

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

10:00 a.m. ~~XXX~~ on February 21, 1985 in room 313-S of the Capitol.

All members were present except: Senator Doyen (excused)

Committee staff present: Raney Gilliland, Research Department
Jim Wilson, Revisor of Statutes Department

Conferees appearing before the committee: Dan Cain, Ag Producer of Shawnee and Osage County
Fred Bentley, Kansas Rural Center
Jake Geiger, Robinson, Kansas
Howard Tice, Kansas Wheat Growers
Dick Currie, Scandia, Kansas
Dr. Don Pretzer, Kansas State University
Ivan W. Wyatt, Kansas Farmers Union
Paul M. Klotz, Association of Community Mental
Health Centers of Kansas, Inc.
Bill R. Fuller, Kansas Farm Bureau
Harland Priddle, Secretary of State Board of
Agriculture

Senator Allen called the Senate Agriculture Committee to order at 10:00 a.m.. The chairman called on Senator Gordon who had a bill request to present. Senator Gordon explained the bill, an act concerning public warehousemen; relating to certain procedures and to financial record and surety bond requirements. Senator Arasmith made a motion the committee introduce the bill. Senator Montgomery seconded the motion. Motion carried.

Senator Allen called on Dain Cain to present his testimony on S.B. 172. Mr. Cain expressed support for state farm programs rather than federal farm programs and stated he believed the Governor's Office should implement and administer the programs outlined in S.B. 172. (see attachment A).

The second to testify, Fred Bentley, spoke for The Kansas Rural Center. Mr. Bentley stated his organization supports the concept of S.B. 172 and encouraged support for this bill. (see attachment B).

The chairman called on Jake Geiger, a farmer from Robinson. Mr. Geiger turned in no written testimony but reported legal help for a farmer is hard to get when a farmer has no funds. Mr. Geiger encouraged assistance and help programs which would give hope to Kansas farmers.

Senator Allen introduced Howard Tice who testified and encouraged support for S.B. 172. Mr. Tice stated many farmers are in a state of hopelessness and no not where to turn. Mr. Tice urged that Kansas take the lead and help agriculture. (see attachment C).

Senator Allen introduced Dick Currie, a farmer, from Scandia. Mr. Currie did not have written testimony but stated he was a farmer who had already lost everything. Mr. Currie explained this proposed bill would have been a help to him. He encouraged passage of the bill so other farmers could be helped before everything they own is lost.

The chairman introduced Dr. Don Pretzer from the Extension Service at Kansas State University. Dr. Pretzer spoke as neither a proponent or opponent. Dr. Pretzer stated some of the programs carried out through his offices are: help to farmers in filling out agriculture related forms, aides in each of 5 sections of the state who work with farmers on planning cash flow; also the availability of software for computers which banks could use to help explain and instruct farmers about cash flow, record keeping and other farm related information. Dr. Pretzer commented his work had

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 313-S, Statehouse, at 10:00 a.m./~~p.m.~~^{XX} on February 21, 1985

many "cry" times and "joy" times; cry times refer to the sadness felt while trying to help farmers with their problems and the joy times refer to the improvements and increased help given through his "people helping services" at Kansas State University. Dr. Pretzer turned in no written testimony.

The chairman called on the next conferee, Ivan Wyatt. Mr. Wyatt stated it was time we lend a helping hand to the farmers in need. He stated the Farmers Union supports this bill. (see attachment D).

The chairman introduced Paul Klotz who expressed need for the program in this legislation and urged support for S.B. 172. (see attachment E).

The ninth conferee, Bill R. Fuller, stated support for the concepts of S.B. 172. He encouraged development of programs to help farmers but discouraged creating duplicating programs already in force. He encouraged use of the State Board of Agriculture, the Extension Services at Kansas State University and noted that 116 banks have 160 retired bankers who have volunteered to and are ready to give assistance to farmers. (see attachment F).

Senator Allen called on Harland Priddle who, due to lack of time, expressed only support and cooperation of the State Board of Agriculture in developing programs that could be created by S.B. 172.

Senator Allen declared the meeting adjourned at 11:05 a.m.

GUEST LIST

COMMITTEE: SENATE AGRICULTURE

DATE: February 21, 1985

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Ivan W. Wyatt	McPherson	Ks. Farmers Union
LEONARD C PARKER	1301 TENTH WAMENGO KANSAS	K.S.U.
Don Pretzer	Manhattan Ks	Ks. St. Univ
Carol Hedges	Topeka Ks	Gov Office
Dan O. Cain	Topeka Ks	Ag Producer
Howard W. Tice	Hutchinson, Ks	Ks. Assoc of Wheat Growers
JOHN HOUSE	TOPEKA	
Steve Montgomery	"	Ks. Legal Services, Inc
JERRY R. RUTK	Topeka	Ks. Legal Services
Allen Cot	Lawrence	Intern-Sen. Ks
Roger L. McCallister	112 W. 6th Topeka, Ks	Kansas Legal Services
Bob Wootten	Topeka	Law Office
George Samuelsen	Chan Center, Ks	KANSAS ECONOMIC FARM ISSUES TASK FORCE
Vernette Gibbs	Abilene Ks	Farmer
LINDA L. CURRIE	Scandia Ks	Lost farm already
Dick Currie		
Harland Biddle	Topeka Ks. Ks. State Poly	→
Rusty Ph. II, Jr	Ulysses	Close-Up Kansas
Amantha Rainman	Ulysses	Close-Up Ks.
Pam Horton Curtis	Topeka	Gov's Office
Marsha Hutchison	Hutchinson	KG7DA
Doris NAREL	Topeka	Budget Office
Marilyn Dwell	Goodland	Close-up Kansas
Donna Strawbridge	Goodland	CLOSE-UP KANSAS
M J Hellebrust	Topeka	Gov't Research Serv.

Testimony of Dan & Can

Chairman Allen - Members of the Senate Ag Committee - My name is Dan Can a slave and dog to ag producer.

I will be most brief here this morning on addressing Senate Bill 172.

First off, we are here this morning presiding over a sub committee because we have never been on a 50 year Federal agricultural program fix. This fix has never fixed anything and ~~most~~ Federal program will never fix anything. So I say to you forget trying to solve farm problems from Washington D.C.

The place farm problems will be solved are in the state capitals of the ~~country~~ ^{states}. Topeka is one of those places.

So lets quit blaming Pres Ronald Reagan, agri Sec Block and the U.S. D.A. for these problems we face out here in Kansas.

I am for S.B. 172 provided you consider other vital farm legislation here on the state level -

That would include programs to develop our agriculture surpluses for industrial utilization - namely alcohols, resins, oils and other chemical to be derived from our vast agri - Bio mass stocks.

what I am saying is that we
cant stop with senate Bill 172
and think we have solved the problem.

The Federal fix must stop, and
responsible action must be implemented
on the state level with the Governors
office administering Senate Bill 172
upon it becoming law. Lets make the Governors
office accountable for solving
Mr. Chairman I said I would be
brief which I hope I have I would
at this time answer any questions you
may have.

J. [unclear]

THE KANSAS RURAL CENTER, INC.

215 Pratt

WHITING, KANSAS 66552

Phone: (913) 873-3431

TESTIMONY ON SB 172

My name is Fred Bentley, representing the Kansas Rural Center, which is a private, non-profit organization which has been providing research, education, and advocacy for the past five years on a variety of issues affecting the family farm structure of agriculture in Kansas.

As many of you know, for the past 18 months we have been operating a "Farm Crisis Hotline" to provide assistance and moral support to farmers who are experiencing financial difficulties. Since the first of the year, we have received about 150 calls from farmers of all descriptions from every corner of the state who need help in responding to particular credit problems.

Based on these conversations, we can attest to a great need for referral services, financial and emotional counseling, assistance in lender negotiations and administrative appeals, and moral support. While we have been able to identify some support services for farmers, we believe that the need for assistance is much greater than any existing services can provide. Certainly, the demand for our services far exceeds what our staff can provide.

Therefore, we support the concept of SB 172. Although the bill is in no way a solution to the current problems being faced by our state's farmers, the legislation is a step in the right direction and constitutes one appropriate state response to the farm crisis. In the discussion and debate of the merits of this bill, we would like to offer two specific comments.

First, several other states in the midwest have funded similar programs as is proposed in SB 172. These state programs in Minnesota, Wisconsin, South Dakota, North Dakota, and Nebraska have all relied extensively on training farmers to help other farmers. These programs have also enlisted the help of former PCA loan officers, vocational education instructors, retired farm management experts, and others with farm financial experience. A large number of farmers in these states have been assisted because the respective programs have drawn heavily on the experiences and knowledge of farmers who have survived the financial and emotional roller coaster of the 1980's farm depression and who understand and closely relate to the specific problems farmers are facing. We urge you to include provisions for such a farmer-to-farmer program in this bill.

Second, we believe the legal aid section of this bill is the most important component of the legislation. In our visits with farmers, we have been alarmed at the apparent lack of due process of law in many liquidations and foreclosures. Inadequate legal notice of hearings and repossessions, poor legal representation, and a lack of unbiased attorneys have been reported to us frequently. At least 75 percent of the farmers who have called us have stated that they cannot afford legal representation or other professional counseling. We believe the state has a strong moral obligation to insure that farmers are treated fairly in our legal system and are aggressively represented within the bounds of the law.

We note particularly the exemption of some lending institutions in Sec. 2(d)(1) of the bill. In our opinion, this exemption would severely and needlessly compromise the impact of the legal aid program and create gross discrimination in its application. This would make the program difficult to administer and difficult to justify. Well over one-half of the farmers we have visited with are having financial difficulties with the lending institutions exempted in the bill. We urge you to eliminate this exemption and enact strong, non-discriminatory legal aid legislation for farmers who cannot afford to hire attorneys.

2/21/85 attachment B

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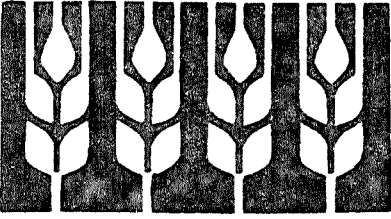
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KANSAS ASSOCIATION
OF WHEAT GROWERS



TESTIMONY

SENATE AGRICULTURE COMMITTEE

Wednesday, February 20, 1985

SB 172

Farm Assistance, Counseling & Training Program

My name is Howard Tice, and I am Executive Director of the Kansas Association of Wheat Growers. I appreciate this opportunity to testify in favor of Senate Bill 172.

Our association's position on this bill is a result of the realization that many of our members and their neighbors are undergoing a great deal of stress as a result of the current economic crisis in agriculture coupled with what is viewed as a still longer, uphill battle to solve it. Farms are being lost, local businesses are closing their doors, and we continue to hear from Washington, that the only reason farming is in trouble is poor management.

There are helpful services available to farmers from many sources, but to date, no central referral service. When a person is suffering stress caused by one frustration after another, to tell him someone is available to help him, but you don't know for sure how to contact that person or agency, is just another frustration. For those who are not aware that any support services are available, hopelessness is common. The F.A.C.T.S. program appears to be a way to fill these gaps without creating a new bureaucracy.

I had the privilege of attending a meeting recently at Kansas State University, where several groups told of programs in place to help those farmers who need stress management assistance, counseling, financial planning assistance and more. These programs ranged from computer programs to simply someone to talk to. However, prior to that meeting, most of the people in attendance were not aware of their existence. A program like F.A.C.T.S. should be able to remedy that problem.

Concern has been expressed that the price tag for F.A.C.T.S. is too high. At the same time, we are told that only 9/10ths of 1% of the Kansas state budget goes to agriculture, which is the state's number one industry. Some argue that the state does not owe agriculture any more funding than say, barbers or restaurants, or main street businesses, but when agriculture suffers economically, those main street businesses have to close their doors.

While government cannot, and should not try to be all things to all people, it is a proper role for government to protect and nurture vital segments of the economy for the good of all. Other states have initiated similar programs, and reports are that they are well accepted. Some of those programs do not encompass as great a range of service as the proposed F.A.C.T.S. program, but that should not be viewed as a reason not to try to do a more thorough job in our state.

With the pressure in Washington to return more responsibility to the states for support programs, F.A.C.T.S. should be able to answer part of that need as well.

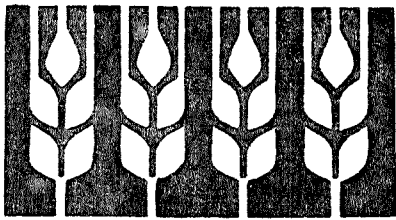
Perhaps the strongest opposition to this program you will hear will concern the legal assistance. If that stands in the way of passage of the program as a whole, we would not oppose an amendment striking that provision.

Everyone in production agriculture agrees that we need a price for our products to really solve the crisis, but that won't happen overnight. If F.A.C.T.S. can help some farmers during the interim, it will be worth the cost.

2/21/85

attachment C

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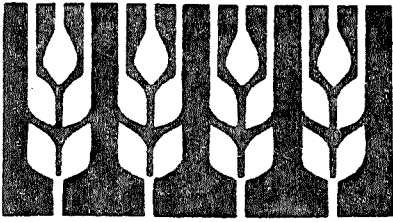
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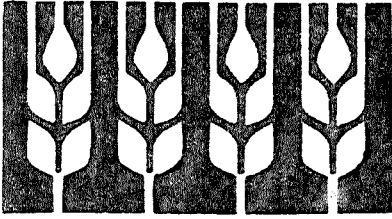
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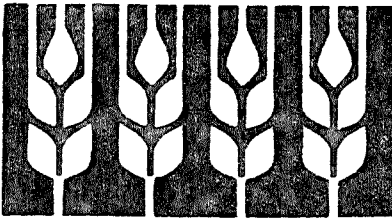
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Perhaps the strongest opposition to this program you will hear will concern the legal assistance. If that stands in the way of passage of the program as a whole, we would not oppose an amendment striking that provision.

Everyone in production agriculture agrees that we need a price for our products to really solve the crisis, but that won't happen overnight. If F.A.C.T.S. can help some farmers during the interim, it will be worth the cost.

STATEMENT

ON

SENATE BILL NO. 172

(F.A.C.T.S.)

BY

IVAN W. WYATT, PRES. KANSAS FARMERS UNION

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE

I AM IVAN WYATT, PRES. OF THE KANSAS FARMERS UNION.

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WHAT SHOULD THEY DO?

WHERE COULD THEY TURN TO FOR ADVICE?

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THE BULK OF THE F.A.C.T.S. PROGRAM IS MATCHING PEOPLE'S NEEDS WITH EXISTING SERVICES AND PROGRAMS ALREADY BEING PROVIDED FOR THOSE NEEDS.

WE ASK FOR YOUR SUPPORT ON SB - 172. THANK YOU!

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STATEMENT

ON

SENATE BILL NO. 172

(F.A.C.T.S.)

BY

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WE ASK FOR YOUR SUPPORT ON SB - 172. THANK YOU!



INFORMATION SHEET

COMMUNITY BASED MENTAL HEALTH SERVICES

**Association of Community
Mental Health Centers of Kansas, Inc.**

**820 Quincy
Topeka, Kansas 66612**

(913) 234-4773

January, 1985

2/21/85 attachment E

WHAT IS COMMUNITY MENTAL HEALTH?

- Under K.S.A. 19-4001 et. seq., 31 licensed community mental health centers (CMHCs) are currently operational in the state. These centers have a combined staff of over 1,200 providing mental health services in every county of the state and are an integral part of the total mental health system of Kansas. Federal support was drastically reduced a few years ago at a time when the number of patients seeking treatment increased dramatically. These two factors continue to pose a very real threat to the continued delivery of some of the services provided by these centers. Growth in Medicaid funding for community mental health care has been reduced over the past two years.
- The primary goal of CMHCs is to provide quality care, treatment and rehabilitation to the mentally disabled in the least restrictive environment. Many arguments can be advanced for treatment at the community level, chief of which is to keep individuals functioning in their own homes and communities, at a considerably reduced cost to them and/or the taxpayer.

WHO NEEDS IT AND WHO USES IT?

- Between 367,500 (15 percent) to 490,000 (20 percent) of the Kansas population are suffering from varying degrees of mental disabilities that require treatment. The combined private and public sectors of mental health treatment are not reaching all of those needing service.
- Demand for community based mental health care has grown by 41 percent during the past ten years. During times of economic distress, the need for mental health services typically rises dramatically.
- An estimated 10 percent of the CMHC clientele are chronic patients who require ongoing care and treatment. Only recently, have centers been asked to serve this client. Growth in this type of service has been quite rapid over the past five years to the point that centers are now seeing 90 percent of the chronically mentally ill seeking public service. Without CMHCs, many chronically mentally ill would have no services available to them, or they would be confined to a State hospital. There is a desperate need to support CMHCs in developing separate ongoing programs for the chronically mentally ill. Cost of service for this population is generally much higher than other groups.
- CMHCs were primarily, if not exclusively, established to provide preventative short-term treatment. In the past five years, centers have dramatically shifted toward more costly long-term treatment and care. In a 1984 survey, it was learned that centers are now spending over 16 percent of their total revenue for long-term treatment and care. Of the nearly \$7 million spent by CMHCs for the long-term client; over \$2.5 million or 36 percent of this expenditure comes from County mill levies and/or State formula aid. As a result of this rather dramatic shift in funding some of the prevention and early intervention programs have been cut back. In order for CMHCs to continue providing quality services to citizens at all levels of need, new funding must be forthcoming.
- In 1984, Kansas CMHCs provided care to approximately 75,000 Kansas citizens. In addition to these direct services, CMHCs provided over 72,000 professional hours in consultation and educational services. Patient loads have generally doubled over the past eight to ten years largely as a result of deinstitutionalization. During the period of 1969-1979, the state hospital average daily census declined by more than half. Many of these former hospital patients now rely on CMHCs for mental health services to maintain their ability to live in their own community.



**WHAT IS STATE AID "649" FUNDING
FOR COMMUNITY MENTAL HEALTH CENTERS?**

Association of Community Mental Health Centers of Kansas, Inc.
820 Quincy/Suite 401
Topeka, KS 66612
913-234-4773
January, 1985

WHAT IS "649" FUNDING?

In 1974, the Kansas Legislature passed legislation, under Senate Bill "649," to allow a state matching program to community mental health centers. The law allows a state match of up to 50 cents on every local eligible dollar. In simplest terms, local eligible dollars means those dollars which are, in the strictest sense, not derived from federal or other state sources; for example, dollars collected from Medicaid are not matchable. In addition, funds that are earmarked for major capital improvements, such as building construction, are excluded. Any salary paid in excess of that paid to a state employee with similar duties is also excluded. The current law on the matching program is found at; K.S.A. 65-4401, et. seq. The purpose of the state aid program is fourfold; (1) To replace dollars lost from other sources, such as, federal eight-year grants, (2) To pay for indigent clients who are unable to pay even though they might be working, (3) To expand and improve existing community mental health services for all Kansans. Particularly services that can provide early intervention and prevention. (4) To develop new and innovative programs when a given community discovers a specific or special need.

In Fiscal Year 1985, the state aid total appropriation is about \$6.9 million. This places the current state match at about 38 percent. In order to move to the 50 percent match in Fiscal Year 1986, approximately two million additional dollars are needed. If the state match were at the 50 percent level, it would amount to just short of an average of 20 percent of total center revenue. In the history of the state program, to date, the appropriation has never averaged more than 15 percent of the total Community Mental Health Center (CMHC) Budget.

WHY IS STATE SUPPORT NEEDED?

Community Mental Health Centers (CMHCs) while largely private agencies do not operate at a profit. Furthermore, centers are required, by law, to serve all citizens regardless of their ability to pay. Nearly 40 percent of all CMHC clients have family incomes below the poverty level. State aid, particularly, assists those who have become known as the "working poor"; that is, those who while they work do not have insurance coverage or a sufficient income to purchase their own health care.

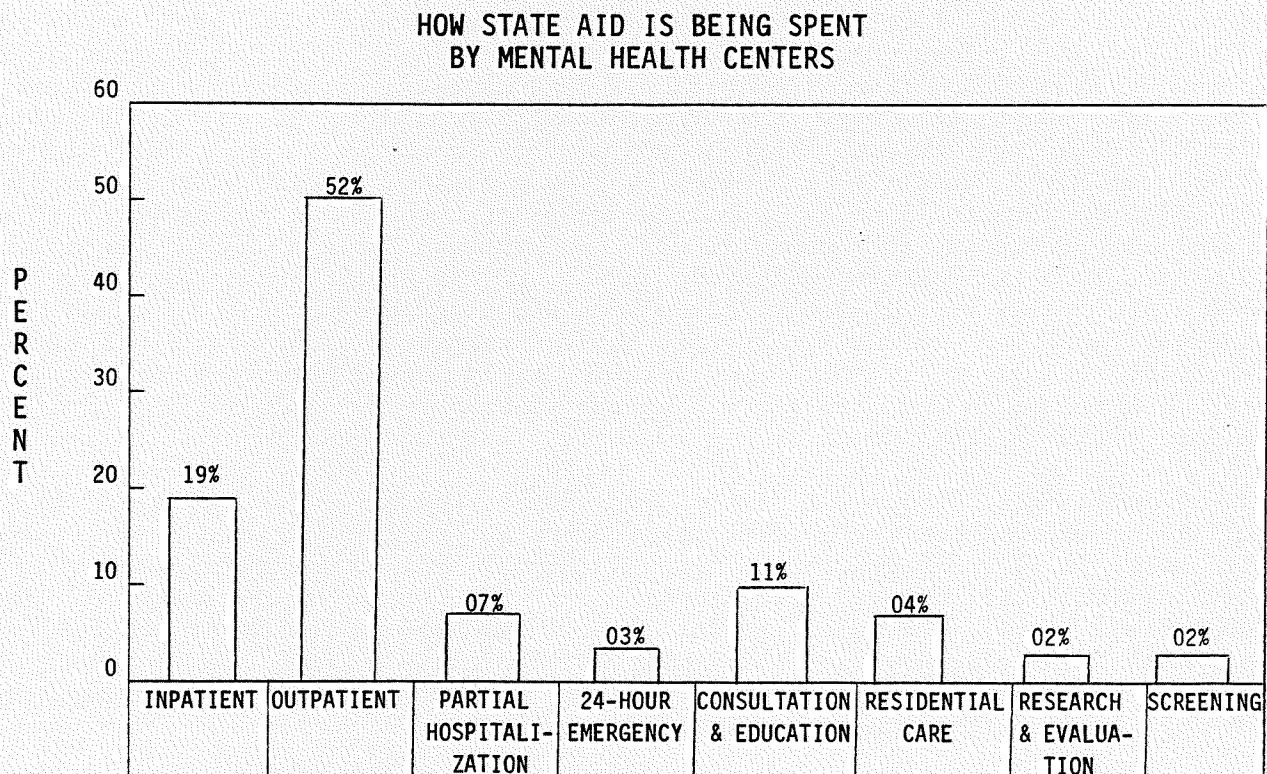
Centers are increasingly being looked to for services that heretofore were provided at the state level. This is true, particularly in the area of long-term care. Centers originally were not designed to provide long-term care, but rather prevention and early intervention. In order to keep up

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with the demand for these services and to add new or expanded services, centers must have access to flexible funding. Without state aid most centers would be forced to close their doors or drastically reduce their level of services. Without centers, most, if not all, of their clients would move to the four state hospitals where the cost to the state would be many times over what is currently being paid to centers.

HOW ARE CENTERS USING STATE AID?

The following table is how centers estimate they are spending state aid:



SOURCE: Survey Conducted By Association of Community Mental Health Centers of Kansas, January, 1985

From the above, it can be seen that centers use state aid in a variety of ways. One of the critical features of the "649" program is that it allows local flexibility. This is important since each community's needs differ. Some communities have need of long-term care programs while others have high need for outpatient treatment. Some areas need special services for children and others have special needs in the elderly population.

State aid has become a mainstay in providing quality mental health services to Kansans. Moreover, without this assistance, most centers would be forced to cease operations.



HOW DO CENTERS VIEW THEIR STATE AID?
Association of Community Mental Health Centers of Kansas, Inc.
820 Quincy/Suite 401
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Note: The following summarizes how actual mental health center directors describe their center's use of state funding.

How Does A Large Rural Mental Health Center View Its State Aid?

Let me say that state funding for our mental health center is a major and critical source of revenue. In 1983, "649" funding accounted for about 24 percent of total income. If state funding were eliminated, our program would be destroyed. Without a doubt, the real losers would be the vulnerable and poor who utilize our services. Approximately 50 percent of our clientele report an annual family income of less than \$10,000 per year. Another 18 percent report less than \$15,000 per year. Ultimately, many would end up seeking services from a state institution.

Specifically, 40 percent of our inpatient expenses are covered by "649" funding. At this point, we are one of two inpatient units in Western Kansas. In 1983, we had 432 inpatient admissions with 5,747 days of care. My guess is that most, if not all, of these admissions would have been forced to seek inpatient services at Larned State Hospital without our services. Could the state accommodate these extra demands? If any changes in the funding formula result in our losing funds, these critical inpatient services would be gravely jeopardized. Western Kansas could, very likely, be left without community, acute inpatient services.

With regard to outpatient services, about 16 percent of our state match is generated from this program. In the event of cutbacks in "649," we would be challenged to look at closing some of our branch office services. As you know, given our enormous territory, local services are imperative, and if interrupted, would more than likely lead to dissolution of our catchment area. Approximately 25 percent of our total revenue comes from county mill levy. This income, of course, generates state funding. At this point, county levies and state funding provide a fairly equal share of our expenses. I think that there would be a strong possibility that county commissioners would feel undermined in their efforts to support our services if state funding changed significantly. If that happened and county funds also decreased, you could pick up what would be left of us in a bushel basket. County mill levy provides about 30 percent of our state match.

How Does A Small Rural Mental Health Center View Their State Aid?

I fully support the policy of allowing "649" funds to be used at the discretion of local boards. Along with county mill levy support, "649" funds have allowed the center to be responsive to local problems and given us flexibility in meeting their needs. This flexibility has enabled the center to be innovative and a force for progress in the county.

"Sixty-four" funds have contributed to our ability to charge on a sliding scale basis. The sliding scale is helpful for those middle or lower income families who cannot afford the private practitioner's fee and do not qualify for Title XIX.

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Unassigned funds have made it possible for us to allow staff time to provide important peripheral services that are not billable hours; such as, consulting with a child's teacher, testifying in court, or helping a client obtain needed resources.

If "649" were totally withdrawn or reduced, we would have to move in the direction of providing more traditional outpatient services; omitting prevention, and focusing on treatment and rehabilitation services. Very likely those affected would be the "working class" and middle income families who do not have totally disabling problems. In our county, there would be no alternative resources for these families. They would either successfully resolve problems and pursue growth independently, or unresolved problems would build to an acute stage, when they would need intensive treatment.

How Does A Large Urban Center View Their State Aid?

Our center purchases virtually all services provided by outside agencies through the use of "649" funds. During 1983, this included the following:

- A. Specialized outpatient services (children's, long-term therapy, medication maintenance, other specialized services). Two thousand, ninety-six (2,096) individuals served.
- B. Inpatient general hospital psychiatric services. Two hundred thirteen (213) persons served.
- C. Specialized alcohol services. Four hundred seventy-five (475) persons served.
- D. Community residential programs. Approximately 75 persons provided structured residential living.

Our center also maintains a 24-hour screening/emergency service staffed by on-duty professionals 24 hours a day. This service handles approximately 3,000 significant emergency situations per year. During 1983, five hundred forty-six (546) of these situations were assessed as possessing high to moderate risk of requiring hospitalization. In 371 of these cases, a community alternative to hospitalization was provided. A major share of the funding of this program comes from "649" funds.

I believe it is a reasonable assumption that should "649" be totally withdrawn most, if not all, of the center's contracted services would be terminated. In addition, our 24-hour screening/emergency service would be seriously curtailed. The most likely curtailment of this service would be to reduce nighttime, weekend, and holiday coverage. Those affected by the curtailment would, of course, be those currently using the services. In most instances, this means persons not able to purchase services in the private sector. A sizeable number of people affected would be those considered to be at risk of hospitalization.

Assuming the vast majority of people affected could not afford to purchase services privately, the alternative would be to receive no services. Playing this out to its logical conclusion, I would anticipate a significant number of these individuals would find their conditions deteriorating, and eventually end up in an inpatient setting. A sizeable number of those seen in our emergency service, and already assessed as possessing a risk of hospitalization, would, of course, be hospitalized immediately.



QUESTIONS & ANSWERS
ON COMMUNITY BASED MENTAL HEALTH
Association of Community Mental Health Centers of Kansas
-January, 1985-

The Association of Community Mental Health Centers (CMHCs) of Kansas is a voluntary organization of all 31 licensed mental health centers in the state. Frequently these centers collectively or individually are asked a variety of questions from the public concerning their programs and services. The following represents some of the most frequently asked questions about CMHC's along with brief answers.

Question: Are CMHCs public agencies?

Answer: Almost all mental health centers in the state are not-for-profit, private corporations which contract with a county or counties to provide specific services. These counties pay centers for these services from mill levies provided by state statute. Every county currently has a mill levy for mental health services. Establishment of centers are provided for in K.S.A. 19-4001, et. seq., and are licensed by the State.

Question: If CMHCs are private agencies, why is public funding necessary?

Answer: Centers are required by Kansas law to provide services regardless of ability to pay. Nearly 40 percent of the persons seen at mental health centers have family incomes under the poverty level. Further, since many of the people seen at CMHCs were previously the responsibility of the State, State funding was provided, beginning in 1975.

Question: How does Kansas rank with the other 50 states in terms of state funding for mental health services?

Answer: On a per capita basis, Kansas ranks 39th in the nation in terms of total state expenditures for mental health services in hospitals and centers. Kansas ranks 47th in the nation in terms of total State expenditures for community based services. (Source: National Institute of Mental Health Study: Conducted by the National Association of State Mental Health Program Directors, January 1984.)

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Question: Does the federal government provide any funding for mental health services?

Answer: Federal funding has been cut back substantively in the past few years. Federal contributions are primarily in the form of medicaid payments for individual patients. These dollars have major limits and restrictions. Also, the federal budget provides limited funding for centers through Block Grants.

Question: What about private-pay arrangements?

Answer: CMHC's single largest source of revenue comes from "out-of-pocket" payments. The private insurance industry has been extremely resistive to expanding coverage for mental and nervous coverage.

Question: How does Kansas rank with the other states in terms of local sources of funding?

Answer: To our knowledge, no national study has been conducted on local funding. It is known, that Kansas is the only state which has a mill levy for mental health services in each of its counties. Kansas CMHCs receive well over 52 percent of its funding from local sources.

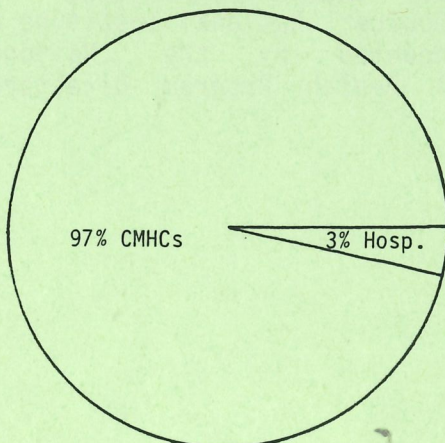
Question: How many people are seen in CMHCs annually?

Answer: Nearly 80,000 citizens were assisted by CMHCs last year. CMHCs see 94 percent of all clients seen publicly.

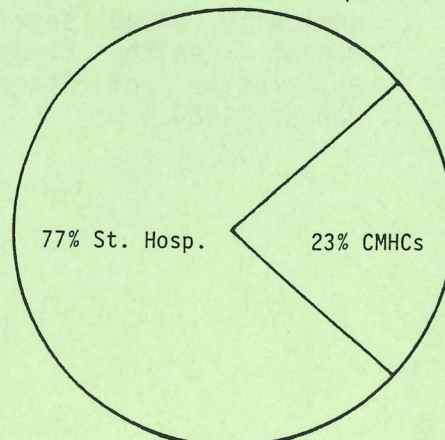
Question: Where are State dollars currently going for mental health services?

Answer:

Percent of Clients Seen:
CMHCs vs. St. Hosp.



State General Funds Spent:
CMHCs vs. St. Hosp.



Assoc. of CMHCs of KS
January, 1985
Page Three

Note: It should be noted that the above charts are not meant to imply that hospitals are doing an inefficient job. Hospitals primarily serve long-term patients and this is expensive. In many cases, if funding were available, centers could be serving many of the current hospital patients at a reduced cost.

Question: Why don't centers serve more of the long-term patients with the dollars they currently receive?

Answer: Centers are already spending nearly \$7 million for the chronically mentally ill. This equals the amount that centers are currently receiving in State aid. Furthermore, centers were and are primarily designed to provide preventative services. The vast numbers of people kept out of state institutions over the past few years by centers is incalculable. Centers cannot and will not abandon shorter term patients. Besides if these shorter term programs were cut back, the result would be massive new admissions to State hospitals. If centers are to serve more of the long-term patients, locally, new or converted funding is required.

Question: Do centers provide services for the really serious or acute patients?

Answer: Of the total patients in the public sector having diagnoses of psychotic conditions (severely disabled), over 57 percent are being served by CMHCs. However, centers do make a special attempt to reach people before their conditions become irreversible.

Question: Are the centers and State hospitals seeing all the people in need of treatment?

Answer: No. The public mental health system currently sees only about 20 percent of those who are in need. No one knows how many persons are being seen by the private, for-profit sector. But most of these patients are able to pay for their own services.

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Assoc. of CMHCs of KS
January, 1985
Page Four

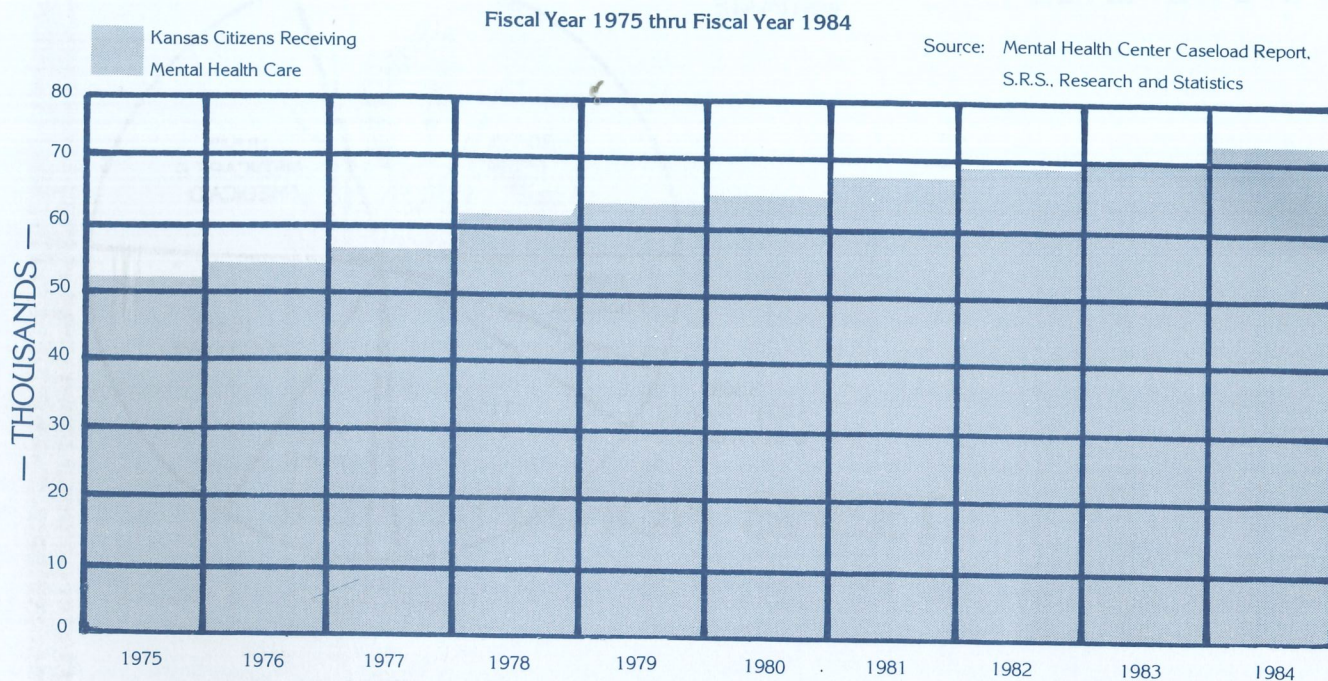
Question: How does the State fund community based programs for mental health?

Answer: Under State statute, K.S.A. 65-4401, et. seq., the State provides direct payments to licensed centers on a matching basis. The match is based on how much local funding can be raised. The law allows up to a 50 cent match for every local dollar raised. Currently, State appropriations allow a State match of about 38 cents on every local dollar. This does not mean that the state is paying 38 percent of the total mental health center budget. The State's share of the statewide CMHC budget is about 15 percent. Even if the State were at the 50 percent match level, the State's share of the community based program would be about 20 percent. Local boards and the community decide priorities for the expenditure of these dollars. This allows for the varying needs of the respective counties to be satisfied. Centers report quarterly and annually on how all their funds are being spent. The reporting is very detailed and complete and is available from Social and Rehabilitation Services, Division of Mental Health.

FOR FURTHER INFORMATION CONTACT:

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Client Growth In Mental Health Programs



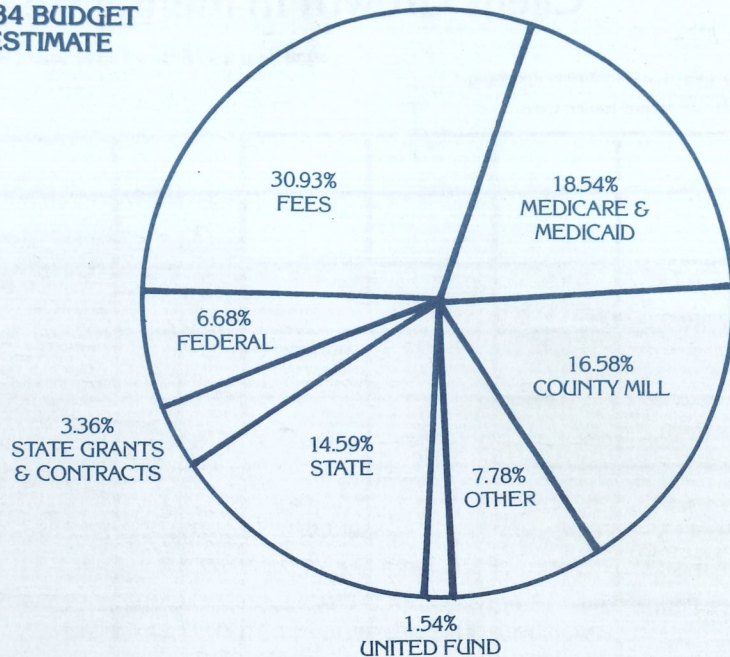
- Of the total patients in the public sector having diagnoses of psychotic conditions (severely disabled), over 57 percent are being served by CMHCs.
- In Kansas, 97 percent of all citizens seeking public mental health care are seen at community mental health centers.
- The major national and state trend in mental health care over the last 15 to 20 years has been the shift from state institutional care to community based care.

WHO PAYS FOR IT?

- No person, by law, can be denied community mental health care because of the inability to pay; consequently, public support is required. Over 50.25 percent of families served for fiscal year 1984 by CMHCs had gross family incomes of less than \$15,000. Poverty level for a family of four is \$10,200.
- In 1984, county mill levies provided CMHCs with approximately \$7 million. County funding is the single largest direct source of public support. Counties currently provide not only mill levy support, but other substantive funding as well. Mill levy support alone averages \$3.00 per capita on a statewide basis.
- In FY 1985, direct state support for CMHCs is \$6.9 million. Nationwide, the average state contribution to CMHCs as a percentage of total budget, is over 30 percent. In Kansas, about 15 cents of every CMHC dollar is directly provided by the State. In 1981, a national research study showed that only three states, on a per capita basis, provided less direct, state funding than Kansas. Kansas ranked 39th in terms of state support for both state hospitals and community programming.
- The majority of CMHC costs were paid from community sources, with the single largest share coming from the patient.

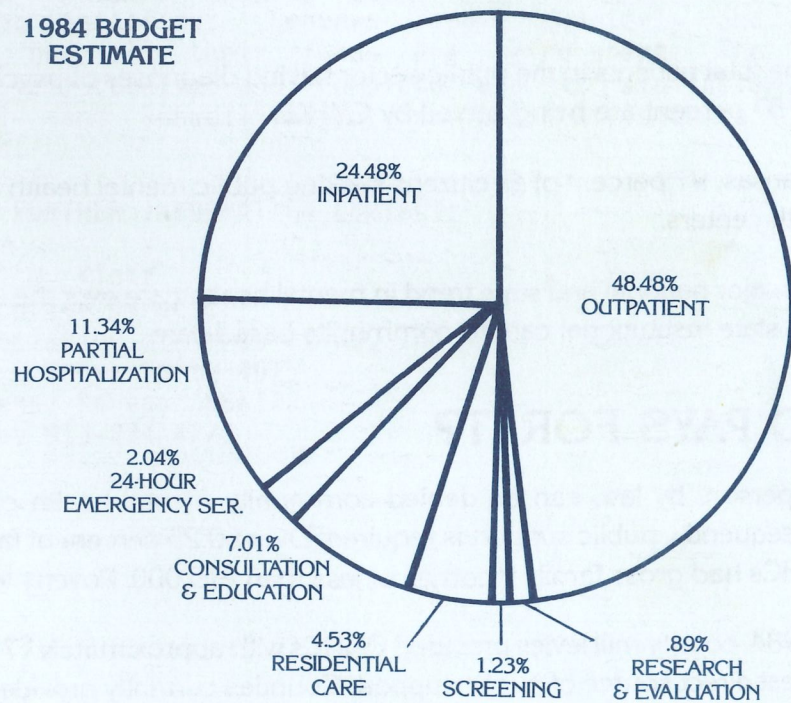
CMHC REVENUE

1984 BUDGET ESTIMATE



CMHC EXPENDITURES

1984 BUDGET ESTIMATE



BUDGET NOTES

- "1984 Budget Year" means calendar year 1984.
- During calendar years 1983 and 1984, CMHCs continued to show tremendous growth in the area of "partial hospitalization" programs. During FY 1984, CMHCs established eleven new partial hospitalization programs. "Partial hospitalization" programs have the greatest potential to divert clients away from institutionalization.



Kansas Farm Bureau, Inc.

2321 Anderson Avenue, Manhattan, Kansas 66502 / (913) 537-2261

STATEMENT

of

KANSAS FARM BUREAU

to

AGRICULTURE COMMITTEE

Senator Jim Allen, Chairman

RE: Senate Bill 172--Establishing a Farm Assistance,
Counseling and Training Service (FACTS)

by

Bill R. Fuller, Assistant Director
Public Affairs Division
Kansas Farm Bureau

February 20, 1985

Mr. Chairman and members of the Committee:

We appreciate this opportunity to speak on behalf of the farmers and ranchers of the Kansas Farm Bureau as you consider S.B. 172, a proposal to establish a Farm Assistance, Counseling and Training Service.

The problems in the farm economy have reached crisis proportions in many areas. We commend this Committee and the Legislature for your compassion, willingness to listen and consideration of legislation to reduce the suffering not only by farmers, but also agri-businessmen, small town merchants and entire rural communities.

Mr. Chairman, at a recent meeting of your Joint House-Senate Farm Crisis Committee in Junction City, a prominent County Extension Agent who is trying to work 50 farmers through this crisis made this statement: "Poor farm management is not the problem! In 90% of the cases, factors beyond the farmers' control are creating the financial crisis." (Natural disasters, high interest rates, low commodity prices, asset devaluation, strong dollar, etc.) Because of this

2/21/85 attachment F

helpless feeling, a great deal of frustration, anxiety and stress has built up. As a result, the "FACTS" program is being considered in Kansas. Similar programs have been developed or are being refined in several other states including:

- Minnesota "Project Support"
- Missouri "MO-FARMS" (Missouri Financial Advisory and Resource Management Support)
- Iowa "ASSIST"

North Dakota, South Dakota, Nebraska, Texas and Mississippi have varying types of programs. Many have established "hot-lines." Financial, legal and emotional counseling are often provided. Administration is provided either by the state departments of agriculture or the extension service.

S.B. 172 directs that assistance shall consist of:

1. Farm Management
2. Legal Assistance
3. Financial Planning
4. Employment Services
5. Business Planning
6. Support Counseling

The Kansas Farm Bureau has a policy position on only one of the components of the proposed FACTS program. The farmers and ranchers who were voting delegates at the most recent annual meeting of KFB adopted the following resolution:

Public Funds for Legal Services

A proposal was made to the Kansas Legislature in 1984, and was supported by the Federal Legal Services Corporation, to provide legal services to farmers who have credit problems with any federal credit agency, including Farmers Home Administration (FmHA), Production Credit Associations, and the Federal Land Banks. Assistance could include loan applications, debt service, and foreclosure procedures. We oppose the use of State General Fund revenues for these purposes.

An alternative to contracting with Kansas Legal Services could be expansion of the responsibilities for an Agricultural Law Specialist position (currently 0.2 FTE) with the Extension Service at KSU. Also, responsibilities could be limited to education, legal counseling and advice, rather than providing legal representation when dealing with PCA's, FLB's and FmHA.

Although KFB does not have official policy on the other FACTS components, we desire that farmers and ranchers have full access to all farm management, employment and job-retraining services and stress management programs needed while attempting to survive during these very trying times. Since FACTS was brought to our attention several months ago, we have carefully studied the proposal. We have discovered that many of the suggested services are currently being provided--a few examples include:

1. Kansas Farm Management Associations
2. Private farm management companies
3. Management assistance from ag-lenders (banks, PCA, FmHA, etc.)
4. Farm management training at Community Colleges and Area Vocational Technical Schools
5. Cooperative Extension Service
6. Mental Health Centers
7. Kansas Ecumenical Farm Task Force
8. Kansas Department of Human Resources (Job Training Partnership Act - JTPA)
9. Farm organizations
10. Etc.

To avoid duplication of existing programs, we suggest a thorough study and listing of current programs be developed, both in the private and public sectors.

We recognize that a beneficial "Toll-Free Farm Crisis Hotline" could be developed to refer the farm family needing assistance to the proper agency or resource.

In closing, I again want to point out that we oppose only one component of the proposed FACTS program--the use of public funds to contract for legal representation by Kansas Legal Services. During these critical times in rural Kansas we recognize the need for farm families to receive adequate assistance, guidance and support. We trust that any program you create will provide farmers with meaningful assistance and avoid duplication of services that are currently available. Thank you!

Six Ag Law Seminars To Explain Farm Rights, Responsibilities

To help farmers and ranchers learn more about how they can stay out of court, yet protect their rights, Kansas State University's extension ag law specialist is planning seminars for six locations across Kansas.

Sam Brownback, who's also a practicing attorney, points out many lawyers don't understand all the complexities of agricultural law. So, producers need to understand their own responsibili-

ties and liabilities.

"Ag law ranges from fence laws that are almost as old as Kansas to laws on trespasser rights, which are fairly new," he says. "It producers knew their way around these laws, that could save them headaches and might save significant amounts of money."

The schedule for the Agricultural Law Seminars will be:

Washington, Steakhouse,

February 14 from 10 a.m. to 3 p.m.;

Great Bend, Black Angus Steak Ranch, March 4 from 9 a.m. to 3 p.m.;

Dodge City, Fairgrounds, 4H Building, March 5 from 9:30 a.m. to 3:30 p.m.;

Salina, Kenwood Park, 4H Building, March 6 from 9 a.m. to 3 p.m.;

Chanute, Neosho County Community College Auditorium, March 7 from 9:30 a.m. to 3:30 p.m.; and

Holton, Fair Building, March 8 from 9 a.m. to 3 p.m.

At most locations, participants will lunch on their own and preregistration won't be required.

Helping Brownback lead the seminar sessions will be an ag law professor from Washburn University and other attorneys who specialize in specific types of ag law.

They'll cover five main areas:

1. Fence law. Who's responsible for what? Who settles disputes?

2. Farmers' responsibility to others who are on his land. Can you legally discourage trespassers? Are you liable if trespassers or visitors are hurt?

3. Selling or buying of diseased or defective livestock. What if "bred" heifers really aren't? What if "good milk producers" actually have mastitis?

4. Farm creditor and debtor rights. What can you keep if you go bankrupt? What's your tax liability if a lender forecloses?

5. Farm lease law. Who decides about participating in government programs? Are you entitled to repayment if you improve rented land?

Seminar participants also will receive free extension publications on law topics.

TAKING CONTROL: Health & Farm Stress

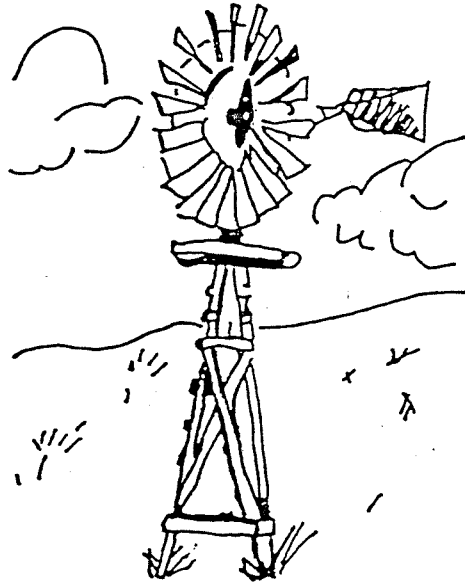
A WORKSHOP FOR FARM FAMILIES

WEATHER

BILLS

LIVESTOCK CARE

REPAIRS



FAMILY RESPONSIBILITIES

TAXES

INFLATION

HARVEST

Learn how to "flow with the current" of stress in your life.

Location Information:

1984:

GEARY COUNTY

January 31
4-H Building
Spring Valley Road
Junction City

MARSHALL COUNTY

January 26
Marshall County Courthouse
Basement Meeting Room
Marysville

MITCHELL COUNTY

January 18
Farmway Coop
204 E. Court
Beloit

WASHINGTON COUNTY

January 19
Swirly Top Steak House
Highway 36
Washington

Time: 7:30 - 9:30 p.m.

Sponsored by: Pawnee Mental Health Services and
2001 Claflin, Manhattan
County Extension Services in Geary, Marshall, Mitchell, and
Washington Counties

Options few for those threatened with loss of farm

Because certain negotiations are underway, I cannot use the family's name or otherwise tip their identity.

We sat down in their clean kitchen of what has to be a typical country farmhouse, if I've ever seen one, and I've seen plenty.

The sun was shining brightly, but the temperature was cold outside, and the roads were greasy with ice and a thin layer of mud where the plows had recently been. Some neighbors here and there were still snowed in.

He and she, man and wife for 32 years. Farmed all their adult lives, rather successfully until recent times. He, a veteran of the Korean War. She, the mother of their two children. They are in their mid-50s of life.

Both were from the nearby area, in fact their respective ancestors had been among the first white settlers. He had served his country and community well in times now past.

They drove modest passenger cars and took good care of their equipment. The farmstead was always neat, and there is a long machine shed. They only took a few trips through the years, and they love their children and several small grandchildren. They do not drink. They do not smoke. They do not party.

A couple of cropping seasons ago it became painfully obvious they would be unable to make a Federal Land Bank payment. A succession of terrible weather years was catching up.

In Thanksgiving week, Nov. 20, 1984, to be exact, they got a letter of warning from the Land Bank. Some of the soybean acres that fall were not even worth running a combine through. Just empty stalks poking up. This was a rule among many upland farms across Kansas.

The mortgages on the place, though, never took a rest. Never acknowledged droughts, embargoes, inflation of input prices.

She left the kitchen briefly and returned with some papers. One was the "Thanksgiving greeting," as they called it.

Another missive was dated Jan. 23. It was from the Federal Land Bank offices of Emporia-Topeka. It looked similar to a news release in that it had something of a headline above the body of the letter. The headline was: "Notice of Call and Intention to Foreclose."

Back in 1977, for reasons only this family knows completely — for every farming operation is individualistic and has its own set of circumstances encompassing the psychologies, philosophies, physicalities and economics — they had decided to

buy a nearby quarter-section. The price was roughly \$126,000. As collateral was the remainder of the farm, and the farmhouse.

The amount due is about \$35,000. The Farmers Home Administration held a second mortgage behind the Land Bank on the deal. About a year ago, the family had also taken out an FmHA operating loan. They paid that back. But the land debt grew like a cancer.

The family this month made an offer to convey the property to the FmHA. If the agency accepts, it would pay the Federal Land Bank the balance and take over the property, about 600 acres and the house, in all. One of the points under negotiation now is the possibility of the FmHA renting the place back to the family for next year. In the meantime, a local bank has indicated a willingness to perhaps work with the family for one more season, while fiddling with the outstanding debts now on the books there. All but the bare minimum of machinery and equipment probably will be sold.

Meanwhile, the local bank called this week for the family's cattle to be sold. The sale barn check, of course, will go directly to the bank.

This story itself has brought up in others close to the family a topic most difficult to speak and write about. This age group losing everything is asking its members and anyone else who will stop to listen: "Who's next? And if it is us, what can we do and where will we go?"

There is no ready answer. Bromides and slogans are sometimes helpful, but by themselves cannot motivate depressed and penniless people into starting new lives as they approach old age.

I'd be less than frank if I didn't write about some thoughts expressed in conversations lately among men and women who have spent the bulk of their working lives farming and raising families. Some of those thoughts deal with sudden death. Suicide. Contrived accidents.

That's why we hear the phrase, "There is life after farming," making its rounds. Some people are contemplating no life after farming. Many in that age group cannot descend on relatives. Children are often not in much better financial position, and parents are usually dead or too elderly to help. Sometimes there are no close relatives. Often, friends are in the same boat they are, or close to it. When you shut down a farm, you don't just have the proprietor start one up somewhere else overnight. He doesn't go to the skyscraper next door and land a job with another company. When you stop a farm

inhabited by an owner-operator and his wife, you shut down not only a business, but a 24-hours a day set of living styles and circumstances, and you close the curtain on a home where they worked, loved, fought, played, grew, shared, maybe raised children.

I will not presume to tell anyone how to live a life, or whether they should continue one. My own has not been much of a model. But I will say, most among us have something more yet to give others, something more to receive. Sometimes there really is opportunity — maybe not money opportunity — in adversity. And sometimes a slogan, like "One day at a time," can be helpful in getting by a rough period. Sometimes older, wiser people can teach slightly younger jerks like me some things.

If you are in trouble today, and only you and your bankers know about it, remember this: You are not alone. Some inside people know some names in trouble that would startle you. You wouldn't have believed it 10 years ago. Also, there's not nearly as much gloating going on about it as there used to be. It might help to talk about it. You are not alone, unless you wish to be. You are not useless, unless you wish to be.