


SENATE SUBCOMMITTEE REPORT ON SENATE BILL NO. 110

FY 1984 APPROPRIATIONS

Sections Pertaining to:

Pensions
Homestead Property Tax Relief
Social and Rehabilitation Services
Department of Health and Environment
Department on Aging



Senator Ross Doyen
Subcommittee Chairman



Senator Frank Gaines



Senator Paul Hess

SUBCOMMITTEE REPORT

Agency: Pensions Bill No. 110 Bill Sec. 2

Analyst: Hauke Analysis Pg. No. 392 Budget Pg. No. 2-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
Other Assistance, Grants, and Benefits:			
All Funds	\$ 9,832	\$ 9,232	\$ —
State General Fund	9,832	9,232	—

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.

Agency: Homestead Property Tax Refunds Bill No. — Bill Sec. —

Analyst: Efird Analysis Pg. No. 393 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 83</u>	<u>Governor's Rec. FY 83*</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Benefits	\$ 8,800,000	\$ 8,900,000	—

* Includes funding recommended in Governor's Budget Amendment No. 1.

Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommended expenditures of \$8,900,000. That amount is \$500,000 higher than the amount appropriated by the 1982 Legislature. The Consensus Revenue Estimating Group estimates \$8,900,000 of refunds in the current fiscal year.

SUBCOMMITTEE REPORT

Agency: Homestead Property Tax Refunds Bill No. 110 Bill Sec. 3

Analyst: Efird Analysis Pg. No. 393 Budget Pg. No. 2-39

<u>Expenditure Summary</u>	<u>Agency Req. FY84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Other Assistance	\$ 8,600,000	\$ 8,600,000	--

Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommended expenditures. The Consensus Revenue Estimating Group estimates \$8,600,000 of refunds in FY 1984.

SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 153 Bill Sec. --

Analyst: Hauke Analysis Pg. No. 393 Budget Pg. No. 2-41

<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	\$ 85,910,217	\$ 84,551,916	\$ --
Other Assistance	405,794,395	407,543,032	1,975,115
Operating Expenditures	<u>\$491,704,612</u>	<u>\$492,094,948</u>	<u>\$ 1,975,115</u>
Capital Improvements	275,490	275,490	--
TOTAL	<u><u>\$491,980,102</u></u>	<u><u>\$492,370,438</u></u>	<u><u>\$ 1,975,115</u></u>
State General Fund:			
State Operations	\$ 35,706,349	\$ 34,722,937	\$ --
Other Assistance	193,361,260	197,861,436	761,000
Operating Expenditures	<u>\$229,067,609</u>	<u>\$232,584,373</u>	<u>\$ 761,000</u>
Capital Improvements	--	--	--
TOTAL	<u><u>\$229,067,609</u></u>	<u><u>\$232,584,373</u></u>	<u><u>\$ 761,000</u></u>
F.T.E. Positions	2,657.1	2,657.1	--

* Includes Governor's Budget Amendment No. 2.

Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with budgetary recommendations contained in Governor's Budget Amendment No. 2, although the Subcommittee's programmatic recommendations concerning General Assistance differ from those of the Governor. Specifically, adoption of that Budget Amendment includes the following items:
 - a. Supplemental appropriation of \$7,477,120 to finance shortfalls in General Assistance.
 - b. Supplemental appropriation of \$8,629,468 to finance shortfalls in Aid to Dependent Children, of which \$4,037,759 would be from the General Fund and \$4,591,709 would be from Federal Title IV-A funds.
 - c. Increased Medical Assistance expenditures of \$2,624,445, of which \$1,527,871 would be a State General Fund appropriation and \$1,948,098 would be from the SRS Fee Fund. Those increases are partially offset by a decrease of \$851,524 in estimated expenditures from Title XIX funds.
 - d. Authorization of \$22,863 in federal CETA funds to allow SRS to implement a Community Work Experience Program for public assistance clients.

- e. Authorization of \$70,145 in federal U.S.D.A. funds to implement a job search program among food stamp recipients.

2. The Subcommittee does not concur with the Governor's recommendation that able bodied General Assistance clients, between ages 18 and 51, be terminated from assistance. The Subcommittee recommends that persons in this category receive a maximum monthly cash grant of \$100 and remain eligible for a limited program of Medical Assistance. The Subcommittee's recommendations concerning GA are discussed in additional detail as a part of the FY 1984 report. During FY 1983, the Subcommittee recommendations would require additional expenditures of \$1,320,000, for monthly grants of \$100 to approximately 4,400 persons. This increase is offset by deletion of \$559,000, which is contained in the Governor's recommendations to make an annual transitional payment of \$100 to those persons who would be removed from assistance. Consequently, the total increase to the Governor's recommendation is \$761,000, all of which is from the General Fund. This recommendation when combined with Governor's Budget Amendment No. 2 would result in total GA expenditures of \$20,948,432.

3. The Subcommittee learned that additional federal Low Income Energy Assistance Block Grant funds are anticipated to be available. It now appears that \$15.1 million will be available for LIEAP grants and weatherization. The Subcommittee recommends that the expenditure limitation on the LIEAP Block Grant be increased by \$1,214,115. This increase can be accomplished by changing the authorization on this fund to no limit.

4. The Subcommittee recommends inclusion of technical adjustments to S.B. 153, which will accurately reflect the Governor's recommendations. These technical adjustments were contained in a letter from the Division of the Budget, dated February 11, 1983 and are as follows:
 - a. increase the expenditure limitation on the Social Service Block Grant by \$859,516 (from \$26,610,198 to \$27,469,714); and
 - b. increase the expenditure limitation on the Alcohol, Drug Abuse and Mental Health Block Grant by \$82,777 (from \$1,898,802 to \$1,981,579).

Those expenditures were included in the Governor's budgetary recommendations but were inadvertently excluded from the appropriations bill.

SUBCOMMITTEE REPORT

Agency: Social and Rehabilitation Services Bill No. 110 Bill Sec. 4
 Analyst: Hauke Analysis Pg. No. 393 Budget Pg. No. 2-41

<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	\$ 94,716,950	\$ 89,678,499	\$ (2,296,947)
Other Assistance	<u>432,687,070</u>	<u>387,226,250</u>	<u>8,279,200</u>
Operating Expenditures	\$527,404,020	\$476,904,749	\$ 5,982,253
Capital Improvements	165,000	63,000	—
TOTAL	<u>\$527,569,020</u>	<u>\$476,967,749</u>	<u>\$ 5,982,253</u>
State General Fund:			
State Operations	\$ 40,414,054	\$ 37,591,359	\$ (1,043,305)
Other Assistance	<u>212,238,930</u>	<u>182,789,337</u>	<u>8,279,200</u>
Operating Expenditures	\$252,652,984	\$220,380,696	\$ 7,235,895
Capital Improvements	—	—	—
TOTAL	<u>\$252,652,984</u>	<u>\$220,380,696</u>	<u>\$ 7,235,895</u>
F.T.E. Positions	2,672.0	2,619.1	—

* Includes Governor's Budget Amendment No. 2.

Senate Subcommittee Recommendations

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

1. The Subcommittee does not concur with the Governor's programmatic recommendations to delete abled bodied persons between ages 18 and 51 from General Assistance. Related to General Assistance, the Subcommittee makes the following observations and recommendations:
 - a. The Subcommittee recommends that the "able bodied," who would be eliminated from assistance in the Governor's recommendations, be eligible for a maximum cash assistance grant of \$100 per month. This recommendation increases the Governor's budget by \$5,280,000 from the General Fund.
 - b. The Subcommittee recommends deletion of \$500,800 from the Governor's recommendations, which would have financed one-time transitional payments of \$100 to persons formerly eligible for General Assistance.
 - c. The Subcommittee recommends that SRS continue a program of limited medical assistance to those abled bodied persons who would be eliminated from medical benefits in the Governor's recommendations. This recommendation increases the Governor's budget by \$3,500,000, from the General Fund. The Subcommittee observes that this amount may not be sufficient to operate the range of services available to other GA clients and recommends that, if necessary, SRS tailor a medical plan to these GA clients which would remain within the \$3.5 million being recommended.

- d. The Subcommittee recommends that technical adjustments be made to S.B. 110 to enact the Governor's recommendations. Specifically, transfer of \$4,660,128 from the medical assistance line item to the public assistance line item is necessary to allow certain families to remain eligible for GA. This shift restricts the medical services for GA clients to a program having fewer services than available to the remainder of Medicaid clients.
 - e. The Subcommittee notes that statutory amendments are necessary to enact any change to GA eligibility. The Subcommittee recommends passage of Substitute for H.B. 2084. This bill would provide SRS with authority to operate the program by regulations and would not statutorily mandate specific eligibility standards. Such a concept allows the Legislature to set the actual program level through appropriation.
 - f. The Subcommittee's combined FY 1983 and FY 1984 recommendations, concerning GA, increase the Governor's budget by \$9,040,200, all of which is from the General Fund. The Subcommittee is aware that financing of this recommendation is not available within existing General Fund balances. Therefore, the Subcommittee notes that its recommendation must be financed either by reductions elsewhere within the Governor's budget or by increased taxes.
 - g. The Subcommittee recommends that the proposed GA program be included as a separate line item appropriation in S.B. 110.
2. The Subcommittee learned that the Governor's FY 1984 recommendations for Medical Assistance include a rather dramatic decrease in the scope of covered chiropractic services (i.e., only \$57,976 is recommended for FY 1984, compared to \$200,766 during FY 1983). The Subcommittee is of the opinion that such a reduction in the chiropractic program will only increase utilization of other services (i.e., physicians and pharmacies). Therefore, the Subcommittee recommends that the chiropractic program be increased by \$100,000, of which \$50,000 would be deleted from the budget for physician services and \$50,000 would be deleted from the pharmaceutical budget. The Subcommittee recommends that SRS negotiate with representatives of this service provider group to agree upon a scope of services which would remain within a budget of \$157,976.
 3. The Subcommittee recommends that the budget for the Low Income Energy Assistance Block Grant (LIEAP) be appropriated at "no limit" during FY 1984. The Subcommittee is aware that federal funds for LIEAP have generally been increasing. Further, the demand for those funds is greatest during the early winter months, typically prior to legislative consideration of the entire SRS budget. Therefore, a no limit appropriation would allow maximum flexibility in expenditure of these funds. This recommendation is not designed to alter the past practice of transferring 10 percent of any LIEAP receipts to the Social Service Block Grant.

4. The Subcommittee reviewed collection of private club beverage taxes (K.S.A. 1982 Supp. 79-41a03 et seq.) and deposit of 25 percent of those collections to the General Fund. A proviso contained in the 1982 Omnibus Appropriations Bill (S.B. 898) provided a one time transfer of collections during Calendar 1982 from the General Fund to a special revenue fund within SRS. This transfer totaled \$938,500, of which \$910,000 is included in the Governor's FY 1984 recommendations and \$28,500 is budgeted as a balance forward to FY 1985. The Subcommittee makes the following recommendations concerning these funds:
 - a. The Subcommittee does not recommend further transfer of the General Fund share of beverage taxes to SRS Special Revenue Funds. The Subcommittee recommends that Alcohol and Drug Abuse Services (ADAS) compete with the remainder of the state's programs for available funds, rather than being guaranteed access to this fund.
 - b. The Subcommittee recommends that the unbudgeted balance of the original transfer (\$28,500) be expended during FY 1984 and that General Fund expenditures in ADAS be reduced by an equal amount.
5. The Subcommittee received a request that family planning services not be provided to minors, through the state Medical Assistance Plan, unless parental consent has been granted. The Subcommittee notes that an Attorney General's opinion has been requested concerning legalities surrounding this issue. The Legislature may wish to address this matter upon receipt of that Attorney General's opinion.
6. The Subcommittee concurs with FY 1984 items contained in Governor's Budget Amendment No. 2. Those items involve expenditure of \$145,319 from special revenue funds and are as follows:
 - a. Authorization of \$37,137 in federal CETA funds to allow implementation of a Community Work Experience Program for public assistance clients. This authorization would complete the grant, which will start in FY 1983.
 - b. Authorization of \$52,609 in federal U.S.D.A. funds to complete a grant for establishing a job search program among food stamp recipients.
 - c. Increased expenditures of \$36,000 from the Family and Children's Trust Fund for community based services to juveniles.
 - d. Increased expenditures of \$7,473 in federal funds for a Client Assistance Project in the Rehabilitation Services Section.
 - e. Authorization of \$12,100 in federal funds for vocational rehabilitation of juveniles at the Salina Vocational Rehabilitation Center.

7. Consistent with an earlier decision of the Senate Ways and Means Committee, this Subcommittee recommends removal of funds budgeted in SRS for a 4 percent salary increase for agency employees. Salary increases for state employees will be considered as a separate systemwide issue. Removal of salary increase funding from the SRS budget reduces FY 1984 expenditures by \$2,296,947, of which \$1,014,805 is from the State General Fund and \$1,282,142 is from special revenue funds. Exact detail of the reduction by account title can be obtained from the Legislative Research Department.