


SENATE SUBCOMMITTEE REPORT ON SENATE BILL NO. 153

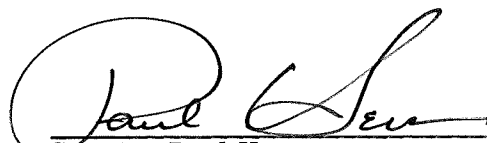
FY 1983 APPROPRIATIONS

Sections Pertaining to:

Social and Rehabilitation Services  
Department of Health and Environment

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chairman

  
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Senator Frank Gaines

  
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Senator Paul Hess

Agency: Department of Health and Environment Bill No. 153 Bill Sec. 7  
 Analyst: Goering Analysis Pg. No. 415 Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 19,912,689	\$ 19,706,753	\$ (64,607)
Aid to Local Units	5,410,789	5,370,155	--
Other Assistance	6,752,692	6,752,692	17,003
Subtotal	<u>\$ 32,076,170</u>	<u>\$ 31,829,600</u>	<u>\$ (47,604)</u>
State General Fund:			
State Operations	\$ 10,818,709	\$ 10,681,547	\$ (47,604)
Aid to Local Units	1,015,858	975,224	--
Other Assistance	--	--	--
Subtotal	<u>\$ 11,834,567</u>	<u>\$ 11,656,771</u>	<u>\$ (47,604)</u>
F.T.E. Positions	593.2	594.2	(1.0)

#### Agency Request/Governor's Recommendation

The agency requests an increase of \$4,500 in expenditure authority for the Federal Resource Conservation and Recovery Act Fund to finance costs related to an evaluation of factors associated with unusually high mortality rates from lung cancer among residents of Cherokee County. The Governor concurs with the requested expenditure, but the necessary authority is more than offset by recommended deletion of \$4,986 in expenditures from the federal fund for FY 1983 merit increases. Therefore, no additional expenditure authority for the fund is recommended by the Governor.

The agency also requests a total of \$970,211 in additional expenditure authority for the federal Supplemental Food Program for Women, Infants, and Children, better known as the WIC program. Of the total request \$848,208 is requested to provide additional food assistance to WIC beneficiaries. An additional \$60,000 in expenditure authority is requested to provide grants to local health agencies for administration of the WIC program. The remaining \$62,003 is requested for state operating expenditures associated with the program. Of this sum, \$45,000 is requested to offset expenditures from the Federal Migrant Health Program Fund now supporting salary costs of personnel who are also directly involved in administration of the WIC program. The remaining \$17,003 in expenditure authority is requested to finance ten months of salary support for an additional Nutritionist position to be located in the Garden City Migrant Health Office. The agency does not specifically request an increase in its position limitation to allow employment of such a new staff person. The Governor concurs with all requested supplemental expenditures associated with the WIC program, and recommends an increase in the agency's position limitation by 1.0 F.T.E. position effective FY 1983. However, the total increase recommended by the Governor is offset by savings of \$1,137 in WIC expenditures due to indefinite deferral of all FY 1983 merit salary increases. The total supplemental expenditure authority recommended by the Governor is \$969,074, to be financed entirely from the federal WIC program fund.

#### Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of \$17,003 in additional expenditure authority and 1.0 F.T.E. authorized position associated with the requested new Nutritionist to be located in Garden City. The Subcommittee is of the opinion that maximum available federal funds under the WIC program should be made available to WIC beneficiaries in the form of food assistance. The Subcommittee therefore recommends deletion of the new position and associated salary costs recommended by the Governor, enabling an additional \$17,003 to be passed on to clients in the form of food assistance. The Subcommittee also recommends a technical revision to the bill to incorporate deletion of the \$1,137 merit salary expenditure authority as recommended by the Governor.
  
2. Reduction of \$47,604 in expenditures budgeted in the current fiscal year for contracted printing and advertising costs. The reduction would retain \$140,195 for such costs, an amount which is identical to the Governor's recommendation for FY 1984 and is substantially higher than the total of \$108,058 spent to meet such costs during FY 1982. The reduction is to be made as follows:

<u>Program/Subprogram</u>	<u>Amount</u>	<u>Funding Source</u>
<b>Administration:</b>		
Executive Administration	\$ 533	State General Fund
Central Administration	623	State General Fund
Personnel Administration	100	State General Fund
Data Processing	2,603	State General Fund
Subtotal	<u>\$ 3,859</u>	
<b>Research and Planning:</b>		
Health Planning	\$ 1,000	State General Fund
Technical Services and Training	4,900	State General Fund
Subtotal	<u>\$ 5,900</u>	
<b>Facilities and Service Regulation:</b>		
Health Facility Licensure/Certification	\$ 3,550	State General Fund
Child Care Licensure	1,600	State General Fund
Subtotal	<u>\$ 5,150</u>	
<b>Community Health Services:</b>		
Maternal and Child Health	\$10,760	State General Fund
Disease Control and Investigation	7,196	State General Fund
Health Education	2,604	State General Fund
Subtotal	<u>\$20,560</u>	
<b>Personal Health Services:</b>		
Crippled Children's Services	<u>\$ 5,434</u>	State General Fund
Groundwater Pollution Control	<u>\$ 3,600</u>	State General Fund
<b>Laboratory Services:</b>		
Records and Reports	\$ 2,400	State General Fund
Chemistry	701	State General Fund
Subtotal	<u>\$ 3,101</u>	
TOTAL	<u>\$47,604</u>	State General Fund

The Subcommittee recommends that such savings be reappropriated to reduce State General Fund appropriations necessary for FY 1984.

3. Insertion of language in the appropriation bill authorizing the transfer of an additional \$34,800 in federal grant moneys from the Department of Health and Environment to the Department of Education during FY 1983. Such transfer was recommended by the Governor in Budget Amendment No. 2 and would not affect budgeted expenditures in either agency.

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment Bill No. 110 Bill Sec. 5

Analyst: Goering Analysis Pg. No. 415 Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84*</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 22,796,971	\$ 20,125,399	\$ (591,898)
Aid to Local Units	7,939,608	5,327,974	(39,000)
Other Assistance	8,126,416	8,126,416	11,693
Subtotal - Operating	<u>\$ 38,862,995</u>	<u>\$ 33,579,789</u>	<u>\$ (619,205)</u>
Capital Improvements	5,443,512	--	--
TOTAL	<u>\$ 44,306,507</u>	<u>\$ 33,579,789</u>	<u>\$ (619,205)</u>
<b>State General Fund:</b>			
State Operations	\$ 14,093,670	\$ 11,408,162	\$ (973,729)
Aid to Local Units	3,568,858	975,224	(39,000)
Other Assistance	--	--	--
Subtotal - Operating	<u>\$ 17,662,528</u>	<u>\$ 12,383,386</u>	<u>\$ (1,012,729)</u>
Capital Improvements	5,443,512	--	--
TOTAL	<u>\$ 23,106,040</u>	<u>\$ 12,383,386</u>	<u>\$ (1,012,729)</u>
F.T.E. Positions	597.2	573.2	(1.0)

\* Includes Governor's Budget Amendment No. 1, Item 4.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of expenditures associated with the 4 percent cost-of-living increase. The adjustment of \$511,912, of which \$333,260 is in State General Fund expenditures, is to be financed as shown in the attached Table I.
2. Deletion of \$39,000 in State General Fund expenditures recommended for grants to local air pollution monitoring agencies.
3. Reduction of \$6,000 in State General Fund expenditures for per diem compensation and \$426 for associated fringe benefits budgeted for the Statewide Health Coordinating Council. It is not the Subcommittee's intent that meetings of the Council should be reduced in number. Rather, the Subcommittee learned that actual expenditures in past years have been substantially less than the \$12,000 annually budgeted for per diem compensation for the Council. The Subcommittee is of the opinion that \$6,000 plus fringe benefits should allow sufficient funding for the current frequency of SHCC meetings.

4. Deletion of 1.0 F.T.E. Clerk-Typist II recommended by the Governor for the WIC program. The Subcommittee is of the opinion that maximum funding should be passed on by the agency to WIC beneficiaries, and recognizes that this goal can be accomplished by retaining minimal state staffing. The adjustment allows savings of \$9,264 for salaries and \$2,429 for fringe benefits, allowing a total increase of \$11,693 in the amount of expenditure authority for provision of food assistance to WIC beneficiaries.
5. Deletion of \$25,000 in State General Fund expenditures budgeted for first-year costs of participation in the interstate compact for low-level radioactive waste management. The Subcommittee notes that the required Congressional approval has not yet been sought for the Compact, and is therefore of the opinion that appropriation of such an amount is premature at this time.
6. Deletion of \$36,867 in expenditures budgeted for capital outlay to be financed from the Power Generating Facility Fee Fund. The Subcommittee notes that a total of \$85,000 was transferred from the State General Fund to the Power Generating Facility Fee Fund in past years, and that the Legislature intended that such amounts be repaid to the State General Fund when sufficient revenues were available. The Subcommittee recommends insertion of language into S.B. 110 authorizing the Division of Accounts and Reports to transfer \$36,867 from the Power Generating Facility Fee Fund to the State General Fund on July 1, 1983 or as soon as sufficient moneys are available. Furthermore, the Subcommittee recommends that similar transfers be made in FY 1985 and FY 1986 until the full \$85,000 previously advanced has been repaid to the State General Fund.
7. Shift of \$253,296 in recommended expenditures for the Facilities and Service Regulation Program from State General Fund financing to Title XIX financing. The Subcommittee learned that during FY 1983 and FY 1984, the Department of Health and Environment can be expected to receive \$253,296 more in federal funds from SRS than has been projected in the Department's budget recommendations.

The Subcommittee reviewed the Governor's recommendations regarding initiation of several new fees and increases in existing fees assessed by the Department of Health and Environment. The Subcommittee notes that the Governor's recommendations directly impact the agency's revenues only with regard to increases proposed for two special revenue funds. The remaining new fees and fee increases proposed would generate additional revenues to the State General Fund under the Governor's recommendation, and therefore do not directly impact the agency's budget recommendations. The Subcommittee adopts the Governor's proposal with the following adjustments:

1. A provision in the legislation authorizing fees for certificate of need applications to allow the Secretary of Health and Environment to waive such fees for applications related to the reduction or termination of services.
2. Deletion of a proposal to initiate annual license fees for hospital facilities.

3. Deletion of a proposal to increase fees assessed on oil and gas production which are currently levied at the rate of 6 mills per barrel of oil produced and 0.18 mills per MCF gas produced.
4. Deletion of proposals to institute annual fees for salt solution mining and underground hydrocarbon storage wells, and deletion of a proposal to initiate fees for review and inspection of petroleum storage plans.
5. Revision of the proposed increase in annual fees assessed for adult care home licenses from the present \$1 per bed to \$4 per bed, rather than the proposed \$8 per bed.
6. Deletion of the proposed increase in license fees paid by adult care home administrators.
7. Revision of the proposed increase in fees charged for copies of certified vital statistics records to \$5 for the first copy and \$4 for additional copies requested at the same time. Current fees assessed are \$3 and \$2 respectively. An increase of \$2 per certified record issued would generate increased total revenues of \$623,480 based on projected issuance of 311,740 certified copies during FY 1984. Based upon the current fee structure, the agency's budget submission projected total revenues of \$780,085, of which 80 percent or \$624,068 would have been credited to the Vital Statistics Fee Fund. Because the Vital Statistics Fee Fund is subject to a statutory \$200,000 maximum in the amount of revenues to be credited to the State General Fund, only \$43,983 of the increase in revenues would be credited to the State General Fund. The remainder of \$579,497 would be credited 100 percent to the Vital Statistics Fee Fund. Such revenues exceed the Governor's projection by \$355,747. The Subcommittee recommends that additional revenues be utilized to offset an equivalent amount of expenditures recommended for State General Fund financing in the Research and Planning Program.

Table II, attached to this report, summarizes the revenue impact of such recommendations in comparison to the Governor's recommendation.

The Subcommittee recommends technical revision to the appropriation bill to reflect approval of Governor's Budget Amendment No. 1 and to coincide with the Governor's intended recommendation to approve other budget amendments submitted by the agency. Such technical adjustments have no impact on budgeted expenditures recommended by the Governor.

The Subcommittee notes that the Governor did not recommend funding for distribution to local health departments pursuant to 1982 S.B. 758, although support was expressed for financing such formula assistance when sufficient revenues become available. The Subcommittee would encourage the Department of Health and Environment to develop a proposal for phasing in the formula state aid program over a period of several years. The Subcommittee strongly encourages the agency to study the possibility of shifting State General Fund appropriations currently made available for certain categorical aid programs to initiate formula assistance to local health departments, prior to requesting additional State General Fund appropriations for financing 1982 S.B. 758.

TABLE I

FY 1984 DEPARTMENT OF HEALTH AND ENVIRONMENT  
FOUR PERCENT COST-OF-LIVING FINANCING

(As Adjusted for Turnover Savings)

<u>Fund/Account</u>	<u>Amount</u>
State General Fund:	
Administration	\$ 58,380
Research and Planning	12,428
Facilities and Service Regulation	63,325
Community Health Services	45,911
Personal Health Services	14,878
Waste Management	14,455
Surface Water Pollution Control	14,855
Air Pollution Control	11,763
Groundwater Pollution Control	23,206
Radiation Control	14,076
Public Drinking Water	10,964
Laboratory Services	49,019
Registration and Records	--
Subtotal - State General Fund	<u>\$333,260</u>
All Other Funds:	
Vital Statistics Fee Fund	\$ 20,530
Food Service and Lodging Fee Fund	12,345
Power Generating Facility Fee Fund	3,393
Conservation Fee Fund	3,146
Waterwell Contractors Licensing Fund	898
Federal Medicare Fund	5,186
Federal Migrant Health Fund	1,573
Federal Occupational Health Statistics	558
Federal WIC Fund	6,958
Federal Air Quality Fund	13,979
National Health Planning Fund	7,519
Federal Water Supply Fund	9,597
Federal RCRA Fund	11,635
Federal EPA 106 Fund	14,170
Federal EPA 208 Fund	5,991
Federal EPA 205g Fund	23,293
Federal EPA UIC Fund	6,278
Federal Family Planning Fund	4,152
Federal M.C.H. Block Grant	21,080
Federal Preventive Health Block	4,517
National Center Health Statistics	1,854
Subtotal - All Other Funds	<u>\$178,652</u>
TOTAL ADJUSTMENT	<u>\$511,912</u>



TABLE II  
SENATE SUBCOMMITTEE RECOMMENDATION

Revenue Impact of Adjustments to Governor's  
Proposed Fee Increases

	<u>State General Fund</u>	<u>Special Revenue</u>
Vital Statistics	\$ +43,983	\$+355,747
Certificate of Need Application	--	--
Hospital Facilities	(59,136)	--
Oil and Gas	(49,500)	--
Salt Solution Mining	(25,000)	--
Petroleum Storage Plans	(2,400)	--
Underground Hydrocarbon Storage	(35,000)	--
Adult Care Home License Fees	(106,088)	--
Adult Care Home Administrators	(7,950)	--
TOTAL	<u>\$ (241,091)</u>	<u>\$ 355,747</u>

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 110 Bill Sec. 0

Analyst: Ahrens Analysis Pg. No. 433 Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,086,224	\$ 857,349	\$ (24,837)
Other Assistance	11,056,129	9,570,793	—
TOTAL	<u>\$ 12,142,353</u>	<u>\$ 10,428,142</u>	<u>\$ (24,837)</u>
State General Fund:			
State Operations	\$ 649,488	\$ 396,869	\$ (20,788)
Other Assistance	3,250,468	1,172,695	—
TOTAL	<u>\$ 3,899,956</u>	<u>\$ 1,569,564</u>	<u>\$ (20,788)</u>
F.T.E. Positions	30.0	25.6	—

Agency Request/Governor's Recommendation

The Department on Aging's FY 1984 request includes several program additions, including 4.4 additional F.T.E. positions. The Governor has recommended expenditures for FY 1984 which would generally maintain the present level of operations, and no staff additions are recommended. The nutrition program recommended by the Governor is for the present estimated number of meals served, 2,923,746, at an average per meal cost of \$2.965, a 3.5 percent increase. Estimates of federal grants for nutrition programs are higher than earlier estimates which were made before Congress acted on appropriations. Therefore, the additional federal funds result in a \$230,196 reduction of General Fund expenditures below the FY 1983 approved level, while the level of service remains the same. The Governor recommends \$100,000 for the Older Kansans Employment Programs, a reduction of \$25,000 from the current year's level.

Senate Subcommittee Recommendations

The Subcommittee recommends the following adjustments to the FY 1984 recommendations of the Governor and amendments to S.B. 110, as introduced:

1. Delete the \$24,837 recommended for a 4 percent cost-of-living salary increase pending legislative determination of salary policy with respect to all state agencies. The \$24,837 consists of \$20,788 of General Fund and \$4,049 of special revenue fund expenditures.
2. Shift the \$100,000 for Older Kansans Employment Programs from the Administration line item to the Program Grants to Qualified Organizations line item, which is more properly descriptive of the purposes for which the moneys are appropriated. The Subcommittee observes that the Wichita-based employment program has already demonstrated excellent results and for this reason has earned priority status for continued state support.
3. Establish and appropriate on a no limit basis a fund for conferences and workshops and authorize the Secretary on Aging to charge attendance fees to help defray the costs of such meetings.

4. Establish and appropriate on a no limit basis a fund for receipt and expenditure of gifts and donations received by the Department. Currently, no vehicle exists for handling such moneys and assuring that they can be used for the purposes intended by the donor or contributor. Recently, such moneys have been offered to help in meeting costs of the Silver Haired Legislature which is scheduled to meet next fall.

Items 3 and 4 were requested by the Secretary at the agency's hearing before your Subcommittee.