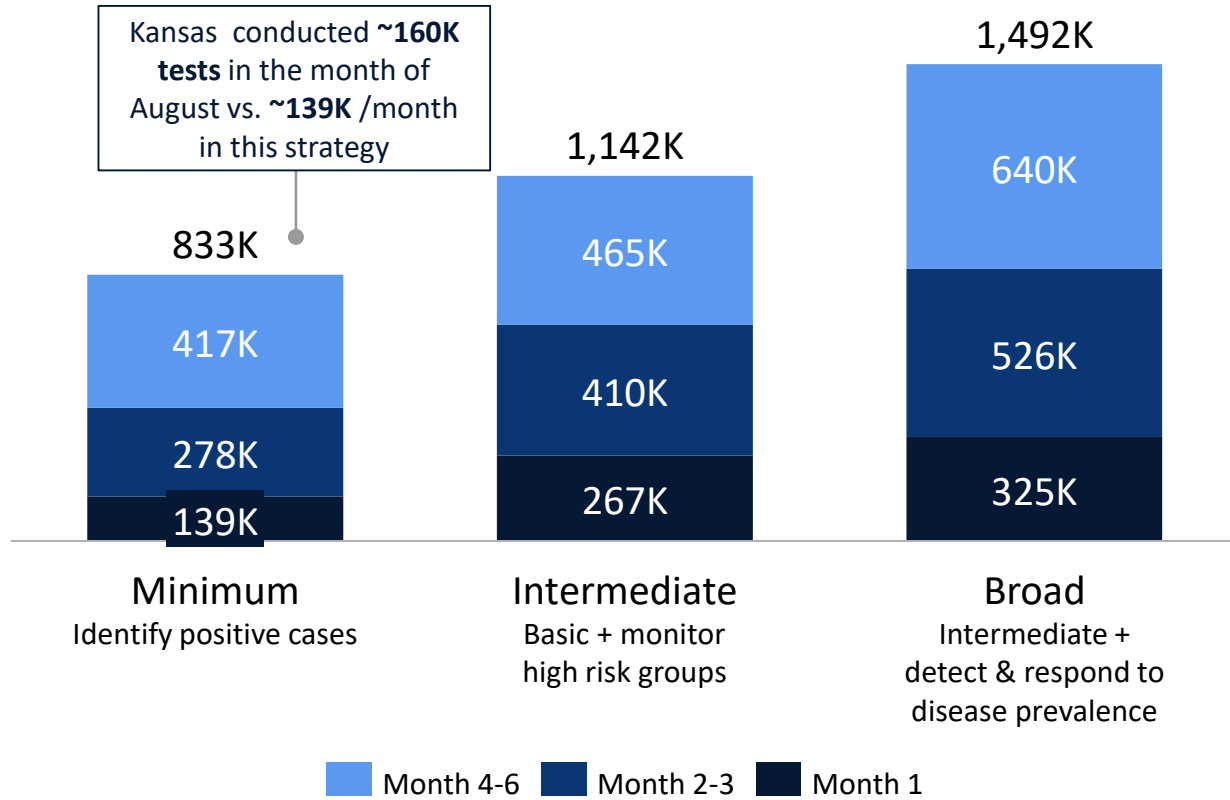# Testing volumes associated with various potential testing strategiesunder simplifying assumptions
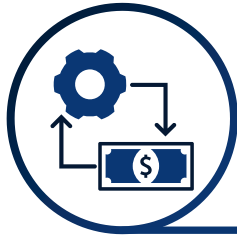
Total volume of tests over 6 months

Kansas conducted **~160K tests** in the month of August vs. **~139K** /month in this strategy

Legend: Month 4-6 | Month 2-3 | Month 1

Minimum — Identify positive cases
Intermediate — Basic + monitor high risk groups
Broad — Intermediate + detect & respond to disease prevalence

Illustrative

Key notes

Assumptions
Note: assumptions are simplified

- Hospitals are responsible for the testing of healthcare workers, and therefore those testing volumes are not included in this calculation

Results
- Total volumes for each type of strategy:
  - **Minimum** (Test symptomatic individuals) = **833K tests**
  - **Intermediate** (Test symptomatic individuals + high risk groups) = **1,124K tests**
  - **Broad** (Test symptomatic individuals + high risk groups + 2% of total population) = **1,492K tests**
- Majority of total testing volume (>50%) is driven by **on-going testing of symptomatic individuals**
- Majority of volume for monitoring high risk groups (~75%) is driven by **on-going monitoring of nursing home patients & staff**

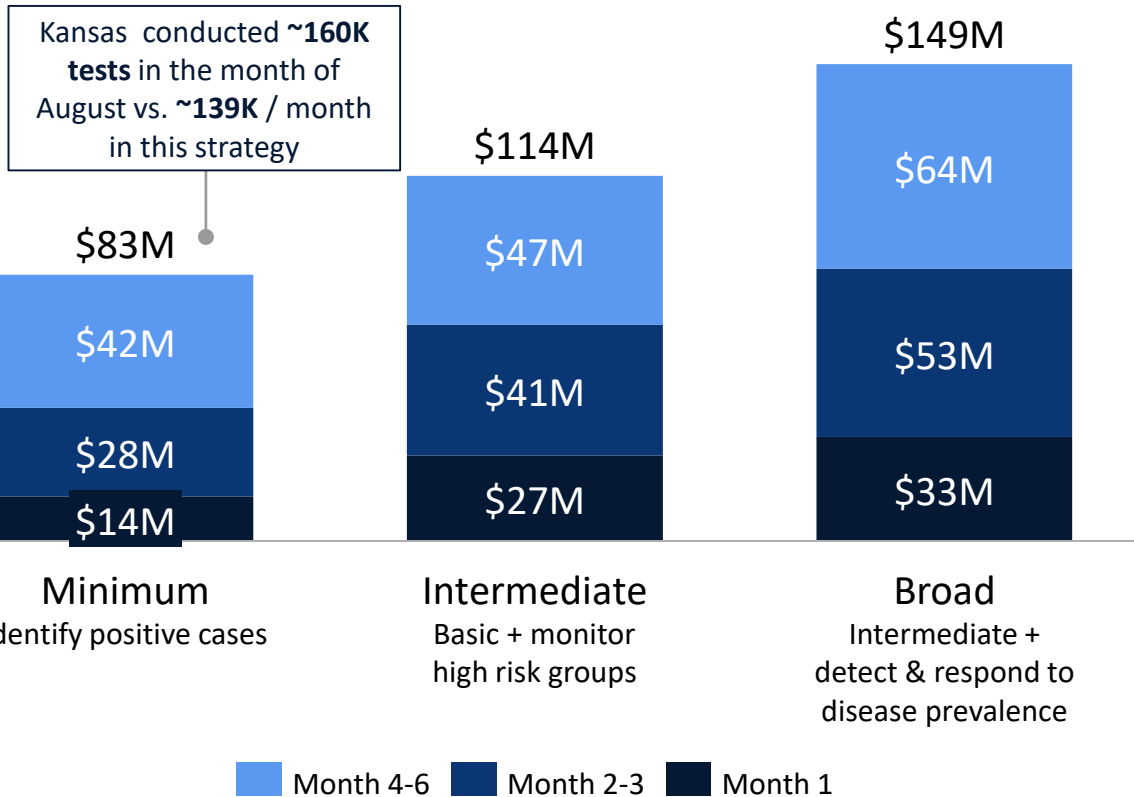# Costs associated with various potential testing strategies
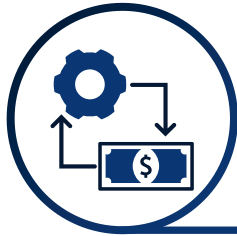
Total cost of each testing strategy for 6 months

Illustrative

Kansas conducted **~160K tests** in the month of August vs. **~139K** / month in this strategy

$83M
- $42M (Month 4-6)
- $28M (Month 2-3)
- $14M (Month 1)

$114M
- $47M (Month 4-6)
- $41M (Month 2-3)
- $27M (Month 1)

$149M
- $64M (Month 4-6)
- $53M (Month 2-3)
- $33M (Month 1)

Minimum
Identify positive cases

Intermediate
Basic + monitor high risk groups

Broad
Intermediate + detect & respond to disease prevalence

Legend: Month 4-6 | Month 2-3 | Month 1

Key notes

Assumptions
Note: assumptions are simplified and there may be additional costs
- Cost of test: **$100**/ test in all cases
- Medicare/ Medicaid / Insurers do not cover any costs
- Hospitals are responsible for the testing of healthcare workers, and therefore those costs are not the responsibility of the state

Results
- Total costs for each type of strategy:
  - **Minimum** (Test symptomatic individuals) = **$83M**
  - **Intermediate** (Test symptomatic individuals + high risk groups) = **$114M**
  - **Broad** (Test symptomatic individuals + high risk groups + 2% of total population) = **$149M**
- Majority of total cost of broad testing program (>50%) is driven by **on-going testing of symptomatic individuals**
- Majority of cost of monitoring high risk groups (~75%) is driven by **on-going monitoring of nursing home patients & staff**

Source: KS Departments of Health ; BCG Analysis

Recent innovations could help us accomplish our goals

Implications

1 **Yale test:** FDA approved laboratory COVID-19 test, currently being used by the NBA, laboratory cost of processing is ~$10, which is much cheaper than most alternatives

- Significantly lower cost compared to existing options resulting in more widespread testing
- Simplified operational complexity

2 **Rapid testing:** FDA approved rapid COVID-19 test that costs $5 and delivers results within 15 minutes

- Significantly lower cost compared to existing options resulting in more widespread testing
- Minimized windows of transmission
- Potential to control outbreaks in schools, office buildings, meat packing plants, etc.
- Federal sequestering of available machines may restrict state procurement

3 **Wastewater monitoring:** University of Arizona collected samples of sewage from 20 buildings detected COVID-19 genetic material; tested all 311 people associated with the building, found 2 asymptomatic students, quarantined & contact traced

- Control outbreaks before they start
- Reduced reliance on lab testing to identify asymptomatic individuals

SPARK Process Update

Where are we now?

1. SPARK establishes their investment priorities for Round 3

What's next?

2. Establish application process/criteria for selection

3. Review proposals

4. Make selections

Best practices

For Discussion

09/04/2020

Lessons learned and observations in CRF programs across the country

Targeting programs to <u>disproportionately impacted populations</u> can extend reach of dollars and avoid future social costs; requires specific outreach to be successful

Bringing <u>private sector stakeholders</u> to the table can ensure successful implementation and matched support

<u>Short-term relief and long-term impact</u> is not always a tradeoff, but must be balanced in context of unique public health emergency

<u>Speed matters</u> getting dollars quickly in the hands of those impacted has outsized economic benefit

<u>Investment upfront</u> in program outcome goals can shape the application design and scoring process, de-risking compliance, easing reporting and ensuring programs reaches needed recipients

HOUSING STABILITY AND EVICTION PREVENTION

Kansas
Department for Children and Families

Mike Deines, Senior Director of Public and Government Affairs

Ryan Vincent, Executive Director, KHRC

KANSAS HOUSING RESOURCES CORPORATION

- A self-supporting, nonprofit public corporation, Kansas Housing Corporation (KHRC) administers housing and community programs across Kansas

- KHRC helps Kansans access the safe, affordable housing they need and the dignity they deserve

- Work with a network of stakeholders including: Government officials, mortgage lenders, business leaders, developers, builders, property managers, real estate professionals, service providers, advocates, nonprofit organizations, government agencies

Our Programs

EMERGENCY HOUSING	• Emergency Solutions Grant
COMMUNITY SOLUTIONS	• Community Services Block Grant • Tenant Based Rental Assistance
HOUSING DEVELOPMENT	• Low Income Housing Tax Credit • HOME • Moderate Income Housing • National Housing Trust Fund
HOMEOWNERSHIP	• First Time Homebuyer Program • Manufactured Housing
ENERGY EFFICIENCY	• Weatherization Assistance
COMPLIANCE	• Contract Administration • Housing Compliance

HOUSING STABILITY

- Due to job and wage losses caused by the COVID-19 pandemic, Kansas is facing a potentially disastrous housing crisis

- As of August 7, the Aspen Institute estimates that between 117,000 and 155,000 Kansas rental households (30-44% of all rental households) are at risk of eviction in the coming months due to inability to keep up with rent payments

- Renters face potential displacement, homelessness, and public health risks should they be evicted

- Property owners face rising rental payment arrears while continuing to be obligated to pay mortgages, property taxes, and other costs

HOUSING COSTS

- Average fair market rents in Kansas in 2020 by County according to the National Low Income Housing Coalition

	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
Statewide	$601	$675	$855	$1,150	$1,348
Johnson	$678	$813	$978	$1,314	$1,490
Finney	$579	$602	$790	$993	$1,126

- Fair market rent: amount needed to pay monthly gross rent of privately owned, decent, and safe rental housing of a modest nature with suitable amenities

EVICTION MORATORIUM

- On September 1, 2020, the Trump administration, via the CDC, implemented a national moratorium on residential evictions for qualifying households through December 31

- To qualify:
  - Make no more than $99,000 during 2020 as an individual; $198,000 as a couple
  - Prove loss of income, inability to pay full rent, and best efforts to pay partial rent

- Renters are still required to pay rent and rental payment arrears are still accrued during this time

- Moratorium provides no financial assistance to landlords or renters

EVICTION PREVENTION

- Target rental property owners with direct assistance to ensure housing stability in the coming months

- Direct payment to landlords is the most effective route of service delivery. KHRC reports logistical difficulty providing benefits directly to tenants in past programs

- By investing a portion of CARES CRF funds into such a program, the state can:

  - Ensure that property owners continue to receive income during this time

  - Prevent the buildup of insurmountable rental payment arrears that would lead to evictions following the moratorium

  - Infuse the Kansas economy with federal dollars

EVICTION PREVENTION

- KHRC has an existing portfolio of affordable housing properties & landlords around the state. These properties (and their tenants) are some of the most in need populations in our state and could quickly be the first beneficiaries

- KHRC can engage an existing network of housing partners around the state who can move quickly to design and stand up the program

- KHRC has existing infrastructure in place to process payments to properties, to monitor and ensure compliance with program rules, and to ensure that tenants will not ultimately be evicted when landlords accept the benefit

- KHRC has housing and Federal program administration experience to ensure the funds are spent timely and effectively

EVICTION PREVENTION

- Initial funding of $15 million would cover benefits for approximately 4,700 households

- Additional funding could be added based on need and program popularity
  - $30 million total would cover full benefits for approximately 9,400 households
  - $60 million total would cover full benefits for approximately 18,750 households

- Income based eligibility requirement ensures that the program prioritizes the most vulnerable, most in need Kansans that were directly affected by COVID-19

RESOURCES

Aspen Institute Report:
https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/

Fair market rent report by County:
https://ipsr.ku.edu/ksdata/ksah/housing/4house11.pdf

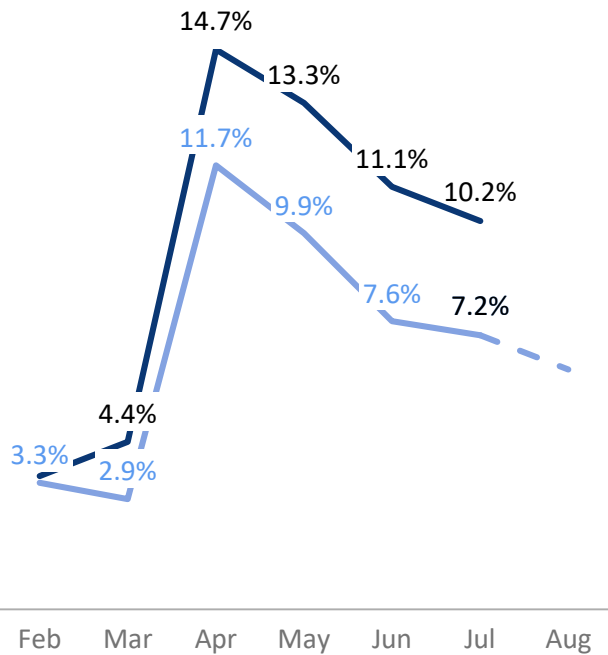# Agenda for info session

Ideas for SPARK to consider

- Department of Children and Families
- Kansas Housing Resources Corp
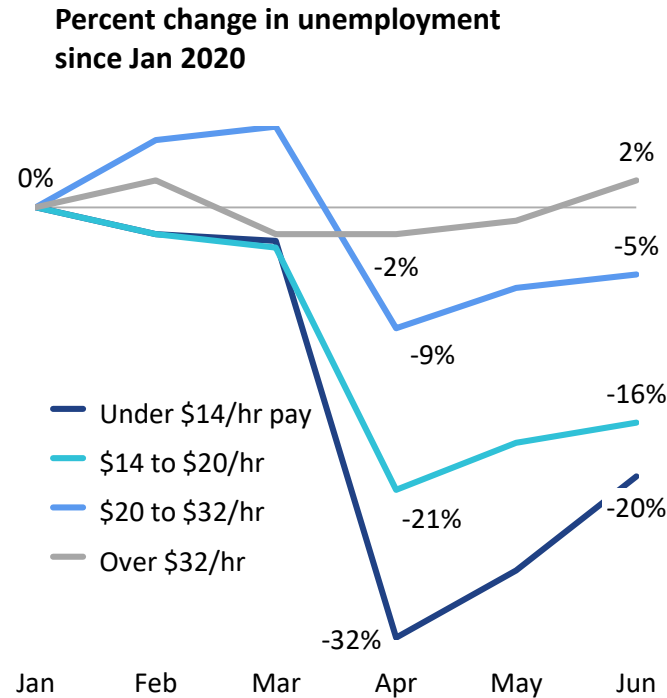
Considerations from Research

Open discussion and Q&A

With pandemic still active and continuing economic strain, significant pressures on Kansans to afford basic needs, such as housing

## At 7.2%, KS unemployment above US avg with initial weekly claims steady at ~10K

14.7%
13.3%
11.7%
11.1%
10.2%
9.9%
7.6%
7.2%
4.4%
3.3%
2.9%

Feb | Mar | Apr | May | Jun | Jul | Aug

… however, jobs for those earning below $32/ hr remain depressed…

Percent change in unemployment since Jan 2020

0%
2%
-2%
-5%
-9%
-16%
-21%
-20%
-32%

— Under $14/hr pay
— $14 to $20/hr
— $20 to $32/hr
— Over $32/hr

Jan | Feb | Mar | Apr | May | Jun

…and impact varies across geographies, with more densely populated areas showing higher levels of unemployment

Unemployment rate by county, July 2020
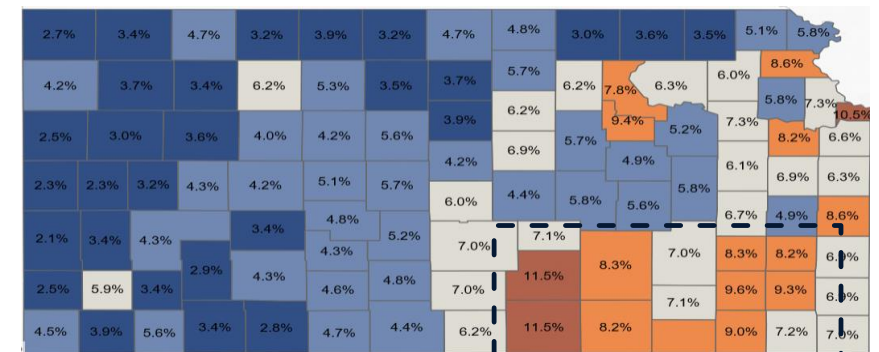
Unemployment highest in Southeast region of Kansas

- *4 of the 5 largest counties experiencing unemployment rates higher than state average (Sedgwick, Wyandotte, Shawnee, Douglas)*

Low income households have been disproportionately impacted, with extremely low income households at high risk of housing instability

30-44%
Of renter households in Kansas are currently at risk of eviction, representing 117-155K households

24%
Of Kansas renters are extremely low income, **making <$18K/ yr,** or <$9/hr if working full time
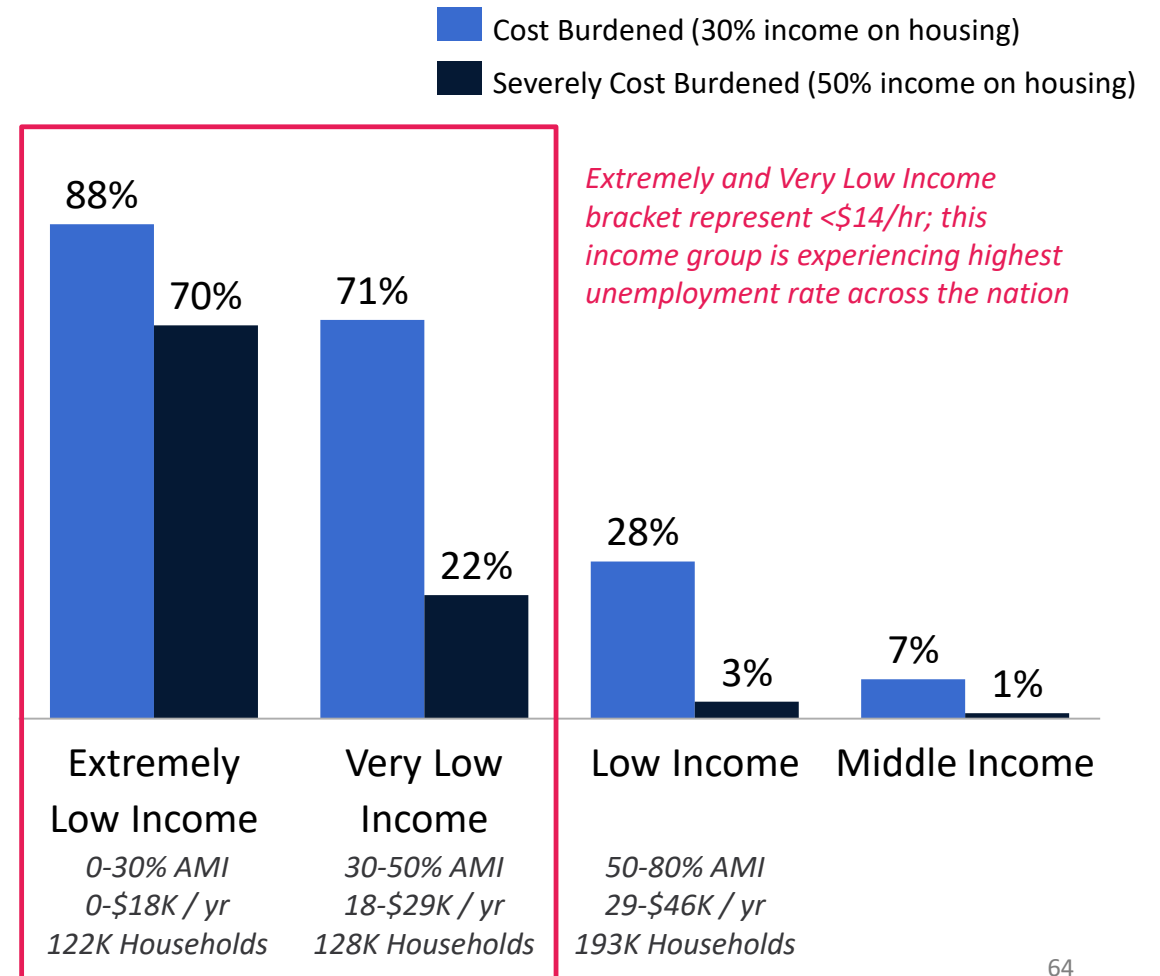
55K
Pre-Covid-19, existing shortage of rental units for extremely low income renters

70%
Of extremely low income renter households spend at least **50% of their income** on housing and utilities

Housing cost burden by income group for Kansans

■ Cost Burdened (30% income on housing)
■ Severely Cost Burdened (50% income on housing)

Extremely and Very Low Income bracket represent <$14/hr; this income group is experiencing highest unemployment rate across the nation

Extremely Low Income	**Very Low Income**
0-30% AMI	*30-50% AMI*
0-$18K / yr	*18-$29K / yr*
122K Households	*128K Households*

Low Income
50-80% AMI
29-$46K / yr
193K Households

Middle Income

Cost burden percentages: Extremely Low Income 88% / 70%; Very Low Income 71% / 22%; Low Income 28% / 3%; Middle Income 7% / 1%

$63.3M in federal programs have been directed at helping Kansans facing housing instability

Program	Description	Funding $
Community Development Block Grant (CDBG) – Local & State	• Grants to develop and preserve decent affordable housing and to provide services to the most vulnerable in our communities	**$23.5M**
Emergency Solutions Grants (ESG) – Local & State	• Assist people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness.	**$22.6M**
Public Housing Operating Fund	• Subsidies to housing authorities to assist in funding the operating and maintenance expenses of their own dwellings, in accordance with Section 9 of the U.S. Housing Act of 1937, as amended.	**$3.70M**
Tenant-Based Rental Assistance - Administrative Fees	• To support or maintain the health and safety of assisted individuals and families, and costs related to retention and support of participating owners.	**$3.05M**
Supportive Housing for Persons with Disabilities (Sec. 811)	• To expand the supply of supportive housing for very low-income persons with disabilities.	**$0.16M**
County spend toward housing instability (Round 1, CRF)	• Example program: Project funding provided to United Way for programs and services within Wyandotte County related to Rent/Mortgage assistance	**$10.34M** *Round 1, CRF*

Federal Funding

Nationally, COVID-related housing programs focus on ensuring **near-term** **housing stability** for vulnerable communities

Focus of most CRF related spending programs on housing

PROTECT

Protect tenants from housing instability and displacement - particularly ELI/VLI households (e.g. eviction moratorium and supporting payback plans, rental and utility assistance)
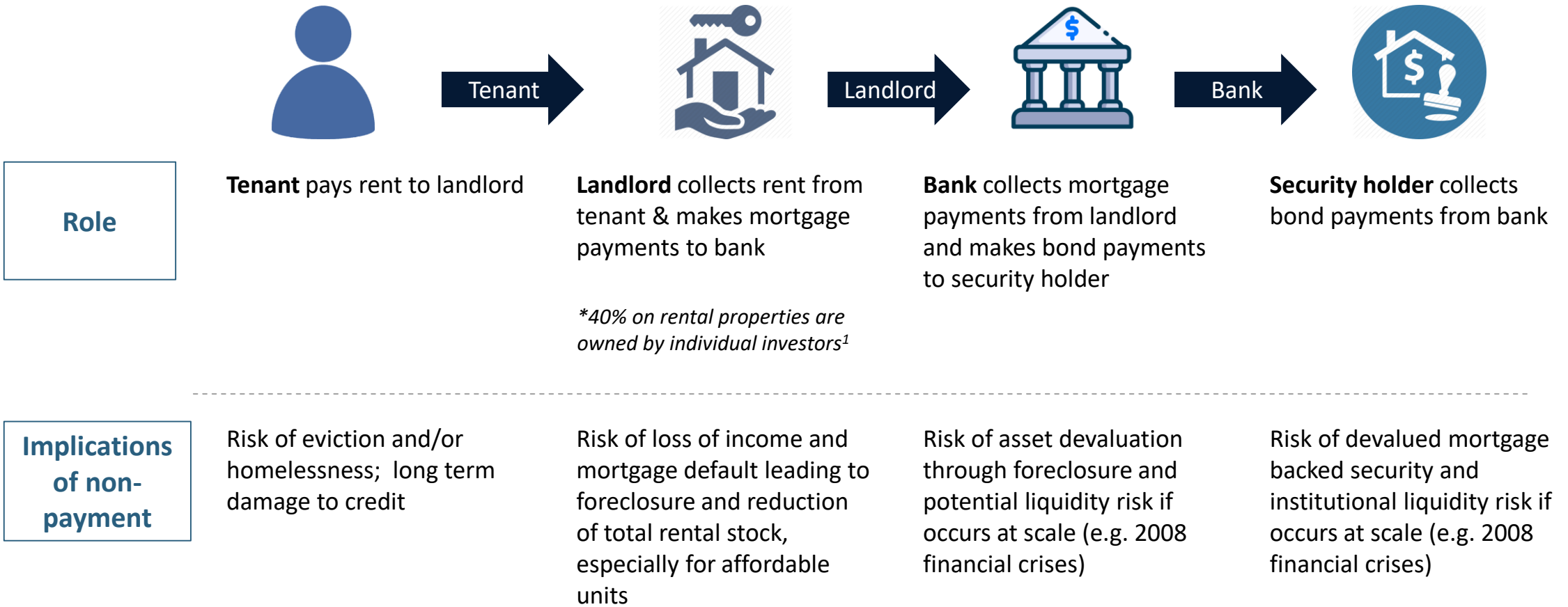
PRESERVE

Preserve communities and existing affordable housing, by supporting affordable housing eco-system and ensuring affordable rental supply does not contract as a result of other COVID interventions (e.g. eviction moratoriums)

Less often addressed with CRF dollars given restrictions on spending and timeline, with some exceptions

PRODUCE

Produce affordable housing by removing barriers to development, conversion of unused buildings/ hotels and expanding access to use of local lands (e.g. California's Project Homekey to purchase hotels and unused spaced for more permanent solutions)

Housing ecosystem: Evictions and nonpayment of rent can have ripple effects across the affordable housing market

Role	**Tenant** pays rent to landlord	**Landlord** collects rent from tenant & makes mortgage payments to bank **40% on rental properties are owned by individual investors[1]*	**Bank** collects mortgage payments from landlord and makes bond payments to security holder	**Security holder** collects bond payments from bank
Implications of non-payment	Risk of eviction and/or homelessness; long term damage to credit	Risk of loss of income and mortgage default leading to foreclosure and reduction of total rental stock, especially for affordable units	Risk of asset devaluation through foreclosure and potential liquidity risk if occurs at scale (e.g. 2008 financial crises)	Risk of devalued mortgage backed security and institutional liquidity risk if occurs at scale (e.g. 2008 financial crises)

A moratorium does not solve the issue of non payment, it delays the risk and may need to be accompanied by repayment options or other support measures

1. National figure

Early indicators across the country of looming housing market instability driven by economic impact of COVID on renters

Primary impact

Secondary impact

Impact on renters

- **117-155K** Kansas households at risk of eviction – triggering an estimated increase social services cost of **$1.3-1.7B[1]**
- 43% of Kansan renter households with children have "slight or no confidence" that they can pay August rent on time
- Eviction moratorium is an emergency solution but requires pairing with repayment plans and broader policies to avoid looming "eviction cliff"

Implications
- Housing instability can drive increased demands for higher cost social services
  - Since March, food pantry requests increased by up to 2,000% in some states
  - Nationally, homelessness projected to increase 45% in absence of rental support, which poses significant public health risks during pandemic
  - Significant risks to children at risk of experiencing housing instability (mental health challenges, educational disruption)

Impact on small landlords

- Small property owners– 40% of properties nationally including most of the affordable housing stock – at **risk of foreclosure and bankruptcy**
- **31% of small landlord renters unable to pay rent in August** (vs. 25% in July); incomplete rental payments increased by 93%
- 58% of small landlords said that they did not have access to existing lines of credit that might help them in an emergency
- Mortgage adn tax forbearance / assistance and operational costs both critical to financial stability
  - 2x mortgage delinquency rate since onset of COVID (Q2 rose to 8% overall; 15% for Federal Housing Administration loans)
  - High operational costs in affordable housing drive financial pressure

Implications
- Medium and long term reduction in affordable housing stock as landlords exit market
- Increased risk of financial or housing market crisis

Impact on banks; financial system

- 40M Americans at risk of eviction, **4x that of the Great Recession**
- Residential mortgages typically the most significant asset on lenders' balance sheet; increased default rates have significant impacts on liquidity
- During Q1/2 2020, foreclosures largely paused nationally; **experts expect waiting for impact to be felt in second half of 2020**
  - Many foreclosures paused, but high "zombie foreclosures" in Kansas: (15% of properties in the foreclosure process are vacant vs national average of 3.7%)

Implications
- At scale can threaten liquidity of banks and broader financial system
- Mortgage defaults drives devaluation of assets and cash constraints for local banks, changes in long term credit risk profiles
- Lowers value of foreclosed and surrounding homes, lowering property taxes collected

Deep dive: Eviction protection Kansas has some eviction protections in place surrounding moratorium during COVID, but has not implemented others

		IL	CA	KA	PA	AR	MO	OK
Categories of measures	**Overall score (out of 5)[1]**	**3.25**	**1.20**	**0.85**	**0.50**	**0.00**	**0.00**	**0.00**
	Renter population ('000s)	**3,921**	**17,035**	**871**	**3,457**	**963**	**1,810**	**1,270**
Initiation of eviction	No filing if tenant has COVID-related hardship	Yes	Yes	Yes	No	No	No	No
	No filing for nonpayment	Yes	No	No	No	No	No	No
	No filing, except emergencies	Yes	No	No	No	No	No	No
Short-term supports	Moratorium extends past emergency declaration	No	No	No	No	No	No	No
	No utility disconnection	Yes	Yes	Yes	Yes	Yes	No	No
	Free utility reconnection	Yes	No	No	No	Yes	No	No
	No report to credit bureau	No	No	No	No	No	No	No
Tenancy preserv.	No late fees	No	No	No	No	No	No	No
	No rent raises	No	No	No	No	No	No	No
Court process	Hearings suspended	No	Yes	No	No	No	No	No
	Eviction records sealed	No	Yes	No	No	No	No	No
Enforce-ment of eviction order	No removal if tenant has COVID-related hardship	Yes	No	No	No	No	No	No
	No removal of tenant for nonpayment	Yes	No	No	No	No	No	No
	No removal of tenant, except emergencies	Yes	No	No	No	No	No	No

Deep dive: Direct assistance programs, Housing Stability

Oklahoma

CARES fund money available to Oklahomans to help cover:
- Rent/Mortgage
- Electricity
- Gas, or
- Water

Money is paid directly to:
- Landlord
- Lending institution

Who is eligible?
- Oklahomans who have been impacted by COVID-19
- Low income families
- Assistance is capped at $3.6K per household, representing 4 months of support at avg rate for 2 bdrm rental ($828/mo)

Pennsylvania (Montgomery County)

CARES fund money available to Montgomery County residents, and covers:
- Rent
- Utilities

Money is paid directly to:
- Landlord
- Utilities company

Who is eligible?
- Residents who are experiencing financial hardships due to COVID-19, and have overdue rent payments or utility bills
  - Must be low income, at or below 100% of the area median income
- Max assistance is $1.5K per month, per household, and
- Households can qualify for up to 6 months of assistance
  - Median rent in Montgomery County is $1.3K, funding can cover rent **and** some utilities

Deep dive: Policies targeting both landlords and tenants

California

Tenant assistance
- Direct rental assistance programs administered on City or County level
- Extension of eviction moratorium through Feb 2021; 25% rent payment required Sept 2020 –Jan 2021
- Enforcement and penalties for non compliance by landlords
- Repayment delayed to March 2021 (local jurisdiction often allows 6 months from end of local moratorium for full repayment)
- $550M in federal stimulus to purchase and rehabilitate motels for permanent housing

Landlord assistance
- 90 day grace period for mortgage payments for 200+ banks
  - No negative credit impacts resulting from relief
  - Financial institutions will not report late payments to credit reporting agencies for borrowers
- 60 day moratorium on initiating foreclosure sales or evictions
- 90 days waiving or refund of mortgage related fees and other fees, including early CD withdrawals

Additional measures being considered
- Tiered incentives for landlords offering rent relief and rental forbearance
- Support for operational costs of affordable housing units

Montana
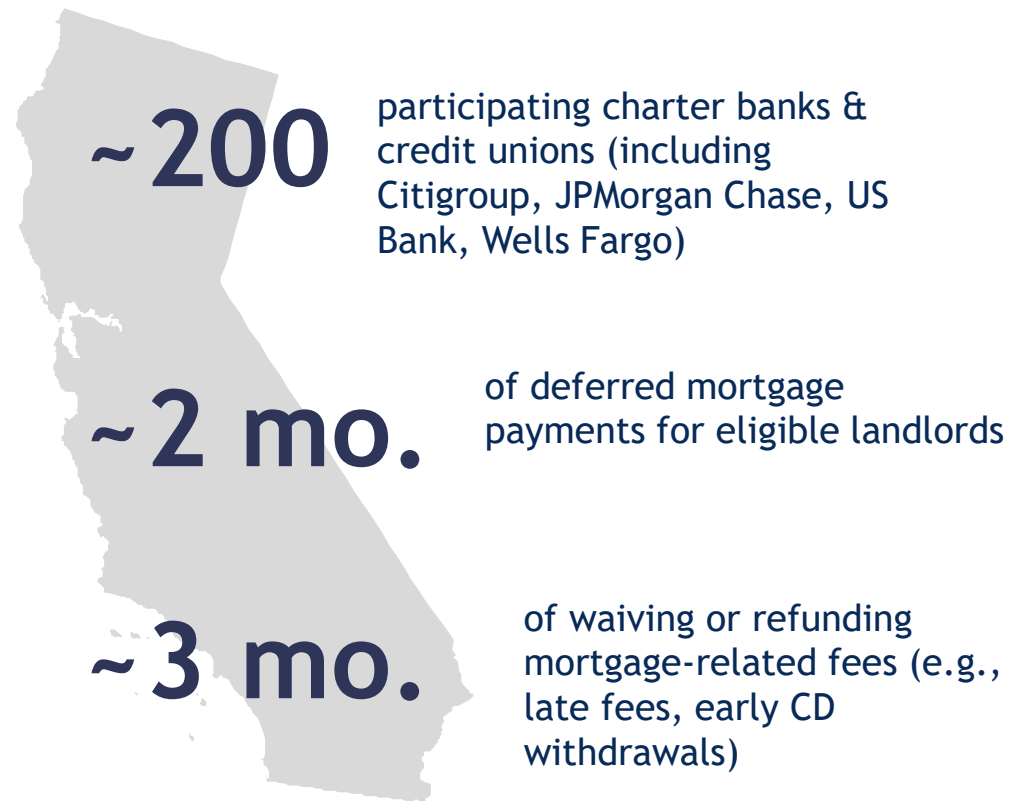
Tenant assistance
- For a period of 1 month, no landlord may
  - Terminate a tenancy involving a residential dwelling
  - Require a tenant or authorized guest to vacate the premises
  - Charge or accrue late fees, interest, or other penalties, due to nonpayment of rent
  - Increase to the amount of rent payable
  - Report a residential tenant to a credit bureau for nonpayment of rent

Landlord assistance
- For a period of 1 month
  - No writ, judgment or order directing the sale of residential real property or directing a mortgagor, grantor, or other debtor in possession of the property to surrender or vacate the property shall be enforced
  - No borrower, mortgagor, or grantor in possession of real property, may be reported to a credit bureau for nonpayment

Deep dive: Landlord assistance: California was an early mover in providing mortgage relief; lessons learned about eligibility requirements and reach

CA mortgage relief announced in March was a first step to avoid housing crises...

~200 participating charter banks & credit unions (including Citigroup, JPMorgan Chase, US Bank, Wells Fargo)

~2 mo. of deferred mortgage payments for eligible landlords

~3 mo. of waiving or refunding mortgage-related fees (e.g., late fees, early CD withdrawals)

...lessons learned on roll out can help target future programs

Originally not applicable to properties with more than 4 units (i.e., larger multifamily properties), where vulnerable communities are likely to live – *program expanded to small landlords in August*
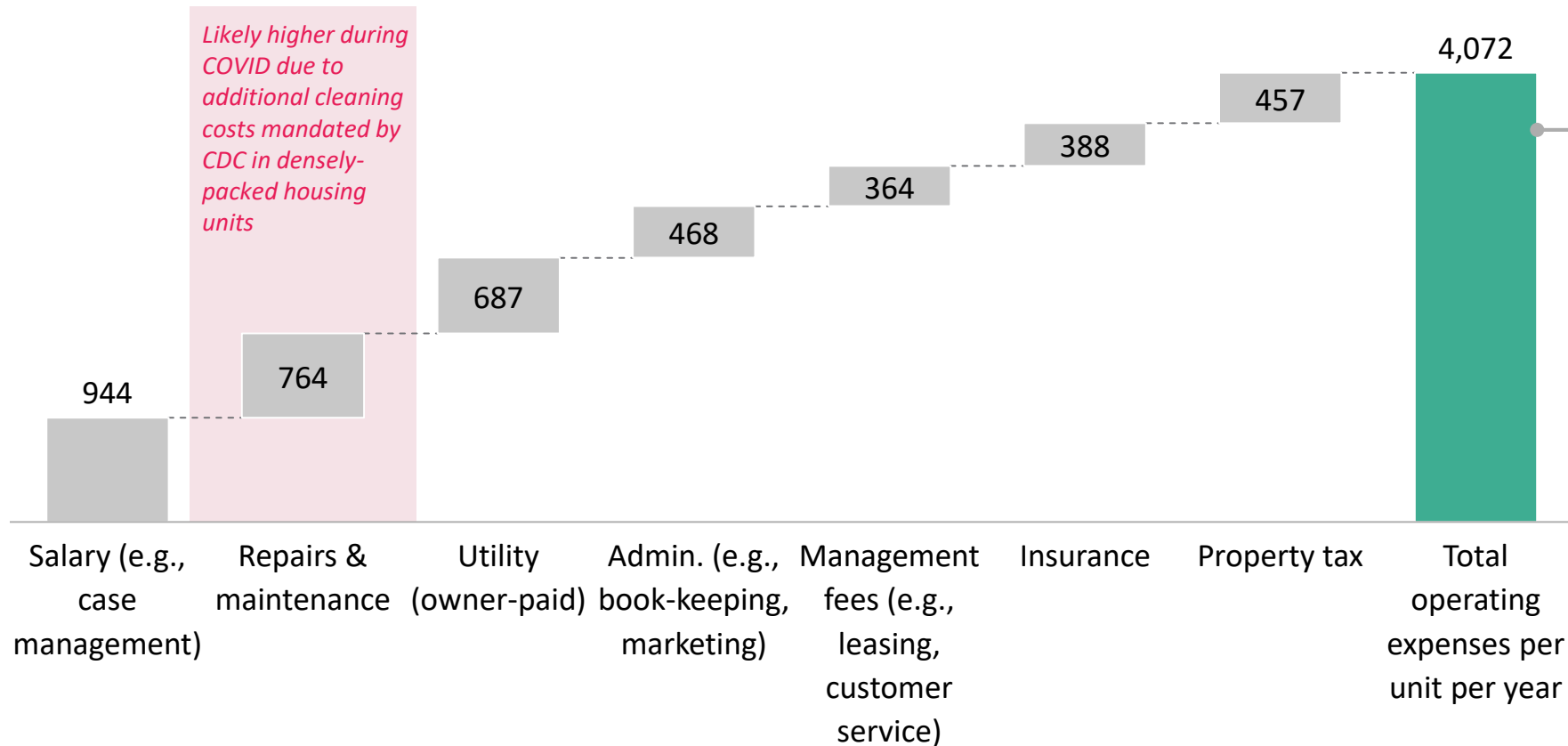
Coverage limited to a selection of mortgage servicers, which is often not known to landlords if mortgage is sold from one lender to another and excludes a large portion of applicants

Confusion over general eligibility guidelines and instructions, resulting in many learning that their application has been denied after applying

Deep dive: Landlord assistance: Assistance covering operating expenses is especially critical for affordable housing (avg. ~$4K per unit/yr[1] in Kansas)

Average operating expenses for an affordable housing property in Kansas ($ PUPA[1])

Likely higher during COVID due to additional cleaning costs mandated by CDC in densely-packed housing units

Chart values (waterfall):
- Salary (e.g., case management): 944
- Repairs & maintenance: 764
- Utility (owner-paid): 687
- Admin. (e.g., book-keeping, marketing): 468
- Management fees (e.g., leasing, customer service): 364
- Insurance: 388
- Property tax: 457
- Total operating expenses per unit per year: 4,072

Operating expenses shown assume an average unit in fair or new condition

- Historic rehabilitation projects (e.g., old properties that require significant renovation or upkeep) would **increase total expenses by ~24%**

- Special needs projects (e.g., ADA accessible facilities) would **increase total expenses by ~27%**

These needs typically apply to larger multifamily properties, which often house vulnerable communities