

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator August "Gus" Bogina at  
Chairperson

11:00 a.m./p.m./ on January 15, 1986n room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Robin Hunn, Scott Rothe, Ray Hauke, Gloria Timmer  
Revisor's Office: Norman Furse  
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:

Dr. Robert Harder, Secretary, Department of Social and Rehabilitation Services

Chairman Bogina asked that Dr. Harder present the supplemental funding request of the Department of SRS.

Dr. Harder distributed Attachments A and B, and made comments on items noted on those attachments. While discussing the request for Medical Assistance noted on Attachment A, he said the additional funds requested are built on the basis of six months of history. He added that he would like the option of returning for possible adjustments near the end of the Legislative session. He explained that a spending rate of 102% or 103% is being considered in making the supplemental request, and if the weather continues to be mild it may be possible to complete the fiscal year without additional funding in this area.

Dr. Harder reminded the committee that the Youth Services and Adult Services are funded in part by a Social Services Block Grant from the federal government. With reference to Adult Services, he said a substantial part of the \$500,000 increase will be used for working with abused or battered wives, and that is from a federal grant.

There were questions from committee members asking for clarification of some of the figures set out in Attachment A. Dr. Harder and staff members offered explanation for the figures in question.

Dr. Harder stated that the Gramm-Rudman Act will affect federal funding for SRS programs. He added that there will likely be a 4.3% reduction of federal funds available to the state within the current Federal Government's fiscal year ending September 30, 1986. This would amount to about \$1.2 million for SRS. During the first round of reductions under the federal act, none of the programs are protected, according to Dr. Harder. Senator Bogina suggested the committee should have a complete explanation of the Gramm-Rudman Act at a later date.

In answer to a question from Senator Winter, Dr. Harder said he has no further figures about the effect of Gramm-Rudman except those set out above. However, federal agencies are to be notified today what to expect from the reductions.

Dr. Harder answered a question from Senator Talkington by stating that the supplementals are included in the Governor's base budget.

Senator Gaines asked for an explanation of the basic disagreement between SRS and the federal government with respect to funding for mentally ill people. Dr. Harder said that several years ago Kansas was mixing populations in nursing homes, with some of the people having psychiatric problems. The federal agency said there could not be mixed populations in nursing homes. Consequently, wherever that was happening, the additional funding for the mentally ill was disallowed. He added that there are now approximately 17 homes designated exclusively to working with the mentally ill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S, Statehouse, at 11:00 a.m./p.m./on January 15, 1986

Senator Talkington asked Dr. Harder about additional funding for SRS in the Governor's "Investment Budget". Dr. Harder answered that the latter includes \$150,000 for therapeutic foster care, \$200,000 for Alcohol and Drug projects for youth, and some salary adjustments.

During discussion of Attachment B, Dr. Harder stated that Winfield State Hospital is the only state hospital which has had a Federal re-review. There was discussion concerning the federal mandate to upgrade hospitals by adding personnel. Dr. Harder said the FY 1987 budget presented by the Governor includes 20 additional positions at Winfield. There was discussion concerning the changing of rules by the Federal Government. It was noted that Senator Lowell Weicker's subcommittee studied the subject, and the Senator himself pressured the federal agency to make the change.

Senator Bogina assured the committee that Dr. Harder would return with further information about his department's budget. He then adjourned the meeting.

**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 is the result of two 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 compared to an appropriation of \$228,633,419; (2) The amount of federal matching available for Medical Assistance is reduced because the federal government is disallowing approximately \$2.0 million in medical expenditures for mentally ill persons in nursing homes and an adjustment to match rates which reflect historical availability of funds.

**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.

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**Youth Services** -- The supplemental request is a combination of funds shifting with both Youth and Adult Services with a very small overall change (\$8,510). Since both Youth and Adult Service accounts are used to fund Youth Service and Adult Service programs, the combined Youth Service and Adult Service supplemental request (difference) is approximately that recommended by the Governor.

	Appropriated		Gov. Recommendation		Difference	
	Total	SGF	Total	SGF	Total	SGF
Administration	\$ 1,232,575	\$ 1,164,256	\$ 1,276,600	\$ 1,182,045	\$ 44,025	\$ 17,789
Grants and Projects	1,841,000	706,000	1,841,000	706,000	-	-
Foster Care	23,586,601	16,076,187	23,586,601	15,584,367	-	- 491,820
Day Care	4,154,336	393,038	4,154,336	389,233	-	- 3,805
Family Support	1,555,926	383,413	1,471,825	367,957	- 84,101	- 15,456
Field Staff	<u>10,975,722</u>	<u>4,460,122</u>	<u>11,024,308</u>	<u>5,058,453</u>	<u>48,586</u>	<u>598,331</u>
Total	\$43,346,160	\$23,183,016	\$43,354,670	\$23,288,055	\$ 8,510	\$ 105,039

**Adult Services** -- The supplemental request is a combination of funds shifting as noted in the Youth Services narrative and \$500,000 increase in Adult Residential Services and \$192,651 increase in Adult Medical Services. The increase in Adult Residential Services will allow for increasing services to adults being released from institutions and nursing homes. The additional funds in Adult Medical Services are to meet the increased cost of nursing home inspections conducted by Health and Environment and to cover increased travel by SRS medical review teams.

	Appropriated		Gov. Recommendation		Difference	
	Total	SGF	Total	SGF	Total	SGF
Administration	\$ 449,055	\$ 443,192	\$ 437,837	\$ 307,079	\$- 11,218	\$- 136,113
Jobs Programs	1,855,130	553,221	1,852,772	414,948	- 2,358	- 138,273
Grants and Projects	505,223	505,223	494,593	494,593	- 10,630	- 10,630
Homemaker	6,227,440	2,264,024	6,075,556	2,260,825	- 151,884	- 3,199
Residential and Day	11,186,260	1,779,640	11,686,260	1,779,640	500,000	-
AS Field Staff	3,658,574	1,486,707	3,674,769	1,815,444	16,195	328,737
AS Medical	2,463,461	842,653	2,656,112	1,119,901	192,651	277,248
Economic Opportunity	<u>8,134,224</u>	<u>-</u>	<u>8,151,075</u>	<u>15,750</u>	<u>16,851</u>	<u>15,750</u>
Total	\$34,479,367	\$7,874,660	\$35,028,974	\$8,208,180	\$ 549,607	\$ 333,520

**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 13, 1986

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.

Office of the Secretary  
January 15, 1986

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