

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Rochelle Chronister at \_\_\_\_\_  
Co-Chairperson

1:30 ~~am~~ <sup>XX</sup> p.m. on Tuesday, January 21, 1986 in room 514-S of the Capitol.

All members were present except: Representatives Buntin, Dyck, Hoy and Louis (excused)

Committee staff present: Gloria Timmer, Legislative Research  
Laura Howard, Legislative Research  
Jim Wilson, Revisor's Office  
Sharon Schwartz, Administrative Aide  
Sue Krische, Acting Committee Secretary

Conferees appearing before the committee:  
Dr. Robert Harder, Secretary of SRS  
Others Present (Attachment I)

Co-Chairman Chronister called the meeting to order at 1:30 p.m. and introduced Dr. Robert Harder, Secretary of SRS.

Dr. Harder presented the 1985 Annual Report of the Kansas Department of Social and Rehabilitation Services (On File in W/M). He highlighted under Administrative Services, the Child Support Enforcement Program and under Adult Services, Adult Community Living and Day Programs, Alternate Care Program, Home and Community Based Services Program, Homemaker Services Program, Volunteer Program, Adult Care Home Program and Job Preparation Programs, such as, Work Incentive Program, Food Stamp Job Search Program, Community Work Experience Program and Job Club Program. Dr. Harder called special attention under the State Economic Opportunity Office Programs to the Community Services Block Grant Program and the Weatherization Assistance Program. In the area of Alcohol and Drug Abuse Prevention, the School Team Training Program has been very effective. In the Income Maintenance Services, Dr. Harder called attention to the General Assistance Program, Food Stamp Program, Low Income Energy Assistance Program, and the Commodity Distribution Programs. Dr. Harder noted to the Committee that Kansas will have to stop charging sales tax on food stamps resulting in a revenue loss of approximately two million dollars and that he would like to discuss with the subcommittee and eventually the whole committee the possibility of moving the Emergency Assistance Reimbursement in the Governor's budget over to underwrite the administrative costs of the Commodity Distribution Programs. In discussing the Medical Assistance Program, he called special attention to the cost containment strategies in operation. Under Mental Health and Retardation Services, Dr. Harder highlighted Community Mental Health Programs and Mental Retardation Programs. In Rehabilitation Services he called attention to Client Services-General Program, Services for the Blind, and Independent Living Programs. Within Youth Services, he noted Child Protection Services Programs, Family Services and Adoption Programs, Foster Care Program, Juvenile Offender Programs, Child Day Care Program and the Youth Services Grant Programs.

Dr. Harder distributed the SRS Supplemental Budget Request for FY-1986 and a summary thereof to the Committee (Attachments II and III). This request asks for adjustments in Public Assistance, Medical Assistance, Alcohol and Drug Abuse Services, Youth Services, Staff Development and Adult Services of \$10, 783,161 and for adjustments relating to the state hospitals of \$2,482,662. for a total of \$13,265,823.

With regard to the potential impact of Gramm-Rudman on State programs, Dr. Harder indicated that SRS would include in the Budget In Brief a narrative write up from the American Public Welfare Association on Gramm-Rudman, including a timetable.

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.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Tuesday, January 21, 1986

Dr. Harder requested that HB 2300 relating to the developmentally disabled and mentally retarded be considered by the Committee this session. This bill sets up a basic framework for service delivery. He would like to be included in discussions on this legislation.

Meeting adjourned at 2:35 p.m.

The next meeting is scheduled for Wednesday, January 22, 1986 at 1:30 p.m.



**SRS SUPPLEMENTAL REQUEST  
FY 1986**

**Public Assistance** -- The supplemental request of \$348,719 is a combination of increases from the 1985 legislative appropriation for ADC and decreases for GA and Other Assistance.

	Appropriated		Gov. Recommendation		Difference	
	Total	SGF	Total	SGF	Total	SGF
ADC	\$ 83,461,257	\$41,670,787	\$ 87,263,295	\$43,485,481	\$ 3,802,038	\$ 1,814,694
GA	13,179,489	13,179,489	11,741,462	11,741,462	-1,438,027	-1,438,027
Other Assistance	900,000	689,000	875,445	661,052	- 24,555	- 27,948
LIEAP	14,672,849	-	13,840,026	-	-	-
Refugee Assistance	5,462,078	-	5,486,943	-	-	-
<b>Total</b>	<b>\$117,675,673</b>	<b>\$55,539,276</b>	<b>\$119,207,171</b>	<b>\$55,887,995</b>	<b>\$ 1,531,498</b>	<b>\$ 348,719</b>

The revised agency request for ADC was \$83,505,685 which provided for 744,326 person months (62,027 per month) at an average grant of \$112.13. After reviewing caseload and expenditure trends, the Governor recommended 790,500 person months (65,875 per month) at an average grant of \$110.39. Expenditures through December for ADC have been \$43,674,093 and the caseload is rising. Therefore, the increased amounts appear necessary.

The revised agency request for GA was \$13,179,450 which provided for 125,197 person months (10,433 per month) at an average grant of \$105.27. After reviewing caseload and expenditure trends, the Governor recommended 111,900 person months (9,325 per month) at an average grant of \$104.96. Expenditures through December are \$6,507,095 and the caseload is seasonally rising. We agree with the recommendation but note it is very close.

The revised agency request for Other Assistance, which consists of Emergency Assistance, Burial Assistance and SSI supplementation, was \$900,000 or the same as previously requested. The Governor's recommendation is for a slight reduction in Emergency Assistance due to 1985 legislative action.

**Medical Assistance** -- The supplemental request of \$9,958,493 State General Fund is the result of three factors: (1) The estimated expenditures for the total program, based on a projection of first quarter expenditures, plus a factor for rate adjustments, are \$232,300,924 or a program increase of \$3,667,505. Of this amount \$1,839,383 is SGF. (2) The fee fund available for medical was estimated at \$14,181,313. However, \$1,915,000 of fee fund was spent in the 1985 fiscal year to cover foster care shortfalls, an anticipated federal fund year-end settlement fell \$775,000 less than anticipated, and other 1985 revenues into the fee fund were \$856,442 less than anticipated. Therefore, the fee funds balance and thus funds available for 1986 are \$3,546,442 less than anticipated and these must be replaced by SGF. (3) The appropriated federal funds for FY 1986 anticipated a federal matching rate of 47.14 percent. However, the actual matching rate for FY 1985 was only 44.7 percent. While some increase in federal matching rate is expected in 1986, the current match rate estimate is 45.14 percent. This loss of 2 percent in the federal match rate results in a loss of federal funds of \$4,572,668 which must be replaced by SGF. This loss of federal funding reflects historical errors in estimating the federal matching rate.

**Alcohol and Drug Abuse Services** -- The supplemental request of \$16,855 is for the purchase of word processing equipment. This equipment will enable this office to electronically send mail to all area offices and downtown SRS offices. This is part of a system that electronically connects all SRS offices at Complex West with downtown Topeka SRS offices and area offices. A decision was made to directly purchase the equipment rather than execute a three-year lease payment arrangement. Since interest payments cannot be matched with federal funding, outright purchase represents sizeable savings.

*H. W. + M  
1/21/86*

II

**Adult Services** -- The supplemental request of \$54,476 is caused by a loss of anticipated federal funds in the JOBS programs (WIN and JPTA) not offset by the in-transfer of Social Service block grant funds. The overall budget for Adult Services is increased by \$549,607, of which \$500,000 is additional federal funds from the Crime Victims Reparation Act for domestic violence grants. The remainder of the increase is in Adult Services Medical due to an increase in the cost of the inspection contract with Health and Environment.

**Youth Services** -- The supplemental request of \$387,283 is caused by a refunding of salaries and wages from the previously approved funding plan. Even though the actual salary and wage funds for the revised budget is \$31,035 less than the original appropriation, a net of \$387,283 in additional state funds is required. Some of this additional funding (\$53,268) is caused by a shift of Social Service block grant funds to Adult Services to offset losses in WIN and ADC funds. The remainder of the loss in federal funds is due to losses in the ADC match available for salaries.

**Staff Development** -- The supplemental request of \$17,335 is for the direct purchase of word processing equipment. It will replace and enhance existing leased equipment and is part of the overall system described in the Alcohol and Drug narrative.

Office of the Secretary  
Social and Rehabilitation Services  
January 21, 1986 - Revised

KANSAS MENTAL HEALTH AND RETARDATION HOSPITALS  
SUPPLEMENTAL BUDGET REQUESTS  
FY 1986

KANSAS NEUROLOGICAL INSTITUTE (KNI)

Supplemental Request: \$1,352,277 (State General Fund)

Background: This request represents funding for 120.5 additional direct care positions. The State Finance Council authorized 126.5 new positions in June, 1985, in response to a Medicaid Certification review that cited KNI as not providing active treatment for the 390 mentally retarded residents. These additional positions are direct care staff who are to help the already existing staff provide this active treatment.

Impact of Not Funding: Loss of Medicaid Certification and \$6.1 million in Federal Medicaid Funds.

NORTON STATE HOSPITAL (NSH)

Supplemental Request: \$294,135 (State General Fund) and 26 FTE positions

Background: This request represents funding for 26 additional direct care positions. This request is in response to a Medicaid Certification review in November that cited NSH as not providing active treatment for the 145 mentally retarded residents. These additional positions are direct care staff who are to help the already existing staff provide this active treatment.

Impact of Not Funding: Loss of Medicaid Certification and \$2.8 million in Federal Medicaid Funds.

PARSONS STATE HOSPITAL (PSH)

Supplemental Request: \$656,393 (State General Fund)

Background: This request represents funding for 74 additional direct care positions. The State Finance Council in October, 1985, authorized the 74 new positions in response to a Medicaid Certification review that cited PSH as not providing active treatment for the 285 mentally retarded residents. These additional positions are direct care staff who are to help the already existing staff provide this active treatment.

Impact of Not Funding: Loss of Medicaid Certification and \$4.6 million in Federal Medicaid Funds.

OSAWATOMIE STATE HOSPITAL (OSH)

Supplemental Request: \$179,857 (Fee Fund limitation increase)

Background: This request represents payment for salary wages due to a very low turnover of staff. The staff turnover is substantially lower than was anticipated last year. No state general funds are needed, as sufficient fee fund collections can fund this request.

Impact of Not Funding: Hospital administrators would be forced to leave the few positions that do turnover vacant for extended periods of time. The possibility of lay offs exists if there are few vacant positions.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
Office of the Secretary

M E M O R A N D U M

FY-1986 SUPPLEMENTAL BUDGET REQUEST

Public Assistance	\$ 348,719.
Medical Assistance	9,958,493.
Alcohol and Drug Abuse Services	16,855.
Youth Services	387,283.
Staff Development	17,335.
Adult Services	54,476.
	<u>\$10,783,161.</u>
KNI	\$ 1,352,277.
NSH	294,135.
PSH	656,393.
OSH	179,857.
	<u>\$ 2,482,662.</u>
TOTAL	\$13,265,823.

Office of the Secretary  
January 21, 1986

H. H. M.  
1/21/86

