

Approved _____
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

6:00 ~~xxx~~/p.m. on April 8, 1986 in room 123-S of the Capitol.

All members were present except:
Senators Harder and Johnston

Committee staff present:
Research Department: Robin Hunn, Paul West, Ray Hauke, Gloria Timmer
Revisor's Office: Norman Furse
Committee Office: Judy Bromich, Doris Fager

Conferees appearing before the committee:
Dr. Robert Harder, Secretary, SRS
Representative Sandy Duncan
Joan Wesselowski, Kansas Association of Rehabilitation Facilities
Lila Pasley, Retarded Citizens of Kansas
Art Griggs, Attorney, Department of Administration
Charles Dodson, APE
Representative Jessie Branson

HB 3127 - State financial assistance for community mental retardation facilities

Representative Duncan said that the House had recommended, in its subcommittee report, a new version of mental retardation funding. He explained that this bill implements the concept. He added that Dr. Harder will be presenting some amendments, and he urged the committee to adopt those amendments.

Senator Winter asked how enactment of HB 3127 helps take people off waiting lists. Representative Duncan replied that funding will do that. He added that this money follows the client as opposed to having a funding stream through which the client passes. He said there are two priorities: {1} reduce levels of A.D.C. in state hospitals and {2} assist community facilities with persons on the waiting lists.

Dr. Harder distributed his statement concerning HB 3137 {Attachment A} and a balloon of the bill showing suggested amendments {Attachment B}. He stated that he would see FY 1987 as a transitional year, and that he would have no difficulty to use requests for proposals {RFP's}.

In response to a request from Senator Bogina, Dr. Harder briefly explained how the new concept will be handled. He said that the measure would be effective July 1, 1986; and that it assures every local program now doing business that it would have no less funding than in FY 1986. Any additional business that it would have no less funding than in FY 1986. Any additional funding for this program would be made available on the basis of requests for proposals. He said the emphasis will be placed on the movement in hospitals and institutions, but would not preclude the possibility of waiting lists. Senator Bogina commented that the "649" funding was basically the same as last year as the appropriations bill left this committee. In addition, there was \$650,000 which was intended to reduce the number of people in state institutions. Dr. Harder agreed, stating that the actual number of patients to be moved in the next fiscal year was 55. He added that, if it takes \$500,000 to accomplish the move of the 55 patients, the balance would be available to apply on community waiting lists. Senator Bogina said that was not his intention.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,

room 123-S, Statehouse, at 6:00 ~~am~~/p.m. on April 8, 1986

HB 3127 - Continued

Senator Werts asked if the relationship between Mental Retardation and Mental Health would be maintained as under "649", or if that relationship of 50% each would be abandoned under the new concept. Dr. Harder said that relationship would become obsolete under HB 3127.

Dr. Harder continued his explanation of HB 3127. He said the Department would develop a "request for proposal" and would outline the kind of work expected--such as room and board, training, etc. He said there may be several kinds of programs, which might mean that reimbursement would vary. The information developed would be made available to any group presently doing business with the Department. If a particular program had two vacancies they could bid to fill those, and another could bid to fill 10 vacancies. He said it is his hope that the bidding process would drive the unit cost down. He said it will be necessary to maintain a fiscal audit and ensure that the program meets certain basic standards.

Senator Winter said it is his understanding that there is \$650,000 in an appropriations bill for a new program directly related to hospital overcrowding; with the money to be used to move people out of state hospitals. He suggested that money has nothing to do with "649." Dr. Harder said the Department may reach a point in a 12-month period when there can be only so much activity within the institutional system. He suggested that, if it looks as though no more people can be moved during a specific period, and if there is additional money available, it would seem better to reach out in the community and pick up the waiting lists. This, however, would be the second priority. He said he had no reason to believe there will be any of the \$650,000 left over for the funding of provisions of HB 3127.

There followed an extended discussion, with committee members asking for clarification of the contents of HB 3127, and the actual work involved if the measure becomes law.

Ms. Wesselowski distributed her prepared statement {Attachment C}. Senator Bogina asked why the state should be responsible for the waiting list of people needing treatment. Ms. Wesselowski said it is not solely the state's responsibility. She added that it is her organizations' belief that the responsibility should be shared by state and local dollars. When asked by Senator Bogina about the responsibility of parents or guardians, Ms. Wesselowski said there is no difficulty with charging fees, and some families are charged.

Ms. Pasley presented her written testimony. {Attachment D} Committee members were given the opportunity to question her.

Motion was made by Senator Gaines and seconded by Senator Gannon to amend SB 3127 as suggested in the balloon presented by Secretary Harder. The motion carried by voice vote.

Motion was made by Senator Kerr and seconded by Senator Winter to report HB 3127 as amended favorably for passage. The motion carried by roll call vote.

Following the vote on this measure, Senator Bogina indicated he feels there is a lot left to rules and regulations in HB 3127. He agreed that it is a good concept, but he sees problems with it. He said he was aware that Kansas is the only state now following the "649" concept.

HB 3136 - Conservation Fee Fund of State Corporation Commission

Ms. Timmer explained that this measure was requested by a House subcommittee. Fee fund balances have been in the range of \$2 million to \$2.5 million in

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,

room 123-S, Statehouse, at 6:00 a/m./p.m. on April 8, 1986

HB 3136 - Continued

the last several years. She said the subcommittee felt the balances could be reduced to \$1 million. HB 3136 would (1) allow the Kansas Corporation Commission to assess fees lower than the total cost of the program and (2) allow the Commission to reduce the balance in the fund to \$1 million. This bill would be effective only for FY 1987. After that, the circumstances will be reviewed in order to determine how to proceed.

Motion was made by Senator Werts and seconded by Senator Gannon to report HB 3136 favorably for passage. The motion carried by roll call vote.

HB 2612 - Compensation and benefits for state officers and employees; cafeteria plans for benefits as part of the state health care benefits program

Representative Branson presented her written testimony (Attachment E). There were questions from committee members following her presentation. She urged the committee to report HB 2612 favorably.

Mr. Griggs presented Attachment F, noting that the Health Care Commission supports HB 2612. There were questions from committee members following his testimony.

Mr. Dodson suggested that HB 2612 is a mechanism for employees to have a few more dollars in their pockets. He said it may encourage people who are gambling about their families getting sick to sign up for the plan set out in the measure. He stressed that the payment for the insurance coverage for dependents is difficult for some state employees to pay.

Motion was made by Senator Talkington and seconded by Senator Gannon to adopt certain technical amendments needed in the bill. The motion carried by voice vote.

Motion was made by Senator Talkington and seconded by Senator Gannon to report HB 2612 as amended favorably for passage. The motion carried by roll call vote.

RE-REFERRAL OF BILL

Motion was made by Senator Gaines and seconded by Senator Winter to report HB 2953 without recommendation. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.

STATE DEPARTMENT OF SOCIAL & REHABILITATION SERVICES
Statement Regarding House Bill 3127

1. Title - This Bill will allow the establishment of a new method for financing community mental retardation facilities.
2. Purpose - The Secretary of Social and Rehabilitation Services would make grants to community mental retardation facilities based on the number of clients served rather than providing financial assistance based upon local matchable income. The grants would be determined by per diem rates per client as defined by the Secretary through rules and regulations. In addition, each center would be held harmless to receive no less than it earned under the prior "649" Act (K.S.A. 65-4401, et. seq.)
3. Background - During the 1985 interim study, the concept regarding this Bill was conceived and discussed with the community mental retardation providers. The Bill would not effect the state funding for community mental health centers.
4. Effect of Passage - There is no fiscal impact to the state. The Bill provides for a new method for financing community mental retardation facilities.
5. SRS Recommendation - The Department of Social and Rehabilitation Services supports this Bill with certain amendments as attached. The amendments are technical and provide specific authority to the Secretary of SRS as previously stated in K.S.A. 65-4404, 4406, and 4408.

Robert C. Harder, Secretary
Social & Rehabilitation Services
296-3271
8 April 1986

S. W + M 4/8/86

A 4-8-86
6:00

HOUSE BILL No. 3127

By Committee on Ways and Means

3-26

0017 AN ACT concerning state financial assistance for community
0018 mental retardation facilities; authorizing certain grants; pre-
0019 scribing powers, duties and functions for the secretary of
0020 social and rehabilitation services; amending K.S.A. 65-4401 to
0021 65-4408, inclusive, and repealing the existing sections.

0022 *Be it enacted by the Legislature of the State of Kansas:*

0023 New Section 1. Sections 1 to 4, inclusive, and amendments
0024 thereto shall be known and may be cited as the Kansas commu-
0025 nity mental retardation facilities assistance act.

0026 New Sec. 2. (a) "Community mental retardation facilities"
0027 means: (1) Any community facility for the mentally retarded
0028 organized pursuant to the provisions of K.S.A. 19-4001 to 19-
0029 4015, inclusive, and amendments thereto, and licensed in ac-
0030 cordance with the provisions of K.S.A. 75-3307b, and amend-
0031 ments thereto; or (2) any mental retardation governing board
0032 which contracts with a nonprofit corporation to provide services
0033 for the mentally retarded.

0034 (b) "Secretary" means secretary of social and rehabilitation
0035 services.

0036 New Sec. 3. (a) For the purpose of insuring that adequate
0037 community mental retardation services are available to all in-
0038 habitants of Kansas, the state shall participate in the financing of
0039 community mental retardation facilities in the manner provided
0040 by this section.

0041 (b) Subject to the provisions of appropriations acts and the
0042 provisions of section 4, the secretary shall make grants to com-
0043 munity mental retardation facilities based on full-time equiva-
0044 lent clients served and a per diem amount per client as provided amounts
0045 in this section. The secretary shall adopt rules and regulations (1)

S. W. M. 4/8/81

B 4-8-86
6:00

0046 defining full-time equivalent clients and prescribing the method
 0047 of computing full-time equivalent clients and (2) establishing a
 0048 statewide per diem amount per client rate for the purposes of amounts
 0049 determining grants to community mental retardation facilities.

0050 (c) The secretary shall make grant payments each calendar
 0051 quarter which shall be based upon reports of the number of
 0052 actual clients served during the previous calendar quarter, sub- second previous
 0053 ject to the provisions of section 4. In the event that sufficient
 0054 moneys to pay to all community mental retardation facilities the
 0055 full amount of grant payments determined in accordance with
 0056 the number of actual clients served thereby and the current per
 0057 diem amount per client for any calendar quarter have not been amounts
 0058 appropriated or are not available, the entire amount available
 0059 such calendar quarter for grant payments shall be prorated by the
 0060 secretary among all the community mental retardation facilities
 0061 applying for such grant payments in proportion to the amount
 0062 each such community mental retardation facility would have
 0063 received if sufficient moneys had been appropriated and avail-
 0064 able therefor, subject to the provisions of section 4.

0065 (d) The secretary shall adopt rules and regulations for the
 0066 administration of the provisions of the Kansas community mental
 0067 retardation facilities assistance act.

0068 New Sec. 4. During each fiscal year commencing after June
 0069 30, 1986, each community mental retardation facility which-is--was
 0070 eligible for grant payments under section 3 and which received
 0071 assistance under the provisions of K.S.A. 65-4401 to 65-4408,
 0072 inclusive, for the quarter beginning April 1, 1986, and ending fiscal year ending June 30,
 0073 June 30, 1986, shall receive a total amount of grant payments 1986
 0074 under section 3 for such fiscal year in an amount which is not less
 0075 than the total amount of assistance received by such community earned
 0076 mental retardation facility under the provisions of K.S.A. 65-4401
 0077 to 65-4408, inclusive, for the calendar year ending December 31, fiscal June 30, 1986
 0078 1985. In the event that sufficient funds are not appropriated to
 0079 pay all such community mental retardation facilities, which are
 0080 applying for grants, the minimum amounts which such facilities
 0081 are eligible to receive under this section, the secretary shall
 0082 prorate the entire amount appropriated for grants among those

0083 community mental retardation facilities which are applying for
 0084 grants and which are eligible under this section, in proportion to
 0085 the amount each such community mental retardation facility
 0086 would have received under this section if sufficient money had - during the base year ending
 0087 been appropriated therefor. June 30, 1986

See Attachment
 for NEW Sec. 5.

0088 ~~Sec. 5.~~ K.S.A. 65-4401 is hereby amended to read as follows: Sec. 6

0089 65-4401. (a) "Mental health center" means any community men-
 0090 tal health center organized pursuant to the provisions of K.S.A.
 0091 19-4001 to 19-4015, inclusive, or acts amendatory thereof or
 0092 supplemental and amendments thereto, or mental health clinic
 0093 organized pursuant to the provisions of K.S.A. 65-211 to 65-215,
 0094 inclusive, or acts amendatory thereof or supplemental and
 0095 amendments thereto, and licensed in accordance with the pro-
 0096 visions of K.S.A. 75-3307b, or any and amendments thereto.

0097 (b) "Facility for the mentally retarded" means: (1) Any com-
 0098 munity facility for the mentally retarded organized pursuant to
 0099 the provisions of K.S.A. 19-4001 to 19-4015, inclusive, or acts
 0100 amendatory thereof or supplemental thereto, and licensed in
 0101 accordance with the provisions of K.S.A. 75-3307b, or any
 0102 amendments thereto; or (2) any mental retardation governing
 0103 board which contracts with a nonprofit corporation to provide
 0104 services for the mentally retarded.

0105 (c) "Secretary" means secretary of social and rehabilita-
 0106 tion services.

0107 (d) "Fiscal year" means the period commencing January 1
 0108 of any year and ending December 31 of the same year.

0109 ~~Sec. 6.~~ K.S.A. 65-4402 is hereby amended to read as follows: Sec. 7

0110 65-4402. This act K.S.A. 65-4401 to 65-4408, inclusive, and
 0111 amendments thereto may be cited as the Kansas community
 0112 mental health and/or community facility for the mentally re-
 0113 tarded assistance act.

0114 ~~Sec. 7.~~ K.S.A. 65-4403 is hereby amended to read as follows: Sec. 8

0115 65-4403. For the purpose of insuring that adequate community
 0116 mental health and mental retardation services are available to all
 0117 inhabitants of the state of Kansas, the state shall participate, from
 0118 and after January 1, 1975, in the financing of the operation of
 0119 mental health centers and facilities for the mentally retarded in

0120 the following manner: *provided by the Kansas community men-*
0121 *tal health assistance act.* Each mental health center ~~and each~~
0122 ~~facility for the mentally retarded~~ applying for state financial
0123 assistance shall receive assistance in an amount not to exceed
0124 ~~fifty percent (50%)~~ 50% of the total estimated income of such
0125 mental health center ~~or such facility for the mentally retarded~~ for
0126 the next fiscal year after subtracting from such total estimated
0127 income the following:

- 0128 (a) Income received from the state or federal government;
- 0129 (b) income to be used for capital expenditures as determined
0130 by the secretary;
- 0131 (c) governmental third-party payments;
- 0132 (d) salaries paid to professional personnel in excess of the
0133 state salary for a comparable position as determined by the
0134 secretary;
- 0135 (e) income received from other licensed mental health cen-
0136 ters or facilities for the mentally retarded; and ~~(f)(1) as to mental~~
0137 ~~health centers;~~
- 0138 (f) income received by mental health centers to be used to
0139 provide services other than inpatient services, outpatient ser-
0140 vices, partial hospitalization services, ~~twenty-four (24) hour~~
0141 ~~twenty-four-hour~~ emergency services, community education
0142 and professional consultative services, rehabilitation services or
0143 alcoholism and drug abuse services; ~~(2) as to facilities for the~~
0144 ~~mentally retarded, income received by facilities for the mentally~~
0145 ~~retarded to be used to provide services other than diagnosis,~~
0146 ~~evaluation and treatment services, information and referral ser-~~
0147 ~~vices, counseling and follow along services, transportation ser-~~
0148 ~~vices, residential services, day care services, including training~~
0149 ~~and education services for children, sheltered employment ser-~~
0150 ~~vices, including training and education services for adults, or~~
0151 ~~rehabilitation services. In computing such assistance, only those~~
0152 ~~funds appropriated for mental health center programs shall be~~
0153 ~~distributed to the mental health centers and mental health~~
0154 ~~clinics, and only those funds appropriated for mental retardation~~
0155 ~~programs shall be distributed to the facilities for the mentally~~
0156 ~~retarded.~~

0157 ~~Sec. 8.~~ K.S.A. 65-4404 is hereby amended to read as follows:
 0158 65-4404. (a) The governing board of any mental health center ~~or~~
 0159 ~~facility for the mentally retarded~~ may apply for the assistance
 0160 provided by K.S.A. 65-4403; ~~or any and~~ amendments thereto; by
 0161 submitting annually to the secretary a budget showing the es-
 0162 timated receipts and intended disbursements for the fiscal year
 0163 immediately following the date the budget is submitted and a
 0164 report detailing the income received and disbursements made
 0165 during the fiscal year just preceding the date the report is
 0166 submitted.

Sec. 9

0167 (b) The secretary shall adopt rules and regulations under
 0168 which the governing board of each mental health center ~~and~~
 0169 ~~each facility for the mentally retarded~~ applying for state financial
 0170 assistance shall submit to the secretary a budget and report as
 0171 provided by subsection (a) ~~of this section~~ and such other infor-
 0172 mation as the secretary may require.

0173 (c) The secretary upon determination that a program in-
 0174 cluded in the proposed budget of a mental health center ~~or~~
 0175 ~~facility for the mentally retarded~~ is (1) a new program not
 0176 included in previous budgets of such mental health center ~~or~~
 0177 ~~facility for the mentally retarded~~, and (2) duplicates an existing
 0178 program which is adequately serving the geographic area served
 0179 by such mental health center ~~or facility for the mentally retarded~~,
 0180 may subtract that portion of the proposed budget, along with
 0181 those items required by K.S.A. 65-4403; ~~or any and~~ amendments
 0182 thereto, to be subtracted; from the total estimated income of such
 0183 mental health center ~~or facility for the mentally retarded~~ for the
 0184 purpose of computing state financial assistance or may require
 0185 such mental health center ~~or facility for the mentally retarded~~ to
 0186 purchase the service from or otherwise cooperate with such
 0187 other program.

0188 ~~Sec. 9.~~ K.S.A. 65-4405 is hereby amended to read as follows:
 0189 65-4405. (a) At the beginning of each fiscal year and after review
 0190 of the annual budget and annual report submitted in accordance
 0191 with the provisions of K.S.A. 65-4404; ~~or any and~~ amendments
 0192 thereto, the secretary shall determine the amount of state funds
 0193 due to each mental health center ~~and to each facility for the~~

Sec. 10

0194 ~~mentally retarded~~ which has applied for such funds. The secre-
 0195 tary ~~may~~, with the consent of the governing board of a mental
 0196 health center ~~or a facility for the mentally retarded~~, may with-
 0197 hold funds that would otherwise be allocated to the mental
 0198 health center ~~or to the facility for the mentally retarded~~ and use
 0199 the funds to match other funds for the purchase of services for the
 0200 mental health center ~~or the facility for the mentally retarded~~. Any
 0201 funds withheld that are not used to purchase services in the
 0202 various mental health centers ~~or facilities for the mentally re-~~
 0203 ~~tarded will shall~~ be allocated to the mental health center ~~or to the~~
 0204 ~~facility for the mentally retarded~~ from which such funds were
 0205 originally withheld.

0206 (b) The state funds due to each mental health center ~~and to~~
 0207 ~~each facility for the mentally retarded~~ applying therefor shall be
 0208 paid in four quarterly installments. The moneys received in any
 0209 quarter may be used at any time during the year. Installments
 0210 shall be paid as follows: (1) On January 1st for the quarter
 0211 beginning January 1 and ending March 31; (2) on April 1st for the
 0212 quarter beginning April 1 and ending June 30; (3) on July 1st for
 0213 the quarter beginning July 1 and ending September 30; and (4)
 0214 on October 1st for the quarter beginning October 1 and ending
 0215 December 31.

0216 (c) The secretary shall certify to the director of accounts and
 0217 reports the total amount of state funds due each quarter to each
 0218 mental health center ~~and to each facility for the mentally re-~~
 0219 ~~tarded~~ which has applied for such funds. The director of ac-
 0220 counts and reports shall draw ~~his or her~~ warrants on the state
 0221 treasurer payable to the governing board of each such mental
 0222 health center ~~and each such facility for the mentally retarded~~
 0223 upon vouchers executed as provided by law and approved by the
 0224 secretary.

0225 ~~Sec. 10.~~ K.S.A. 65-4406 is hereby amended to read as fol-
 0226 lows: 65-4406. The secretary ~~is hereby granted the authority and~~
 0227 ~~it shall be his or her duty to shall~~ administer the provisions of
 0228 ~~this the Kansas community mental health assistance act.~~ In
 0229 administering the provisions of ~~this the Kansas community~~
 0230 ~~mental health assistance act~~, the secretary shall: (a) Review the

Sec. 11

0231 budgets and expenditures of the various programs, from time to
 0232 time during the fiscal year, and may withdraw funds from any
 0233 program which is not being administered substantially in ac-
 0234 cordance with the provisions of the annual budget submitted to
 0235 the secretary;

0236 (b) provide consultative staff service to mental health centers
 0237 ~~and facilities for the mentally retarded~~ to assist in ascertaining
 0238 local needs, in obtaining federal funds and assistance and in the
 0239 delivery of mental health services ~~and mental retardation ser-~~
 0240 ~~vices~~ at the local level; and

0241 (c) adopt rules and regulations necessary for the administra-
 0242 tion of ~~this~~ *the Kansas community mental health assistance act*.

0243 ~~Sec. 11.~~ K.S.A. 65-4407 is hereby amended to read as fol-
 0244 lows: 65-4407. In the event that sufficient funds to pay the
 0245 maximum amount of state financial assistance to which mental
 0246 health centers ~~and facilities for the mentally retarded~~ may be
 0247 entitled under the provisions of K.S.A. 65-4403; ~~or any and~~
 0248 amendments thereto; have not been appropriated, then the en-
 0249 tire amount appropriated for such assistance shall be prorated
 0250 among all the mental health centers ~~and facilities for the men-~~
 0251 ~~tally retarded~~ applying for such assistance in proportion to the
 0252 amount each mental health center ~~or facility for the mentally~~
 0253 ~~retarded~~ would be entitled to receive under ~~said~~ K.S.A. 65-4403
 0254 ~~and amendments thereto~~ if the maximum amount of state finan-
 0255 cial assistance had been appropriated.

Sec. 12

0256 ~~Sec. 12.~~ K.S.A. 65-4408 is hereby amended to read as fol-
 0257 lows: 65-4408. (a) In the event any mental health center ~~or~~
 0258 ~~facility for the mentally retarded~~ is paid more than it is entitled to
 0259 receive under any distribution made under ~~this~~ *the Kansas*
 0260 *community mental health assistance act*, the secretary shall
 0261 notify the governing board of the mental health center ~~or facility~~
 0262 ~~for the mentally retarded~~ of the amount of such overpayment;
 0263 and such governing board shall remit the same to the secretary.
 0264 The secretary shall remit any moneys so received to the state
 0265 treasurer, and the state treasurer shall deposit the ~~same~~ *the*
 0266 *entire amount of such remittance* in the state treasury. If any
 0267 such governing board fails so to remit, the secretary shall deduct

Sec. 13

0268 the excess amount so paid from future payments becoming c
 0269 to such mental health center ~~or facility for the mentally retard~~
 0270 (b) In the event any mental health center ~~or facility for~~
 0271 ~~mentally retarded~~ is paid less than the amount to which it
 0272 entitled under any distribution made under ~~this the Kan.~~
 0273 *community mental health assistance act*, the secretary shall p
 0274 the additional amount due at any time within the year in wh:
 0275 the underpayment was made or within ~~sixty (60)~~ 60 days after t
 0276 end of such year.

0277 ~~Sec. 13.~~ K.S.A. 65-4401 to 65-4408, inclusive, are here Sec. 14
 0278 repealed.

0279 ~~Sec. 14.~~ This act shall take effect and be in force from a Sec. 15
 0280 after its publication in the statute book.

Attachment for House Bill 3127

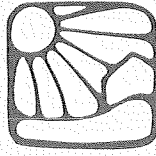
New Section 5 (a) The secretary upon determination that a program included in the proposed budget of a community mental retardation facility is (1) a new program not included in previous budgets of such community mental retardation center and, (2) duplicates an existing program which is adequately serving the geographic area served by such community mental retardation facility, may subtract that portion of the proposed budget from the total budget of such community mental retardation facility or may require such community mental retardation facility to purchase the service from or otherwise cooperate with such other program.

(b) The secretary shall administer the provisions of the Kansas community mental retardation facilities act. In administering the provisions of the community mental retardation facilities assistance act, the secretary shall review the budgets and expenditures of the centers, from time to time during the fiscal year, and may withdraw funds from any center which is not being administered substantially in accordance with the provisions of the annual budget submitted to the secretary;

(c) The secretary shall provide consultative staff service to community mental retardation facilities to assist in ascertaining local needs, in obtaining federal funds and assistance and in the delivery of mental retardation services at the local level; and

(d) In the event any community mental retardation facility is paid more than it is entitled to receive under any distribution made under the Kansas community mental retardation assistance act, the secretary shall notify the governing board of the community mental retardation facility of the amount of such overpayment; and such governing board shall remit the same to the secretary. The secretary shall remit any moneys so received to the state treasurer, and the state treasurer shall deposit the entire amount of such remittance in the state treasury. If any such governing board fails so to remit, the secretary shall deduct the excess amount so paid from future payments becoming due to such community mental retardation facility.

(e) In the event any community mental retardation center is paid less than the amount to which it is entitled under any distribution made under the Kansas Community Mental Retardation Assistance Act, the secretary shall pay the additional amount due at any time within the year in which the underpayment was made or within 60 days after the end of such year.



Kansas Association of Rehabilitation Facilities

TownCenter Building 120 West Sixth, Suite 110
Newton, KS 67114 316-284-2330

TO: SENATE COMMITTEE ON WAYS AND MEANS
FROM: KANSAS ASSOCIATION OF REHABILITATION FACILITIES (KARF)
RE: HB 3127 - AN ACT CONCERNING STATE FINANCIAL ASSISTANCE
FOR COMMUNITY MENTAL RETARDATION FACILITIES
DATE: APRIL 8, 1986

A "quiet crisis" exists in the delivery of services to the mentally retarded/developmentally disabled in Kansas. The "crisis" involves not only state institutions but also community services. Community services are faced with significant waiting lists of individuals from the community, special education, and institutions, insufficient resources, and federal dollar reductions. Part of the solution as supported by the House and Senate Ways and Means Committee is transitional planning with special education and integrated planning for outbound institution clients to form one community waiting list. Other solutions also need to be considered.

Recommendations

KARF recommends that HB 3127 - An Act Concerning State Financial Assistance for Community Mental Retardation Facilities - be a part of the solution and be passed. We also support technical amendments that SRS might propose to assist in administration of grants.

Justification

- Both transitional and integrated planning dictate a financial assistance methodology that has the capability to fund clients and HB 3127 provides that capability.
- The current 649 Formula Grant Program does not or will not adequately address or finance community MR/DD programs now or in the future.

S. W + M 4/8/86

C 4-8-86
6:00

-The 50% level funding would only generate 1.3 million dollars which would not come near to the amount needed to assist in the financing of 750 waiting for services

-If using the current formula, the \$350,000 the House put into State Aid for MR would be reduced to \$2,052.00 for the 750 waiting for services

-Planning is difficult or impossible to do under the present system

-The proposed grant program would provide a method whereby population from the community and special education who are not a part of the targeted population addressed under the Special Grant Program, would be addressed and planned for

-It would provide the accountability desired by legislators for financing received by community MR/DD agencies from the state

-It would be a client driven system rather than an eligible dollar driven system

THE ASSOCIATION FOR
RETARDED CITIZENS OF KANSAS, INC.



1111 W. 59th TERRACE
SHAWNEE, KANSAS 66203 • (913) 268-8200

Hope through understanding

April 8, 1987

BRENT GLAZIER
Executive Director

GINGER CLUBINE

*President
Wichita*

CAROL DUCKWORTH

*Vice President
Lawrence*

VIRGINIA LOCKHART

*Secretary
Topeka*

ROBERT ATKISSON

*Treasurer
Topeka*

DON CULLY

*Past President
Hutchinson*

To: Senator Gus Bogina, Chairman
Members Senate Ways and Means Committee

From: Lila Paslay, Chairperson
Legislative Affairs

Re: HB3127

The members of the ARC/Kansas have appreciated the support given to community programs through "649" State Aid Funding. We believe the services which those funds have partially supported are outstanding.

We worked diligently to become a part of the "649" formula funding. When that legislation was passed it was the best funding mechanism available. In the intervening years, we have discovered that even though we are funded under the same statute as mental health, our funding sources available for the "649" matching funds are very different. We also provide very different types of programs. It appears to us that now is the time to have a grant program that is specifically developed for persons with mental retardation being served in community facilities and programs.

Through HB 3127 all facilities would be treated equally, both urban and rural. The funding would be based on the number of clients served and the per diem rate would be the same for all. State assistance would be funding individuals rather than a facility or program. We believe this will be a method that can easily be understood.

We do want to express the importance of the new Section 4 which contains a "hold harmless" clause. At such a critical time in community services, it is imperative that we maintain all current programs and continue to serve all the individuals presently being served.

We support the technical amendments that are being recommended by SRS.

We urge you to pass HB 3127 and ask your continued support of community services for persons with mental retardation.

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6:00

STATE OF KANSAS

JESSIE M. BRANSON
REPRESENTATIVE, FORTY-FOURTH DISTRICT
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HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
PUBLIC HEALTH AND WELFARE
RANKING MINORITY MEMBER
MEMBER EDUCATION
PENSIONS, INVESTMENTS AND BENEFITS

April 8, 1986

TO: Honorable "Gus" Bogina, Chairman
and Members, Senate Ways and Means Committee

FROM: Representative Jessie Branson

RE: HB 2612

Jessie

Thank you very much, Mr. Chairman and Members of the
Committee for the opportunity of speaking in support of
HB 2612.

HB 2612 basically makes the following provisions:

- 1) Authorizes the Kansas State Health Care Commission
to develop and establish a cafeteria plan, pursuant
to provisions of the federal internal revenue code.
(New Section 1, (a)).

- 2) Allows employees or officers of the state to receive
reduced compensation while the state's contribution
would "pick up" this amount and pay for the cost of
dependent coverage for health care benefits.
(New Section 1, line 31)

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- 3) Provides that any such reduction in compensation shall not be for the purposes of employment security, workmen's compensation, or KPERS.
(New Section 1, (b)).
- 4) Prohibits the reduction of compensation for purposes of the Kansas income tax act (Line 46 - 47, p. 2).
- 5) Requires that implementation of such a plan shall be permissive and subject to approval of the Secretary of Administration to assure adequate data processing resources within DISC. (page 2, lines 49-52).

Mr. Chairman, and Members of the Committee, this plan would provide a benefit to state employees, because those affected would be provided more take home pay. At the same time, more money would be kept in the Kansas economy.

This legislation is flexible, allowing the Secretary of Administration to implement it as computer capacity allows.

The only cost to the state would be that of programming for the computer, and the set-up costs in Accounts and Reports in the Division of Personnel.

I urge your favorable action on HB 2612.

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
JOHN CARLIN, Governor
ALDEN K. SHIELDS, Secretary of Administration
Room 263-E, Capitol Building
(913) 296-3011

MEMORANDUM

TO: Senate Ways and Means Committee
FROM: Arthur H. Griggs, Chief Attorney
DATE: April 8, 1986
SUBJECT: H.B. 2612 - Fringe Benefits

The Kansas State Employees Health Care Commission has been supportive of H.B. 2612 because of the positive impact an I.R.S. Code Section 125 plan would have on the take-home pay of State employees that carry their dependents' health care coverage through the State's health insurance or HMO plan.

Highly summarized, the way the Commission envisions how the Section 125 plan would work and its impact is as follows. Employees with dependent health care coverage could agree to a salary reduction equal to the cost of their dependent health care coverage, in exchange for which the State would agree to pay for the dependent health care coverage. Thus, for the purpose of computing federal income taxation, the employee gross income goes down and federal income tax goes down accordingly.

There are approximately 12,800 State employees with dependent coverage. Assuming: (1) all eligible employees sign up; (2) an 18% federal income tax bracket; and (3) an average annual cost of dependent coverage of \$1440 (\$120 a month), the federal income tax avoided and thus available for expenditure by State employees is computed as follows:

12,800 employees x \$1,440 =	\$18,432,000
Federal Tax Bracket	x .18
Total Increased Take Home Pay	<u>\$ 3,317,760</u>

This would be equal to an average increase in take-home pay per year of \$259 per employee.

Our Accounts and Reports Division completed a more detailed analysis which indicates a median increase of \$259 per employee.

AHG:kdh

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