

Approved

Date

Stephen R. Cloud 2-21-86

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Stephen R. Cloud at
Chairperson

9:03 a.m./p.m. on Tuesday, February 18, 1986 in room 522-S of the Capitol.

All members were present except:

Rep. Barr - Excused

Committee staff present:

Avis Swartzman - Revisor
Julian Efird - Legislative Research Dept.
Carolyn Rampey - Legislative Research Dept.

Conferees appearing before the committee:

John Hill, Legislative Chairman, Kansas Disabled American Veterans
Darrell Bencken, State Commander, Veterans of Foreign Wars
Charles Yunker, State Adjutant, Kansas American Legion
Francis Pinkelmann, Member, Kansas Veterans Commission
Georgia DeVader, Daughter of veteran in Kansas Soldiers Home

The meeting of the House Governmental Organization Committee was called to order on February 18, 1986 at 9:03 a.m. by Representative Stephen R. Cloud, Chairman. The minutes of the February 7 meeting were approved on a motion by Representative Sughrue and a second by Representative Sutter. February 12 minutes were distributed. The Chairman called on John Hill, Legislative Chairman, Kansas Disabled American Veterans, to begin his testimony on HB 2793, an act relating to veterans.

Mr. Hill spoke as a proponent of HB 2793, stating his theory is the Soldiers Home would be better served with the independent commission in control. With the uncertainty of Gramm-Rudman on the economy, the commission would be in a better position to cope with future financial conditions. On being asked what affect this would have on the veterans at the home, Mr. Hill replied there would be no direct affect but the real problems are on the horizon. (See Attachment A)

The Chairman called on Barney Aldridge, VFW member, who ceded his turn to Darrell Bencken, State Commander, Veterans of Foreign Wars. Mr. Bencken read from his prepared statement (See Attachment B). He spoke in support of the bill and commented that the Veterans Commission is a 'small speck' in the Department of Human Resources. On being asked if he thought that service at the Soldiers Home had deteriorated since 1976, he replied that this was not the issue. What he was looking at was the future of the home, which his organization thinks would be better served and under tighter controls with the Commission becoming independent.

Mr. Morris Krouse, who serves on the Veterans Commission as Chairman, clarified a few points. He has been on the Commission for 22 years and has served under 5 governors.

Mr. Charles Yunker, State Adjutant, Kansas American Legion, submitted his testimony. (See Attachment C) He said that this is something that veterans have wanted since 1977. He urged the Committee to support the bill, citing over 103 co-sponsors, including both the support of both houses, governor, lieutenant governor, attorney general & secretary of state. Mr. Yunker was critical of the Post Audit report and cannot agree with its recommendations to transfer the Kansas Soldiers Home to SRS, or placing them in the welfare department.

The Chairman introduced Georgia DeVader, whose father is a resident at the Kansas Soldiers Home. She told what effect the defeat of this bill would cost in terms of her family's financial situation and the hardship it would bring. She questioned why the charges her father has to pay have gone up \$197 when his pension has only increased minimally. Stan Teasley, Executive Director, Kansas Veterans Commission, replied that charges are based on the per diem cost of the residents. Representative Graeber asked if this could be looked into and a report brought back to the Committee. Mr. Teasley added that it is required by law to figure up the per diem cost.

Stan Pinkelmann, member, Kansas Veterans Commission, read his statement in support of HB 2793. (See Attachment D), adding that the Veterans Commission as an independent agency would better serve veterans than the Department of Human Resources. He thanked the Chairman and Committee for allowing him to appear. The Chairman, in turn, thanked all conferees. A continuation of the meeting will be held next week. The meeting was adjourned at 10:00 a.m.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

SAC

Statement of

JOHN HILL, LEGISLATIVE CHAIRMAN, KANSAS DISABLED AMERICAN VETERANS

before the

THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION
Tuesday, February 18, 1986

HOUSE BILL 2793

Mr. Chairman, Members of the Committee:

I am John Hill, Kansas legislative chairman of the Disabled American Veterans.

From the outset, I feel it is imperative that this committee and the Legislature examine a very basic issue of vital concern to the veterans of Kansas. The issue is the degree of support the State of Kansas is willing to provide in assistance to our Kansas veterans. Although it may be unnecessary to state this today, we are discussing an issue that relates to a very special segment of our society - The Kansas Veteran.

We are here today seeking support for H.B. 2793 which would allow the Kansas Veterans Commission and the Kansas Soldiers Home to be an independent agency. These agencies affect the lives of countless individuals across this state. Those individuals, who sacrificed much, allow all of us here today to enjoy many freedoms. One of those freedoms is epitomized today by virtue of the fact that we are participating in the democratic process. I would hasten to ask you to consider what type of process we would be experiencing had it not been for the dedication and sacrifice of our veterans. There is no question in my mind and I hope yours that we are discussing an issue, the outcome of which will clearly indicate the State of Kansas's attitude toward a segment of our society whose sacrifice and dedication to this country and state are unparalleled.

In that vein let us examine some of the specific rationale for supporting H.B. 2793. Beyond the philosophical justification for allowing this agency to stand independent, there are some very important practical aspects to consider. Not only does the KVC provide an important human benefit to the veterans of Kansas, this agency provides a significant benefit to the economy of the State. In FY 1985, the KVC was responsible for assisting Kansas citizens in obtaining over 25 million new dollars, and I repeat new, in Veteran Administration benefits.

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Attachment A

An influx of 25 million dollars into the Kansas economy is certainly relevant in light of the hard times this state is facing. Many of the clientele this agency serves would be on state general assistance programs if they were not receiving V.A. benefits. One only needs to examine SRS's budget to quickly determine that SRS can ill afford to accommodate this group of needy individuals. The Kansas Soldiers Home provides excellent care for a number of Kansas citizens at a relatively small cost. In fact the KSH is providing more intensive care for a greater number of individuals currently for less state dollars than the Home did in FY 1982. This clearly indicates that the debate over the future of these two agencies is more than a philosophical question. It is an economic issue.

One of the most discussed points I have heard regarding H.B. 2793 has been the issue of the trend in state government to consolidate. There is no question that over the last decade the trend has been to consolidate or centralize more agencies for the expressed purpose of efficiency. That was the basic rationale given when the KVC was placed under the Department of Human Resources in 1976. Personally, I feel that there are cases in which consolidation makes sense and has merit. However, the consolidation of the KVC and the KSH into the Department of Human Resources was not one of those cases.

First, there was absolutely no logic in the placement of the Kansas Soldiers Home under the authority of DHR. The Department of Human Resources unquestionably is the state agency with the primary responsibility of administering federal programs dealing with employment, training and unemployment insurance. No other state institutions other than the KSH are assigned to the DHR; consequently and rightfully so, the department's bureaucratic structure is arranged to meet the demands of complying with federal mandates - not with the needs of a state institution like the Kansas Soldiers Home.

While we are on this subject, I want to clearly express our very strong opposition to the placement of the KSH under the authority of SRS as the Legislative Post Audit recommends. Although the institutions under the authority of SRS and the Kansas Soldiers Home are similar in some respects, there are significant differences. SRS institutions, which are mental hospitals, operate under a completely different set of criteria, licensure, and primary sources of funding than the Kansas Soldiers Home. Placement of the KSH under SRS would in time most likely result in the loss of the unique mission the KSH possess. Moreover, the services the KSH provides is an earned benefit and would be misplaced in an agency which primarily deals with welfare. Finally, it appears that SRS has its hands full in trying to cope with the challenges it now faces and is ill equipped to assume new responsibilities. From the veterans organization's standpoint, the placement of the KSH under the authority of SRS by the Legislature would be intolerable.

Because the DHR is predominately federally funded, we question the desirability of the KVC being a part of this department. With a bureaucratic structure designed to administer federal programs, the placement of the state-funded KVC under the control of DHR presents serious questions. We believe there was no adequate rationale for placing the KVC in the DHR in 1976 and seriously question whether such a rationale exists today. Placing the KVC in DHR in 1976 was a measure to consolidate for the sake of being able to claim fewer independent agencies existed in state government. I challenge the premise that somehow fewer translate into better.

While we are on the question of efficiency, it is interesting to note that the fiscal note prepared for H.B. 2793 indicates that the DHR expects to expend approximately \$36,000 of state funds in FY 1986 to administer the KVC, a decrease of approximately \$17,000 from the year before. However, the first year cost for an independent KVC is about \$43,346. Included in that amount is a one time expenditure of \$5,000 for computer equipment, a questionable expenditure of \$6,000 for new office space and over \$27,000 for a new position and travel which was requested for the next fiscal year for the agency by the DHR. It is clear that H.B. 2793 will not result in a substantial increase in cost to the State of Kansas. Most importantly, is the Legislature going to quibble over the cost when there is a more important question at stake? The veterans of this State deserve to have a separate state agency which has the sole objective of providing service to Kansas veterans and dependents.

Another factor which must be taken into account regarding H.B. 2793 is the future level of funding for federal programs. This factor is very relevant as it will affect the KVC in a variety of ways. First, it is anticipated that the Department of Human Resources will be faced with significant federal cuts over the next several fiscal years. The DHR is, for all practical purposes, a federally funded department. Future federal cuts will have a tremendous impact upon the operation of this important department. Why should the KVC, a state-funded program, be subjected to operate within a department which will be forced to focus on developing methods to cope with declining funding?

Reduced federal funds will also result in a decline in the ability of the Veterans Administration to provide assistance to Kansas Veterans. This will consequently increase the need for the KVC to be in a position to respond to the new demands to provide additional assistance to Kansas Veterans, if this State wishes to ensure its veterans receive their earned benefits. The decrease in Veteran Administration staff comes at a critical time for aging World War II Veterans. The average age of WW II veterans is 65 and projections show that 3 out of every 4 living males over the age of 65 in 1990 will be veterans. At this juncture of their lives they will be in the most need of V.A. benefits. Lastly, as federal program are eliminated there will be a resulting increase in the demand for V.A. services.

These thoughts highlight why it is critical for the KVC to be an independent agency. We need an independent agency which has the sole objective and mission to provide service to Kansas veterans, unhampered, at this critical time, by attempting to operate in a department which must cope with major funding problems.

Some have suggested that this issue may need additional study. The KVC underwent a performance audit three years ago, has undergone sunset review in 1984 and 1985, and the Kansas Soldiers Home had a complete audit done this last year. I come before you today asking for action, not more study.

H.B. 2793 will restore the KVC to a status it had prior to 1976. When this agency was created back in the early 50's, a commitment was made that the veterans of this state could have a strong KVC in lieu of a veteran bonus. I understand you are not bound by the actions of past Legislatures. However, you do have the opportunity to demonstrate your support of veterans by voting in favor of H.B. 2793.

As an independent agency, we understand that the KVC and the KSH may receive more scrutiny. We welcome it. With independent status for the KVC, we expect that the agency will receive the budgetary and legislative consideration it deserves.

The Governor, Lt. Governor, Attorney General, and 103 members of the Kansas Legislature have indicated their support for this bill. I respectfully request that this committee quickly recommend passage.

Thank you for this opportunity to testify.

LEGISLATIVE COMMITTEE
KANSAS VETERANS' COMMISSION - FORT DODGE SOLDIERS HOME
H.B. - 2793

MR. CHAIRMAN:

IT IS INDEED MY PLEASURE TO APPEAR BEFORE THIS COMMITTEE AND EXPRESS THE VIEWS OF THE V.F.W. AND ITS CONCERN AND INTEREST IN H.B. 2793.

MR. CHAIRMAN, MY NAME IS DARRELL BENCKEN, STATE COMMANDER OF THE VETERANS OF FOREIGN WARS, DEPARTMENT OF KANSAS.

H.B. 2793 RELATES TO KANSAS VETERANS AND CONCERNS "THE KANSAS VETERANS' COMMISSION" AND THE KANSAS SOLDIERS HOME AT FORT DODGE.

H.B. 2793 WOULD RE-ESTABLISH AS AN INDEPENDENT AGENCY, THE KANSAS VETERANS' COMMISSION, WITH SUPERVISION OVER THE SOLDIERS HOME AT FORT DODGE.

THE 290,000 VETERANS OF KANSAS WANT TO BE REMEMBERED AS INDIVIDUAL VETERANS AND NOT MERELY AS NUMBERS IN A HUGE STATE AND FEDERAL BUREAUCRATIC OPERATIONS.

SERVICE TO VETERANS IS OUR MOTTO AND SERVICE TO VETERANS IS OUR ONLY PRODUCT, AND SERVICE TO THE VETERANS OF KANSAS AND THEIR FAMILIES CAN ONLY BE ACCOMPLISHED THROUGH A JOINT EFFORT BY THE VETERANS ORGANIZATIONS OF KANSAS AND THE INDEPENDENT "VETERAN COMMISSION OF KANSAS."

ATTACHED YOU WILL FIND RESOLUTION #51 THAT WAS APPROVED BY THE 65TH ANNUAL V.F.W. CONVENTION HELD LAST JUNE AT GREAT BEND, KANSAS.

MORE DETAILED FACTS AND FIGURES ON H.B. 2793 HAS BEEN GIVEN TO YOU BY JOHN HILL, REPRESENTING THE D.A.V. AND THE VETERANS OF FOREIGN WARS CERTAINLY AGREE WITH THOSE STATEMENTS OF FACT.

THE VETERANS OF FOREIGN WARS, DEPARTMENT OF KANSAS, ITS 45,000 MEMBERS AND 25,000 AUXILIARY MEMBERS CERTAINLY SUPPORT H.B. 2793 AND WOULD APPRECIATE THIS COMMITTEES' CONSIDERATION AND APPROVAL OF THAT BILL.

AGAIN, MR. CHAIRMAN, IT HAS BEEN OUR PLEASURE TO APPEAR BEFORE THIS COMMITTEE AND WE THANK YOU FOR ALLOWING US TO SHOW OUR SUPPORT AND CONCERNS OF THE KANSAS VETERANS' COMMISSION AND THE KANSAS VETERANS THEY SERVE.

THANK YOU.

*2/18/86 Hs. Gov. Org.
Attachment B*

REMOVAL OF THE KANSAS VETERANS' COMMISSION
FROM THE KANSAS DEPARTMENT OF HUMAN RESOURCES

WHEREAS, the Kansas Veterans' Commission provides vital services and assistance to the 290,000 Kansas veterans, their widows and dependents; and

WHEREAS, this vital assistance was greatly impaired when the Kansas Veterans' Commission was placed under the Kansas Department of Human Resources on July 1, 1976; and

WHEREAS, the Kansas Veterans' Commission budget was presented to the Legislature individually prior to 1976, and now is included with the Kansas Department of Human Resources, which received the largest percentage of its funding from Federal sources to operate Federal programs; and

WHEREAS, the Kansas Veterans' Commission budget, representing one-half of one percent of the Kansas Department of Human Resources 206.5 million dollar budget, does not receive proper consideration and

WHEREAS, the Secretary of the Department of Human Resources is the appointing authority for the Kansas Veterans' Commission, therefore, members of the Kansas Veterans' Commission have little input into personnel matters; therefore

BE IT RESOLVED, that the Department of Kansas, Veterans of Foreign Wars of the United States, requests the Kansas Legislature to remove the Kansas Veterans' Commission from the Department of Human Resources jurisdiction, restoring the Kansas Veterans' Commission as an independent State agency; and

BE IT FURTHER RESOLVED, that a copy of this resolution be distributed as necessary to State Officials and other interested parties.

Submitted by Department Quartermaster Barney M. Aldridge

Committee Assigned LEGISLATIVE
Committee Action APPROVED
Convention Action APPROVED

Testimony on House Bill 2793
By Charles M. Yunker
State Adjutant
Kansas American Legion

On behalf of the more than 85,000 members of The Kansas American Legion and its Auxiliary, I wish to thank you for the opportunity to appear before you today. You will hear from several very knowledgeable people this morning, each of whom will undoubtedly bring your attention to specific points of interest regarding the Kansas Veterans Commission and the Kansas Soldiers Home at Fort Dodge. More specifically House Bill 2793 which, if enacted, would return the KVC to independent State Agency status with supervisory control of the Soldiers Home.

You have heard, or read, the history of the KVC and Soldiers Home, and how in 1976 they became a part of the Department of Human Resources. Therefore I will not address that area save for one exception; the May 1982 Personnel Handbook of DHR states in effect: The Kansas Veterans Commission is attached to the Department of Human Resources for advisory, coordinative and general housekeeping purposes, however it retains its independent administrative status.

Now that statement may have been true in 1976 when The American Legion, along with every other veterans organization, was assured that by bringing the KVC and Soldiers Home under the umbrella of DHR it would save tax dollars yet at the same time maintain and/or improve efficiency and service to Kansas Veterans.

However that statement simply is not true, or at least it is not practiced at this point in time. The KVC is in fact, treated no differently than any other department within DHR prior to 1976. The KVC budget has been regulated to the status of being included and submitted with the entire DHR budget which has proven time and again to be a detriment to the KVC. The Secretary to DHR now approves all hiring for the KVC -- that in itself does not fall under "advisory, coordinative and general housekeeping." The American Legion is not pointing a finger at any one specific Secretary of DHR; however we have witnessed a slow erosion of the KVC for the past ten years as it has become embroiled further and further in the bureaucracy of an agency as large as DHR.

A Performance Audit Report on the Soldiers Home was ordered last year because representatives of the KVC and Soldiers Home were not allowed to appear before a committee of the legislature which asked a few elementary questions relating to the KSH budget and the DHR representative present couldn't answer them satisfactorily. Is this "advisory, coordinative and general housekeeping?" The KVC and Soldiers Home have lost their identity. If you asked veterans ten years ago "What is the KVC?" or "What is the Soldiers Home?", you would more often than not get a correct answer. Today if those same questions were asked of veterans you would be more apt to receive a blank stare or something to that effect.

Ladies and gentlemen this means Kansas and its veterans are losing tax dollars and earned benefits because the KVC has been reduced in personnel and have been "lost" somewhere in DHR. The public associates DHR and its federally funded and mandated mission as one which serves the unemployed and as administrator of the unemployment insurance program -- not to serve veterans. The two subjects were not related, in 1976 and they are not related today.

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Attachment C

Let me tell you about a survey which was taken last year of all other states. Over fifty percent maintain a veterans commission as an independent state agency or are directly under the supervision of those states' Governor or Adjutant General. Of those, with independent agency status; the majority are receiving more federal tax dollars back than they are paying in.

The last time this Committee met to discuss HB 2793 it was suggested that perhaps more study needed to be made before a decision could be rendered. I'm sorry I can not agree with that. Last year it cost Kansas Taxpayers approximately \$4616 per patient per year to care for someone at the Soldiers Home. The post audit included in its recommendations the transfer of KSH to SRS. Is this how we care for our veterans? By placing them in the Welfare Department. Do we really need another study to see which is best for the Kansas taxpayers and Kansas Veterans?

Last year the KVC brought in almost twenty-five million dollars into the state's economy in new, first year benefits. This was done with a budget of just over one million dollars. It seems to me that if any study is made it should be to discover ways to effectively expand the KVC to seek out more veterans who are eligible for earned federal benefits but are unaware that they are eligible.

The post audit also recommended closing all or a part of KSH. If the KSH is closed Kansas will lost approximately \$6.00 per person per day in VA reimbursement as compared to Medicare and Medicaide payments.

Again do we need another study to see which is best for Kansas taxpayers and Kansas Veterans? If this state was not financially strapped today I think we would be here before you suggesting another KSH be built in the eastern part of the state, perhaps two. Because Soldiers Homes benefit our state's economy, they increase the ratio of federal tax dollars returning to Kansas, but most of all they provide needed care for thos who have made it possivle for all of us to be here in this room today.

In closing, Kansas has a rich history regarding veterans and veterans benefits. It was a Congressman from our State who, during the Eisenhower Administration, wrote the bill which officially changed November 11th from Armistice Day to Veterans' Day to honor all men and women who answered their country's call during all wars and times of crisis not just World War I. It was Harry Colmery of Topeka, who as a past National Commander of The American Legion wrote what has been called the greatest single piece of legislation ever signed into law; the GI Bill of Rights which helped pull this nation out of a wartime economy by providing education, guaranteed home loans, medical and rehabilitation benefits to veterans who won the peace which we still enjoy today. Help us gain and maintain those earned and guaranteed federal benefits be restoring the KVC as an independent state agency. One with which veterans can identify. With over 103 co-sponsors of HB 2793 including support of the leadership of both houses, the governor, Lt. Governor, Attorney General and Secretary of State along with over 33,000 signed petitions or post cards from concerned Kansans, including many veterans I think you can do no less.

Again thank you for allowing me to appear before you today.

Statement of
FRANCIS PINKELMANN, MEMBER, KANSAS VETERANS COMMISSION
before the
House Committee on Governmental Organization
Tuesday, February 18, 1986
House Bill 2793

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I am Francis Pinkelmann, Member of the Kansas Veterans Commission.

First, I want to express my appreciation for the opportunity to testify on behalf of the Kansas Veterans Commission on H.B. 2793. With your permission, Mr. Chairman, I would like to read for members of this committee, a resolution which the Commission unanimously passed last December. This resolution best sums up our position on H.B. 2793.

WHEREAS, the Kansas Veterans Commission prior to 1976 was an independent agency which operated in an efficient and responsive manner; and

WHEREAS, the Kansas Soldiers Home has been illogically placed under the authority of the Department of Human Resources; and

WHEREAS, the large number of aging World War II veterans deserve and will require special consideration and service; and

WHEREAS, the placement of the Kansas Veterans Commission in the Department of Human Resources has not resulted in any significant benefits to the agency or the clientele it serves; and

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Attachment D

WHEREAS, the Department of Human Resources is a large State Agency with a variety of objectives; and

WHEREAS, an independent Kansas Veterans Commission would have the sole objective of serving veterans and their dependents; and

WHEREAS, the Kansas Veterans Commission as an independent agency would receive more budgetary and policy consideration;

NOW, THEREFORE, WE, MORRIS J. KROUSE, FRANCIS PINKELMANN, AND MARVIN JARDON, THE KANSAS VETERANS COMMISSION, do hereby endorse and support the concept of independent status for the Kansas Veterans Commission, with supervisory control of the Kansas Soldiers Home. Furthermore, we implore the Kansas Legislature to pass the necessary legislation to accomplish this objective with adequate funding to ensure that an independent Kansas Veterans Commission could continue to achieve its very important mission.

In conclusion, the Kansas Veterans Commission appreciates the support the Legislature has shown to the KVC and the Kansas Soldiers Home in the past. We feel that the services we provide to Kansas Veterans are very important and deserving of continued support.

Thank you for this opportunity to testify.