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August 9, 1976

M I N U T E S

Special Committee on Ways and Means

July 15-16, 1976

Members Present

Representative Wendell Lady, Chairman
Senator Wint Winter, Vice Chairman
Senator Billy W. McCray
Senator T.D. Saar
Senator Robert Talkington
Senator D. Wayne Zimmerman
Representative Bill Bunten
Representative Keith Farrar
Representative Roy H. Garrett
Representative Richard L. Harper
Representative John T. Ivy
Representative Irving Niles

Staff Present

Marlin Rein, Legislative Research Department
Louis Chabira, Legislative Research Department
Robert Epps, Legislative Research Department
Alden Shields, Legislative Research Department
Carl Tramel, Legislative Research Department
Bill Edds, Revisor of Statutes Office
Jim Wilson, Revisor of Statutes Office

July 15, 1976

Morning Session

The Special Committee on Ways and Means was called to order July 15, 1976, at 10:00 a.m. by Chairman Lady. The minutes of the June 24-25, 1976 meeting were approved on a motion by Representative Harper and seconded by Representative Farrar.

Proposal No. 44 - Arson Detection

Ed Redmon, representing the Kansas State Firefighters Association, testified on the issue raised at the June 25 meeting concerning funding of the firemanship training program at the University of Kansas from the Fire Marshal Fee Fund. It was his contention that the educational program ought to be funded by state appropriated general use funds of the university and not the Fire Marshal Fee Fund. He stated, however, that the program was an excellent one in his opinion and ought not to be abandoned.

At the June 25 meeting, State Fire Marshal Floyd Dibbern commented on the reluctance or failure of local fire authorities to report fire to the Fire Marshal's office. Chairman Lady asked Mr. Redmon to respond to those comments. Mr. Redmon replied by saying that much of the problem was a lack of education about the rules which govern the reporting of fires, although he did admit that the refusal of some to cooperate was motivated by a dislike for former fire marshals.

Tom Foster of the Kansas State Council of Firefighters supported the position taken by Mr. Redmon on funding the firemanship training program. Under questioning by Senator Saar, he indicated his reason for proposing the use of state funds to finance the program was to enhance its flexibility for expansion, should the need arise as it did in 1971 when a backlog of potential enrollees developed.

Raymond Davis, who represented the Kansas State Fire Chiefs' Association, emphasized the need for greater assistance in detecting arson by citing a rise of 16 percent since 1974 in the number of fires started by incendiary devices. He further provided a brief accounting of some of the factors that motivate arsonists to start fires, such as revenge and monetary gain. Mr. Davis suggested that in the past some collusion has occurred between arsonsists who set fire to their own property, and adjusters, who determine the value of the loss. Representative Ivy asked for specific documentation for any such occurrence of which Mr. Davis might be aware. Mr. Davis cited one case which he knew about that occurred in Missouri. Chairman Lady also asked Mr. Davis to comment on Mr. Dibbern's statement of the reluctance or failure of local fire authorities to report fires to the State Fire Marshal. His response was similar to that of Mr. Redmon -- that the chiefs are generally uninformed about some of the requirements they are expected to fulfill.

At the conclusion of Mr. Davis' remarks, Chairman Lady commented on the need for cooperation between local fire authorities and the State Fire Marshal's office, saying that without it the value of training more arson investigators would to a large extent be lost.

A representative of the County Attorneys' Association, Jim Reardon, also testified before the Committee. He distributed an article extrapolated from the Readers' Digest (Attachment II) which purported to demonstrate the importance of arson detection in gathering reliable evidence for the purpose of apprehending and convicting those responsible. He made no specific recommendations to the Committee; however, he did sugest that a program was needed which would train county attorneys to more successfully adjudicate arson cases. Representative Farrar questioned if any courses in law now served that purpose. Mr. Reardon's reply was negative, noting the inadequacy of arson detection techniques that generally prevails.

Proposal No. 43 - Conservation of Energy at State Institutions

Staff provided the Committee with a brief summary of the long-term energy study by Stone & Webster Management Consultants, Inc. on three state institutions: Kansas State University, Osawatomie State Hospital, and Wichita State University. The study recommends construction of new boilers and repair of others, in addition to the implementation of several techniques for conserving energy with existing facilities. Notable among its findings is the short-term use anticipated for natural gas and the advent of coal as the primary source of energy for the future in those institutions.

In the absence of the State Architect Lou Krueger, that office's chief engineer, Frank Applegate, spoke to the Committee about the Stone & Webster study. His remarks were directed primarily at conserving energy by modifying existing facilities. That is expected to incur added expense through the addition of control equipment in order to implement those efficient measures. Mr. Applegate estimated that a savings of approximately $8,000 is currently realized for every one percent of efficiency attained.

Chairman Lady inquired of the feasibility of hydroelectrical power, a topic given cursory examination in the Stone & Webster report but one recommended for further study in light of its power and efficiency potential. At this point in the discussion Warren Corman, representing the Board of Regents, interjected a few remarks to the effect that hydroelectric power may still merit attention as a possible source of energy, but the optimistic appraisal given it by Stone & Webster may be somewhat premature.

Representative Farrar expressed interest in exploring the possibilities of burning animal waste as energy. In his opinion the twin problems of waste disposal and energy shortage would be alleviated simultaneously. Mr. Applegate re-emphasized the need for conversion equipment, however, to perform even those functions. Mr. Corman

mentioned a study being conducted at the University of Kansas regarding the burning of trash as an energy source. The study is scheduled for completion in several months. He cited Wichita as perhaps an even better location for trash burning in view of the fact that the greater volume of trash generated in a city of its size might be more conducive to an efficient, long-term operation.

During his appearance before the Committee, Mr. Corman reported on the status of repairs on several boilers at Kansas State University and at the same time outlined some of the requests that will be made for FY 1978, particularly emphasizing those which correspond with the findings and recommendations of the Stone & Webster report. An example of one such request would be the proposed funding of a study by a local consulting firm on the feasibility of a fully coal-fired power plant.

Chairman Lady expressed interest in exploring alternate sources of energy for the future, such as burning city trash, gasification, methane, and so forth. At this point in time, however, Mr. Corman wanted to remind the Committee that most efforts in the field of energy were being expended on energy conservation and not on the more ambitious forms of energy production.

The Committee recessed at 11:55 a.m.

Afternoon Session

The Committee reconvened at 1:30 p.m.

Proposal No. 41 - State Aid Programs to Local Facilities for the Care of the Mentally Ill, Retarded, and Alcoholic

Questions posed by members of the Committee at the June 24 meeting were answered by the staff at this time, prior to the acceptance of testimony on this proposal.

Dr. Robert Harder, Secretary of Social and Rehabilitation Services, delivered a presentation highlighting some of the current trends in the operation of the state institutions for the mentally ill and retarded. He explained that population trends in the institutions were generally downward and that the average lengths of stay are shorter. Nevertheless, a corresponding decline in costs to maintain the operations of the institutions has not been realized, largely because of such factors as inflation and the high level of fixed costs, as well as the need to maintain certain standards in order to qualify for federal funds. Project Reintegration, which has successfully reduced the institutional population over the long-run, is not expected to result in sufficient savings, short of closing institutions entirely.

In the course of his presentation, Dr. Harder distributed a number of handouts to members of the Committee (Attachment III). These described population trends, levels of staffing, reintegration expenditures, census cost comparisons, and data contrasting patients in state hospitals and mental health centers. Also, at the request of the Committee, he provided a list of facilities for treatment of alcoholism.

Representative Ivy expressed interest in the feasibility of closing some institutions with the understanding that no dramatic changes of that sort would be implemented until due consideration had been given to the effects such a decision would have on the patients.

Follwing Dr. Harder's presentation, Hal Boyts spoke in behalf of the Johnson County Mental Health Center (Mission). His handout (Attachment IV) proposed some modifications in the present formula for distribution of Social and Rehabilitation (SRS) funds to local mental health centers. His formula would be weighted in favor of areas with lower than average income and a sizeable portion of the distribution would be based on population alone.

Representative Farrar questioned why a reduction in fees was charged for certain services between 1970-1971 and 1976-1977. Mr. Boyts explained the difference as a change in the type of programs being offered. The newer programs are less amenable to charging specific fees.

Paul Thomas, representing the Southeast Kansas Mental Health Center, proposed a formula similar to Mr. Boyts' (Attachment V), combining population and income as bases of the formula. At the same time he acknowledged the significance of local matching fund as a stimulus for developing local resources, though he also stated that some centers do not fair as well as others under the current formula.

In the area of mental retardation, Gary Cook of the Occupational Center of Central Kansas was first to speak. His remarks centered on the unequal distribution between the areas of mental health and mental retardation. He stated that it was not his intention to propose transfer of funds from mental health to retardation; rather he asked the Committee to consider an increase in funding to community facilities for the mentally retarded without adversely affecting the funds granted to community mental health centers.

Ethel May Miller, Kansas Association of Retarded Citizens, began her presentation by stressing the need for increased funding in both mental health and mental retardation areas. Likewise, she demonstrated interest in achieving greater equalization in the existing formula for distribution with the suggestion that the state's contribution to these areas has been minimal. Representative Farrar wanted it clarified that the state's contribution of five percent, as shown in her handout (Attachment VI) was indicative of funding for mental health only and was not reflective of the state's total contribution to the area of mental retardation.

Roger VanWagoner, representing the Johnson County Mental Retardation Center, read from a prepared statement (Attachment VII). His primary concern was that dollar support given the patient in an institution should follow that patient when he or she is deinstitutionalized and returns to the community. Presumably, that would enable local mental retardation centers to render greater assistance when the patient leaves the institutuion. Representative Ivy inquired of the differences in number between those considered mentally ill and mentally retarded. Mr. VanWagoner estimated 10 and 30 percent respectively. Representative Farrar pointed out that upward fluctuations in the budget have been rather dramatic and expressed concern over the state's obligation to keep up with the total rise in costs.

The last conferee on the subject of mental retardation was Max Field, Sedgwick County Mental Retardation Governing Board. His brief statement before the Committee (Attachment VIII) generally paralleled the concerns expressed by those who preceded him.

On behalf of the Citizens' Advisory Committee on Alcohol Abuse and Alcoholism, Sam Lux spoke of the need for an attitudinal change by the general public on the subject of alcoholism. Also, he emphasized the preventive aspects of the problem, reducing as a consequence the need for institutional programs. Finally, he named three positions he would like to add to the Alcohol Abuse Unit if sufficient funds were available (Attachment IX).

Bruce Beale of the Douglas County Citizens' Commission on Alcoholism gave an accounting of the services and programs offered by his Commission, especially the management of a half-way house. In the course of his remarks, he cited the prohibitive costs, for most persons who need help, of approximately $18 an hour for private consulting services.

Sue Holt, representing the Community Addictive Treatment, Inc., also appealed to the Committee for additional funds and spoke generally of removing the stigma attached to the treatment of alcoholism (Attachment X). She remarked that Kansas is one of eight states in the nation with the most progressive programs for treating alcoholism. Representative Farrar inquired of the success rate of her agency. Miss Holt stated that, in her opinion, the success rate increased markedly when the duration of treatment was lengthened from 15 weeks to six months. With treatment costs at $30 a day, therefore, costs have increased significantly.

Ed Shepard represented the Central Kansas Alcoholic Foundation, Inc. He opened his remarks with a statement to the effect that the most expensive decision the Committee could make would be to take no action at all. Subsequent remarks centered on the treatment of alcoholism by community based alcohol treatment centers as more important than in-patient treatment or treatment in a half-way house, since, in his opinion, most of those needing help require out-patient treatment only (Attachment XI). The primary problem, he maintains, is reaching those who need help.

At 5:10 p.m., the Committee adjourned until 9:00 a.m., Friday, July 16, 1976.

July 16, 1976

The Special Committee on Ways and Means was called to order July 16, 1976, at 9:00 a.m. by Chairman Lady.

Proposal No. 46 - State Reimbursements for Day Care

An introductory briefing by staff reacquainted the Committee with issues raised in their earlier consideration of the proposal -- that is, the maximum number of children that can be cared for in day care homes and centers and the rates at which day care homes and centers are reimbursed by the state.

Dr. Robert Harder, Secretary of Social and Rehabilitation Services, distributed copies of a proposed increased maximum daily rate for day care to become effective in August or September (Attachment XII). Senator McCray expressed his concurrence with the redistributive aspect of the proposal favoring day care homes over day care centers. Also, Dr. Harder described the success of the WIN Program in alleviating the burden of welfare payments made by the state (Attachment XIII).

Dora Walker, a day care home provider in Wyandotte, made an appeal to the Committee for additional funds for the services she and other providers offer. Under questioning by Senator Winter, Mrs. Walker stated that it was not uncommon for her to incur unanticipated expenses and take upon herself the responsibility for payment. Nor is she reimbursed for these expenses at a later date. One expense she mentioned was supplying occasional breakfasts for several of the children under her care, a service she is not obligated to provide.

The Wichita Child Day Care Association representative, Jan Yocum, read from a lengthy statement describing in detail cost estimations for day care (Attachment XIV). One comparison she made, among others, was the average cost for care of a dog or cat by a veterinarian and the per child cost of a typical care home provider in an apparent effort to demonstrate the need for more funding for day care. She concluded by discussing the 11 specific recommendations set forth in her prepared statement. Hugh Gibson of the same association indicated that the current rates did not reflect all the costs associated with the provision of day care services.

Chairman Lady explained to all interested persons the Committee's difficult position in deciding how best to allocate limited resources among the many agencies and organizations seeking funds. In concluding discussion of this proposal, Franke Gibson of the above Wichita association, commented that in some respects day care services were preventive in relation to the other services for which funding was requested at the July 15 meeting -- namely, mental health, mental retardation, and alcoholism. Mention of the alleged preventive aspect of day care was apparently intended to justify preferential funding for it.

Proposal No. 42 - Review of Master Comprehensive Corrections Plan

In the absence of Robert Raines, Secretary of the Department of Corrections, staff provided the Committee with a summary of the findings and recommendations of the study by Touche Ross and Co.

Referring to the recommendation of a salary study for those employed at state institutions, Representative Bunten inquired as to the feasibility of giving the responsibility for that investigation to present staff. Representative Bunten was informed that present staffing levels did not permit sufficient time to undertake such an examination.

Representative Niles expressed interest in the issue of reducing the retirement age for certain positions. A bill sponsored by Senator Winter and passed by the 1976 Legislature did, in fact, lower the retirement age from 65 to 60.

Chairman Lady broached the issue of pre-sentence investigations and whether or not making them mandatory would affect the need for improvements in present facilities. Senator Winter stated that in his opinion such a measure would not significantly reduce the number of those being incarcerated in state correctional institutions. He mentioned other factors which he felt had some bearing on the matter -- for example, economic conditions and the preferences of each judge.

The meeting was adjourned at 11:45 a.m. with the approval of the Committee to meet again on August 19, 1976, at 10:00 a.m.

Prepared by Louis Chabira

Approved by the Committee on:

August 19, 1976
(Date)

Wendell Lady
(Chairman)

Attachment I

OTHERS PRESENT AT MEETING

July 15, 1976

Frank Applegate, State Architects' Office
Bruce Beale, Douglas County Citizens Commission on Alcoholism
Hal Boyts, Johnson County Mental Health Center, Mission
Gary Cook, Occupational Center of Central Kansas
Warren Corman, Board of Regents
Raymond Davis, Kansas State Fire Chiefs' Association
Max Field, Sedgwick County Mental Retardation Governing Board
Tom Foster, Kansas State Council of Firefighters
Elizabeth Gray, Executive Director, Wyandotte County Mental Health Center
Dr. Robert Harder, Secretary, Department of Social and Rehabilitation Services
Sue Holt, Community Addictive Treatment, Inc.
Bob Jackson, Administrative Director, Crawford County Mental Health Center
Dr. Cynthia Kruger, Director, Alcohol and Drug Abuse Section, Department of Social and Rehabilitation Services
Sam Lux, Citizens' Advisory Committee on Alcohol Abuse and Alcoholism
Ethel May Miller, Kansas Association of Retarded Citizens
Jim Reardon, County Attorneys Association
Ed Redmon, Kansas State Firefighters Association
Ed Shepard, Central Kansas Alcoholic Foundation, Inc.
Paul Thomas, Southeast Kansas Mental Health Center
Roger VanWagoner, Johnson County Mental Health Center
Roy Voth, Administrative Director, South Central Mental Health Counseling Center, Inc.

July 16, 1976

Frankie Gibson, Wichita Child Day Care Association
Hugh Gibson, Wichita Child Day Care Association
Dr. Robert Harder, Secretary, Department of Social and Rehabilitation Services
Dora Walker, Day Care Home Provider (Wyandotte)
Jan Yocum, Wichita Child Day Care Association and Kansas Day Care and Child Development Center

Attachment II

Arson-to-Order in the Building Trades

Hire our members, or else! was the construction unions' message in Colorado. The "or else" was fire. And though the conspiracy in this one state has been crushed, a broader national problem has barely been touched

By Charles Stevenson

At 5:33 a.m., April 12, 1968, a muffled blast in Denver ushered in the most arrogant and costly onslaught of organized arson in American history. In minutes, oil-primed flames reduced a nearly completed $170,000 apartment building to smoldering coals. Fire followed fire until, by 1974, more than 40 Colorado apartment and townhouse developments had been torched.

Contractors knew the reason for the arson. The building-trades unions were punishing them because they operated open shops, permitting non-union craftsmen to work. But the contractors couldn't prove it. Local police and fire-department investigators knew, too, but they couldn't prove it, either. The U.S. Department of Labor knew, but did nothing. The FBI knew, too, but gave up on the case.

But not the Colorado Bureau of Investigation (CBI). "We won't quit, no matter what," CBI director John MacIvor told his agent-in-charge, Carl Whiteside. They didn't. And thereby hangs a tale whose significance reaches far beyond Colorado.

"Organizing" Pattern. The CBI faced seemingly insurmountable handicaps when it got down to the job in January 1971, nearly three years after the arson wave began. Director MacIvor, 42, had served just four months after moving in from a suburban police chief's job; Whiteside, a 28-year-old former Maryland state trooper, had been on the job scarcely long enough to col-

lect his first pay check. The agency was only 3½ years old and, though its assignment included far more than arson, could afford only seven agents besides Whiteside.

Whiteside and his agents first researched and cross-referenced the 16 fires that had occurred since 1968. Despite the fact that many builders were too scared to talk, a pattern of crime emerged. Union representatives would ask a builder to sign a contract binding him to employ only union members; the builders would refuse, and the union men would leave; then, just when a structure was almost completed, it would be set on fire. Afterward, a union representative would appear and pointedly ask if the builder didn't now feel that it was to his advantage to sign up.

That is exactly how builder Steven M. Stopa, the first victim, was handled by Tony Mulligan, chief organizer of the Northern Colorado Building and Construction Trades Council, the umbrella organization under which the various locals of 17 international building-trades unions had gathered. And the ploy was repeated time and again—ever more arrogantly, since no arrests were being made. "Jobs of this type that are non-union have been known to burn," Mulligan told the Lynch Construction Co.; 18 of its apartments went up in smoke that night to make it victim No. 7.

CBI's first break came from a union member who put the finger on Mulligan and other union leaders. According to witnesses, Mulligan, a former New York laborer, had started off by haranguing those at weekly council meetings for their lack of aggressiveness as organizers. He proposed "stronger methods like we use in the East"—and within weeks came that first 1968 fire. And, as finally confessed by Paul Welch, vice president of the lathers' international, Mulligan was even able to recruit him for arson incident No. 10. Welch relates how he drove Mulligan to the arson site in a suburb of Denver, where Mulligan left a can of gasoline. "I've carried a heavy burden of guilt ever since," Welch explains today. "I was drunk. I was petrified. Mulligan said, 'This is nothing new. There's nothing to worry about.' "

Indeed, at the time there seemed nothing about which the unions need worry. In February 1972, a new epidemic of arson began. Although 14 union people were ordered before a statewide blue-ribbon grand jury for questioning about the fires, union attorneys engineered long legal delays, and there were no arrests.

Fueling the Flames. Now, big fire crowded upon big fire. One wiped out five buildings in what had been planned as a 214-family project. Insurance loss: $400,000. A $450,000 burnout came next. Then, on a single day, two blazes that totaled $1.1 million occurred.

The CBI was hard pressed to stay abreast. Night after night, agents had to race from Denver to construc-

tion-project fires all over the state, consulting arson experts, smelling, testing, questioning, checking. Sometimes fake phone tips would send everybody through night-long stakeouts waiting for arsonists who were striking elsewhere. "We *can't* quit," MacIvor said. "Something new has been added to these fires. We've got to track down what it is."

The fact is that additional impetus to the building trades' organizing efforts had begun to surface. Leon W. Greene, fifth-district overseer for the United Brotherhood of Carpenters and Joiners, was in Denver in early 1972 talking to the Building Trades Council. "If you can't organize this town, we will do it for you," he was quoted as saying. Later in the year, the Carpenters members were not limiting their activities to pep talks. Edward L. Urioste, another visiting representative of Carpenters headquarters in Washington, was accompanying local organizers in their pre-fire conversations with victims-to-be.

Mulligan, however, was still front man, though he couldn't personally start the fires now. The CBI was watching him too closely. But the job was being done, and for pay. The hat would be passed at council meetings after such remarks as "Boys, we need some extra cash for our special organizing campaign."

By the fall of 1972, however, opposition to Mulligan's blatant methods was rising within the council. To take the heat off, the Northern Colorado Building and Construction Trades Council was abolished. Then, with a charter from the AF[illegible], the members re-established [illegible]selves as a council with jurisdiction over the entire state and its 25,000 union building men. Mulligan was moved to an innocuous outlying job, but arson still increased.

Arson damages for 1972 totaled $2.1 million; for 1973, more than $2.7 million. The year's highlight was at Durango, where a 2:45 a.m. fire caused $600,000 worth of damage on an apartment job. When the CBI began looking for the union representatives who had been demanding daily that the job "go union," they had vanished.

Reward offers as high as $40,000 for information about the arson epidemic failed to turn up a single claimant. "Let's try a new approach," Whiteside said to his CBI colleagues.

Method Acting. Whiteside had profiles assembled on all unionists under investigation for the hat-passing. Their strengths and weaknesses were catalogued, and the CBI then selected one man as its target: "Let's reach Mulligan through one of those business agents who attended his hat-passing meetings."

For this step, they brought in CBI agent Kenneth P. Brown, all 400 pounds of him. Despite his innocent, apple-cheeked face, in 17 years as an undercover agent (first in California, then with the CBI, lately working on narcotics cases), he had helped to send so many crooks to prison that he had lost count.

Around this improbable lawman

the CBI wrote and rehearsed a show that opened one Friday afternoon to a crowded Denver tavern. Enter Kenneth Brown, bearded now, posing as a young hood—cocky because of the protection afforded him by the Mafia and by his father, a retired big-time gambler in California. Soon Brown was setting up drinks for everybody at the bar.

After a while, he shuffled over to a table where William F. Swanson, gun-barrel-tough business agent of Denver's cement masons, held court. Brown brashly shoved himself into the chair next to Swanson, who pulled a knife and pressed it against Brown's stomach. His voice dropped to a cold whisper: "Fat man, I'm going to let the air out of you." The CBI actor laughed and said, "I got a bigger knife. Use mine." And he waved what looked like a small bayonet in his challenger's face.

After that, the pair settled down to companionable drinking and talking. They got together frequently thereafter, and Brown was talkative—about his Mafia connections and how he was cleaning up in a variety of ways. The most lucrative of these was the stolen-airplanes racket. "I like you, Bill," Brown said. "I might be able to cut you in on something good." In a few days, he said, his underlings were to deliver $120,000 to him in a Denver hotel room, his due from the last airplane sale. Maybe Swanson would like to be there?

The next act, on November 5, 1974, saw Whiteside come to Brown's room masquerading as a Mafia captain, along with agent Donald Shepherd posing as the pilot who delivered the hot planes. As always, Brown was wired for sound. The agents opened a suitcase full of $100 bills borrowed from the government for show. Swanson was bug-eyed.

"Bill, count the money for me, will you, baby?" Brown said. When the tally showed the cash to be $40,000 short, Brown blew up, saying he'd been cheated. There was angry talk about teaching the double-crosser a lesson.

"He's got a bar," said Brown. "What I'd like to do is blow it up."

"*Burn* it up!" broke in Swanson.

Brown gleamed with appreciation and told Swanson that if he could help collect the missing $40,000 by burning the bar, the union man could keep half the take. With that, Swanson began to spill everything. "I'll get hold of the man. We've done business before."

Hard Evidence. To lure Mulligan, Brown dangled before Swanson an arson job every month to extract cash from people who had welshed on gambling debts to his mythical gambler-father. But, first, Brown wanted to be assured of the dependability of Swanson's firebug.

So Swanson sought to assure. He drove around Denver with Brown, identifying fire sites. "Tony," he emphasized, was responsible for all that damage. Here was what Brown had been angling for—at last. "Is Tony Italian?" he asked cautiously. "No, he's Irish—Tony Mulligan, from

New York. He's the one who brought us a lot of ideas."

Swanson related that he was in touch with Tony, and that Tony had sent a man to Denver to discuss Brown's developing fire assignments. On getting the final word on an assignment, he would set a timing device at the scene, and probably be flying back to his home base before the fire even started. Nobody, not even Swanson, would know when or how the job would be done, and payment would be made to parties unknown to Swanson.

"It's safer that way," said Swanson. "Tony doesn't want to become involved in anything whatsoever."

Tony was, however, already involved because of the recordings of Swanson's conversations with Brown. And the CBI had prevailed on the state attorney general to appoint Richard T. Spriggs, a former chief of a federal strike force against organized crime, and Robert K. Swanson, a young assistant district attorney, as special prosecutors to reconvene the grand jury on June 20, 1973. In 1974, at the end of the grand jury's term, indictments were handed down. At separate trials, William Swanson was found guilty of conspiracy to commit arson and Tony Mulligan of two counts of arson and conspiracy to commit arson.

Chain of Command. But the CBI wasn't through. What about the man, or organization, who set off the fires on order? Who was he, or who were they? Though not on the scale of the Colorado crimes, there had been burnings and bomb[illegible] of construction jobs in recent years in several states, including neighboring Arizona, Kansas and New Mexico.

New Mexico! Union representatives from there were known to have come into Colorado to help persuade contractors to hire only union workers. And wasn't New Mexico one of the states policed by Ed Urioste, the Carpenters International visitor who called on arson victims-to-be in Denver? The CBI decided to look for a connection.

Brown was hurried off to Albuquerque, masquerading this time as a Sicilian interested in obtaining licenses that would enable his Mafia family back East to dominate the liquor business in Albuquerque. He and his "cousin" (Whiteside) cultivated Gary Briggs, chief business agent for New Mexico's sheetmetal workers union, and, through him, finally found a "man who can help you." The man turned out to be Urioste, who promptly offered to use his political influence to set up the Mafia in the booze business if he could be a silent partner.

"Can you handle the heavy stuff if we want it?" Brown asked. "Like burning down a certain bar so the insurance could be used to put up a better building?"

"There's no problem there—that damn thing would come down tomorrow if you want it down," Urioste replied. He began pouring out information about his interstate operations in terror and how his perfectionists worked. "I sent one guy

up to northern California. He drove 600 miles, blew up three separate projects, and was on a plane back here that night."

Brown told Urioste that his "family's" purchase of a Denver shopping center was being delayed by a prospective seller, and that Brown wanted to send him a message to coöperate—or else. Urioste said that he had the explosives for such a job. As for the actual blasting, he would "handle it from here."

Five days later, Urioste loaded 100 sticks of dynamite and 50 pounds of dynamite powder aboard a CBI plane which Brown passed off as "family-owned," while two more "cousins" looked on. Then Urioste climbed in, too, unaware that everything he had said had been taped.

When they reached Denver, Urioste showed Brown and Whiteside how he would change an alarm clock into a timing device to explode his dynamite as much as 12 hours after it was placed. They promptly took Urioste into custody. And, last December, he pleaded guilty to illegal possession of explosives.

Long Way to Go. The feat of the CBI and its special prosecutors in cracking the country's worst arson sequence after federal agencies gave up or shied away must stand as a monument to what local authorities can do. But there is a long way still to go. For it is virtually impossible that Urioste could command a ring which, by his own admission, has been sending terrorists into other states—an action which would require at least coöperation from other union bosses—without this fact being known to those higher up in the AFL-CIO. Isn't it time to find out how far these conspiracies reach?

This is the responsibility of the U.S. Department of Justice, of other federal law-enforcement agencies, and of Congress. None can now bow out with the excuse that it lacks evidence with which to begin. The CBI, the special prosecutors and the Denver district attorney journeyed to Washington last summer and presented the interstate case they had worked up, complete with tapes, to the U.S. Attorney General. Included was the grand jury's request that the federal government carry on where Colorado had to leave off.

Six months later, the Justice Department would say only that "certain aspects are under consideration." May we see *action*, please?

IVOR RICHARD, Great Britain's chief delegate to the United Nations, made this comment on the Bicentennial: "You are celebrating—and we are tolerating—certain events which occurred 200 years ago and, I hasten to add, we now recognize as probably irreversible."

—Laurie Johnston in New York *Times*

Attachment III

STATE OF KANSAS

ROBERT F. BENNETT, *Governor*

STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

State Office Building
TOPEKA, KANSAS 66612

ROBERT C. HARDER, *Secretary*

Division of Vocational Rehabilitation

Division of Social Services

Division of Mental Health and Retardation

Division of Children and Youth

Division of Administrative Services

Alcohol and Drug Abuse Section

State Office Economic Opportunity

Reintegration Expenditures

	1974 Fiscal Year	1975 Fiscal Year	1976 Fiscal Year*	1977 Appropriate
Total Expenditures	5,918	878,497	1,541,015	1,767,400
Purchase of Service		456,875	1,520,000	
Grants	5,918	421,622	21,015	

* Estimated--Based on expenditures through May and estimated.

300 persons in residential living x $40 per day if still in hospital or institution x 365 days = $4,380,000.

July 15, 1976

FY-1976 REPORT--PROJECT REINTEGRATION
(July 1, 1975 - June 30, 1976)

STATE INSTITUTION	# Project-Reintegration Referrals	# Project-Reintegration Dismissals to Community Living	# Referrals For Nursing Home Care	# Persons Dismissed to Nursing Home Care
Field State Hospital and Training Center	20	16	44	20
sons State Hospital and Training Center	42	84	0	3
as Neurological Institution	10	10	32	17
on State Hospital	26	20	21	10
atomie State Hospital	219	219	137	118
ed State Hospital	367	298	84	58
ka State Hospital	INCOMPLETE	40	INCOMPLETE	INCOMPLETE
LS	(684) INCOMPLETE	687	(318) INCOMPLETE	(226) INCOMPLETE

300 of the 687 Project Reintegration clients dismissed to Adult Residential Homes during FY 1976

1,299 = Total Project Reintegration clients returned to Community Living since July 1, 1974

528 = Total Project Reintegration clients dismissed to Adult Residential Homes since July 1, 1974

MEMO TO: Dr. Robert C. Harder, Secretary

FROM: J. Russell Mills, Superintendent

RE: Data showing interrelationship between State Hospitals and Mental Health Centers in Kansas

DATE: July 12, 1976

During the past three years we have conducted a wide variety of program evaluations and have also compiled data regarding our current treatment programs, rate of admission, type of clients served, source of referrals, and average length of stay by diagnostic categories. Some of the findings are not only interesting but also quite revealing in nature. An attempt has been made to summarize the major findings for your perusal.

Type of Clients Served: For the past ten years there has been a steadily growing demand for the kind of services we provide. We also found that the majority of our patients present serious psychiatric problems which require intensive treatment as provided in a psychiatric hospital. At the same time we found that clients seeking help at the mental health centers present different psychiatric problems which do not necessarily require hospitalization and can be readily resolved on an outpatient basis. A review of Table I and Table II makes it evident that the majority of the patients admitted to the state mental hospitals (77.14% for F.Y. 1973 and 85.83% for F.Y. 1974) carry the diagnoses of schizophrenia, organic brain syndromes, personality disorders, disorders associated with alcohol and drug abuse and other psychoses. But clients with emotional disturbances such as neuroses, transient situational disturbances, social maladjustments, depressive disorders and undiagnosed are mostly seen by mental health centers (74% in F.Y. 1973; 72.17% in F.Y. 1974).

One can safely conclude that the clients for state hospitals and mental health centers are distinctly different, and there is only minimal duplication of services. While mental health centers specialize in treating emotionally disturbed persons on an out-patient basis, state hospitals play an equally important role in providing quality treatment to seriously ill patients who require intensive in-patient speciality programs. This may partly explain

TABLE I *

CLIENTS SERVED BY STATE MENTAL HOSPITALS IN COMPARISON TO MENTAL HEALTH CENTERS FISCAL YEAR 1973

Diagnostic Categories	State Mental Hospitals	Mental Health Centers
Organic Brain Syndromes	6.72%	1.75%
Schizophrenia	26.06%	6.84%
Other Psychoses	3.69%	1.51%
Personality Disorders	21.84%	8.37%
Alcoholic Disorders	17.20%	6.97%
Drug Disorders	1.63%	.86%
TOTAL	77.14%	26.30%
Neuroses	6.88%	7.22%
Mental Retardation.	3.17%	6.37%
Depressive Disorders	2.22%	3.91%
Transient Situational Disturbances	.84%	10.76%
All Other Diagnoses	8.76%	15.35%
Undiagnosed	.79%	30.39%
TOTAL	22.66%	74.00%

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* This table is based upon data from the Summary of Kansas Institutions and Mental Health Centers, Fiscal Years 1974 and 1975, Kansas Department of Social and Rehabilitation Service, Division of Mental Health and Retardation Services. Prepared By: Research and Statistics Division

TABLE II *

CLIENTS SERVED BY STATE MENTAL HOSPITALS IN COMPARISON TO MENTAL HEALTH CENTERS FISCAL YEAR 1974

Diagnostic Categories	State Mental Hospitals	Mental Health Centers
Mental Retardation	4.07%	2.23%
Organic Brain Syndromes	9.30%	2.01%
Schizophrenia	26.63%	7.00%
Other Psychoses	5.05%	1.66%
Personality Disorders	23.27%	8.48%
Alcoholic Disorders	16.18%	5.58%
Drug Disorders	1.33%	.87%
TOTAL	85.83%	27.83%
Neuroses	6.16%	12.30%
Transient Situational Disturbances	4.51%	13.29%
Social Maladjustments (No Psychiatric Disorder)	.38%	32.89%
All Other Diagnoses	2.25%	7.59%
Undiagnosed	.87%	6.10%
TOTAL	14.17%	72.17%

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* This table is based upon data from the Summary of Kansas Institutions and Mental Health Centers, Fiscal Years 1974 and 1975, Kansas Department of Social and Rehabilitation Service, Division of Mental Health and Retardation Services. Prepared By: Research and Statistics Division

why most of our patients (95%) are referred by sources other than mental health centers. (See Appendix A & B).

These findings are further confirmed by analyzing the changing patterns of medication prescribed during the past four years. A report submitted by the hospital's Pharmacist (see Appendix C, D, E) clearly indicates that, during the past several years, the use of Anti-psychotic drugs (such as Haldol and Navane) has gone up almost 400% and 500%; while the use of Anti-anxiety drugs (usually prescribed for neuroses) shows a significant drop. Valium is down from 120,578 mg. in F.Y. 1971 to 61,293 mg. in F.Y. 1976 and Librium is down from 219,445 mg. to 194,500 mg. for the same period.

Significant Increase in Number of Admissions: As mentioned earlier, contrary to popular belief, the number of clients seeking help at the Osawatomie State Hospital has gone up 300% during the past 15 years. Table III shows the number of admissions by Fiscal Year. For example, only 543 patients were admitted during F.Y. 1955; 997 patients in F.Y. 1965; but 1567 patients in F.Y. 1975. During F.Y. 1976 the same trend continued and we admitted 1658 patients. Whatever may be the reasons for this significant increase in the number of admissions, one thing which can hardly be disputed is the fact that our hospital has been providing treatment to more than 1500 patients every year for the past eight years. It may be emphasized here that to provide quality in-patient treatment to such a large number of patients is in itself a formidable task. However, I am glad to say that we have tried our best in maximizing patient care and making significant improvements in the overall treatment programs. (This will be discussed later.)

Length of Stay By Diagnostic Categories: Though length of stay by diagnostic categories is not a reliable measure of success or failure of treatment programs, it nevertheless is a descriptive index of length of treatment. And since we admit patients with serious psychiatric problems at the hospital, it is important to note that the results of all our studies have consistently shown that there is a growing emphasis on short-term hospitalization. For example, during F.Y. 1975 average length of stay for patients diagnosed Personality Disorders is 65.67 days; Alcoholism - 32.94 days; Schizophrenia - 152.81 days. (For full detail see Appendix F). Length of stay during F.Y. 1976 shows the same trend. A total of 1260 ...

TABLE III

NUMBER OF ADMISSIONS BY FISCAL YEAR
OSAWATOMIE STATE HOSPITAL

FISCAL YEAR	NUMBER OF ADMISSIONS
1955	543
1956	544
1957	529
1958	608
1959	668
1960	694
1961	696
1962	801
1963	855
1964	877
1965	997
1966	1118
1967	1296
1968	1367
1969	1507
1970	1497
1971	1420
1972	1518
1973	1653
1974	1624
1975	1567
1976	1658

(July 1, 1975 to April 30, 1976) and 566 patients (45%) were discharged within one month; and 524 patients (42%) were discharged within 1 to 3 months. This would indicate that 87% of all the patients admitted were discharged within three months. (For full detail see Appendix G). We would like to add here that we have been successful in providing short-term hospitalization to our sometimes very sick patients by utilizing individualized treatment planning, active participation of each patient in the development of his/her treatment programs, continuity of care and rehabilitation services.

Significant Improvements: As the total design of our broad mental health policies and programs has gradually shifted from a purely medical model to a social-psychological model, many significant improvements and new trends have emerged in our hospital. New open door policy, least restrictive atmosphere, comprehensive continuity of care, protecting the rights of patients, rehabilitation planning and total community involvement, are some of the main features reflecting our current philosophy and orientation regarding the treatment of the mentally ill.

There have been many improvements during the past 5 years. However, only the more outstanding improvements are mentioned here:

1. Maintaining high standards of treatment resulting in full two year accreditation by the Joint Commission on Accreditation of Hospitals.
2. Emphasis on short-term hospitalization.
3. Comprehensive treatment plan for each patient.
4. Maximum utilization of rehabilitation services.
5. Continuity of care and total community involvement.
6. Implementation of the Problem Oriented System.
7. Increased emphasis on Program Evaluation, Research & Training.
    a. We have had numberous articles published in professional journals.
    b. We have conducted a series of program evaluations to measure the effectiveness of various treatment programs.
    c. Many accredited state-wide training programs are being offered to mental health professionals.
    d. Internships and practicum for medical students, psychologists, social workers, music therapists and many other disciplines are provided.

Appendix A

OSAWATOMIE STATE HOSPITAL

NUMBER OF BOTTLES OF CONCENTRATE DISPENSED IN SECOND QUARTER OF FISCAL YEAR*

	FY71	FY72	FY73	FY74	FY75	FY76
Vistaril (Pt.)	25	21	91	89	73	46
Haldol	35	29	80	172	212	325
Mellaril 30mg./ml	143	198	254	234	133	188
Mellaril 100mg./ml	New dosage form		-	-	22	30
Navane	18	18	34	82	102	133
Prolixin	9	1	11	13	2	5
Serentil	New dosage form		67	20	164	119
Stelazine	45	111	156	102	121	88
Taractan	2	2	-	-	-	-
Thorazine 30mg./ml	113	182	168	160	157	139
Thorazine 100mg./ml	124	107	152	68	149	66
Trilafon	7	4	12	21	18	18
Sinequan	New dosage form		-	-	11	30

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* Concentrates are not given routinely. They are ordered separately for those patients who are so seriously ill that their condition requires a liquid dosage form.

Appendix B

OSAWATOMIE STATE HOSPITAL

MILLIGRAMS OF ANTIPSYCHOTIC AGENTS DISPENSED
IN SECOND QUARTER FISCAL YEAR

	FY71	FY72	FY73	FY74	FY75	FY76
Haldol	22,578	23,209	39,392	97,172	73,215	140,635
Loxitane	New drug	-	-	-	-	112,195
Mellaril	2,008,575	2,638,725	2,368,620	1,925,460	1,488,820	2,182,890
Navane	52,365	60,805	76,005	116,104	119,489	151,146
Prolixin*	35,778	6,325	14,370	15,815	27,793	21,435
Quide	180,635	97,050	164,470	66,505	11,365	13,500
Repoise	-	-	22,750	50,830	28,500	-
Serentil	710,200	1,285,175	709,400	489,035	657,385	580,256
Stelazine	107,538	179,117	172,872	128,261	129,247	95,391
Taractan	33,230	14,105	1,500	4,875	-	-
Thorazine	5,419,350	5,036,750	6,654,450	4,291,850	2,140,450	2,864,075
Trilafon	20,612	25,050	44,348	20,114	22,156	25,121

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* Since the Fall of 1972 (FY1973), our use of this agent has been as the long-acting injectable form. This dosage form is 10-11 times as potent as the oral form.

Appendix C

OSAWATOMIE STATE HOSPITAL

MILLIGRAMS OF ANTIANXIETY AGENTS DISPENSED IN SECOND QUARTER OF FISCAL YEAR

	FY71	FY72	FY73	FY74	FY75	FY76
Atarax	252,850	217,450	411,150	341,700	412,000	263,625
Librium	291,445	322,885	471,220	354,695	256,900	194,500
Meprobamate	20,000	-	-	-	31,800	60,000
Serax	24,765	3,600	16,830	6,915	5,740	11,910
Tranxene	New Drug	-	-	7,755	10,050	29,160
Valium	120,578	124,997	90,164	83,575	61,003	61,293

OSAWATOMIE STATE HOSPITAL

ADMISSIONS BY COUNTY
F.Y. 1975

County:	No. Admissions:	No. Referred by MHC:	Percent Referred:
Allen	30	4	13
Anderson	22	--	--
Atchison	65	3	5
Bourbon	38	1	3
Butler	56	5	9
Chautauqua	6	--	--
Cherokee	43	3	7
Coffey	13	1	8
Cowley	36	3	8
Crawford	64	11	17
Elk	2	--	--
Franklin	60	--	--
Greenwood	12	2	17
Johnson	212	13	6
Labette	81	1	1
Leavenworth	86	9	10
Linn	32	--	--
Miami	86	--	--
Montgomery	127	7	6
Neosho	48	2	4
Wilson	27	--	--
Woodson	8	1	13
Wyandotte	411	18	4
Out of District	29	--	--
TOTAL	1,594	84	5%

YRC Admissions by County:

Douglas	1
Johnson	4
Leavenworth	2
Lyon	1
Montgomery	2
Neosho	1
Saline	3
Shawnee	6
Wyandotte	24
TOTAL	44

TOTAL ADMISSIONS:

Psychiatric	1,594
YRC	44
TOTAL	1,638

OSAWATOMIE STATE HOSPITAL
OSAWATOMIE, KANSAS

Appendix E

ADMISSIONS BY COUNTY
F. Y. 1976

County:	No. Admissions:	No. Referred by MHC:	Percent Referred:
Allen	35	4	11
Anderson	34	-	-
Atchison	43	4	9
Bourbon	41	-	-
Butler	59	5	8
Chautauqua	4	-	-
Cherokee	56	-	-
Coffey	10	-	-
Cowley	22	2	9
Crawford	71	4	6
Elk	7	-	-
Franklin	38	1	2
Greenwood	10	-	-
Johnson	214	24	11
Labette	77	1	1
Leavenworth	71	5	7
Linn	36	-	-
Miami	85	1	1
Montgomery	113	5	4
Neosho	36	4	11
Wilson	26	3	12
Woodson	7	-	-
Wyandotte	452	8	2
Out-of-District	9	-	-
TOTAL	1,556	71	5%

YRC Admissions by County:

Atchison	1	Osage	5
Bourbon	1	Sedgwick	5
Butler	1	Shawnee	18
Cowley	4	Woodson	1
Douglas	8	Wyandotte	25
Franklin	5		
Jackson	2	Total	102
Johnson	11		
Labette	3		
Leavenworth	4		
Lyon	3		

TOTAL ADMISSIONS:

Psychiatric	1,556

Appdneix F

OSAWATOMIE STATE HOSPITAL

AVERAGE LENGTH-OF-STAY* BY DIAGNOSTIC CATEGORIES
FISCAL YEAR 1975

Diagnostic Categories	# of Pts.	Mean (Average)	Range
Senile & pre-sen. dementia	14	343.86	20-1625
Alcoholic psychosis	26	48.65	1-197
Psych. assoc. with intracranial infection	4	3384.25	50-13,378
Psych. assoc. with other cerebral cond.	42	139.90	6-1698
Psych. assoc. with other physical cond.	12	58.25	2-462
Schizophrenia	413	152.81	1-8037
Major Affective Dis.	60	138.70	3-5415
Paranoid States	21	127.90	13-1671
Other psychoses	21	88.86	9-338
Neuroses	120	36.25	1-521
Personality disorders	145	65.67	1-536
Sexual deviations	7	54.00	14-120
Alcoholism	419	32.94	1-186
Drug dependence	31	38.74	4-181
Special symptoms	1	99.00	------
Transient Situational Disturbances	82	44.83	2-266
Beh. Dis. of Childhood & Adolescence	48	159.69	14-1422

(continued)

Osawatomie State Hospital

Appendix F

Average Length-of-Stay* By Diagnostic Categories
Fiscal Year 1975

Diagnostic Categories	# of Pts.	Mean (Average)	Range
Non-psychotic OBS	73	178.53	4-3697
Mental Retardation	61	135.61	2-788
No psychiatric disorder (Social maladjustments)	13	48.85	1-357
Without mental disorder	3	35.67	11-74
TOTAL	1,616	120.04	1-13,378

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* Length-of-Stay in Days

Appendix

OSAWATOMIE STATE HOSPITAL

LENGTH OF STAY OF DISCHARGED PATIENTS BY CLINICAL SE
July 1, 1975 through April 30, 1976

	Adult	Adolescent	Alcoholic Unit	Senior Citizens	Medical Surgical	Vo Re
Undr. 1 mo.	233	87	227	17	2	--
1-3mo.	226	81	158	27	5	2
4-6mo.	41	19	3	8	--	1
7-9mo.	13	11	1	5	5	1
10-12mo.	3	1	1	--	3	--
1-2yrs.	7	8	2	2	3	1
3-4yrs.	4	1	--	--	2	--
5-6yrs.	--	--	--	--	2	--
7-10yrs.	3	--	--	--	--	--
Over 10yrs.	1	--	--	--	--	--
TOTAL	531	208	392	59	22	3

Attachment III

COMPARISON OF INSTITUTIONAL CENSUS AND COST

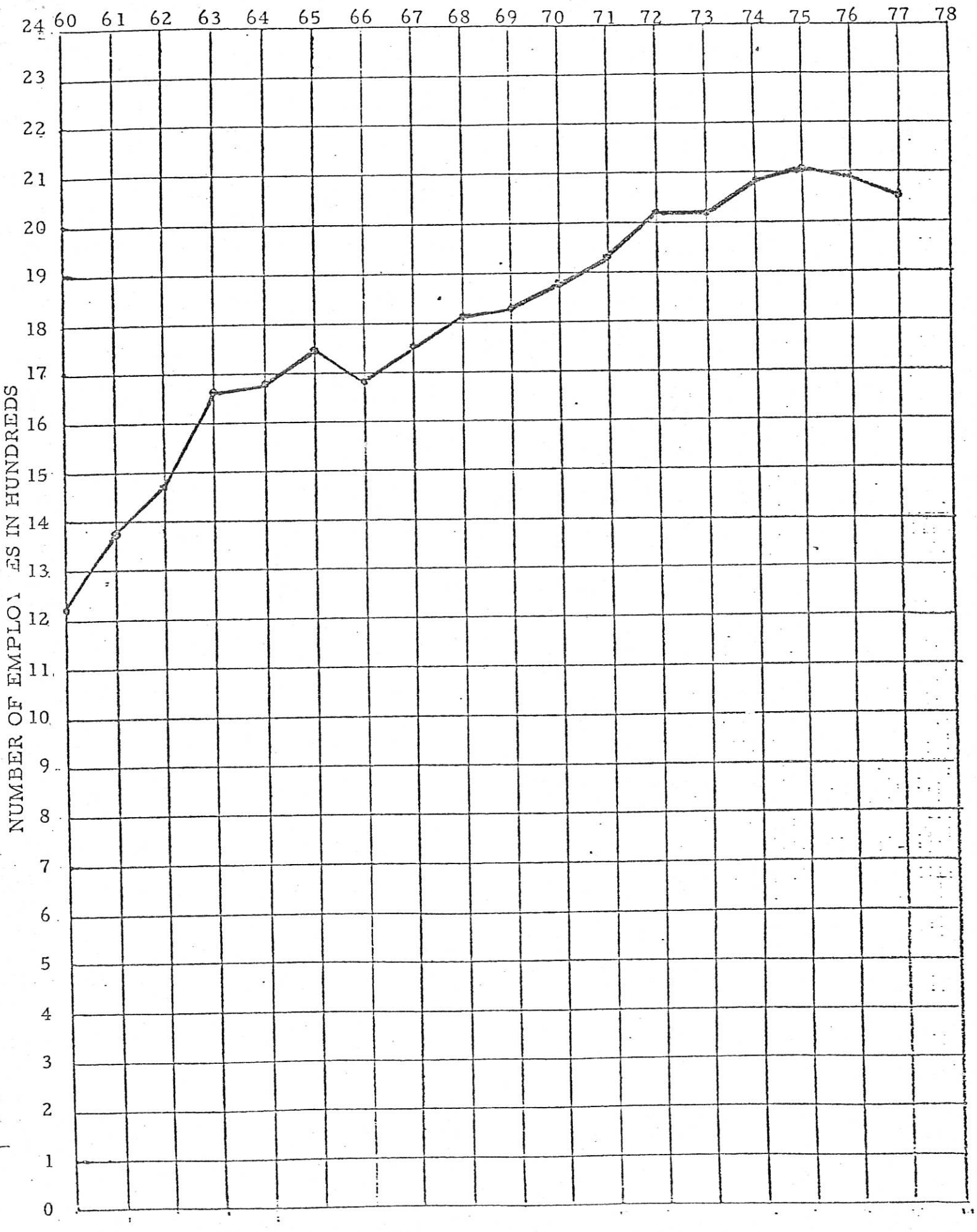
PARSONS STATE HOSPITAL AND TRAINING CENTER

Year	Average Daily Census	Daily Cost	Total Patient Days	Annual Cost Per Patient
1960	585	$ 8.27	214,110	$ 3,027
1961	611	8.90	223,015	3,248
1962	597	9.89	217,905	3,610
1963	599	10.40	218,635	3,796
1964	599	10.62	219,234	3,887
1965	596	11.06	217,540	4,037
1966	582	12.04	212,430	4,395
1967	597	11.99	217,905	4,376
1968	594	13.14	217,404	4,809
1969	597	14.25	217,905	5,201
1970	551	17.81	201,115	6,501
1971	498	20.88	181,770	7,621
1972	506	21.12	185,196	7,730
1973	428	25.85	156,220	9,435
1974	400	30.23	146,000	11,034
1975	321	41.25	117,165	15,056
1976 est.	290	51.25	106,140	18,757
1977 est.	300	52.64	109,500	19,214

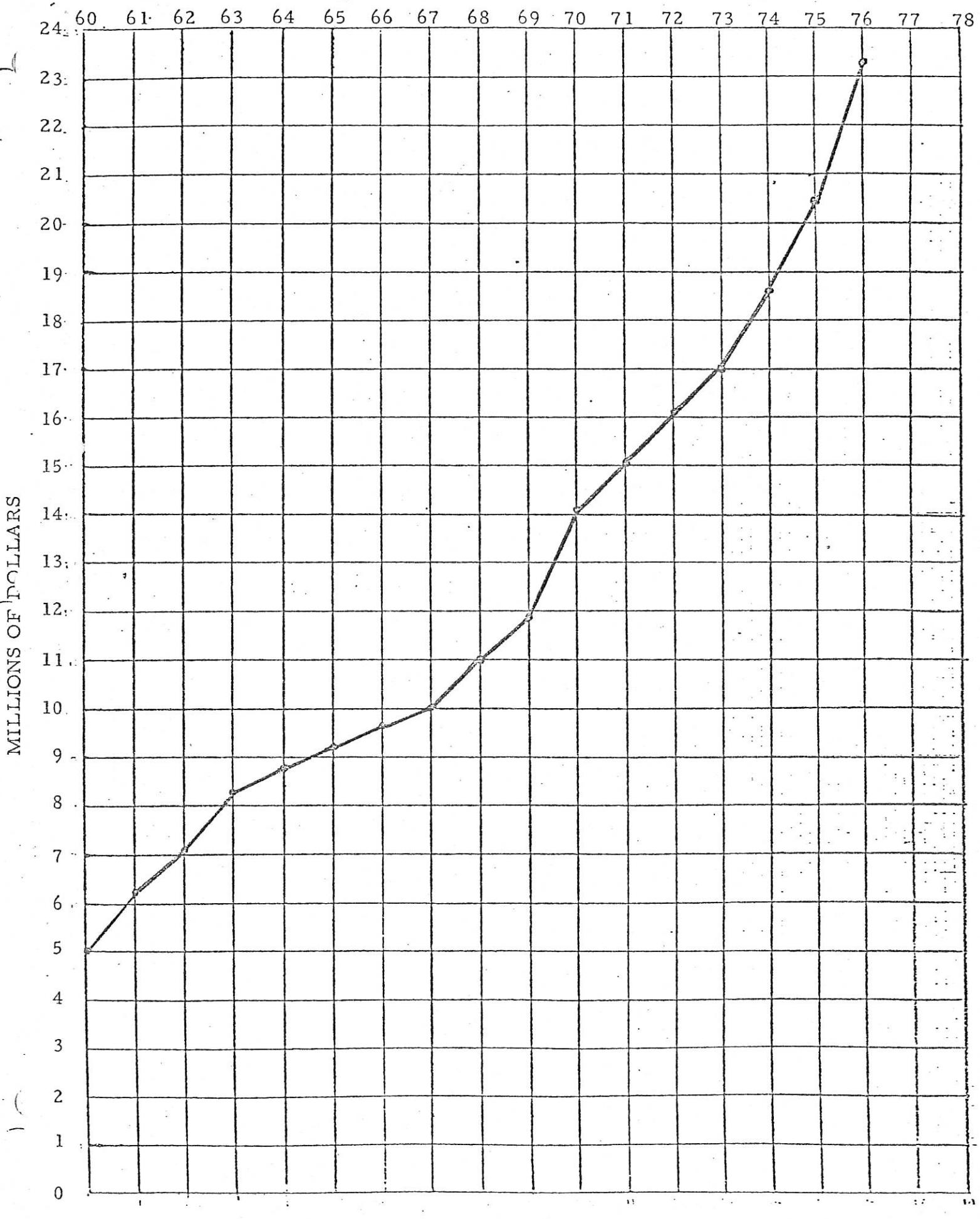
July 15, 1976

Attachment III

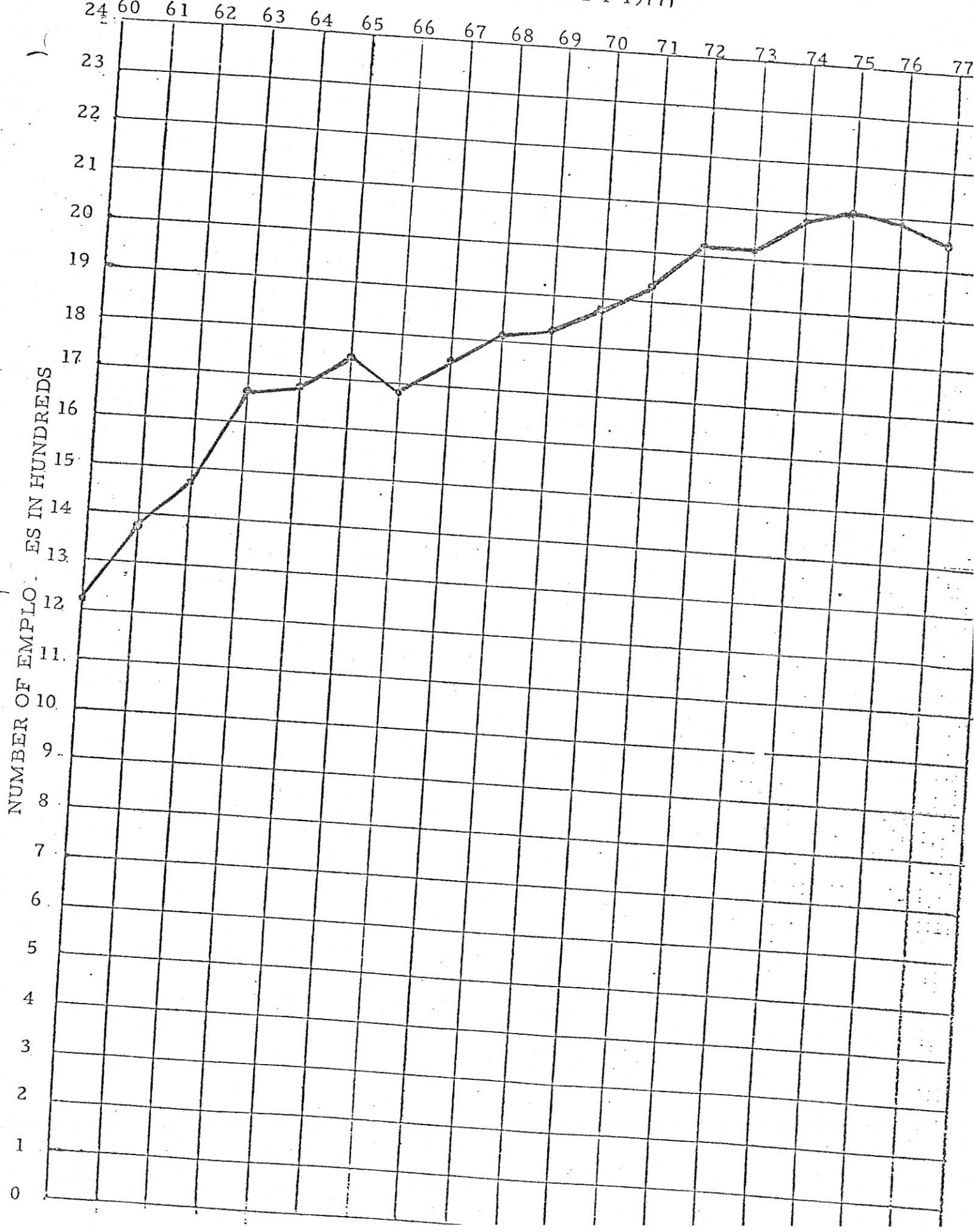
TOTAL STAFF - KANS INSTITUTIONS FOR RETARDED
(F Y 1960 to F Y 1977)



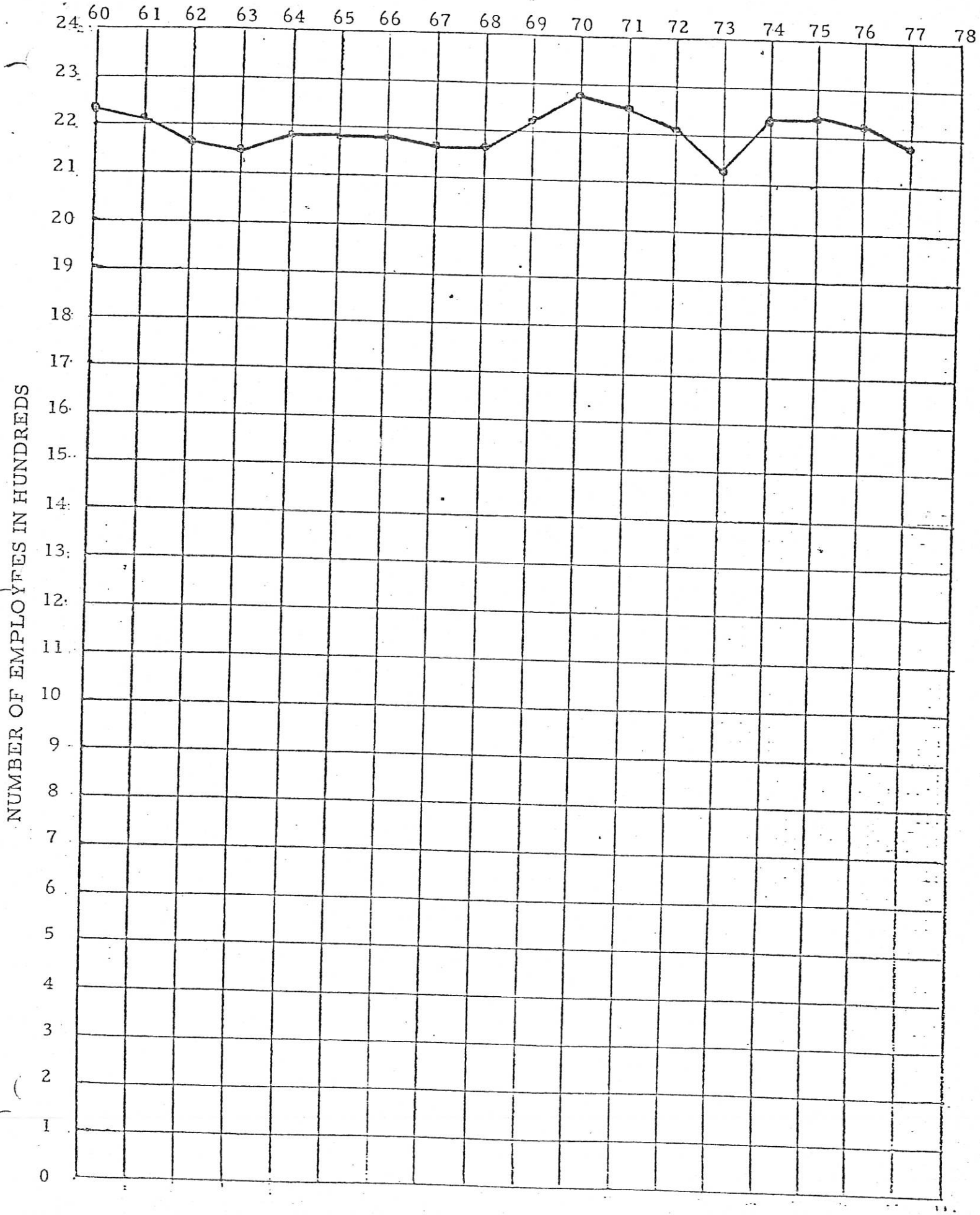
KANSAS STATE EXPENDITURES FOR MENTAL RETARDATION
(FY 1960 to FY 1977)



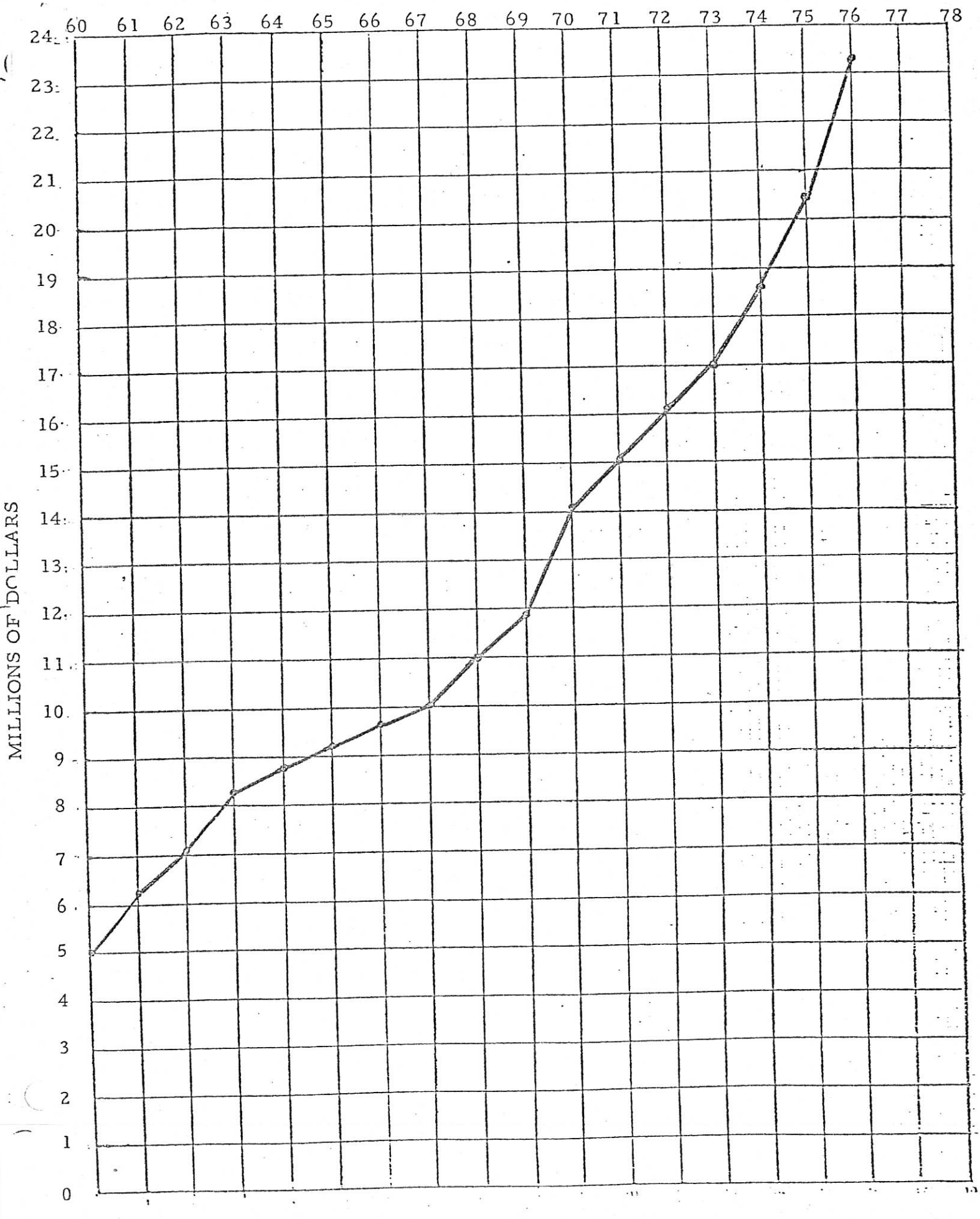
TOTAL STAFF - KANS INSTITUTIONS FOR RETARDED
(F Y 1960 to F Y 1977)



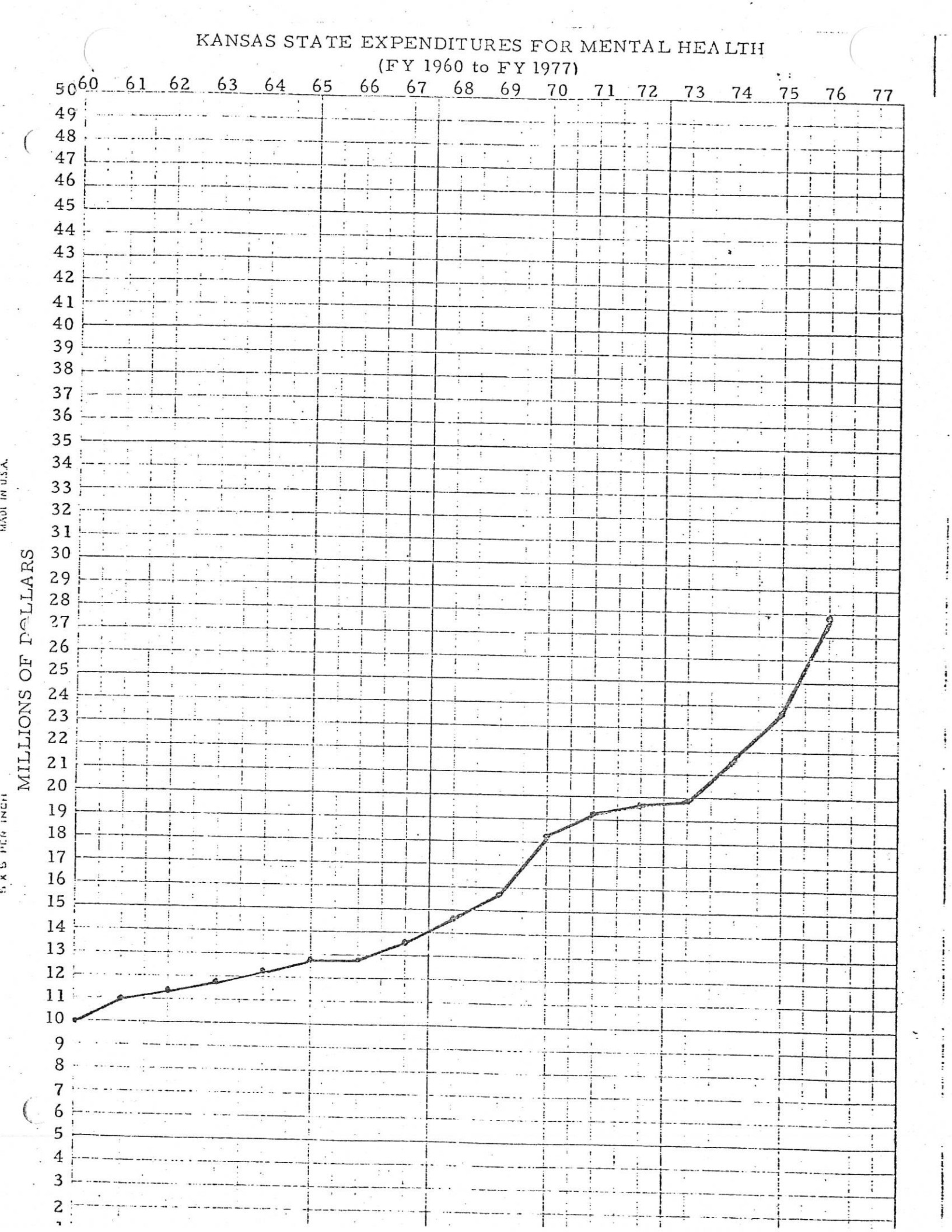
TOTAL STAFF OF MENTAL HOSPITALS
(FY 1960 TO FY 1977)



KANSAS STATE EXPENDITURES FOR MENTAL RETARDATION
(FY 1960 to FY 1977)



KANSAS STATE EXPENDITURES FOR MENTAL HEALTH
(FY 1960 to FY 1977)



Some Information Related to Distribution of FY'77 State Funds to Community Mental Health Centers in Kansas

July 1976

Mental Health Center	FY'77 Appropriations per capita for area served according to present formula	MHC rate of benefit from state as a per cent of state average ($.74 per capita)	C.A. rate of admissions to state hospital as a per cent of the state average (1.93 per 1000)	
Garden-Dodge	$ .95	128%	123%	D
Lawrence	.46	62	60	A
Salina	.35	47	65	A
Arkansas City	.35	47	59	A
Ottawa	.42	57	150	C
Hays	1.20	162	65	B
Greensburg	1.20	162	149	D
Johnson County	.58	78	78	A
Emporia	.75	101	63	B
Hutchinson	.54	73	81	A
Great Bend	.55	74	182	C
Manhattan	.42	58	63	A
Atchison-Leavenworth	.28	38	116	C
Prairie View	2.10	284	45	B
Wichita	1.10	149	70	B
SEKAN	.47	64	122	C
Topeka	1.20	162	179	D
ElDorado-Wellington	.47	64	76	A
Liberal	.66	89	93	A
Concordia	.52	70	23	A
Kansas City	.33	45	189	C
State Mean Average	.74			

Compiled from SRS documents:
"Summary of Kansas Institutions and Mental Health Centers, FYs '74-'75"
"Reallocation Schedule" distributed in July '76.

7-76 Boyts

OBSERVATIONS

The variation of benefit to Kansas residents is from $.28 per capita to $2.10 per capita - a difference of 750%.

In 9 cases (A) center catchment areas which received less than average state funds, had less than average admission rates to state hospitals.

In 4 cases (B) center catchment areas which had higher than average state funds, also had lower than average admission rates to state hospitals.

In 5 cases (C) center catchment areas which received lower than average state funds, had higher than average admission rates to state hospitals.

In 3 cases (D) center catchment areas had higher than average state income as well as higher than average admission rates to state hospitals.

Admission rates from the various catchment areas to state hospitals vary from .45 to 3.64 per 1000.

Some Thoughts About an Equitable Formula for Distributing State Funds to Community Mental Health Centers

1. The state has some responsibility to help areas with lesser resources (including financial) to improve services to citizens to a level which is more nearly equal to the state as a whole.

   The funding formula should include a factor weighted towards areas with lower than average income for 25% of appropriated funds.

2. The state funding formula should encourage maximum use of local funds i.e., county levy and fee income but should not use such as the major criteria. Federal grants and non earned federal income to be excluded.

   The present criteria should be used to distribute 15% of appropriations.

3. A major part of the appropriations should be distributed on the basis of population since this lets the dollar follow the user rather than other dollars.

   60% of appropriations would be based strictly on population.

4. It is important that centers maintain emergency and screening services 24 hours a day, 7 days a week if SB 26 (1976) is to be properly implemented and if centers are going to effectively prevent unnecessary hospitalizations in state facilities.

   A specific appropriation of 15¢ (or more) per capita by the state to those centers operating effective diversionary programs would enable and encourage communities to develop good emergency and screening programs.

The formula suggested by items 1, 2, and 3 above would be in three parts, each applied to all center catchment areas.

A. $\frac{25\% \text{ of appropriation}}{\text{total population}} \times \text{catchment area population} \times \text{plus or minus factor for income of CA as it relates to state mean}$

B. 15% of appropriation distributed as is now done for the whole amount

C. $\frac{60\% \text{ of appropriation}}{\text{total population}} \times \text{catchment area population}$

7-76 Boyts

Attachment V

PRESENTATION TO THE HOUSE WAYS & MEANS COMMITTEE

Date:
Thursday, July 15, 1976

Consideration of Legislation To Change The Formula Of State Financing To Community Mental Health Centers

Presented by:

Paul R. Thomas
Administrator
Southeast Kansas Mental Health Center
Humboldt, Kansas

MATCHING STATE FUNDS

Methods of Allocations

K.S.A. 65-4403 states, "for the purpose of insuring the adequate community mental health and mental retardation services are available to all inhabitants of the State of Kansas, the State shall participate in the financing of the operation of mental health Centers and facilities for the mentally retarded".

The key word and the main concern in the allocation of state financial assistance, lies in the word, 'adequate'.

In the hearings that led up to the introduction and passage of Senate Bill 649, testimony was given that the local mill levy per capita varied from a low of 72¢ to a high of $2.85, with the average being $1.28. This pointed out the wide range of local resources in providing local mental health services.

With the experience thus far of the state allocation of funds, there is still a wide variance in the per capita amounts based on the 649 formula. A quick and rough computation of six (6) mental health centers in the State of Kansas, receiving funds under S.B. 649, shows a average per capita of 50¢, with the low per capita being 24¢ and the high capita being 85¢. There may be a wider variance in these per capita figures, but because of time and information, I was able only to do these rough calculations for six mental health centers. S.B. 649 was based upon a matching income concept, which has proved to be a disadvantage to those mental health centers which do not have the economic potential to come with the local matching funds to get the state assistance. It basically boils down to those Centers which have a low capacity to generate local funds gets an additional disadvantage of less state funds.

It is recognized that the matching income concept does provide an important stimulus for the aggressive recovery of fees and other local matching income. I personally consider this a strength as it has built in a very strong motivation for mental health centers

The matching income is directly related to the income potential of the area, as well as the size of the area.

The disadvantages inequities in the original matching formula of S.B. 649 was recognized, and in the 1976 session of the Kansas Legislature, S.B. 965 was introduced which would have provided an equalizing factor based upon the economic potential of the various areas of the state.

I have also made rough computations of the per capita amounts from S.B. 965, for the same six mental health centers which resulted in a wide disparity in the per captia amount and was especially beneficial toward the smaller centers.

The main basis of the difficulty with S.B. 965 was that it did not consider another important element, and that was the population of the mental health center. I would like to recommend to this State Committee that consideration be given of a formula of a allocation of State Funds, which takes into consideration the matching concept, as well as the per capita concept, and population concept.

An example would be 50% based on matching income,
30% on population, and 20% on income.
or:
50% matching income, 25% population and
25% per capita

This approach would preserve the positive motivation for the development of local resources for matching funds, take in to consideration the economic inequities, and also provide an adjustment factor for the population served.

Whatever is decided as recommendations by this committee, there is still one major problem in the present law. This is "the total amount of not to exceed fifty percent (50%) of the total estimate income of such mental health center". This in essense places the

same liabilities and restrictions on the economically disadvantaged Centers. If a different formula than currently being used is considered, the less financially able will reach this limit first. Under S.B. 965, one center exceeded the 50% limit with the state funding only at 30% of the total local matching.

STATE FINANCING OF COMMUNITY MENTAL HEALTH CENTERS

CENTER	POPULATION	Amount Under 649	Per Capita 649	965			
				60% M.I.	40% Per Capita Income	TOTAL	965 Per Capita
HIGH PLAINS MHC	133,796 5.8%	$ 114,422 9.8%	.85	$ 68,653 9.8%	$ 20,239 4.3%	$ 88,892 7.6%	.66
SOUTHEAST KANSAS MENTAL HEALTH CENTER	79,681 3.5%	19,819 1.7%	.24	11,892 1.7%	21,684 4.6%	33,576 2.9%	.42
FRANKLIN COUNTY	20,681 .9%	6,140 .5%	.29	3,684 .5%	17,550 3.8%	21.234 1.8%	1.03
SEDG. COUNTY MHC	335,564 14.6%	264,652 22.6%	.78	158,791 22.6%	16,910 3.6%	175,701 15.0%	.52
SUNFLOWER	46,265 2.0%	17,107 1.5%	.36	10,264 1.5%	21,338 4.6%	31,602 2.7%	.68
ROQUOIS MHC	14,280 .6%	11,724 1.0%	.82	7,035 1.0%	19,053 4.1%	26,088 2.2%	1.83
OTAL:	2,299,200	$1,168,780	.50	$701,268	$ 467,512	$1,168,780	.50

Dollar ($) amounts taken from Legislative Research Department Material on S.B. 965 (76 Session), dated Jan. 25, 1976

Attachment VI

Notes for Special Committee on Ways and Means Hearing on Proposal #41, State Aid Programs to Local Facilities for Care of Mentally Ill - Mentally Retarded - Alcoholic - July 15th, 1976

Presented by - Ethel May Miller, Gov't Affairs Committee, Kansas Association for Retarded Citizens

DEVELOPMENT OF SERVICES IN BEHALF OF CITIZENS WHO HAPPEN TO BE MENTALLY RETARDED AND/OR DEVELOPMENTALLY DISABLED

TYPE SERVICE	1953		1968		1975	
	No. UNITS	No. SERVED	No. UNITS	No. SERVED	No. UNITS	No. SERVED
STATE FACILITIES						
State Institutions for Retarded and Dev. Dis.	2	2,037	4	2,288	4	1,667
State Voc. Rehab. Unit for Retarded & Dev. Dis.	0	0	1	230	1	275
COMMUNITY FACILITIES						
Child Dev. Centers	5	?	29	411	47	1,500
Rehab. & Work Activity Centers	0	0	9	280	39	1,300
Residential Centers						
Private	1	?	2	?	3	300
Foster Homes for Ret. & Dev. Dis.	?	?	?	?	40	100
Group Homes	0	0	21	140	42	410
Apartments	0	0	0	0	10	48
Public School Special Education Classes	90	1,132	347	4,658	703	7,757

State Aid for Day Care for Retarded and Handicapped
Legislation passed in 1965

Program Year	Number of Licensed Centers	Number Children Served	Annual Costs	State Aid Dispersed	Calendar Year Payment made
'65-66	9	147	63,000	$ 23,490	1966
66-67	21	-	147,000	23,490	1967
67-68	26	-	253,998	50,000	1968
68-69	27	457	296,611	100,000	1969
69-70	30	-	352,893	100,000	1970
70-71	36	-	422,355	100,000	1971
71-72	-	449	428,675	100,000	1972
72-73	36	390	410,934	100,000	1973
*73-74	36	*537	*592,000	100,000	1974

Statutes: "Grants-in-aid under the provisions of this act shall only supplement local funds, shall not exceed one-half of the cost of operating expenses of day care centers for retarded or other handicapped children and shall not be used for the purchase or construction of buildings."

So far the state appropriation has been so limited that the pro-rated share has been around 20 to 22% rather than 50% of the actual operating costs. For the 1973-74 year it appears the pro-rated share will have dropped to nearer 18%.

Allocations of State Aid to Community Facilities for Retarded
January 1, 1975 through December 31, 1975

	Total Eligible Income	Actual Payments
Big Lakes Dev. Center Riley, Geary, Clay and Pottawamie Counties	$ 102,433	$ 12,581
Chikaskia Area Training Center Pratt, Kingman, Barber and Harper Counties	96,025	7,595
Cottonwood, Inc. Douglas and Jefferson Counties	132,679	12,486
Dodge City Area Council Ford and Edwards Counties	32,870	3,698
Finney County Finney plus ???	19,906	5,075
Franklin County Franklin, Osage and Coffey Counties	29,279	6,271
Homer B. Reed Adjustment & Training Center Ellis, Cheyenne-Rawlins, Sherman, Thomas, Sheridan, Graham, Wallace, Logan and Gove Counties	186,755	6,505
Johnson County	403,109	38,112
Leavenworth County Leavenworth and Doniphan Counties	69,273	5,050
Mid-Kansas Dev. Dis. Services Harvey and Marion Counties	62,628	10,524
Occupation Center, Central Kansas Saline, Dickinson, Mitchell, Cloud and Republic Counties	144,291	16,883
Reno Occupational Center Reno and McPherson Counties	92,295	9,652
Sedgwick County	1,081,278	63,129
Shawnee County	172,927	16,174
Sunflower Training Center Barton, Rice, Stafford, Rush, and Pawnee Counties	76,692	11,935
Terremara, Inc. Butler, Summer, and Elk Counties	28,375	5,806
Verdigras Valley Montgomery, Wilson and Chautauqua Counties	16,248	3,266
Wyandotte County	97,325	12,904
	$2,844,588	$ 247,646

Testimony on

FUNDING OF MENTAL RETARDATION CENTERS

Submitted to

Special Interim Committee
of the
House Ways and Means Committee

Representative Wendell Lady
Chairman

Submitted on behalf of

Johnson County Mental Retardation Center

5900 Flint Avenue
Shawnee, Kansas

Testimony by

Roger VanWagoner
JCMRC Program Administrator

Attachment VII

On behalf of the Johnson County Mental Retardation Center Governing Board and the Executive Director, Mr. Edward Downs, I wish to thank the House Ways and Means Committee for this opportunity to testify about our views on the current state aid programs and the future role of such programs in supporting the community based mental retardation center in Johnson County as well as centers across the state.

The Johnson County Mental Retardation Center (JCMRC) is a community center for the mentally retarded as defined in KSA-19-4001 through 19-4015 and KSA 65-211 through 65-215. For over three years, JCMRC has been providing services to the mentally retarded and developmentally disabled citizens of Johnson County. The primary goal of the agency is to facilitate coordinated services for the mentally retarded and other developmentally disabled citizens of the county and to expedite the community reintegration of approximately one hundred Johnson County residents now in state institutions for the mentally retarded.

We of Johnson County feel that to effectively meet this goal requires a joint effort and committment at the local and state level as well as by taking into account committments and support offered through the various federal title programs. Just as the committment must be joint between state and community, so must the responsibility be joint.

Reintegration demands the increased development of

community resources at the local level. In the past, the tax payer was called upon to support a system of state institutions to serve in the best ways we knew of at the time. As reintegration returns people from these institutions to the community, the obvious question is should not tax dollars from the community supporting people in state institutions in some measure return to the community also? We believe they should. This is not to deny a role for institutions in serving those who remain or argue the value of achieving Intermediate Care Facility standards. The point is that there are two separate issues here. What it costs for reintegration at the community level and how the tax dollars follow the person has nothing to do with the demand from institutions for greater per capita financing for a reduced population so that services can be improved and ICF/MR standards met. Another very important consideration is that reintegration dollars do not provide sufficient start up funding.

There is simply an overwhelming imbalance between federal, state and local funds spent in Johnson County to serve the mentally retarded. In 1975 JCMRC's total revenue was $829,013. Of this amount, $526,403 came from federal sources, $156,965 from Johnson County, another $112,360 in fees, donations, contributions, etc. from within the county and $33,285 from state funding. Thus 4% of the Johnson County Mental Retardation Center funding came from the state. Again in 1976, out of

$1,301,415 anticipated in revenues, $45,637 or 4% is from state funding. The county committment grew by 37% which included $100,000 in revenue sharing dollars for start up funding (construction of two group homes - plus $70,000 more for 1977) while the state funding remained at 4%. And in 1977 out of $1,608,500 in projected revenues, the latest information available indicates that $35,000 will be received in state financing which amounts to 2%. So there certainly is a funding imbalance in Johnson County and with a yearly increase in eligible counties the imbalance spreads and the situation worsens.

Because most revenue is restricted, such as title XX, title XIX, VR, title I, etc. and because most of the local tax levy is used to meet the match requirements for such restricted funds, there is a very important role for state financing funds in facilitating the operation of programs that cannot be funded or are not totally funded through other sources of revenue. Most of the programs offered by JCMRC cost more than the title XX per diem. This is true of residential centers, sheltered workshops, activity centers and especially true of services to children. Most of the costs for services to high risk children in Johnson County are not reimbursed by any outside funding. Title XX is not effective in meeting this need.

So far we have identified the need for a joint committment by state and community, but observed that the committment falls short when it comes to funding responsibility and that an imbalance exists. There is a second imbalance even more difficult to address. Perhaps inequity is a more accurately descriptive word in this instance. We here refer to the disproportionate amount of state funding between Mental Health Centers and Mental Retardation Centers. Figures available to us indicate that out of $2,161,068, 76% of state financing will go to Mental Health Centers and 24% to Mental Retardation Centers across the state. We do not wish to argue the value of mental retardation services versus mental health services. In our opinion there is substantial documentation for increased state financing to mental retardation centers solely because of the need to serve that population without comparing it to, or attacking the need for mental health services. But the primary documentation and need notwithstanding, there is an imbalance here too.

In summary we encourage and challenge the legislature to affirm and reaffirm the committment to the concept of reintegration and services to the mentally retarded and developmentally disabled in community programs, to join in accepting a mutual responsibility that ameliorates the present funding imbalance, develops a mechanism for dollars to follow people from

institutions to the community and supports the development and start up of new programs. We are convinced that when this occurs, local authorities across the state and in Johnson County will continue developing additional resources at the community level.

S :ment of Concern to House, Ways & Means Committee

Ladies and Gentlemen:

I am Max N. Field, Administrative Advisor to the Sedgwick County Mental Retardation Governing Board, and am here to express my concern that the formula for state aid be continued as per the present legislation which allows facilities providing service to mentally retarded clients to be matched up to 50 cents on the dollar.

Our experience has shown that large population areas encounter enormous needs for service delivery which cannot be met via our local one-half mill levy for mental retardation and have a critical need for state funds to continue services.

It is our belief that the appropriation legislation should be changed to allow for needs to be met. This would indeed require more funding. Low-per capita area need may be resolved by changing the appropriation formula to 50% Mental Health, 50% Mental Retardation.

Presently, it is our understanding that appropriations are divided 85% Mental Health, 15% Mental Retardation, and we would not want to see Mental Health funding decrease, but would prefer that additional funding be made available to meet local needs for the Retarded and Cerebral Palsied, Retarded who require extreme effort for proper care.

The de-institutionalization plan places responsibility of providing care in the community; but, unless you are willing to fund at a sufficient level to allow for care of a similar quality, loss of service might occur. If the formula is to be changed to assist low population areas, then equal emphasis should be vested in urban areas.

The large burden does rest in the larger urban areas which are choice referral targets of the State Department of Social and Rehabilitative Service.

Mr. Chairman and members of the Committee:

My name is Sam Lux and I am Legislative Chairman and a member of the Citizens Advisory Committee on Alcohol Abuse and Alcoholism.

I. Our committee believes that the legislative intent of House Bill 2525 passed by the 1975 Legislative and signed into law was that the monies collected by said law should be used to develop and support community based programs, rather than to supplant monies in other alcholism budgets. The funds should be used to increase the impact of alcoholism programs in the community. The purpose of community based programs is prevention and early identification of alcoholism problems, thereby reducing the necessity for institutional programs. A survey conducted in 1971 by the Governor's Advisory Committee on Alcoholism stated in part "Every region reporting so far established prevention as their number one priority" unquote.

II. We believe that prevention, education and early identification are gaining momentum in the demand for attention. Studies indicate that those nations and cultures having healthy attitudes on the role of alcohol in their societies are confronted with fewer alcohol-related problems. We need to develop a healthy consensus or national attitude about the appropriate role of alcohol in this country, and to educate

the community on the facts about alcoholism. Also, early identification of alcohol problems can prevent further losses in money and human lives.

III. We feel that adequate maintenance of community treatmetn programs will lessen the necessity for institutionalized treatment. The concept of treating people in the community rather than institutionalizing them is a valid one. Our purpose is to reduce the state hospital population, not to increase it.

IV. Our committee recommends that more attention must be paid to developing and maintaining programs for ethnic groups, women, elderly, and youth.

V. We believe revenue generated by House Bill 2525 could best be used in cooperation with the department of education, boards of education, schools, and other public and private agencies, organizations and individuals in extablishing programs for the prevention of alcoholism.

VI. Finally to accomplish these goals there must be adequate staff support for the Alcohol Abuse Unit. Merging the Alcohol and Drug Abuse Units and reducing the staff necessarily reduces the efficiency of the agency. As we see it, three specific positions are needed: A prevention coordinator, a community developer, and a secretary, to shore up the agency in order to operate effectively.

Attachment X

Community Addictive Treatement Incorporated

FOR ALL ADDICTIVE DISORDERS

1334 Lane 913-354-1742 Topeka, Kansas 66604

JUSTIFICATION FOR SECURING MONIES DESIGNATED IN HOUSE BILL 2880 FOR ASSISTANCE TO PRIVATE TREATMENT FACILITIES AND FOR PERPETUATING ALCOHOLISM PREVENTION PROGRAMS AS SPECIFICALLY AUTHORIZED IN SENATE BILL 44 PASSED BY THE 1975 LEGISLATURE

Honorable Sirs:

As stated by United States Senator William D. Hathaway, (Maine), Chairman of the Alcoholism and Narcotics Committee: "It is a serious paradox that we spend hundreds of millions of dollars for prevention education and treatment of cancer and heart disease, which are number one and two most serious health problems in the nation, while alcoholism, designated as the third most serious health problem, is treated like medicine's bastard child, woefully shunted aside to a sort of Siberia." (Alcoholism Report, July 9, 1976). It seems the question is, What is the reason this designated new fund should go to the private sector instead of being utilized by the state for their own programs.

One of our primary concerns is that we do not bury alcoholism in other fields such as welfare, mental health, or public health, but be maintained as a visible entity and regarded as a legitimate disease worthy of our State's strong support and attention. Kansas has enjoyed throughout the past four years and through the hard work and development of a strong and coordinated

effort among the state alcoholism commission, hospitals, and private sector, a national recognition of one of the most progressive states dealing with this complex and diversified disease of alcoholism. We would dislike very much seeing our programs go down the drain, and our State's reputation reduced for the lack of proper funding.

The medical dictionary defines the word disease as follows: "The failure of the adaptive mechanisms of an organism to counteract adequately the stimuli or stresses to which it is subject resulting in a disturbance in function or structure of any part organ or system of the body." It also goes on to state that proper treatment for any disease should include prevention, education, research, and treatment.

At the present time in the state of Kansas, we have a fine network of state oriented programs as well as private organizations that are badly in need of funds to support the above components. Community Addictive Treatment has been a private, not for profit, treatment facility in the state of Kansas since 1962 and has been a pioneer in the field of treatment. Our working capital came primarily in the early stages from donations and what fees for service we could collect. So that programs did not become stagnant, the search for more money to secure more professional staff, develop more adequate programs, and, most of all, treat more patients, had to be secured elsewhere, and we looked to our state to help us with this problem. The H.B. 2880 introduced by Representative Frey and passed in the 1976 Legislature, provided a fund from the review of class A and class B club license for the purpose of providing assistance to any approved private treatment facility.

Let me use an analogy to explain why alcoholism must remain a cohesive unit among the state and private sections. You would not go to a gynecologist

to have a tooth extracted. Instead, you would seek the physician or clinic which specialized in the treatment of your health problem, which in this case would be a dentist, therefore, why would you go to a dentist or public health nurse or welfare for treatment of your alcoholsim. The answer is, you should not or would not, but would obtain the service of a health practicioner who specialized in the treatment of alcoholism. The disease, being complex in nature, must first be understood as a disease, not a crime nor sin. In order to do this, we must have a prevention department that can change the attitudes and thinking of society into realizing the symptoms of alcoholism and encourage the early detection. There is a difference between prevention and education. Prevention is to help the general public understand that alcoholism is a treatable disease and be knowledgeable of its symptoms. It also is charged with the duties of educating public and mental health professionals to recognize cases of alcoholism so that they may be referred for proper treatment. Education component is a must to make sure that proper education is provided for all professionals within schools and to help set up curriculum to insure that those specializing in alcoholism gain the needed knowledge and skills to staff the treatment units. Both of these components generate more clients for all treatment units.

Keeping this in mind, I hope that you can begin to see the need and the necessity for not just state run programs, but for the whole network of private facilities that are now in operation in Kansas. There are many and varied kinds beginning with a unit such as Community Addictive Treatment, which is a medical program staffed with medical personnel. There are also outpatient clinics that deal with alcoholism in the community without requiring the patient to miss work or retreat from the family or stresses of everyday life. There are private units that deal strictly with after after care in the field

of alcoholism. These are not called nursing homes, but halfway houses, and are badly needed facilities for a certain type of client. All of these private facilities need money to maintain a good quality of treatment and care. This money is exceedingly hard to obtain from donations or normal private business methods and therefore must depend upon some state aid or grants.

The private sector in alcoholism treatment has been a major factor in the development of Kansas' nationally recognized effort. It was AA, a private organization, which provided the original treatment effort for alcoholism in Kansas and continues to provide a major effort today. It was private, community based programs, which provided the original multi-discipline approach to alcoholism treatment in Kansas--and continues to do so today. These same community based programs provided the training and education for many--in fact most--of the people operating or employed in the state operated programs today. The private sector has in the past contributed much to the effort of alcoholism education, prevention, treatment, and after care. The private sector continues to provide a major share of the effort and continues to make important contributions.

It is therefore we are making a strong recommendation to this Committee that the funds generated from House Bill 2880 for the use in private sector be funneled directly to the Alcohol Abuse Unit for the use, through grants, to the private sector to continue maintaining good quality programs for our citizens of Kansas. It is not feasible to treat an alcoholic 30 days in a state institution and send him home without support or after care. Neither is it feasible in all cases to treat this illness on inpatient for only 30 days. Some require at least 6 months inpatient care. The private units are

geared for longer term treatment and longer term after care, and desperately need these funds to help maintain their good quality of care.

Attachment XI

CENTRAL KANSAS ALCOHOLIC FOUNDATION, INC.

P.O. Box 352 112½ N. SANTA FE (913) 825-6224

SALINA, KANSAS 67401

A United Way Agency

July 15, 1976

Memo to: Special Committee on Ways and Means

Gentlemen:

Thank you for the privilege to appear before this committee to present information which we hope will be given serious consideration when making the important decisions regarding the distribution of alcoholism funds.

Monies for alcoholism treatment must be allocated to agencies, facilities, and programs which offer the greatest possible effectiveness. We know of no program for alcoholics that burdened with too much money, so we believe it would be wise to consider every method of program individually.

Probably, the most effective and most efficient programs are those which are community based and real grass root operations. The entire concept of the "Hughes Bill", the Federal legislation which took alcoholism out of the back alleys and placed it into the drawing room, the country clubs, and into the homes of every American, was to treat our alcoholics at home. It purpose was to give us the opportunity to learn to treat the alcoholic while they are still on the job, while the family is still intact with a semblence of a decent lifestyle remaining.

We believe the "Foundation" is a good example of what can be done when a community becomes informed and accepts "alcoholism" as a community problem--not just the problem of the individual. Our community has developed healthy attitudes towards alcoholism and therefore, is able to offer a wide variety of services to the alcohol abuser and those affected by this abuse, at very minimal costs.

The "Foundation" has received support from: (1) the City of Salina, (2) Saline County, (3) the United Way, (4) earned income, (5) donations, (6) some State administered Federal funds for the Regional Service Project, and (7) State funds which enabled us to open the new women's halfway house.

The effectiveness of community based alcoholism programs has proven their success wherever they exist, for they are able to concentrate 100% of their time and efforts upon a single issue, alcohol abuse and its effect on the community.

We do not intend to infer that no one else can help the alcoholic or that no other agencies or programs should participate--to the contrary--we still need our state hospital alcoholism programs, we still need our private in-patient treatment programs, our state hospital programs and certainly need our Mental Health Centers to help the 10% of the alcoholics who need mental health therapy after the drug, alcohol has been removed. (There is no known effective treatment for the alcoholic while they are still using alcohol, whether they are being treated for physical problems, mental problems or spiritual problems, it seems to make no difference--most all research shows the alcohol must be removed first, and preferably not be replaced by another mood altering drug.)

Most successful programs in the State of Kansas today, are private non-profit corporations or other forms of public or private ownership, which are devoted exclusively to the alcohol or the alcohol and drug problem.

State and Federal laws, rules and regulations are placing more and more of the responsibility of treating the alcoholic in his/her own community whenever possible, but up to the present time, the State of Kansas has not legislated any monies to help the communities provide these services.

In our own Region #10 the "Foundation" has received Federal funds to assess the needs in our nine county area and work towards getting communities involved. This says easy and does hard. With totally inadequate funding, our Area Coordinator has in two years assisted St. Joseph's Hospital in Concordia, Ks. in opening an ATU with no help from either the State or Federal government. The Area Coordinator was extremely helpful in assisting Marymount College in Salina to establish the 1st degreed course in Alcohol and Drug Studies, in this part of the country. Even though the need for this degreed course was endorsed by everyone, neither the State of Kansas or the Federal Government could or would allocate $1.00 to help it get started. Our Area Coordinator has in this two year period been influencial in assisting almost every hospital in our Region to provide detoxification. This was necessary in spite of the fact that there has been a Federal mandate on the books for years which forbid Federal money in any way, shape or form going into hospitals which would not treat alcoholics.

Historically, education has been a local affair. Policies, procedures, and educational content have been and are considered local matters, and control is diligently maintained.

As every one of you is aware, efforts by State or Federal units to dictate policy, procedure or content to local school boards meets with strong resistance; and even where accepted, the resultant program may bear little resemblance to the program as conceived and mandated at the higher level.

This is particularly true when dealing with a subject as controversial as alcoholism and alcohol abuse. In order to survive, community based alcoholism programs have had to develop close working relationships with all community agencies, organizations and institutions. Community based alcoholism programs have had to earn the respect of all community leaders including educators. Within the above context, the community alcoholism programs is the logical resource to be used to assist local school boards in initiating and developing educational and preventive programs.

We have recently established a Business and Industrial program to work with employers. This is a service which already should be expanded if funds were available and if our State bureaucracies designed their applications to encourage rather than discourage seeking state assistance.

A frequently asked question is "Why can't "AA" do all of these things a Community Alcoholism Program does? We cannot speak for the wonderful Fellowship of Alcoholics Anonymous, but we do know that their traditions ask their members and groups to cooperate only with programs such as we are discussing today. They strongly encourage no affiliation. The success the "Foundation" enjoys has certainly been increased by the tremendous help and cooperation we receive from our local "AA". We doubt that any community based program will enjoy much success if they cannot learn to cultivate the cooperation of their local "AA" members.

Community based programs should be given most serious consideration in the allocation of alcohol treatment funds for almost without exception, they have not only proven their worth but have recorded a far greater degree of success in helping the alcoholic than any and all other delivery systems combined, and at considerably less costs. Community based programs are primarily designed to identify and treat the alcoholic prior to him or her needing expensive in-patient treatment.

Thank you again for allowing me to appear before this committee.

Ed Shepard
Executive Director
Central Kansas Alcoholic Foundation

Attachment: 1

CENTRAL KANSAS FOUNDATION FOR ALCOHOL AND CHEMICAL DEPENDNECY -- 112 1/2 N. Santa Fe
Salina, Ks. 67401

Office visits July 1, 1975 to June 30, 1976

Month	Administration (1)	Alcohol & Drug (2)	Client (3)	Total for month
July	81	91	18	190
August	49	44	54	147
September	66	56	45	167
October	87	54	49	190
November	52	58	36	146
December	66	34	46	146
January	75	122	56	253
February	115	91	39	245
March	114	49	33	196
April	89	41	38	168
May	62	34	37	133
June	28	33	7	68
Total Office visits	884	707	458	2049

Telephone contacts July 1, 1975 to June 30, 1976

Month	Administration (1)	Alcohol & Drug (2)	Client (3)	Total for month
July	176	236	43	455
August	234	239	81	554
September	262	169	86	517
October	213	221	95	529
November	163	188	43	394
December	279	120	19	418
January	275	275	39	589
February	234	194	45	473
March	279	146	36	461
April	303	156	42	501
May	210	96	19	325
June	203	124	10	337
Total telephone contacts	2831	2164	558	5553
Total contact/visits from July 1, 1975 to June 30, 1976	3715	2871	1016	7602

(1) Administration -- all calls/visits relating to business & administration of office.
(2) Alcohol/drug related -- all contacts/visits, inquiries by family members, friends, et
(3) Client -- all contacts/visits directly with the client.

Attachment XII

PROPOSED MAXIMUM DAILY RATES FOR DAY CARE

FISCAL YEAR -77

Age of Child	Hrs. of Care Per Day	TYPE OF FACILITY (Col 1) Registered Relative Home		(Col 2) Licensed & Certified Day Care Home		(Col 3) Licensed & Certified Child Care Center Normal		Handicapped	
			*		*		*		*
2 wks to 3 yrs.	Under 3 hrs	1.00	1.50	1.50	1.93	2.00	2.75	6.00	8.25
	3 to 6 hrs.	2.00	1.50	3.00	1.93	4.00	2.75	12.00	8.25
	6 to 10 hrs	3.00	3.00	4.50	3.85	6.00	5.50	18.00	16.50
	10 to 12 hrs	4.00	4.50	5.50	5.78	7.00	8.25	19.00	24.75
	*Emergency 24 hrs	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
3 to 6 yrs.	Under 3 hrs	1.00	1.50	1.50	1.93	1.75	2.75	5.25	8.25
	3 to 6 hrs	2.00	1.50	2.75	1.93	3.50	2.75	10.50	8.25
	6 to 10 hrs	3.00	3.00	4.00	3.85	5.75	5.50	17.25	16.50
	10 to 12 hrs	4.00	4.50	5.00	5.78	6.75	8.25	18.25	24.75
	*Emergency 24 hrs	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
6 to 16 yrs.	Under 3 hrs	1.00	1.50	1.50	1.93	1.75	2.75	5.25	8.25
	3 to 6 hrs	2.00	1.50	2.75	1.93	3.50	2.75	10.50	8.25
	6 to 10 hrs	3.00	3.00	4.00	3.85	5.50	5.50	16.50	16.50
	10 to 12 hrs	4.00	4.50	5.00	5.78	6.50	8.25	17.50	24.75
	*Emergency 24 hrs	8.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

*Emergency 24 hour care is seldom purchased. When purchased, the maximum rate refers to maximum paid to provider in a 24 hour day.

* Rate effective since July 1, 1975

Attachment XIII

STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
State Office Building
TOPEKA, KANSAS 66612
ROBERT C. HARDER, *Secretary*

July 12, 1976

Re: C & Y Allocation

Division of Vocational Rehabilitation

Division of Social Services

Division of Mental Health and Retardation

Division of Children and Youth

Division of Administrative Services

Alcohol and Drug Abuse Section

State Office Economic Opportunity

To: Area Directors
Chiefs of Social Service (Code 5)

This letter replaces the May 20, 1976 allocation letter. The May 20th letter should be destroyed.

The Division of Services to Children and Youth has allocated to the areas $224,998 in State funds for purchase of children's services. This allocation again provides the SRS worker an opportunity to purchase services for eligible children to facilitate meeting the client goals of self-support, self-sufficiency and protection of children.

The attached C & Y allocation schedule shows the amount of State, Federal and total funds that may be expended by the areas in FY 77. These funds are to be used in accordance with the Division priorities and day care remains the top.

It is the area office's responsibility to monitor expenditure of these funds. Monitoring procedures outlined in Director's L-1155, Section IX, should be followed until otherwise instructed. Note: Monthly Reports (CY-879) should not be submitted to the Central Office. Quarterly expenditure reports based on the CY-879 will be requested by the Division of Services to Children and Youth. Instructions for submitting these reports will be sent to the area offices. When quarterly reports indicate funds are not being utilized, reallocation will be made to areas where there are unmet service needs. Donor funds may need to be generated to increase funds for needed services.

Sincerely yours,

(Ms.) Barbara J. Sabol, Director
Division of Services to Children & Youth

BJS:dmb
Attachment

C & Y ALLOCATION SCHEDULE FY 77

AREA OFFICE	STATE FUNDS	FEDERAL FUNDS	TOTAL FUNDS
Hays	15,789	47,367	63,156
Garden City	13,691	41,073	54,764
Salina	11,887	35,661	47,548
Pratt	6,648	19,944	26,592
Hutchinson	14,929	44,787	59,716
Wichita	20,650	61,950	82,600
Winfield	8,004	24,012	32,016
Emporia	8,164	24,492	32,656
Junction City	10,098	30,294	40,392
Hiawatha	6,782	20,346	27,128
Topeka	33,529	100,587	134,116
Kansas City	26,392	79,176	105,568
Olathe	13,885	41,655	55,540
Osawatomie	6,790	20,370	27,160
Chanute	11,319	33,957	45,276
Pittsburg	11,379	34,137	45,516
Parsons	5,063	15,189	20,252
TOTAL	224,998	674,994	899,992

AMOUNT OF WELFARE SAVINGS

PROJECT	FEBRUARY				MARCH				APRIL				TOTAL			
	ON		OFF		ON		OFF		ON		OFF		ON		OFF	
	Pers.	$$	Pers.	$$	Pers.	$$	Pers.	$$	Pers.	$$	Pers.	$$	Pers.	$$	Pers.	$$
ansas City	16	2069	3	448	42	6836	4	843	14	2151	2	366	72	11056	9	1657
arsons	14	1928	3	833	15	1876	4	447	12	1260	7	1290	41	5064	14	2570
alina	15	1943	5	1015	4	576	-	---	3	377	3	127	22	2896	8	1142
opeka	4	641	3	461	1	295	4	992	6	1045	1	383	11	1981	8	1836
ichita	13	1358	2	142	9	793	1	353	14	1625	2	267	36	3776	5	762
anhattan	6	934	1	339	8	966	7	1618	8	1077	8	1236	22	2977	16	3193
odge City	1	86	-	---	2	111	1	304	6	498	-	---	9	695	1	304
OTAL	69	8959	17	3238	81	11453	21	4557	63	8033	23	3669	213	28445	61	11464

nsas City WIN Project -- Atchison, Leavenworth, Jefferson, Wyandotte, Johnson, Miami, Anderson, and Linn
rsons WIN Project -- Woodson, Allen, Bourbon, Crawford, Neosho, Wilson, Mongomery, Labette, and Cherokee
lina WIN Project -- Ellis, Russell, Ruch, Barton, Pawnee, Jewell, Republic, Mitchell, Cloud, Lincoln, Ottawa, Ellsworth, Saline, and Dickinson
peka WIN Project --Doniphan, Brown, Jackson, Shawnee, Douglas, Osage, Franklin, and Coffey
chita WIN Project -- Sedgwick, Harvey, Sumner, Cowley, Reno, Kingman, Stafford, Pratt, Butler, Chautauqua, Harper, Greenwood, Elk, Rice, and McPherson
nhattan WIN Project -- Washington, Marshall, Nemaha, Clay, Riley, Pottawatomie, Geary, Wabaunsee, Morris, Marion, Chase, and Lyon
dge City WIN Project -- Finney, Grant, Haskell, Seward, Gray, and Ford

ndatory Counties are underlined.

te Total Welfare Savings (April 1975 - April 1976) -- $151,877.00

Chart 1
June 28, 1976

WELFARE SAVINGS AND CASE LOADS

PROJECT	FEBRUARY, MARCH, APRIL 1976				CASE LOADS APRIL 1976			
	ON		OFF					
	Persons	Welfare Savings	Persons	Welfare Savings	Number of Workers	SAU Case Load	non SAU Case Load	Potential Case Load
Douglas	--	---	--	---	1 pt. time	60	76	75 SAU's
Saline	13	1768	3	767	1 pt. time	57	30	65 SAU's
Crawford	5	394	6	1549	1 pt. time	31	80	50 SAU's
Geary	2	258	-	---	1 pt. time	63	27	75 SAU's
Leavenworth	21	3638	6	1357	1	83		100 SAU's
Johnson	33	4869	--	---	1	58		85 SAU's
Total	74	10927	15	3673	4 pt. time 2	352	213	450 SAU's

185

State Total Welfare Savings
April 1975 - April 1976

ON AFDC - 110,440.00
OFF AFDC - 41,437.00

TOTAL - 151,877.00

Chart 2
June 28, 1976

Wichita Child Day Care Association

Suite 804
~~Mosley Building~~ • WICHITA, KANSAS 67202 • PHONE 265-0871
Century Plaza Building

July 14, 1976

Report to Joint Ways and Means Committee

Child Care, at the simplest level, is the partial upbringing of children outside their own homes. Child Care can serve a number of ends. It can give children contact with a wider range of peers and experiences than they might have at home. By freeing parents to work, it can increase the productive labor force, thereby bringing more money into a given community and reduce the tax burden of public welfare. In addition, it can provide a focus for comprehensive community services.

But Child Care, according to Sylvia Porter, "unfortunately, for the most part, is neither recognized nor supported" by local, state, or Federal Funding sources at a rate which ensures quality programs for our most precious natural resource, - children. In Sedgwick County, an average veterinarian charges $3.75/day/dog and $2.50/day/cat. Our current rate in Kansas for a day care home provider is $3.85 and if you are a relative, $3.00/day/child. A typical family day care provider, caring for six children, earns a total net income of $1,286.00 a year despite minimum wage laws, according to recent Senate testimony. In Unified School District #259, the average cost per day per child in elementary school is $7.28 for a six hour day, 180 days per year. This figure does not include food. In a day care center, the rate currently being paid is a maximum of $5.50/day/child for an average 12 hour/day, 260 days/year. This includes two meals and 1 snack per day. In the Title XX Final Comprehensive Social Services Plan, 1976-1977, Day Care service definition is stated as being "Direct care and protection for less than 24 hours a day; provision of milieu necessary for each individual's optimal development (social, emotional, intellectual, physical); recruitment, development and evaluation of homes and centers. Day care services may also include medical (physical, psychological, social, dental assessment), diagnostic and remedial care (including speech, occupational, physical and recreational therapies), board, and transportation when it is an integral part of the program services." All this for $5.50/day. The services described in the definition are mandated by the Federal Interagency Requirements and the Licensing Regulations of the State. Yet in this same state Day Care Services for the Elderly are being paid at a rate of $8.16/day/adult and in a Full-Day Care program funded by Head Start at $12.85/day/child.

We have taken the liberty of presenting these budgets based on estimated annual costs for care programs of 25, 50, and 75 children.

United Way

Attachment XIV

Table 1

ESTIMATED ANNUAL COSTS FOR CARE PROGRAM OF 25 CHILDREN

I. Summary of Operating Costs:

Total Estimated Cost: $58,719
(76% personnel, 6% foodstuffs, 9% rent, 9% other)

Cost per child: $2,349 per year, $1.12 per hour
(Cost per child/hour based on estimate of child/hours as 8.4 hours/child/day x 25 children x 250 days/year = 52,500 hours/year)

II. Functional Budget Summary

Category	% of Total	Total Cost	Cost per Child
A. Care and teaching	52	$30,803	$1,232
B. Administration	22	12,845	514
C. Feeding	12	6,893	276
D. Health	1	824	33
E. Occupancy	13	7,354	294
Totals	100%	$58,719	$2,349

III. Functional Budget Detail

Category	% of Category	Total Cost	Cost per Child	
A. Care and Teaching				
1. Personnel	94	$28,928	$1,157	
2. Educational Consumables	3	875	35	
3. Other	3	1,000	40	
Sub-total	100%	$30,803		$1,232
B. Administration				
1. Personnel	84	$10,745	$ 430	
2. Other	16	2,100	84	
Sub-total	100%	$12,845		$ 514
C. Feeding				
1. Personnel	42	$ 2,893	$ 116	
2. Foodstuffs	54	3,750	150	
3. Other	4	250	10	
Sub-total	100%	$ 6,893		$ 276
D. Health				
1. Personnel	79	$ 649	$ 26	
2. Other	21	175	7	
Sub-total	100%	$ 824		$ 33

III. Functional Budget Detail (continued)

Category	% of Category	Total Cost	Cost per Child
E. Occupancy			
1. Personnel	17	$1,254	$ 50
2. Rent	68	5,000	200
3. Other	15	1,100	44
Sub-total		$7,354	$294
TOTALS		$58,719	$2,349

IV. Personnel Component of Functional Budget

A. Care and Teaching			
2 teachers	@ 6,000	$12,000	
2 Assistant Teachers	@ 5,400	10,800	
1 Aide	@ 3,450	3,450	
Fringe Benegits & Payroll Taxes	10.2%	2,678	
Sub-total			$28,928
B. Administration			
1 Director	@ 8,400	$ 8,400	
1 Secretary, 1/4 time	@ 5,400	1,350	
Fringe Benefits & Payroll Taxes	@ 10.2%	995	
Sub-Total			$10,745
C. Feeding			
1 Cook, 1/2 time	@ 5,250	$ 2,625	
Fringe Benefits & Payroll Taxes	@ 10.2%	268	
Sub-total			$ 2,893
D. Health			
1 Nurse, 1/10 time	@ 5,900	$ 590	
Fringe Benefits & Payroll Taxes	@ 10.2%	59	$ 649
Sub-total		$	
E. Occupancy			
1 Custodian, 1/4 time	@ 4,550	$ 1,138	
Fringe Benefits & Payroll Taxes	@ 10.2%	116	
Sub-Total			$ 1,254
Total			$44.649

Basis of Estimates

In general, cost estimates are based on averages taken across the centers in our sample. Thus, the costs are representative of what was found in our sample of quality centers. However, personnel costs, rental costs and, to a lesser extent, other costs, may vary considerably from these estimates, depending on local market conditions.

To arrive at our estimates, average cost data from the centers in our study was organized according to the functional categories displayed in Table 2. Thus, for example, the average cost of foodstuffs per child was $150 per year; this formed the basis for the estimate of foodstuffs and costs.

Rental cost per child was calculated as the product of the average square feet of space per child in our sample (80) and the average annual rent per square foot ($2.50).

We computed personnel costs by assigning salaries to each position based on salaries actually paid by centers in our study. Fringe benefits and payroll taxes represent the average rate among centers (10.2%).

For teachers, assistant teachers, the cook, nurse and custodian, the full-time equivalent salary assigned was simply the average for such positions in our sample. Salary estimates for the other positions were derived as follows:

Director--An Analysis of the relationship between director's salary and center size showed a positive relationship between the two. The relationship indicated a salary of $8400 for a center of size 25, whereas the average salary for directors in our sample was somewhat higher ($9700).

Secretary--Here we felt it unwise to rely on a simple average because secretarial responsibilities varied widely in our centers. Generally, the salary fell between that for assistant teachers and teachers, and varied directly with the degree of responsibility assumed. Because the secretary in the program has relatively light responsibilities, the salary of an assistant teacher was assigned to that position.

Aide--Average salary for aides in our sample fell somewhat below the federal minimum wage. Because this probably reflects a lag in adjustment to minimum wage standards, the minimum wage, or $4,576.00 was used.

Once salaries, fringe benefits and payroll taxes were selected, we could estimate the personnel component of the budget (Section IV of the table). With per-child estimates of the other component costs in each of the functional categories, Section III, the Functional Budget Detail, could be filled in. (Thus, for example, foodstuffs cost per child is $150, the average in our study. The total cost of foodstuffs is simply $150/child x 25 children.) Figures in Section I and II are simply summary measures derived from Section III.

Summary of Salient Cost Characteristics

The most significant observation to be made about care program costs is the substantial portion for personnel. The 76% figure for this care program is definitely representative of the situation in our twenty centers. Personnel costs account for the major part of three functional categories--care and teaching, administration, and health--and are a substantial fraction of feeding. Only in the occupancy category are personnel costs overshadowed by other components.

Rental cost is the second most significant part of total costs, accounting for 9% of the budget. Foodstuffs are third, at 6%. The remaining 9% consists of equipment costs, consumables, utilities, taxes, insurance, and miscellaneous administrative costs. Of this 9%, no more than 1 or 2% may be attributed to equipment costs.

It is not surprising that care and teaching comprises more than half of the total costs. This is the primary reason for the center's existence, and most personnel are involved in this work. Administration is the second most significant category in terms of percent of budget, accounting for 22% of the total. The ratio of costs of administration to costs of care and teaching of about .4 is close to the average of such ratios among our twenty centers. The percentages for feeding, health, and occupancy are also representative of the centers in our sample.

All of the above observations are equally true for the larger center designs which follow.

A CENTER WITH AN AVERAGE DAILY ATTENDANCE OF 50 CHILDREN PROGRAM PROFILE

Although this program is very similar to our design for 25 (offers children the same basic services, etc.), some changes are necessary to account for the fact that it serves twice as many children. The facilities are enlarged through the addition of two classrooms for a total of 5 child classrooms. There are also more toilets and a slightly larger office space. There are now four classes of children, two each of 10 and 15.

There are now 15 paid staff. The teaching staff is doubled, with the same pattern of one teacher, one assistant teacher, and 1/2 aide per class. The overall ratio of staff to children remains 1:5. We see the addition of one head teacher (in place of a teacher) in one of the classes. We also note the addition of a full-time administrative assistant in place of the secretary, and increased working hours for the cook, the custodian and the nurse.

Staff Roster

1 director, full-time
1 administrative assistant, full-time
1 head teacher, full-time
3 teachers, tull-time
4 assistant teachers, full-time
2 aides, full-time
1 cook, part-time (27-1/2 hours/week)
1 custodian, part-time (3/8 time - 15 hours/week)
1 nurse, part-time (8hours/week)

The changing roles and responsibilities for these staff members are discussed in Appendix C.

Basis of Estimates

The per-child costs for all non-personnel components in the five functional categories are unchanged from 25. Since this design is twice as big as 25, total costs for these components has also doubled. (For example, foodstuffs cost per child is $150 in both designs: the total cost of foodstuffs is $7500 in 50, whereas it was $3750 in 25.)

Also, full-time equivalent salaries for most positions are the sare in 25--those for teachers, assistant teachers, aides, cook, nurse and custodian. Salaries requiring further explanation are as follows:

Director--Using the relationship between director's salary and center size mentioned in 25, we estimate a salary of approximately $9400 for a center of size 50, or about $1000 more that for 25.

Administrative Assistant--This position is somewhat like that of a secretary with relatively heavy responsibilities. Thus, the salary assigned should be at the upper end of salaries for such a position. In our sample, salaries for this position ranged between those for an assistant teacher and those for teachers. We are using here the average teacher salary of $6000.

ESTIMATED ANNUAL COSTS FOR CARE PROGRAM OF 50 CHILDREN

I. Summary of Operating Costs:

Total Estimated Cost: $111,135
(74% personnel, 7% foodstuffs, 9% rent, 10% other)

Cost per child: $2,223 per year $1.06 per hour
Cost per child/hour based on estimate of child/hours as
8.4 hours/child/day x 50 children x 250 days/year = 105,000 hours/year

---

II. Functional Budget Summary

Category	%of Total	Total Cost	Cost per Child
A. Care & Teaching	56%	$ 62,432	$1,249
B. Administration	19%	21,171	423
C. Feeding	11%	11,802	236
D. Health	1%	1,650	33
E. Occupancy	13%	14,080	282
TOTALS	100%	$111,135	$2,223

III. Functional Budget Detail

Category	% of Category	Total Cost	Cost per Child
A. Care & Teaching			
1. Personnel	94%	$58,682	$1,174
2. Educational Consumables	3%	1,750	35
3. Other	3%	2.000	40
Sub-total	100%	$62,432	$1,249
B. Administration			
1. Personnel	80%	$16,971	$ 339
2. Other	20%	4,200	84
Sub-total	100%	$21,171	443
C. Feeding			
1. Personnel	32%	$ 3,802	$ 76
2. Foodstuffs	64%	7,500	150
3. Other	4%	500	10
Sub-total	100%	$11,802	236
D. Health			
1. Personnel	79%	$ 1,300	$ 26
2. Other	21%	350	7
Sub-total	100%	$ 1,650	33
E. Occupancy			
1. Personnel	13%	$ 1,880	$ 38
2. Rent	71%	10,000	200
3. Other	16%	2,200	44
Sub-total	100%	$14,080	$ 282
TOTALS		$111,135	$2,223

IV. Personnel Component of Functional Budget

A. Care and Teaching			
1 Head Teacher	@ 6,750	$ 6,750	
3 Teachers	@ 6,000	18,000	
4 Assistant Teachers	@ 5,400	21,600	
2 Aides	@ 3,450	6,900	
Fringe Benefits & Payroll Taxes	@ 10.2%	5,432	
Sub-total			$58,682
B. Administration			
1 Director	@ 9,400	$ 9,400	
1 Administrative Assistant	@ 6,000	6,000	
Fringe Benefits & Payroll Taxes	10.2%	1,571	
Sub-total			16,971
C. Feeding			
1 Cook, 2/3 time	@ 5,250	$ 3,450	
Fringe Benefits & Payroll Taxes	10.2%	352	
Sub-total			3,802
D. Health			
1 Nurse, 2/10 time	@ 5,900	$ 1,180	
Fringe Benefits & Payroll Taxes	10.2%	120	
Sub-total			1,300
E. Occupancy			
1 Custodian, 3/8 time	@ 4,550	$ 1,706	
Fringe Benefits & Payroll Taxes	10.2%	174	
Sub-total			1,880
Total			$82,635

Head Teacher--Salaries for head teachers average about 12.5% above salaries for teachers. We computed salary for a head teacher on this basis.

Summary of Salient Cost Characteristics

Portions of total cost attributable to personnel, foodstuffs, rent and other are not significantly different from those in 25. This is also true of the percentages of total budget found in the five functional categories. This is no accident, because most costs have increased proportionately with center size by design. This reflects our finding that there appear to be small but not dramatic economics of scale with the quality child care our centers offered. That is, costs per child do not fall very much as size of center increases, other things being equal.

As mentioned above, the cost per child for the non-personnel components of functional categories are unchanged. This is based on two premises:

1. There is little indication from our data that costs per child in these components decline with expanding center size, although our data is not extensive enough to state this as an absolute finding.
2. A reasonable assessment of program requirements would not suggest dramatic declines in per-child costs in these areas. For example, there is no good reason to believe that foodstuffs cost per child would be significantly lower in larger centers. Most of the savings to be achieved from volume purchasing may be realized in a center of 25.

An apparent exception to premise #2 might be in the area of rental costs. There is a natural presumption that rental costs per child would be lower in larger centers, other things being equal. Such a decline would have to be attributable to fewer square feet of space per child or lower cost per square foot or some combination of the two.

Our data did not reveal a significant relationship between cost per square foot and physical space, although again, data was not extensive enough to state this as an absolute finding. Too many other important factors operate to determine rental cost to be able to separate out the effect of size. Therefore, for lack of evidence to support a decline in rental cost/square foot with increasing size, we have adapted an assumption of constant cost per square foot.

Square feet of space per child, including space used by children as well as that used by personnel, might be expected to decline with increasing center size. It might be argued that, even though square feet/child of space used by children should not decrease with increasing (lest program quality suffer), the space requirements of personnel need not increase proportionately with center size. No doubt there is some decline in total square feet/child from these sources, but it may not be particularly significant because total center staff is increasing almost proportionately with the number of children. There was simply no basis in our data for presuming a fall in total square feet of space/child with larger centers, so it was not "built in" to the program design.

The decline in cost per child from $2349 in 25 to $2223 (a savings of $126 per child) is attributable to declines in the per-child costs of certain personnel as follows.

1. Administrative costs do not rise proportionately (don't double) because the number of people required in administration doesn't rise proportionately with center size, and the higher salaries these people receive do not offset this source of saving. Actually, the saving is overstated, because the head teacher takes on some management chores (specifically, supervision and coordination of the care and teaching staff). There is still a net annual saving, however, from care and teaching and administration taken together, of about $74 per child.

2. The time requirements for the cook and custodian do not increase proportionately with center size, so there is a saving of $52 per child from these two sources.

The time requirements for the nurse rise proportionately with center size, so there is no reduction in health costs per child.

A Center With an Average Daily Attendance of 75 Children Program Profile

Compared with 25, this design has almost three times the amount of child space and a noticeable increase in office space. There are 6 classes of children: three of 10 each, and three of 15 each. Each class has its own room. In addition, there are two mulit-purpose rooms for large-muscle activity, music, dance and other creative activities and nap-time. These large rooms could be divided by sliding partitions to create large space for family grouping activities, large groups of children, or meetings of parents and community residents. The office space is enlarged to accommodate three full-time staff members, in addition to the work areas required by the nurse and teaching staff.

The total paid staff now numbers 21. In the support area, the nurse and custodian work longer hours in keeping with the increase in children and space. The cook's hours remain the same, on the premise that it does not require noticeably more time to cook for 75 children than for 50. If the scope of the program had been enlarged (e.g., a breakfast program had been added), more hours would have been required.

The teaching staff shows a return to the staffing pattern of 25. times three, and the head teacher position disappears. In this center, we find the director busier than ever. The secretary-bookkeeper is added to perform the duties of the secretary in 25 and some of the duties of the administrative assistant in 50. We note the disappearance of the administrative assistant and the head teacher, and the appearance of a full-time secretary-bookkeeper and a full-time assistant director. The assistant director assumes duties from several people. She takes on the management duties of the head teacher in 50 (which belonged to the director in 25). She takes some of her duties from the administrative assistant in 50 (which belonged to the director in 25). Further, she relieves the director of many of her previous duties in 50.

Staff Roster

1 director, full-time
1 assistant director, full-time
1 secretary-bookkeeper, full-time
6 teachers, full-time
6 assistant teachers, full-time
3 aides, full-time
1 cook, part-time (27 - 1/2 hours/week)
1 custodian, part-time (20 hours/week)
1 nurse, part-time (12 hours/week)

Basis of Estimates

Per-child costs for all non-personnel components of the five functional categories are unchanged from those in 25 and 50. Thus, total costs for a component are 3 times those for 25 and 1-1/2 those for 50.

Also, full-time equivalent salaries for most positions are the same as those in 25 and 50. Such positions include the teachers, assistant teachers, aides, cook, nurse and custodian. Salaries requiring further explanation are as follows:

Director--The relationship between center size and director's salary mentioned in 25 indicates a salary of approximately $10,450 for a center serving 75 children.

Assistant Director--The center in our sample which had a position quite similar to this one was paying a salary which was 80% of the director's salary and 119% of the average salary of teachers. This provides two bases for estimating the assistant director's salary. We used the average of salaries computed from these bases.

Secretary-Bookkeeper--The degree of responsibility called for in this position falls midway between that for the secretary in 25 and the administrative assistant in 50. We set this salary midway between those two salaries.

Summary of Salient Cost Characteristics

As was true of 50, the portions of total cost attributable to personnel, foodstuffs, rent and other are not significantly different from the smaller center (25). This is true, also, of the percentages of total budget accounted for by the five functional categories.

The small decline in per-child costs, from $2223 in 50 to $2189 in 75 (a saving of $34 PER CHILD) may be traced to the following:

1. Care and teaching personnel costs decline from $1174 in 50 to $1157 in 75; this latter figure is exactly the same as the corresponding personnel cost in 25 because the personnel in 75 number exactly 3 times the personnel in 25. The more expensive head teacher who supervised and coordinated teaching staff in 50 is not included in this design. This work has been taken over by the assistant director in 75. Thus, administrative personnel costs per child in 75 are somewhat higher than those in 50, but there is a slight

ESTIMATED ANNUAL COSTS FOR CARE PROGRAM OF 75 CHILDREN

I. Summary of Operating Costs:

Total Estimated Cost: $164,186
(74% personnel, 7% foodstuffs, 9% rent, 10% other)

Cost per child: $2,189 per year $1.04 per hour
(Cost per child/hour based on estimate of child/hours as 8.4 hours/child/day x 75 children x 250 days/year + 157, 00 hours/year

II. Functional Budget Summary

Category	% of Total	Total Cost	Cost per Child
A. Care and Teaching	56	$ 92,408	$1,232
B. Administration	20	32,638	435
C. Feeding	10	15,857	212
D. Health	1	2,476	33
E. Occupancy	13	20,807	277
Totals	100%	$164,186	$2,189

III. Functional Budget Detail

Category	% of Total	Total Cost	Cost per Child
A. Care and Teaching			
1. Personnel	94	$86,783	$1,157
2. Educational Consumables	3	2,624	35
3. Other	3	3,000	40
Sub-total	100%	$92,408	$1,232
B. Administration			
1. Personnel	81	$26,338	$ 351
2. Other	19	6,300	84
Sub-total	100%	$32,638	$ 435
C. Feeding			
1. Personnel	24	$ 3,857	$ 52
2. Foodstuffs	71	11,250	150
3. Other	5	750	10
Sub-total	100%	$15,857	$ 212
D. Health			
1. Personnel	79	$ 1,951	$ 26
2. Other	21	525	7
Sub-total	100%	$ 2,476	$ 33

III. Functional Budget Detail (continued)

Category	% of Category	Total Cost	Cost per Child	
E. Occupancy				
1. Personnel	12	$2,507	$ 33	
2. Rent	72	15,000	200	
3. Other	16	3,300	44	
Sub-total	100%	$ $20,807		$ 277
Totals		$164,186		$2,189

IV. Personnel Component of Functional Budget

A. Care and Teaching			
6 teachers	@ 6,000	$ 36,000	
6 assistant teachers	@ 5,400	32,400	
3 aides	@ 3,450	10,350	
Fringe Benefits & Payroll Taxes	@ 10.2%	8,033	
Sub-total			$ 86,783
B. Administration			
1 Director	@10,450	$10,450	
1 Assistant Director	7,750	7,750	
1 Secretary/Bookkeeper	5,700	5,700	
Fring Benefits & Payroll Taxes	10.2%	2,438	
Sub-total			$26,338
C. Feeding			
1 Cook, 2/3 time	@ 5,250	$ 3,500	
Fringe Benefits & Payroll Taxes	10.2%	357	
Sub-total			$ 3,857
D. Health			
1 Nurse, 3/10 time	@ 5,900	$ 1,770	
Fringe Benefits & Payroll Taxes			
Sub-total	10.2%	181	$ 1,951
E. Occupancy			
1 Custodian, 1/2 time	@ 4,550	$ 2,275	
Fringe Benefits & Payroll Taxes	10.2%	232	
Sub-total			$ 2,507
Totals			$121,436

total saving in the per-child costs of these two categories taken together ($5.50 per child).

2. The time requirements for the cook and custodian do not increase proportionately with center size, so there is a saving of $20 per child from these two sources.

The time requirements of the nurse rise proportionately with center size, so there is no reduction in health costs per child in 75.

BASIC CARE FOR INFANTS AND AFTER-SCHOOL CHILDREN

Depending on demand for care in the community, child care programs may want to extend services to children other than pre-schoolers. This is often the case where child care frees parents for work and other activities, and older and younger siblings of the pre-school child need attention and care to allow parental flexibility.

Child care for infants, toddlers and school-age children must be tailored to meet their special requirements. Infants (a few months to one-and-a-half years of age) need a great deal of physical care. Because they have limited mobility and physical resources, they are more dependent than older children on adults for stimulation and social contact. Toddlers (one-and-a-half to three years of age) require somewhat less physical care but are still very dependent on a maternal figure for emotional support, comfort and approval. For both age groups, emotional and intellectual growth requires a stimulating and interesting environment, adequate opportunities for exploration and physical activity, and a great deal of face-to-face human contact.

School-age children (six years of age and older) who spend most of the day in school require a minimum of physical care. For them, the center must offer a broad spectrum of enriching and skill-enhancing experiences geared to the maturity and experience level of older children. Well-designed child care programs for school-age children expand the child's world view, increase his appreciation of his own and other life styles, build his sense of confidence and self-worth, and provide him with relevant models for adult behavior. Older children also require greater responsibility and control over their own activities.

AFTER-SCHOOL CHILDREN

Programs for school-age children must be geared to the maturity and experience levels of the children involved. This is particularly important since older children can "vote with their feet." If programs are boring and too highly regimented, they typically won't attend regularly.

Those centers with after-school programs in our study served children ages six through twelve. Because adolescents have special needs, there are

fewer programs for these children. The needs, capabilities and interests of children within the six to twelve age range vary widely. Younger children (6-8) require a good deal of physical exercise to let off steam after being confined in school. They are still very much interested in toys and make-believe play. Somewhat older children (9-11) typically want to participate in decision-making for planning of activities. The peer group becomes more influential and is an important source of learning and satisfaction. Adolescence (12-16) introduces dramatic physical, emotional and intellectual changes. This is frequently a critical period for the formulation of adult identities, the development of boy-girl relationships and life philosophies, goals and ideals. Concerns about sex, peer group acceptance, interpersonal relations and personal adequacy become all-important.

To accommodate parent schedules and school hours, programs for school-age children require flexible and extended schedules. Most of the after-school programs in our study operate between 3:00 p.m. and 6:30 p.m. on regular school days. Some are also open from 6:00 a.m. until school begins. Kindergarten children are often part of the regular pre-school program, attending the center for half a day either in the morning or afternoon. The three programs with formal school-age programs in our study also provide full-day care on school holidays and during the summer. Because of these schedule demands, after-school programs often rely on a good deal of volunteer help.1

Generally, fewer staff members are required for adequate care of school-age children than for comparable pre-school programs. In the programs in our study, observed staff-child ratios for school-age children ranged from 1:8 to 1:13. The ability of staff members to relate well with children becomes increasingly important with older children. Racial and cultural congruence and the presence of male staff members are also important.

1 For detailed descriptions of after-school programs, see the 5th City and (Houston) Neighborhood Centers case studies.

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We would appreciate the Committee's consideration of the following recommendations:

1. Child Care Systems be reimbursed at a rate of $1.50/day/child for the administrative and supportive services, in the areas of administration (bookkeeping, personnel, contract negotiations, raising donor funds, resource centers, etc.) Nutritional, Health, Speech therapy, training; Child Development, Social Services, Parent Involvement, in order that Day Care Homes and Centers meet Federal and State guidelines. When Title IV A came into existence no recognition was taken into account of the Child Care Systems and their cost, consequently the current reimbursement and the proposal reimbursements do not speak to their needs and to the services which they provide not only to operators but to the State.

Day Care Home operators be reimbursed at a rate which guarantees them a minimum income wage of $2.30/hour after deductions for food ($1.00/day/child). This would require a rate of no less than $5.15/day/child.

3. That relative home care be reimbursed at the same rate as that of Day Care Homes.

4. That Day Care Centers be reimbursed at maximum rate of:

   1. $9.73/day/child from 3 to 6 years.
   2. $11.70/day/child from 0 to 3 years.
   3. $8.73/day/child from 6 to 14 years for 8.5 hours of full care.

5. That budgets submitted be evaluated at enrollment figure and not at license capacity as many centers are licensed for more than actually are enrolled due to lack of monies for expansion of program.

6. That historical budgets not be used in determining cost as the reimbursement rate is too low to provide accurate data in determining what is the actual cost of a quality program. The fact that parent fees are subtracted from the State rates lock operators into a set budget year after year.

7. That salaries of staffs be at least competitive with those of similar program, such as, school systems, Head Start and Social Rehabilitative Services.

8. That seed money in the amount of $500,000.00 for 2 years be set aside for new operators for start up cost (including building, remodeling, equipment, staff) and for current operators for remodeling and expansion for both profit and non-profit operators until Title XX and parent fees enable them to become self-sufficient.

9. That S.R.S. develop an accountability system that donors for matching funds for Title XX may have a month statement as to how much of their funds have been used thereby eliminating the now negative responses of past donors whom we are approaching for the second and third times.

10. That a rate setting commission be established to determine maximum rates and to develop a system by which operators would be paid according to the services they provide, similar to the system established by the Public Health Department for restaurants. We feel that such a rating system would encourage operators to provide comprehensive quality Child Care that would benefit not only children and their families but the entire community.

11. We would strongly urge that the State allocate more matching monies for Title XX programs. To receive $3.00 for every $1.00 is an economic dividend that cannot be denied.

Currently 1703 children are receiving S.R.S. payments in day care homes. Taking the current rate of $3.85/day for 250 days, the cost is approximately $1,639,137.50. At $5.15/day/child the cost would be $2,192,612.50. 2650 children, currently in centers, at $5.50/day/child for 250 days, the cost is approximately $3,643,750.00. At $10.00/day (middle road between $9.73 and $11.73) the cost would be $6,625,000.00. 1610 children in relative home care at $3.00/day for a cost of $1,207,500 would at $5.15/day be $2,072,875.

In the October 1, 1975 to June 30, 1976, Title XX proposal, 5140 recipients were estimated for an expenditure of $11,036,833.00. In the final plan from July 1, 1976 to June 30, 1977, $5,982 recipients were estimated for a cost of $10,602,733.00.

According to the "Statistical Report on Expenditures for day care by the Kansas State Department of Social and Rehabilitative Services" prepared by the Division of Services to Children and Youth, 5,963 children were subsidized for fiscal year 1975-1976 for a cost of $6,490,387.50 even though $11,036,833.00 had been allocated for a 9 month period. To serve the same number of children, at the rates we are advocating would cost $12,341,625.00 for a 12 month period. The money was there, it could have been used, it had been estimated. Please bear in mind, parent fees are deducted from the state rate, and it is our opinion that the amoung of $11,036,833.00 submitted in the proposal would have allowed for higher state rates and would have approached the $12,341,625.00 if carried through at a 12 month time span as opposed to the 9 month time span.

Thank you for your time and consideration.

Gross Income for January 1, 1976 to June 30, 1976
Day Care Home.....$1104.07

1 Infant and 1-5 yr old for ½day and one 5 yr. old for ½ day to May 31, 1976
1 Infant and 3 other children 1 child 4 yrs. old and one child 6 yrs. old and 1 child 7 yrs old. as of June 1, 1976. Special permission for extra child voted on and granted. (Just during summer)

Deductions:
Expenses:

Depreciation	$ 63.00	
Insurance	13.00	
Toys & Play Equipment	108.68	
Food (Including Paper supplies & Cleaning supplies--such as Toilet paper & dusting & window cleaner)	585.00	(Itemized on page 2)
First Aid Supplies	5.17	
Utilities	69.00	(Itemized on page 2)
Milage	15.00	(Itemized on page 2)
Postage	26.48	
Income tax figured	17.50	
Misc. (Bedding)	14.58	
TOTAL EXPENSES	$917.41	
Additional Expense omitted		
Art Supplies & Pool Supplies	39.63	
ADDITIONAL TOTAL EXPENSES	$957.04	
EXPENSES DEDUCTED FROM TOTAL GROSS INCOME		$ 957.04
NET INCOME FOR CHILD DAY CARE HOME		147.03

My substitute is my mother so I have no expense for that unless I go to a work shop all day and that would be $10.00 a day. So you can see if I would have to pay a substitute I would be in the red.

Six months divided into $147.03 equals $24.51 a month
Twenty Six weeks divided into $147.03 equals $5.66 per week

Per day would be figured on a 55 hr week as I have one child 11 hrs a day for 5 days a week . This would make $.10 a day and not even 1¢ per hour.

Sample
Itemized statement on food and cleaning and paper supp
Breakfast.....Egg.....05¢
English muffin & Butter & Jelly....05¢
Juice.....02¢
Cereal & Milk.....05¢
TOTAL BREAKFAST.....17¢.....

Morning Snack.....
(3 child) Crackers 5 each.....15¢
Grape juice.....16¢
TOTAL MORNING SNACK.....31¢.....$ .31

LUNCH--4 children
Chicken.....97¢
Frozen Corn.....33¢
Potatoes.....12¢
Butter for Potatoe & Bread.....16¢
Bread.....05¢
Jello & Fruit Coctail.....50¢
Milk to drink.....40¢
TOTAL LUNCH.....$2.53.....$ 2.53

Afternoon snack.....
Ice Cream Cone..... .40¢
Juice..... .10¢
(orange juice is cheaper)
TOTAL AFTERNOON SNACK..... .50¢.....$ .50

TOTAL DAILY FOOD SUPPLIES.....$ 3.51

Weekly food.....$ 17.55
Six months food or 26 weeks of food.....$455.78

Cleaning supplies weekly
such as window cleaner dusting supplies & Comet & ect...$1.50
Paper towels..... .59
Laundry soap.&.dish.soap..... .30
Hand soap..... .39
Napkins..... .30
Toothpaste..... .40
Paper Cups..... .55
TOTAL WEEKLY SUPPLY FOR CLEANING AND PAPER ITEMS..... 4.03

TOTAL FOR 6 MONTHS OR FOR 26 WEEKS.....$104.78

TOTAL FOOD ITEMS & CLEANING AND PAPER ITEMS.....$561.08
Items omitted in above Paper Plates, Gum, Cookies,
Extra milk for infant, Flour, Sugar, Salts and spices
For six months or 26 weeks..... 25.00
TOTAL OF ALL ITEMS USED FOR DAY CARE HOME CHILDREN.....$586.08
TOTAL UTILITIES FOR FIRST 6 mo. of year including trash were $344.29 and a 20% deductable would be $69.00
Mileage for 6 months was for Dr. trips and for field trips and taking children to and from school was 100 miles approx. More miles were used but my children would also ride to school so I just used 100 miles at 15¢ a mile to get figure of $15.00.