

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator August "Gus" Bogina at  
Chairperson11:00 a.m./p.m./ on January 22, 1986 in room 123-S of the Capitol.

All members were present except:

## Committee staff present:

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

## Conferees appearing before the committee:

Dr. Robert Harder, Secretary, Social and Rehabilitation Services

Dr. Harder distributed a revision of information he gave the committee during his appearance on January 15. (See Attachment A) He then distributed copies of the 1985 SRS Annual Report and the SRS Budget in Brief. He then proceeded to comment on portions of the Annual Report.

During his presentation, Dr. Harder noted that the SRS Policy Committee actually determines final policy for the agency. He also referred to legislation passed during the 1985 session of the Legislature.

With reference to the Office of Analysis, Planning, and Evaluation, Dr. Harder noted that this office does an intensive review of SRS programs, providing managers with information for decision making. During questioning from members of the committee, Senator Gannon asked about the decline in Food Stamp appeals. Dr. Harder replied that FY 1985 has been a good year, but suggested that the coming year probably will show an increase. He added that he would supply Senator Gannon with information concerning prior years' Food Stamp distribution.

In answer to a question from Senator Werts, Dr. Harder said that SRS is not under the State Administrative Procedures Act. He added that he prefers being excluded, since SRS has its own system in place.

Dr. Harder commented briefly on the Child Support Enforcement Program, calling attention to 1985 SB 51, a comprehensive child support bill which ties into the Court system. He explained that the system will be fully automated between SRS and the courts, and should show results by FY 1987.

Answering questions from Senators Gannon and Bogina, Dr. Harder said that multi-state child support information is now available between states, and that all states are obligated to supply information because of federal legislation. This includes a check of court orders concerning child support.

Dr. Harder reviewed Adult Services administered through SRS. He indicated that the report includes trends and planned initiatives for the coming year. However, some are contingent upon the availability of funds. He noted that there is a tendency toward programs to keep people in their homes and out of institutions. He added that Home and Community Based Services can use Title XIX money, this being the only instance where Title XIX can be used to purchase community services.

There followed a discussion concerning the importance of volunteers in the Adult Services programs. Senators Bogina, Doyen, Winter and Werts questioned Dr. Harder about the use of volunteers. In answer to questions from these Senators, Dr. Harder made the following observations: (1) The state is responsible for the volunteers, and they are screened the same as paid employees; (2) Some volunteers are working full time, but most are only part time; (3) Volunteers are cleared for moral values; and (4) There is

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

room 123-S Statehouse, at 11:00 a.m./p.m./on January 22, 1986

a mechanism for volunteer services for clients outside of SRS on a private pay basis, but the service is not promoted.

Dr. Harder noted that the Job Preparation Program is in its third year, and is most successful in getting people into the job market. In answer to a question from Senator Bogina, He said the SRS staff provides the training for that program.

Referring to information on page 27 of the Annual Report, Senator Feleciano asked about the 15% transfer from the Low Income Energy Assistance Program to the Weatherization Assistance Program. Dr. Harder indicated that 15% is the maximum which can be transferred under federal guidelines. Answering a further question from Senator Feleciano, Dr. Harder said the Federal Department of Health and Human Services would need to be "lobbied" to get an increase in that percentage.

During his presentation concerning Youth Services, Dr. Harder was asked by Senator Winter if there is a freeze on hiring in this area. He answered that there is such a freeze, because there is need to take a conservative approach to have enough funding through the fiscal year ending June 30, 1986. He added that SRS may request supplemental funding to take care of the problem.

Following Dr. Harder's review of his annual report, there was a discussion regarding federal requirements in the area of state hospitals, etc. It was noted by Senator Talkington that, during the 1985 session of the Legislature, Senators and Representatives were completely surprised by the federal mandate concerning additional hiring in order to receive federal funding. Dr. Harder said that mandate was not caused by a change in rules but by a reinterpretation of the definition of active treatment by the Weicker committee in Congress. Senator Talkington lamented the fact that rules are changed and states are not given enough time to readjust budgets according to new interpretation of rules. Dr. Harder indicated that all states were caught unaware in this matter.

Continuing the discussion regarding federal mandates, Dr. Harder said SRS is being reimbursed by Title XIX for 600 to 650 people in intermediate care facilities for mentally retarded. He said there is a need to cooperate with the Federal Government because local groups want more funding, and SRS doesn't have the money. There was a lengthy discussion among committee members, all expressing frustration about the lack of communication from the federal government concerning guidelines for receiving federal funding. Dr. Harder said it is a political issue, and Senator Weicker probably should be contacted by legislators from this state. Some members of the committee suggested providing for mentally retarded in a manner where the state has control. Dr. Harder said that, in spite of information to the contrary, Colorado is still using federal funds for mental health purposes--in fact, about 40% of Colorado's MR budget is federally funded.

The meeting was adjourned by the Chairman.

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

S. W. M. 1/22/86  
A 1-22-86

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**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.

**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.

Office of the Secretary  
January 15, 1986