

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION

The meeting was called to order by Representative Thomas F. Walker at
Chairperson

9:00 a.m./p.m. on Thursday, February 18 1988 in room 522-S of the Capitol.

All members were present except:

Representative Barr - Excused
Representative Schauf - Excused
Representative Sprague - Excused Representative Peterson
Committee staff present:

Avis Swartzman - Revisor
Carolyn Rampey - Legislative Research
Mary Galligan - Legislative Research
Robin Hunn - Legislative Research
Jackie Brey Meyer - Committee Secretary

Conferees appearing before the committee:

Andrew O'Donovan, Commissioner, Alcohol and Drug Abuse Services, SRS

Chairman Walker called the meeting to order.
The minutes will stand approved at the end of the meeting if there are no corrections/additions

Robin Hunn, Legislative Research, was present to give a staff briefing on the Department of Social and Rehabilitation Services. She said it is a complex agency and a very large one. It is valuable to have some background in the budget considerations, particularly where the federal dollars impact on programs. She said she would not concentrate on state institutions. Ms. Hunn had a variety of handouts she distributed to the committee. (Attachments 1 thru 4)

On the attachment entitled "SRS-Major Programs" Ms. Hunn gave the programs and percentage of the budget which the dollar amount entailed. The nursing home program is one of the largest programs with 20% of the budget. Medical Assistance - Other takes in hospital payments, drugs etc. with 25% of the budget.

Ms. Hunn turned to the next page entitled 'Selected Characteristics of Public Assistance Clients' and highlighted certain areas on the page. She pointed out that in AFDC the 42.3% figure takes in children under 3 years of age. Mothers of this age group are exempted from any kind of work program. This, of course, is one of the dis-incentives and this large category of clients remain on welfare for a significant amount of time. Representative David Miller's Kan-Work bill address this area to a certain extent. Ms. Hunn went over several more pages of figures and statistics for the committee. At this point, the Chairman stopped Ms. Hunn so that Commissioner O'Donovan could begin his presentation. Ms. Hunn will return in the future, taking up her staff review where she left off today.

Andrew O'Donovan, Commissioner, Alcohol and Drug Abuse Services, made his first appearance before the committee. Members were given copies of Mr. O'Donovan's testimony. (Attachment 5) He mentioned that Ms. Hunn's chart showed \$7,336,667 for FY 1989, which is 1.1% of the budget. He directed attention to the second paragraph which told of the governor receiving legislative approval to spend \$5 million dollars in federal anti-drug funds during fiscal year 1988 and 1989. SRS received 35% of these federal funds. This makes the Alcohol and Drug Abuse Services budget \$8,346,000 for fiscal year 1988. The service provides funding programs for mostly non-profit community programs. The main emphasis is on tracking, monitoring, licensing and developing programs. This is a new field with new procedures where they are trying to raise standards and the quality of care. There is a major push in the agency to achieve these goals.

Mr. O'Donovan spoke of youth and drug prevention and the anti-drug policy where there is no tolerance of drug use. He said something seems to happen at age 12, or 8th grade, where the attitude towards drugs changes. At the older level, middle-aged people will 'out of the blue' start using cocaine.

Elaine Brady Rogers, ADAS, made a few comments regarding programs for drug prevention in the schools. She related how parents, teachers and students work together in various programs along with community representatives trained in prevention skills for an informed and successful attack on the drug problems facing youth and their peers. In answer to a question, Ms. Rogers said that a school representative does sit on the advisory commission.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON GOVERNMENTAL ORGANIZATION
room 522-S Statehouse, at 9:00 a.m./p.m. on Thursday, February 18, 1988.

Turning to ADAS programs within the penal system, Mr. O'Donovan said that one of the major problems is the lack of good programs within the penal institutions. He does not know why a program has to be 45 days. A 28-day program could be just as effective and get more inmates through the programs. The agency is trying to address this problem with the Secretary of Corrections. He also said he did not know whether the program would benefit an inmate more inside the prison or in a community setting. Being responsible for all treatment within the state includes all the institutions. This is a difficult job. It would be better in his opinion for all funding to come to SRS because it is the agency responsible for seeing to the treatment of all people in and out of prison.

In regard to the state as a whole, no one area of Kansas is very well served, but some areas are being better served than others; these would be some of the urban areas. The gaps in services must be identified by county and region and then the minimal needs must be filled.

Mr. O'Donovan commented that there are good DUI laws in Kansas, but the trouble might arise in the enforcement of them. He spoke of punishment by fine, imprisonment, or loss of drivers license. There must be education and treatment. It is also a question of the amount of funds available to work with.

The Chairman thanked Mr. O'Donovan for appearing before the committee. He stated the entire SRS picture is a very involved one and needs further study. Next week's agenda is already set, but the committee will soon take up SRS again.

The meeting was adjourned.

Additional attachment submitted by Ms. Hunn as requested by committee labeled (Attachment 6).

MEMORANDUM

February 17, 1988

TO: House Governmental Organization
FROM: Kansas Legislative Research Department
RE: Possible Areas of Review -- SRS

Administration

1. SRS is in the process of developing and implementing an automated eligibility system to allow income maintenance workers to enter data into a computer terminal during a client interview to automatically determine eligibility for food stamps, cash, and medical assistance. In addition, the child support enforcement system will be incorporated into this computer system. This system is costing considerably more than estimated by SRS during the 1987 Session when the system was approved. Although the system should greatly increase the efficiency of SRS income maintenance activities, SRS has stated in the past that there would be no staffing reductions once the system is implemented. The implementation of the system is considerably behind schedule. Last session SRS stated the system would be fully implemented by July, 1988; the full implementation is now scheduled for March, 1989.
2. The Child Support Enforcement program is within the Administration section of SRS. The federal government requires each state to have a statewide child support enforcement program, and if certain federal mandates are not met, states can lose federal matching funds. SRS has had difficulty complying with these federal mandates in the past and is currently operating under a corrective action plan. The Committee may wish to review the current problems in complying with these federal mandates in the Child Support Enforcement program. SRS recently contracted with a private consulting firm to review the Kansas Child Support Enforcement program. The Committee may wish to review the results of the consultant's study.

The Judicial Branch is also involved in the Child Support Enforcement program. Generally, the court trustees are responsible for enforcement of child support orders and SRS is responsible for establishing those orders. The Committee may wish to review how the split responsibilities for the program have developed over the past few years.

Alcohol and Drug Abuse Services

1. Beginning in FY 1987, SRS began funding alcohol and drug treatment programs for inmates at the Kansas State Industrial Reformatory. The Governor recommends continuation of this funding in FY 1988 and FY 1989. Funding for alcohol and drug treatment programs for inmates is also included within the Department of Corrections' budgets. The Committee may wish to review whether it is desirable to continue this arrangement.

ATTACHMENT 1
G.O. COMMITTEE

2/18/88

2. The federal government provided major new substance abuse funding for FY 1988. Additional major new funding is also anticipated in FY 1989. The Committee may wish to review how the funds for FY 1988 are being utilized and how new federal funds might be used for alcohol and drug abuse services.

Vocational Rehabilitation Services

1. During the 1986 Legislative Session, H.B. 2300 was passed which authorized the Secretary of SRS to prepare transitional plans for serving mentally retarded individuals exiting special education programs. The bill was designed to establish a mechanism for SRS to receive necessary information from local school districts and identify the service needs of individuals leaving special education programs. The Committee may wish to review the status of this program.
2. The SRS Division of Disability Determination Services reviews eligibility for federal assistance programs such as Supplemental Security Income (SSI) and Social Security Disability Income (SSDI). The Committee may wish to review what efforts are made by this Division to determine whether state-financed General Assistance clients are eligible for federal assistance programs.
3. Kansas Industries for the Blind.

Income Maintenance and Medical Services

1. The SRS Medical Management Information System (MMIS) provides claims processing and reporting for the large and complex medical assistance program. In the past few years, this system has been contracted to Electronic Data Systems-Federal (EDS) and provides management and administrative reporting, surveillance and utilization review, claims processing, provider enrollment, review for third-party liability, and other services to comply with federal requirements in the Medicaid program. In FY 1989, the contract is estimated to cost \$5.7 million. The Committee may wish to review this system.
2. The Low Income Energy Assistance Program (LIEAP) program has already been a subject of considerable discussion this session. There continue to be problems in both the LIEAP and Weatherization programs. The Committee may wish to future options the state has for these programs.
3. The SRS Emergency Assistance program provides emergency funds to income eligible families with children when evictions or disasters occur and other resources are not available. Other states have utilized this program more than Kansas has and in recent years the program in Kansas has been closed out in the last quarter of the fiscal year. The Committee may wish to review problems in this program.

Adult Services

1. The Adult Services Medical Review Program includes 13 review teams who annually review clients in adult care homes to determine Medicaid eligibility and monitor the quality of care received. The section is also responsible for administering the adult care home reimbursement system, conducting screening of applicants for adult care homes, and administering the Home and Community Based Services program. The Department of Health and Environment also has review teams that annually certify adult care homes. These teams are partially financed through a contract with SRS. The Committee may wish to review the responsibilities of the two agencies with regard to adult care home surveys.
2. SRS provides funding through the Medical Assistance budget to Intermediate Care Facilities for the Mentally Ill. Persons in these facilities who are between the ages of 16 and 65 are not eligible for federal Medicaid funding and the state must bear the full cost of care. SRS has recently conducted a study on how to more appropriately utilize these facilities, and the Committee may wish to review that study.
3. In July, 1987, SRS made significant changes in the Homemaker and Home Care Worker program. There have been numerous problems in the implementation of these changes and the Committee may wish to review these programs.
4. In July, 1987, the Daycare program was shifted from the Youth Services program to the Adult Services program. Problems have been noted in the past in the availability of daycare programs for SRS clients. The Committee may wish to review the availability of daycare throughout the state.

Youth Services

1. In FY 1988, the allocation formula for distribution of foster care funds was changed, in part due to a Legislative Post Audit study and recommendations by the Ways and Means Committees. The initial allocations created significant complaints by certain areas of the state and there were criticisms that the formula resulted in inappropriate foster care placement decisions. Some reallocations of the funds have been made since that time. The Committee may wish to review the issues surrounding the foster care program.

Mental Health and Retardation Services

1. Norton State Hospital -- future plans.
2. There has been considerable discussion in recent years regarding the size of the state institutions and whether many of those clients should instead be served in community programs. There have also been several interim studies on this subject. Areas that have not been particularly reviewed that relate to this question are: (a) whether alcohol and drug programs are appropriately placed in state institutions, (b) whether the state should

continue to attempt to keep the correctional beds at Larned accredited as hospital beds, and (c) how should the state provide services to clients who are dually-diagnosed as mentally retarded and mentally ill.

3. The Division of Mental Health and Retardation Services provides significant state aid to the community programs for the mentally retarded. The Division of Adult Services also provides significant funding to the same programs. The Committee may wish to review this situation.

SRS-MAJOR PROGRAMS

	AMOUNT FY 1989	PERCENT OF BUDGET
MEDICAL ASSISTANCE-NURSING HOMES*	\$135,436,797	20.1%
MEDICAL ASSISTANCE-OTHER	\$169,820,729	25.1%
AID TO FAMILIES WITH DEPENDENT CHILDREN	\$111,055,372	16.4%
GENERAL ASSISTANCE	\$10,246,796	1.5%
FOSTER CARE	\$24,239,970	3.6%
MENTAL HEALTH AND RETARDATION PROGRAMS	\$31,385,903	4.6%
LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP)	\$13,676,841	2.0%
ALCOHOL AND DRUG GRANTS	\$7,336,667	1.1%
STATE OPERATIONS (2979.9 POSITIONS)	\$140,677,227	20.8%
OTHER	\$31,499,561	4.7%
TOTAL	\$675,375,863	100.0%

* Includes Intermediate Care Facilities for the Mentally Ill and Mentally Retarded

ATTACHMENT 2
G.O. Comm. 2/18/88

SELECTED CHARACTERISTICS OF PUBLIC ASSISTANCE CLIENTS

		AFDC	AFDC-UP	GA			AFDC	AFDC-UP	GA
		%	%	%			%	%	%
KANSAS RESIDENCY	1-5 Months	1.7	4.5	4.2	SKILL LEVEL	Never Worked	12.4	1.5	9.3
	6-12 Months	3.3	4.5	2.1		Unskilled	54.8	50.8	59.7
	1-2 Years	6.6	5.0	3.8		Skilled	21.2	42.2	24.2
	2-5 Years	10.8	17.6	9.7		Professional	11.6	5.5	6.8
	5 + Years	77.6	68.3	80.1					
FORMAL EDUCATION	None	0.4	2.5	1.7	WORK HISTORY	Never Worked	12.4	1.5	9.3
	Grades 1-8	7.5	16.6	20.3		Full-time	60.6	72.4	60.2
	Grades 9-11	36.9	35.2	33.1		Part-time	22.4	9.0	12.7
	High School	35.7	28.1	31.8		Seasonal	1.7	10.1	9.3
	High School +	19.5	17.6	13.1		Odd Jobs	2.5	3.5	5.9
MARITAL STATUS	Never Married	32.0	2.0	36.9	UNEMPLOYMENT BENEFITS	Self-Employed	0.4	3.5	2.5
	Divorced	35.7	2.0	23.7		Never Received	71.4	22.6	51.3
	Separated	18.3	0.0	10.6		Still Receives	0.4	3.0	1.7
	Widowed	1.7	0.0	5.5		Under 1 Month	0.0	1.0	0.8
	Married Now	4.4	96.0	23.3		1-6 Months	2.1	9.0	4.2
TIME SINCE LAST JOB	Never Worked	12.4	1.5	9.3	HOUSEHOLD SIZE	Over 1 year	22.8	57.3	36.4
	1-6 Months	7.5	21.1	14.4		1	0.8	0.0	39.0
	6-12 Months	10.0	18.1	16.9		2	23.7	0.0	28.8
	1-2 Years	19.5	24.1	20.8		3	27.4	25.6	15.7
	2 Years +	44.4	31.7	35.2		4	24.9	36.2	6.8
	Working Now	6.2	3.5	3.4		5	12.0	17.6	4.7
AGE OF YOUNGEST CHILD	Under 3 Years	42.3	49.7	N/A	6 +	11.2	20.6	5.1	
	3-5 Years	27.0	19.1	N/A					
	6-15 Years	29.5	29.1	N/A					
	16-17 Years	1.2	2.0	N/A					

AFDC = Aid to Families with Dependent Children
 AFDC-UP = Aid to Families with Dependent Children -- Unemployed Parent
 GA = General Assistance Unrestricted and Transitional General Assistance

Source: 1985 Survey completed by SRS Research and Statistics Section

AID TO FAMILIES WITH DEPENDENT CHILDREN

FISCAL YEAR	MONTHLY AVERAGE NO. OF CLIENTS	PERCENT CHANGE	TOTAL EXPENDITURES	AVG. GRANT PER CLIENT
1976	73,933		\$63,845,824	\$71.96
1977	73,119	-1.1%	\$73,491,389	\$83.76
1978	71,007	-2.9%	\$71,513,567	\$83.93
1979	63,123	-11.1%	\$62,535,270	\$82.56
1980	64,182	1.7%	\$72,907,103	\$94.66
1981	71,276	11.1%	\$85,852,000	\$100.37
1982	64,737	-9.2%	\$81,223,137	\$104.56
1983	69,494	7.3%	\$88,151,473	\$105.71
1984	70,896	2.0%	\$86,035,854	\$101.13
1985	66,661	-6.0%	\$83,474,592	\$104.35
1986	67,122	0.7%	\$88,805,929	\$110.26
1987	72,494	8.0%	\$94,760,190	\$108.93
GOV. REC. FY 1988*	75,245	3.8%	\$102,664,278	\$113.70
GOV. REC. FY 1989	81,445	8.2%	\$111,055,372	\$113.63

* Based on AFDC caseloads through February, it appears that caseloads for FY 1988 will be approximately the same as for FY 1987. The Governor's recommendations appear to significantly overstate the cost of the AFDC program in FY 1988. Based on the projected caseload for FY 1988, the Governor's recommendation for FY 1989 would provide caseload growth of approximately 13-14 percent, or higher than any growth rate between FY 1976 and FY 1988.

HISTORY OF KANSAS PUBLIC ASSISTANCE BENEFITS COMPARED TO POVERTY LEVELS
FISCAL YEARS 1975 - 1988

	HH Size	Monthly ADC Grant	Monthly Winter LIEAP Benefit	Monthly Food Stamp Benefit	Total Monthly Benefits	Federal Poverty Level Monthly-Annual	Total Benefits As a % of Poverty Level	Kansas * Minimum Need Level Monthly-Annual	Total Benefits As a % of MNL		
1975	1	157	----	38	195	215	2,590	90%			
	3	263	----	76	345	352	4,230	98%			
	5	329	----	108	437	489	5,870	89%			
1977	1	162	----	44	206	247	2,970	83%			
	3	273	----	82	361	407	4,890	88%			
	5	364	----	112	476	567	6,810	83%			
1979	1	200	----	49	249	283	3,400	87%			
	3	310	----	116	426	466	5,600	91%			
	5	390	----	162	552	650	7,800	84%			
1981	1	210	11	67	288	359	4,310	80%			
	3	328	11	145	484	589	7,070	82%			
	5	415	11	209	635	819	9,830	77%			
1983	1	216	15	70	301	405	4,860	74%	344	4,138	87%
	3	338	15	157	510	685	8,220	74%	582	6,984	87%
	5	427	15	231	673	965	11,580	69%	820	9,840	82%
1985	1	222	18	73	313	438	5,250	71%	371	4,452	84%
	3	347	18	159	524	738	8,850	71%	626	7,512	83%
	5	439	18	233	690	1,038	12,450	66%	881	10,572	78%
1986**	1	230	18	79	327	446	5,360	73%	388	4,656	84%
	3	371	18	172	561	760	9,120	74%	655	7,860	85%
	5	479	18	250	747	1,073	12,880	70%	921	11,052	81%
1987	1	232	16	81	329	458	5,500	72%	395	4,740	83%
	3	377	16	175	568	775	9,300	73%	668	8,016	85%
	5	489	16	249	754	1,091	13,100	69%	939	11,268	80%
1988 Non- Shared Living	1	234	16	81	331	467	5,610	71%	408	4,896	81%
	3	383	16	173	572	790	9,486	72%	691	8,292	83%
	5	499	16	246	761	1,113	13,362	68%	971	11,652	78%
1988 Shared Living	1	168	16	81	265	467	5,610	56%	408	4,896	64%
	3	339	16	186	541	790	9,486	68%	691	8,292	78%
	5	466	16	256	738	1,113	13,362	66%	971	11,652	76%

These grant amounts are for families with no other income.

*The Kansas Minimum Need Level as established by the House and Ways Means Committee for FY-86 and adjusted annually according to the inflation factor determined by the Kansas Consensus Revenue Estimating Group.

**Estimates from previous report revised to reflect actual 1986 levels.

COMPARISONS-AFDC MAXIMUM GRANT FOR FAMILY OF THREE AS A PERCENT OF THE FEDERAL POVERTY LEVEL

STATE	MAXIMUM GRANT FOR AFDC FAMILY OF 3	PERCENT OF FEDERAL POVERTY LEVEL (\$9,300)
ALABAMA	\$1,416	15.2%
ALASKA	\$8,988	77.3%
ARIZONA	\$3,516	37.8%
ARKANSAS	\$2,424	26.1%
CALIFORNIA	\$7,596	81.7%
COLORADO	\$5,852	54.3%
CONNECTICUT	\$6,168	66.3%
DELEWARE	\$3,720	40.0%
DISTRICT OF COL.	\$4,368	47.0%
FLORIDA	\$3,168	34.1%
GEORGIA	\$3,156	33.9%
HAWAII	\$5,892	55.1%
IDAHO	\$3,648	39.2%
ILLINOIS	\$4,104	44.1%
INDIANA	\$3,456	37.2%
IOWA	\$4,572	49.2%
KANSAS	\$4,596	49.4%
KENTUCKY	\$2,364	25.4%
LOUISIANA	\$2,280	24.5%
MAINE	\$6,696	72.0%
MARYLAND	\$4,303	46.3%
MASSACHUSETTS	\$6,600	71.0%
MICHIGAN	\$6,480	69.7%
MINNESOTA	\$6,384	68.6%
MISSISSIPPI	\$4,416	47.5%
MISSOURI	\$3,384	36.4%
MONTANA	\$4,308	46.3%
NEBRASKA	\$4,200	45.2%
NEVADA	\$3,420	36.8%
NEW HAMPSHIRE	\$5,832	62.7%
NEW JERSEY	\$5,088	54.7%
NEW MEXICO	\$3,168	34.1%
NEW YORK	\$5,964	64.1%
NORTH CAROLINA	\$3,180	33.4%
NORTH DAKOTA	\$4,452	47.9%
OHIO	\$3,780	39.9%
OKLAHOMA	\$3,720	40.0%
OREGON	\$4,944	53.2%
PENNSYLVANIA	\$4,380	47.1%
RHODE ISLAND	\$6,036	64.9%
SOUTH CAROLINA	\$4,656	50.1%
SOUTH DAKOTA	\$4,392	47.2%
TENNESSEE	\$4,236	45.5%
TEXAS	\$2,280	23.7%
UTAH	\$8,316	89.4%
VERMONT	\$7,236	77.8%
VIRGINIA	\$3,492	37.5%
WASHINGTON	\$5,984	63.5%
WEST VIRGINIA	\$2,988	32.1%
WISCONSIN	\$6,600	71.0%
WYOMING	\$4,320	46.5%

OVERVIEW OF MEDICAL ASSISTANCE PROGRAMS

The Medical Assistance Program is one of the largest programs administered by state government. The Kansas Department of Social and Rehabilitation Services currently administers two separate medical assistance programs. The Medicaid Program is partially federally funded (54.24 percent FY 1988) and serves clients eligible under one of the following mandatory or optional federal categories:

- o AFDC recipients
- o SSI recipients
- o Ribicoff Children (non-dependent under 18)
- o Children under 21 receiving institutional care
- o The medically needy (must spend-down a portion of their own funds).
- o Pregnant women who meet AFDC resource requirements

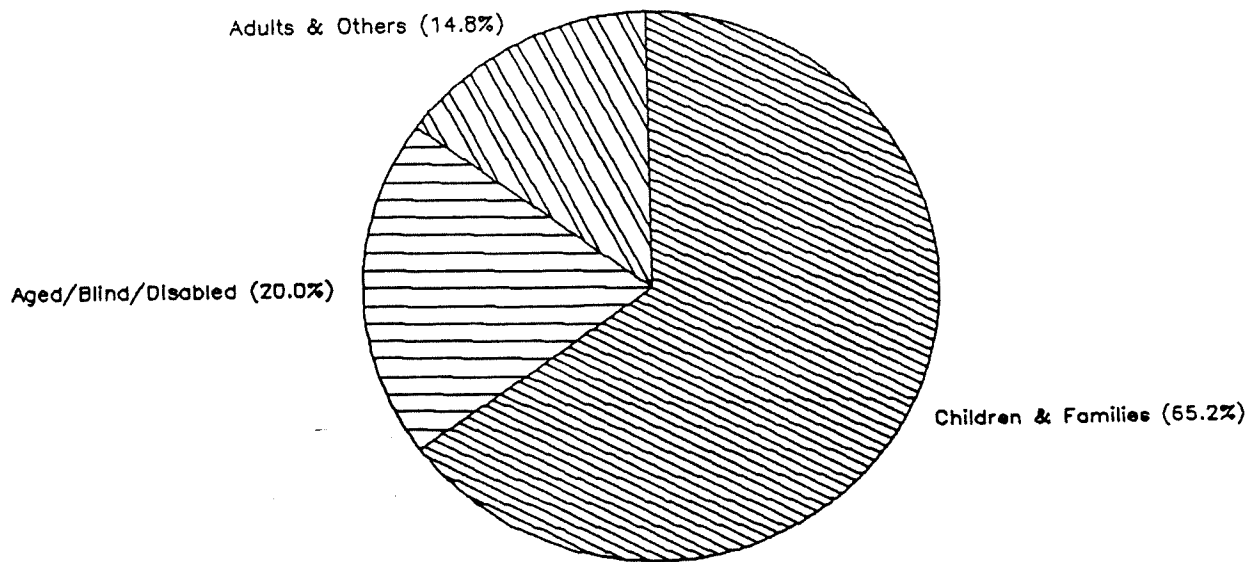
The partially federally funded Medicaid Program accounts for 95 percent of Medical Assistance Program expenditures. The Department also administers a totally state funded MediKan Program that serves needy Kansans who do not qualify under the Medicaid Program. The program includes persons who qualify for the state funded General Assistance Unrestricted (GAU) Program:

- o Non-AFDC families
- o Persons over 55 years old
- o Physically or mentally incapacitated persons who are not eligible for SSI

MEDICAL ASSISTANCE
Unduplicated Eligibles
Fiscal Year 1987

Children & Families	65.2%
Aged/Blind/Disabled	20.0%
Adults & Others	14.8%
Total	100.0%

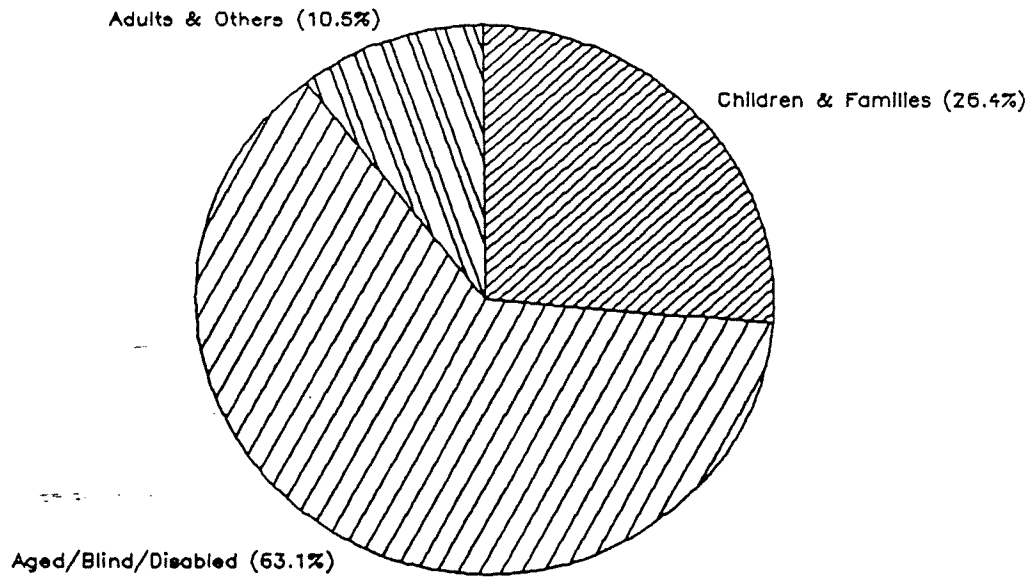
Unduplicated Eligibles
FY 1987



MEDICAL ASSISTANCE
Expenditures
Fiscal Year 1987

Children & Families	26.4%
Aged/Blind/Disabled	63.1%
Adults & Others	10.5%
Total	100.0%

Expenditures
FY 1987

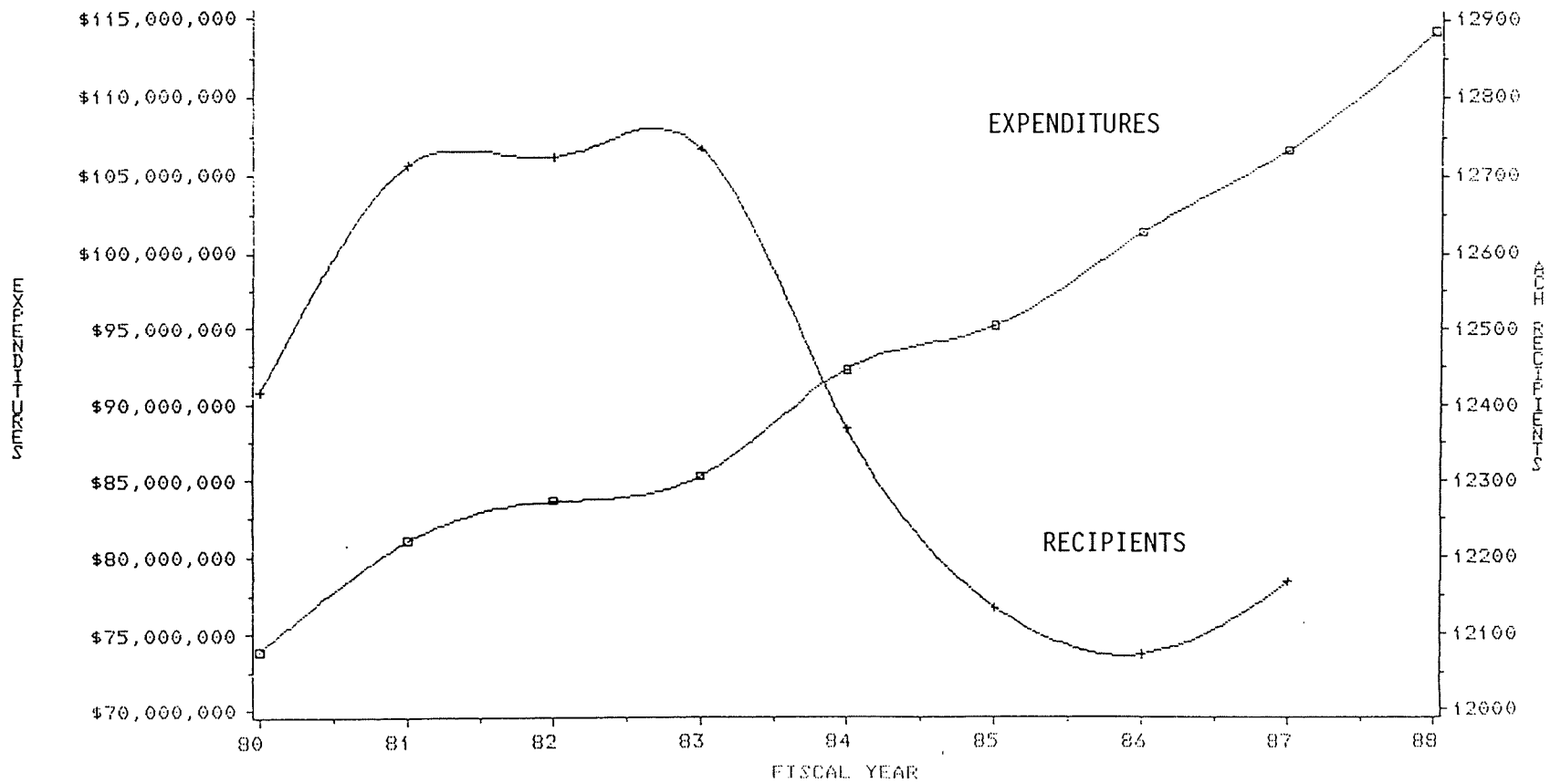


MEDICAL ASSISTANCE PROGRAM

ADULT CARE HOMES

RECIPIENTS & EXPENDITURES

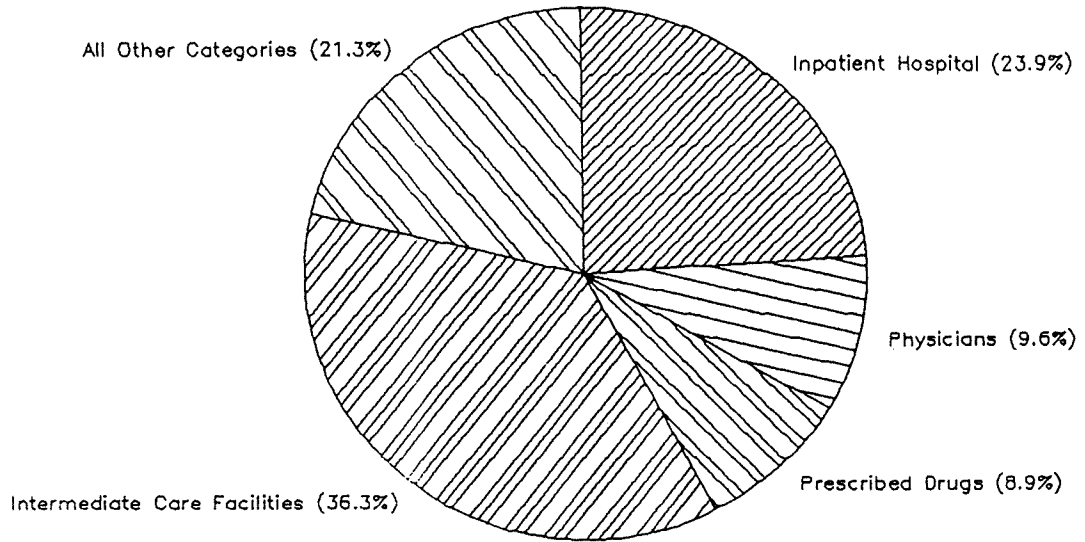
FISCAL YEARS 1980 TO 1988



LEGEND: RED, SQ=TOTAL EXPENDITURES BLUE, +=TOTAL RECIPIENTS

Medical Assistance Program

FY 1987 Major COS Expenditures



Information Services
July 1987

MEDICAL ASSISTANCE PROGRAM

**Expenditures for Midwest
FY 1981 - 1987**

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Colorado	\$221,743,610	\$249,778,552	\$282,135,336	\$307,916,577	\$331,589,451	\$348,762,425	N/A
Iowa	220,596,314	239,377,537	253,331,415	279,276,112	303,480,400	379,843,954	411,544,067
Kansas	205,352,450	217,132,789	231,916,921	229,213,394	231,329,170	243,485,445	249,873,440
Missouri	361,890,246	390,646,252	413,663,602	450,147,986	449,299,192	536,259,445	582,856,898
Nebraska	107,148,031	123,176,866	140,754,218	138,867,306	151,421,069	174,100,639	200,892,138
Oklahoma	287,093,035	343,122,890	374,263,371	383,994,352	410,556,120	480,293,720	506,587,201

**Cumulative Percentage Increase in Expenditures for Midwest
FY 1981 - 1987**

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Colorado	12.6%	27.2%	38.9%	49.5%	57.3%	N/A
Iowa	8.5	14.8	26.6	37.6	72.2	86.6
Kansas	5.7	12.9	11.6	12.6	18.6	21.7
Missouri	7.9	14.3	24.4	24.1	48.2	61.1
Nebraska	15.0	31.4	29.6	41.3	62.5	87.5
Oklahoma	19.5	30.4	33.8	43.0	67.3	76.5

MANDATORY AND OPTIONAL SERVICES

MANDATORY

Inpatient Hospital - General
Outpatient Hospital
Skilled Nursing Facilities
Home Health Agency
Rural Health Clinics
Laboratory and Radiology
Family Planning Services
Physician Services

OPTIONAL

Inpatient Hospital - Mental
Attendant Care for Independent Living
Intermediate Care Facilities
Intermediate Care Facilities for
Mentally Retarded
Home and Community Based Services -
(Waivered Service)
Local Health Departments
Prescribed Drugs
Ambulance
Dental Services
Optometric Services
Community Mental Health Centers
Psychologists
Podiatry Services
Chiropractic Services
Audiology Services
Medical Supplies and Durable
Medical Equipment
Orthotics and Prosthetics
Non-Ambulance Medical Transportation

Division of Medical Programs
Department of Social and Rehabilitation Services

COMPARISON OF MEDICAID 1980 vs 1987

**All Medicaid
Except EPSDT*
Effective 07-01-80**

**All Medicaid
Except EPSDT*
Effective 07-01-87**

**MediKan Adults
Effective 07-01-87**

**Inpatient Hospital
General**

All inpatient services were covered.

All inpatient services are covered with the exception of elective surgery. Same as Medicaid.

Detoxification was covered up to 8 days and substance abuse treatment to 30 days. Psychiatric treatment was covered up to 21 days per admission.

Detoxification is covered up to 8 days. Substance abuse treatment is limited to 3 admissions per lifetime, and is covered up to 25 days per admission. Rehabilitation therapy is covered for up to 6 months and if restorative following an illness or accident. Normal obstetrical deliveries are covered for 2 days.

The number of days allowed was determined by the attending physician and/or the hospital utilization review committee.

Stays are subject to utilization review through contract with a utilization review organization. Copayment is \$25.00 per admission.

Outpatient Hospital

All services were covered.

All services are covered except non-emergency visits count against the office visit limitation. Copayment is \$10.00 per outpatient surgery and \$1.00 per non-emergency visit. Same as Medicaid.

Home Health Agency

A physician's plan of treatment was required. Skilled nursing and home health aide services, physical, occupational and speech therapy were covered.

A physician's plan of treatment is required. Skilled nursing and home health aide services, physical, occupational and speech therapy are covered. Same as Medicaid.

All Medicaid
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Effective 07-01-80

All Medicaid
Except EPSDT*
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MediKan Adults
Effective 07-01-87

**Local Health
Departments**

Family planning services and immunizations were covered.

Prenatal risk reduction and health promotion, newborn home visits, immunizations and other injections, family planning services, selected laboratory procedures and diagnosis and treatment of sexually transmitted diseases are covered. Physician services in certain health departments are covered.

Same as Medicaid.

**Laboratory and
Radiology**

All services were covered except for CAT scans and genetic studies.

All services are covered except for genetic studies and certain services provided free through local health departments such as the diagnostic tests for AIDS.

Same as Medicaid.

Prescribed Drugs

All drugs and supplies were covered. Co-pay was \$.50 per new or refilled prescription.

Drugs and supplies from a very limited formulary (list) are covered. Copayment is \$1.00 per new or refilled prescription.

Same as Medicaid, but the list is more restrictive.

**Family Planning
Services**

All services (counseling, physical examination, laboratory tests, surgical procedures, supplies and devices and natural family planning methods that prevent conception) were covered if provided by physicians, local health departments or family planning clinics.

All services (counseling, physical examination, laboratory tests, surgical procedures, supplies and devices and natural family planning methods that prevent conception) are covered if provided by physicians, local health departments or family planning clinics.

Same as Medicaid.

Ambulance

Emergency ambulance services were covered to the nearest appropriate facility. Non-emergency trips required prior authorization.

Emergency services are covered. Non-emergency but medically necessary ambulance trips are covered with prior authorization. Copayment is \$1.00 per non-emergency ambulance trip.

Emergency ambulance services are covered. Non-emergency ambulance services are not covered.

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Physician Services

All services were covered except office visits were limited to 3 per month or 36 annually and adult care home visits were limited to 1 per month. All surgery services were covered.

All services are covered except office visits are limited to 12 per year and psychotherapy to 24 hours per year. Non-elective surgery is the only surgery covered. Copayment is \$1.00 per office visit.

Same as Medicaid.

Dental Services

All services were covered except prior authorization was required for treatment plans exceeding \$300 and dentures.

Non-elective dental surgery is covered. For example, the repair of fractures of the jaw or removal of tumors. Dentures and extraction of teeth are not covered.

Same as Medicaid

Optometric Services

All services were covered. Eyeglasses were provided only if there was severe medical hardship or for employment, education or job readiness.

2 visits per month for examinations and treatment for medical conditions of the eye are covered. 1 complete eye exam is allowed every 4 years. Eyeglasses are covered every 4 years if there is severe medical hardship, or for employment or job readiness. Copayment is \$1.00 per visit.

2 visits per month for examinations and treatment for medical conditions of the eye are covered. Other exams and eyeglasses are not covered. Copayment is \$1.00 per visit.

**Community Mental
Health Centers**

Outpatient Treatment: 75 hours of group therapy or 15 hours of individual therapy or a combination of these were covered per year.

Outpatient Treatment: 200 hours of group therapy or 40 hours of individual therapy or a combination of these are covered per year.

Outpatient Treatment: 120 hours of group therapy or 24 hours of individual therapy or a combination of these are covered per year.

Substance abuse treatment services were covered but these hours were included in the therapy limitation per year.

200 hours of treatment for substance abuse are covered per a recipient's life-time but these hours are included in the therapy limitation per year.

Same as Medicaid.

10 hours of psychological testing and evaluation were covered per year.

6 hours of psychological testing and evaluation every 2 years are covered with prior authorization.

6 hours of psychological testing every 3 years are covered with prior authorization.

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**MediKan Adults
Effective 07-01-87**

**Community Mental
Health Centers
cont'd**

5 hours of admission evaluation
per year are covered.

Partial Hospitalization: Partial
hospitalization and day treatment
was covered.

Partial Hospitalization: 2,080
hours per year of psychiatric
partial hospitalization are
covered.

Partial Hospitalization: 1,440
hours per year of psychiatric
partial hospitalization are
covered.

Psychologists

3 hours of psychotherapy per
month were covered unless the re-
cipient was in a nursing home where
1 hour per month was covered.

24 hours of psychotherapy per year
are covered. Services provided
to nursing home recipients are
limited to ICF/MR and MH.
Copayment is \$1.00 per visit.

Same as Medicaid

Psychological testing was limited to
6 hours per year.

Psychological testing is covered
up to 6 hours every 2 years
with prior authorization.

Psychological testing is covered
up to 3 hours every 3 years with
prior authorization.

Podiatry Services

All services were covered.

12 offices visits per year;
nursing home visits and nonelec-
tive outpatient surgery are covered.

Same as Medicaid.

**Chiropractic
Services**

All services related to back problems
were covered except prior authoriza-
tion was required after 60 days of
treatment.

12 office visits (examinations and
services to treat back problems)
per year are covered. Copayment
is \$1.00 per visit.

Same as Medicaid.

Audiology Services

All audiological services were
covered.

All services are covered except
hearing aids may be replaced only
every 4 years with prior authori-
zation.

Not covered.

**Medical Supplies
and Durable Medical
Equipment**

All services were covered except prior
authorization was required for a
few items.

Items required for life support
and a restricted number of other
essential items are covered.
Recipients must need services for
school, employment, life support
or to preclude higher cost care.
Many services require prior

Coverage of these items
is limited to those needed
for life support. Many
services require prior
authorization.

All Medicaid
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All Medicaid
Except EPSDT*
Effective 07-01-87

MediKan Adults
Effective 07-01-87

Medical Supplies
and Durable Medical
Equipment cont'd

authorization.

Non-ambulance
Medical Transport-
ation

Non-ambulance medical transportation
such as bus, taxi or personal car
was covered.

Non-ambulance medical transporta-
tion is covered with prior
authorization.

Not Covered.

*EPSDT coverage is defined in the EPSDT section.

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DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

<u>Expenditure Summary</u>	<u>Actual FY 87</u>	<u>Governor's Rec. FY 88</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>
All Funds:				
State Operations	\$115,398,089	\$145,668,348	\$149,856,241	\$140,677,227
Local Aid	17,502,896	18,571,729	27,186,186	20,269,373
Other Assistance	<u>432,412,225</u>	<u>486,781,176</u>	<u>570,214,641</u>	<u>514,429,263</u>
Subtotal-Operating	\$565,313,208	\$651,021,253	\$747,257,068	\$675,375,863
Capital Improvements	<u>193,361</u>	<u>2,247,541</u>	<u>11,128,211</u>	<u>0</u>
TOTAL	<u>\$565,506,569</u>	<u>\$653,268,794</u>	<u>\$758,385,279</u>	<u>\$675,375,863</u>
State General Fund:				
State Operations	\$ 48,829,540	\$ 56,758,052	\$ 64,908,950	\$ 59,478,010
Local Aid	14,630,019	15,791,657	24,547,982	17,513,812
Other Assistance	<u>207,580,009</u>	<u>215,512,351</u>	<u>259,293,005</u>	<u>227,892,855</u>
Subtotal-Operating	\$271,039,568	\$288,062,060	\$348,749,937	\$304,884,677
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$271,039,568</u>	<u>\$288,062,060</u>	<u>\$348,749,937</u>	<u>\$304,884,677</u>
Percentage Change:				
State General Fund	4.8%	6.3%	21.2%	5.8%
SRS Fee Fund	(12.9)	(6.5)	14.6	12.7
All Funds	4.1	15.2	14.9	3.7
FTE Positions	2,878.6	2,865.4	3,192.4	2,979.9

BUDGET SUMMARY

A. Revised FY 1988. The FY 1988 revised operating budget of \$650,431,587 is \$27,497,054 above the approved budget. SRS requests \$14,243,755 in supplemental funding from the State General Fund. The Governor recommends an operating budget of \$651,021,253 in FY 1988, an increase of \$28,940,598 to the approved budget. The Governor recommends supplemental funding from the State General Fund totaling \$15,027,054. The majority of the Governor's recommendation for supplemental funding is for the medical assistance program, and the Home Care program, however, the Governor also recommends \$281,362 for Kansas Industries for the Blind, \$96,117 for administration, and \$302,166 to fund two new regional centers for alcohol and drug abuse prevention (five new centers were already funded for FY 1988). The two new centers will be located in Junction City and northwest Kansas.

	<u>SRS Request</u>	<u>Gov. Rec.</u>
Medical Assistance	\$ 12,432,984	\$12,593,972
Home Care Program	1,773,911	1,753,437
Kansas Industries for the Blind	36,860	281,362
Alcohol and Drug Prevention Programs	0	302,166
Administration	<u>0</u>	<u>96,117</u>
TOTAL	<u>\$ 14,243,755</u>	<u>\$15,027,054</u>

In addition to the requested supplemental funding, SRS estimates a shortfall of approximately \$2.1 million in the LIEAP winter heating program in FY 1988, due to cutbacks in federal funds. SRS delayed LIEAP winter heating assistance to eligible persons, because of this shortfall in funding. The

2/18/88

Governor's recommendations do not provide funding for the projected LIEAP shortfall, and do not reflect recent cuts in LIEAP federal funding.

The approved FY 1988 budget included \$9 million (\$2.6 million State General Fund) to purchase an automated eligibility and child support computer system. SRS received Finance Council approval in October, 1987 to finance this purchase through a certificate of participation due to a number of problems in availability and timing of federal funds. It now appears that this system will cost considerably more in state funding than originally anticipated. The Governor's recommendations do not reflect the change to certificate of participation financing for this computer system in FY 1988.

The approved budget and the Governor's recommendation for FY 1988 also include \$9.9 million for the nursing home lawsuit settlement (Country Club) financed through a revenue transfer from the State General Fund.

B. FY 1989. The FY 1989 operating budget request is \$747,257,068, an increase of \$96,825,481 or 14.9 percent over the revised FY 1988 estimate. Of the total requested increase, \$60,954,971 is from the State General Fund. The FY 1989 request is based on an increase of 10.3 percent in state operations, including 327 new positions, an increase of 46.7 percent in aid to local units, and an increase of 15.0 percent in assistance, grants, and benefits. The agency request includes the following major items: (1) cash grant increases for AFDC and General Assistance clients of 3.3 percent; (2) a 4 percent rate increase for hospitals and nursing homes; (3) a 10 percent Medicaid rate increase for community mental health centers; (4) a 10 percent increase for drug acquisition costs and pharmacists; (5) rate increases to other types of medical providers to improve access to services for SRS clients; (6) dental services for adults through the medical budget (this services was deleted in last year's "lapse" bill; (7) expansion of Medicaid eligibility to pregnant women and children up to age 1 who have incomes up to 100 percent of the federal poverty level; (8) financing for a division of assets proposal; (9) services for AIDS patients through the medical budget; (10) full-year funding of elimination of the fifth cost center in nursing home reimbursement; (11) a 5 percent rate increase for foster care providers; (12) rate increases for daycare providers of 10 percent for infants and toddlers and 5 percent for older children; (13) continued funding for the automated eligibility system; (14) movement of an additional 100 clients out of state institutions for the mentally retarded and 300 mentally retarded persons on community waiting lists; and (15) significant additional state funding for community mental health services grants.

The Governor recommends a total operating budget of \$675,375,863 in FY 1989, an increase of \$24,354,610 over the FY 1988 recommendation, of which \$16,823,617 is from state funds. Excluding the \$3.5 million recommended for salary increases in FY 1989 and the \$9.9 million for the nursing home lawsuit settlement in FY 1988, the FY 1989 state operations recommendation is an increase of 1 percent over FY 1988. The Governor's recommendation in FY 1989 includes 88.5 new positions for child support enforcement and 20 support positions for that new initiative. The Governor also recommends that funding for Kansas Industries for the Blind be discontinued in FY 1989 and that the program be turned over to the private sector. The Governor's recommendation includes approximately \$7.3 million (about \$2.2 million SGF) for additional costs related to the automated eligibility system. The Governor's recommendations also include \$400,000 for a pilot welfare reform project in Barton County.

The Governor recommends \$20,269,373 in FY 1989 for local aid. No increase is provided for formula state aid to mental health and mental retardation centers. The Governor recommends funding to move 100 clients out of state mental retardation institutions and serve 100 additional clients from community waiting lists.

The Governor recommends \$514,429,263 for other assistance in FY 1989, including the following major items: (1) an 8.2 percent caseload increase for the AFDC cash assistance program but no grant increase; (2) continuation of the General Assistance cash and medical program; (3) a 2 percent rate increase for nursing homes; (4) a 1 percent rate increase for hospitals; (5) a two percent Medicaid

rate increase for community mental health centers; (6) a 10 percent increase in drug acquisition costs; (7) dental services for adults through the medical assistance budget; (8) \$1,274,000 for the Division of Assets and Income proposal; (9) no increase in daycare funding; (10) a 3.4 percent increase in the foster care budget; (11) \$220,000 for additional youth alcohol and drug treatment facilities; (12) rate increases for several types of medical providers to increase access to services for Medicaid clients; (13) \$3,051,882 in oil overcharge funds for the LIEAP program; and (14) \$646,858 in oil overcharge funds for the weatherization program.

The Governor's recommendations provide no funding for capital improvements for SRS in FY 1989.

Summary of Operating Budget Changes
FY 1988-FY 1989

	Requested Changes Over FY 1988		Governor's Recommended Change Over FY 1988	
	<u>State Funds</u>	<u>All Funds</u>	<u>State Funds</u>	<u>All Funds</u>
State Operations	\$ 8,671,538	\$ 3,980,852	\$ 2,819,136	\$(4,991,121)
Local Aid	8,756,325	8,624,820	1,722,155	1,697,644
Other Assistance	45,210,074	84,219,809	13,735,505	27,648,087
TOTAL	<u>\$ 62,637,937</u>	<u>\$ 96,825,481</u>	<u>\$18,276,796</u>	<u>\$24,354,610</u>

STATE OPERATIONS

Item

A. **Summary.** The SRS FY 1989 state operations request of \$149,856,241 is a 2.8 percent increase over the revised FY 1988 estimate of \$145,762,348. Excluding the \$9.9 million for the nursing home settlement in FY 1988, the FY 1989 request is a 10.3 percent increase over FY 1988. The FY 1989 State General Fund request is a 14.5 percent increase over the revised FY 1988 estimate.

B. **Salaries and Wages.** The FY 1989 request for salaries and wages for SRS is \$96,607,784, a 15.3 percent increase over the FY 1988 estimate of \$83,795,655. The FY 1989 request includes 327 new positions. Major staffing increases requested include 167 positions for increased child support enforcement activities, 25 positions for data processing, 36 positions for area office administration, 11.5 positions for jobs programs, 12 positions for youth services

Governor's Recommendation

A. The Governor recommends a state operations budget of \$140,677,227 in FY 1989, a 3.4 percent decrease from the FY 1988 recommendation of \$145,668,348. Excluding the \$9.9 million for the nursing home settlement in FY 1988, the FY 1989 recommendation is a 3.6 percent increase over the FY 1988 recommendation. The FY 1989 State General Fund recommendation for state operations is a 4.8 percent increase over FY 1988.

B. The Governor recommends \$92,766,869 for salaries and wages in FY 1989, a 10.8 percent increase over the FY 1988 estimate of \$83,720,436. Included in the FY 1989 recommendation is \$3.4 million (\$1.6 million SGF) for a 4 percent increase for classified employees and \$62,281 (\$24,330 SGF) for a merit pool for unclassified employees. The Governor recommends 128.5 new positions in FY 1989, including

Item	Governor's Recommendation
<p>field staff, 41 positions for vocational rehabilitation, 13.5 positions for mental health and retardation services, and 26 positions for income maintenance activities. Major new position requests are detailed in following sections.</p>	<p>88.5 new positions for child support enforcement, 20 additional clerical positions, six new positions for the Division of Mental Health and Retardation Services to set up two investigative teams, each consisting of 1 RN, 1 Social Worker, and 1 special investigator (six corresponding positions were deleted from the state institution budgets), 6 positions for the food stamp job program, 3 vocational rehabilitation counselors, and 2 blind program counselors. The Governor also deletes 14 positions related to Kansas Industries for the Blind in FY 1989. The Governor's recommendations provide for an agency-wide turnover rate of 3.3 percent in FY 1988 and 3.4 percent in FY 1989.</p>
<p>C. Other Operating Expenditures. The FY 1989 request includes \$53,348,457 for other operating expenditures, and the FY 1988 estimate is \$61,966,692. Actual OOE expenditures in FY 1987 were \$38,040,186. The approved FY 1988 budget includes \$9,000,000 for the automated eligibility system and \$9.9 million for the nursing home settlement. Excluding the \$9.9 million from the FY 1988 amount, the FY 1989 request is a 2.5 percent increase over FY 1988.</p>	<p>C. The FY 1989 recommendation includes \$47,910,408 for other operating expenditures, a decrease of 7.9 percent from the FY 1988 recommendation (excluding the nursing home settlement) of \$52,047,912. The Governor's recommendation for FY 1988 includes \$9,000,000 for the automated eligibility system.</p>
<p>D. Local Offices. SRS requests \$54,265,171 in FY 1989 for local office administration, income maintenance, and social services. The FY 1988 estimate is \$50,114,431 and actual costs in FY 1987 were \$48,196,562. The FY 1988 estimate is based on financing of 59 percent or \$29,545,188 from the State General Fund and the FY 1989 request is based on financing of 60 percent or \$32,544,461 from the State General Fund. In FY 1987, 58 percent of the local offices costs were financed from the State General Fund, or \$27,969,460. The FY 1989 request is based on a total of 1,845.8 positions assigned to the area offices, an increase of 62 over the FY 1988 estimate.</p>	<p>D. The Governor recommends \$53,929,437 in FY 1989 and \$49,923,697 in FY 1988 for local office administration, income maintenance, and social services. The FY 1988 recommendation is based on financing of 59.3 percent from the State General Fund and the FY 1989 recommendation is based on financing of 58.2 percent from the State General Fund. The FY 1989 recommendation is based on a total of 1,803.8 positions assigned to the area offices, an increase of 20 over the FY 1988 recommendation. The 20 additional positions are to provide additional clerical support for child support enforcement.</p>
<p>1. Local Office Administration. The FY 1989 request includes \$13,318,370 for salaries and wages and \$9,169,014 for OOE, including \$2,842,634 for communications and \$3,923,654 office rents. The communications request is a 16.0 percent increase over the FY 1988 estimate of \$2,450,294. The rent request for FY 1989 is an 11.4 percent increase over the FY 1988 estimate of \$3,521,728, primarily due to the</p>	<p>1. For FY 1989, the Governor recommends \$13,262,217 for salaries and wages and \$8,207,110 for OOE including \$2,712,302 for communications and \$3,521,728 for office rents. The communications recommendation is a 10.7 percent increase over the FY 1988 recommendation of \$2,450,294, but a 2.9 percent increase over actual communication costs in FY 1987. The rent recommendation for FY 1989 is a 0.7</p>

Item	Governor's Recommendation
<p>anticipated move of the Topeka Area Office and the Topeka Income Maintenance office, and lease increases in other offices averaging 3 percent. The FY 1989 salary and wage request is based on a turnover rate of 3.0 percent, compared to an estimated rate of 2.8 percent in FY 1988 and an actual rate of 3.2 percent in FY 1987. The FY 1989 request is based on 695.5 positions, an increase of 37 positions. New positions requested include 20 clerical positions for increased child support enforcement duties, and 17 other support positions.</p>	<p>percent increase over the FY 1988 recommendation, which is a 9.8 percent increase over actual rent costs in FY 1987 of \$3,186,173. The Governor's salary and wage recommendation is based on a turnover rate of 3.0 percent in FY 1989 and 2.8 percent in FY 1988. The Governor recommends the 20 new clerical positions for child support enforcement but does not recommend the 17 other positions requested.</p>
<p>2. Local Office Income Maintenance. The FY 1989 request includes \$15,114,270 for salaries and wages and \$173,769 for OOE. The FY 1989 salary and wage request is based on 577.8 FTE positions, an increase of 13 positions over FY 1988. The requested new positions include 12 social workers to provide case management services to teen parents in four areas of the state and one income maintenance worker to facilitate coordination with Shawnee County hospitals. The FY 1989 salary and wage request is based on a turnover rate of 3.7 percent, compared to an estimated rate of 3.3 percent in FY 1988 and an actual rate of 3.9 percent in FY 1987.</p>	<p>2. The FY 1989 recommendation includes \$15,404,908 for salaries and wages and \$173,768 for OOE for local office income maintenance. The FY 1989 recommendation is based on 564.8 FTE positions, and no new positions are recommended. The FY 1989 salary and wage recommendation is based on a turnover rate of 3.9 percent, compared to a recommended rate of 3.3 percent in FY 1988.</p>
<p>3. Local Office Social Services. The FY 1989 request includes \$15,916,216 for salaries and wages and \$573,532 for OOE. Local office social service staff is comprised of social workers and program technicians responsible for carrying out Adult and Youth Services programs. For budgetary purposes, approximately 25 percent of the social service staff costs are assigned to adult services and 75 percent to youth services, however, local offices have discretion in assigning workers to adult or youth programs. The FY 1989 request is based on 562.5 FTE positions, an increase of two positions to provide an additional social worker in the Chanute area office and a volunteer services coordinator for the Salina Area Office. The FY 1989 request is based on a turnover rate of 2.0 percent, compared to an estimated rate of 2.0 percent in FY 1988 and an actual rate of 4.6 percent in FY 1987.</p>	<p>3. The Governor recommends \$16,307,902 for salaries and wages and \$573,532 for OOE for local office social services in FY 1989. No new positions are recommended. The recommendation is based on a turnover rate of 2.0 percent in FY 1988 and FY 1989.</p>

Item	Governor's Recommendation
<p>E. Automated Eligibility. SRS is in the process of developing and implementing an automated eligibility system to allow income maintenance workers to enter data into a computer terminal during a client interview to automatically determine eligibility for food stamps, cash, and medical assistance. In addition, the child support enforcement system automation will be incorporated into this computer system. The approved FY 1988 budget includes \$9,000,000 to purchase this computer system. The \$9 million included \$4.3 million for a central processing unit, \$1.9 million for 758 terminals, \$1.1 million for a communications system, and \$1.8 million for software development. The approved budget was based on federal matching rates of 90 percent for system costs related to AFDC, Medicaid and child support enforcement and a 75 percent match for costs related to the food stamp program. The approved budget also assumed that the federal matching funds would be "up front", rather than on a payback method over a period of time.</p>	<p>E. The Governor recommends approximately \$7.3 for the automated eligibility system in FY 1989, of which approximately \$2.2 million is from state funds. The Governor's recommendations do not reflect certificate of participation financing in FY 1988 or FY 1989.</p>
<p>In October, 1987, SRS requested and received Finance Council approval to purchase this system through a certificate of participation issue. Presumably, SRS chose this financing method because the federal government has now stated that without a waiver, they will not provide "up-front" funding for this system, and that instead they will reimburse SRS for the federal share over a five-year period. The federal match rate has also been reduced for the child support enforcement component of the system from 90 percent to 68 percent. The certificate of participation issue was for \$6,871,000 and according to SRS represents the federal share of the system costs. SRS is in the process of pursuing a federal waiver to allow "up-front" funding of part of the federal match. The federal government does not provide matching funds for interest costs. Preliminary estimates of interest costs associated with the system are \$1.3 million which would have to be paid entirely from state funds.</p>	

 Item

 Governor's Recommendation

Data provided to the 1987 Legislature by SRS indicated that costs of the system for FY 1986-FY 1989 would total about \$4 million from state funds and \$16 million from all funds. SRS now estimates the costs of the system for FY 1986 to FY 1989 to be approximately \$9 million in state funds and \$26 million in all funds (including certificate costs). The 1987 Legislature was told that the system would be fully implemented by July 1988. The system is behind schedule and SRS now anticipates that it will not be fully implemented until March, 1989. According to SRS, other states have found that automated eligibility systems have cost more than originally anticipated. No other state has a system as comprehensive as the one planned by SRS.

Data provided to the 1987 Legislature indicated that there would be additional software and line charge costs related to the system in FY 1989 of approximately \$1 million. No additional staff was requested for FY 1989 and no other major expenses were discussed. SRS now requests approximately \$7 million in FY 1989 for expenses related to the system. The total amount includes four new FTE positions for the system, five new FTE positions which are in part due to the system, \$1,119,824 plus fringe benefits for part-time staff, \$3,100,852 for DISC charges, \$647,709 for electrical upgrades of offices, \$659,356 for travel, and \$823,458 for additional software development. Of the total \$7 million requested in FY 1989, approximately 30.1 percent would be from the State General Fund. The budget request includes no funds for payments on the certificates of participation issue or interest costs. SRS anticipates that the system will require a major hardware upgrade in two to three years at an estimated cost of \$3 to \$4 million. (Staff Note: The Legislature may wish to request that SRS provide a revised cost/benefit analysis of the system showing projected on-going costs of the system.)

F. Child Support Enforcement. The federal government requires each state to have a statewide child support program which satisfies numerous specific federal mandates. If federal mandates are not met, states can lose federal matching funds for the AFDC program. The child support program must provide a full range

F. The Governor recommends a major expansion of the child support enforcement system.

ItemGovernor's Recommendation

of support enforcement services, from establishment of paternity and support orders, to modification of orders and enforcement of support in both AFDC and non-AFDC cases.

For AFDC cases, the parent assigns the support collections to the state, except for up to \$50 per month which must be given back to the AFDC family. (In Kansas, only about 10 percent of AFDC clients receive this child support "rebate".) Aside from the \$50 per month rebates, the collections of support on behalf of AFDC clients are split between state and federal shares and the state share is deposited in the SRS Fee Fund. SRS also receives an incentive bonus from the federal government for both AFDC and non-AFDC child support collections. The incentive is equal to 6 percent of collections, however, the incentive collected for non-AFDC cases can not be more than 105 percent of the AFDC incentive collected. Total collections deposited in the Fee Fund in FY 1987 for both AFDC collections and incentive collections were \$7,033,300. Collections for FY 1988 are estimated at \$7,500,000 and FY 1989 collections are estimated at \$9,000,000. The following table indicates child support collections on behalf of AFDC and non-AFDC clients for recent years:

	<u>AFDC Collections</u>	<u>Non-AFDC Collections</u>	<u>Total</u>	<u>Amount SRS Fee Fund</u>
1983	\$ 7,504,462	\$ 2,059,586	\$ 9,564,048	\$ 4,024,580
1984	8,914,282	2,345,716	11,259,998	4,347,660
1985	9,560,378	1,746,942	11,307,320	4,347,660
1986	11,665,087	5,524,474	17,189,56	4,751,849
1987	11,156,501	9,187,721	20,344,222	7,033,300
1988 Est.	12,272,150	12,862,809	25,134,959	7,500,000
1989 Req.	14,520,000	15,000,000	29,520,000	9,000,000
1989 Gov. Rec.				9,250,000

Item

SRS also receives federal matching funds to finance child support enforcement activities. Until October, 1987, the matching rate was 70 percent. Beginning in October, the federal match rate is 68 percent.

1. **SRS Child Support Operations.** SRS requests \$12,003,226 for child support enforcement activities in FY 1989. Of the total, \$855,072 is from the State General Fund, \$2,523,332 is from the SRS Fee Fund, and \$8,444,822 is from federal funds (70.4 percent). The request includes \$2,995,029 plus fringe benefits for 167 FTE new positions. Of the 167 positions, 12 are related to the automated support system and the remainder are to provide adequate staffing to comply with federal mandates and thus avoid the loss of significant federal funds. SRS is already operating under a corrective action plan and they state that additional staff is required to avoid federal sanctions. SRS proposes to finance all costs of the requested new staff from the SRS Fee Fund and federal funds. SRS anticipates that Fee Fund receipts would be substantially increased with additional staffing and that each \$1 spent on the child support program would generate \$3. The requested new staff would also be used to establish and monitor medical and foster care support orders. SRS believes that significant reimbursement to the state could be realized if staff were available to pursue these areas. The request for 167 positions includes 93.5 program technicians, 34.5 CSE Specialists I, 4 Social Service Administrators, 15 Attorneys, and 20 clerical positions. (Staff Note: Child support enforcement has been discussed in conjunction with welfare reform at the federal level, and in other states. Establishing and enforcing support from legally responsible parents may allow families to reduce or avoid dependence on public funding for assistance.)

In addition to the new positions, SRS requests funding for contracts with the Office of Judicial Administrator (\$226,370), district courts (\$908,081), and court trustees (\$1,121,456). The amount requested for the Office of Judicial

Governor's Recommendation

1. The Governor recommends \$10,372,911 for child support enforcement activities in FY 1989, of which \$721,352 is from the State General Fund, \$2,156,756 is from the SRS Fee Fund, and \$7,494,803 is from federal funds (72.3 percent). The Governor recommends 88.5 FTE new positions for child support in FY 1989, including 12 attorneys, 7.5 Child Support Specialists I, 54.5 Program Technicians, 2 Social Service Administrators II, and 12.5 secretaries. The total amount for the new positions is \$1,971,613. The Governor's recommendations assume \$9,250,000 in SRS Fee Fund receipts from child support enforcement activities will be generated in FY 1989. (Staff Note: The agency's estimate of \$9,000,000 in fee fund receipts from child support in FY 1989 was based on the addition of 167 positions, or 78.5 positions more than the Governor's recommendation.)

The Governor's recommendation includes funding for the Judicial Branch as requested.

Item	Governor's Recommendation
<p>administrator and the district courts is 100 percent of the administrative costs and the amount for the trustees is only the federally funded portion of the contract. SRS also makes transfer payments to the courts representing 6 percent of collections by the trustees, up to a maximum of 115 percent of the trustees' administrative costs.</p>	
<p>G. Job Preparation Programs. SRS Job Preparation programs provide employment and training services to some public assistance clients as a condition of eligibility and with the goal of returning the client to self-sufficiency. Requests for the various SRS jobs programs are outlined below. The total amount requested for jobs programs in FY 1989 is \$3,936,237, an increase of \$1,806,908 over the FY 1988 estimate of \$2,129,359. The FY 1989 request includes 83.0 FTE positions, an increase of 11.5 positions over the FY 1988 level. The FY 1989 request is based on financing of 50.2 percent from the State General Fund and the FY 1988 estimate is based on 53.1 percent financing from the State General Fund. In FY 1987, 38.2 percent of job preparation expenditures were financed from the State General Fund.</p>	<p>G. The Governor recommends \$3,254,136 in FY 1989 and \$2,141,448 in FY 1988 for job preparation programs. The Governor's recommendations provide for 77.5 positions in FY 1989, an increase of six positions over FY 1988. The Governor's FY 1989 recommendation is based on 47.4 percent financing from the State General Fund and the FY 1988 recommendation is based on 51.5 percent financing from the State General Fund.</p>
<p>1. WIN. WIN (Work Incentive) is a federally-mandated program that is dually administered by SRS and the Department of Human Resources. SRS provides social services to help get clients job-ready, and Human Resources provides job placement and referral services. Most AFDC clients without children under age 6 are required to register for WIN as a condition of eligibility. The WIN program for AFDC parents is now operated in only two counties--Sedgwick and Shawnee. Of approximately 9,000 clients registered for the WIN program, only about 4,000 are assigned to participate and of that 4,000, only about one-third are provided any WIN services, other than assessment, due to lack of SRS resources. In FY 1987, the number of registered WIN cases per worker was over 500. The FY 1989 request for the WIN program is \$536,244, of which \$284,122 or 53 percent is from the State General Fund. The request</p>	<p>1. The Governor's recommendations include \$291,447 from federal WIN funds in FY 1989 and \$244,479 in FY 1988. The Governor's recommendations provide \$12,000 for a transfer to the Department of Human Resources in FY 1989 and no funding for a transfer in FY 1988. (<u>Staff Note:</u> Based on recent information on federal funds, it appears that there will be WIN funding in excess of that recommended by the Governor of \$122,046 in FY 1988.)</p>

ItemGovernor's Recommendation

includes \$12,000 for the required state match of 10 percent of Department of Human Resources WIN costs. (Staff Note: The FY 1988 estimate does not include funding for the transfer to the Department of Human Resources. SRS states that the FY 1989 request for WIN is based on continuing services only in Sedgwick and Shawnee counties.)

2. Community Work Experience Program (CWEP).

This program allows AFDC and General Assistance clients to receive work experience in public sector or nonprofit employment. Clients "work off" their grants, up to a maximum of 15 days per month. In FY 1987, only about 2 percent of adult AFDC clients participated in the CWEP program. According to SRS, there are many public sector employers who would be interested in having CWEP workers, but the program cannot be expanded due to lack of SRS job program staff. (Staff Note: Current case-loads for the CWEP program are about 800 registered cases per worker. Of an average of approximately 9,200 clients registered for CWEP in FY 1987, only an average of about 1,000 were actually assigned to a CWEP slot.) The total amount requested for CWEP in FY 1989 is \$651,528, of which \$390,917, or 60 percent is from the State General Fund.

3. Food Stamp Employment and Training Program.

The Food Security Act of 1985 required that every state implement an Employment and Training program for Food Stamp work registrants effective April 1, 1987. Kansas has developed the MOST (More Opportunities for Self-Sufficiency and Training) program in response to this federal mandate. The program consists of a job-readiness assessment and referral to one or more of the following components: (1) independent job search, (2) job club, (3) education, such as GED, or (4) vocational training, such as through the JTPA program. Clients in the program receive transportation payments of up to \$25 per month. Federal performance standards for this program become effective in FY 1989 and require that 35 percent of all mandatory work registrants be in the MOST program in FY 1989, and 50 percent be in MOST in FY 1990. States are subject to the loss of administrative funds if these standards are not met. The MOST program now operates in Shawnee, Douglas, Saline, Reno,

2. The Governor continues funding for the CWEP program in FY 1989.

3. The Governor's recommendations include six new positions in FY 1989 for the food stamp employment and training program.

Item	Governor's Recommendation
<p>Montgomery, Geary, Wyandotte, and Sedgwick counties. In FY 1989, SRS requests 11.5 FTE additional staff for expansion of the program to more areas of the state. In addition to a base federal grant of \$381,408, all other costs of the MOST program are eligible for 50 percent federal matching funds. The total request for the MOST program in FY 1989 is \$1,348,666, of which \$618,000 is for transportation and \$730,666 is for administration.</p>	
<p>4. Job Club. The Job Club program is a two-week intensive program to assist clients in becoming job-ready and in searching for employment. Currently the program operates in Kansas City, Wichita, Topeka, Coffeyville, and Geary and Saline counties (in addition to the Job Clubs operated under the MOST program). SRS also operates the Mobile Job Club which provides job club services to areas of the state without a permanent program. The total amount requested for Job Club in FY 1989 is \$649,799, of which \$324,900, or 50 percent is from the State General Fund.</p>	<p>4. The Governor continues funding for the Job Club program in FY 1989.</p>
<p>5. Welfare Reform Initiative. SRS requests \$750,000 in FY 1989 for two pilot projects to provide employment and training services to AFDC and GAU clients with children between the ages of 3 and 6. The program would provide education, job training, and support services to assist the family in becoming self-sufficient. One pilot project is proposed for Shawnee County for 100 clients and another for Sedgwick County for 50 families, and the programs would be on a volunteer basis. SRS would provide intensive client services for 90-180 days, such as education and vocational training and then would provide ongoing support services for up to one year. SRS requests \$77,410 plus benefits for two teams, each consisting of a Social Worker II and a Program Technician. SRS also requests \$249,750 for daycare for 225 children for up to one year at an average of \$150 per month per child, \$ 22,500 for transportation assistance for up to one year, \$286,000 for medical coverage for up to one year at an estimated cost of \$750 per client, \$96,840 for education costs such as for obtaining a GED, adult basic education or vocational training, and \$17,500 for special needs allowances. Of the total requested for the welfare reform pilot</p>	<p>5. The Governor recommends \$400,000 from the State General Fund in FY 1989 for a pilot welfare reform program for Barton County. No federal matching funds are budgeted for this program.</p>

Item

projects, \$502,500 or 67 percent is from the State General Fund. SRS estimates that 50 percent of these clients would obtain unsubsidized employment within FY 1989.

H. **Family Support Program.** The purpose of the Family Support Program is to provide parenting skills to families to prevent placement of children in foster care and to prevent or reduce the incidence of abuse or neglect. Family support services are provided by social workers, family support workers, or through purchase of services from private providers. Purchased services can include psychotherapy, utility, rent, pest control payments, interpreting services, day care, or transportation. The Family Support Program began in FY 1982. Kansas is required by federal law to maintain a foster care prevention program or lose federal funds. In FY 1987, 5,077 families received services through this program. SRS requests \$3,808,757 for this program in FY 1989, an increase of \$2,331,744 over the FY 1988 estimate of \$1,477,013. SRS proposes a major expansion of this program by upgrading the salaries paid to Family Support Workers, providing additional direct service hours, and by expanding the ability to purchase services from providers. Family Support Workers are part-time staff paid based on salary range 8 (starts at \$5.38 per hour). SRS proposes to upgrade these workers to salary range 11, which starts at \$6.24 per hour. SRS allocates funds from this program to the area SRS offices based on historical spending patterns. SRS proposes that this program be financed with 75 percent federal funds in FY 1988 and FY 1989. (Staff Note: Historically, SRS has overspent federal funds in this program, necessitating negative adjustments with the federal government at year end. It appears that both the FY 1988 estimate and the FY 1989 request continue this problem. Although SRS is eligible for 75 percent federal funding for these activities, there is an overall cap on the funding. Determining this overall cap on funding is apparently complex and SRS has not been able to provide definite information on this in the past. SRS is now working to determine available funding projected for this program.)

Governor's Recommendation

H. The Governor recommends \$2,054,508 for the Family Support Program in FY 1989, of which \$513,625 or 25 percent is from the State General Fund. The Governor's recommendation for this program in FY 1988 is \$1,469,705 of which \$367,426 is from the State General Fund. The FY 1989 recommendation for this program excluding the 4 percent salary increase) is an increase of 36.3 percent over the FY 1988 level. The Governor does not recommend the salary upgrade requested for the family support workers.

 Item

I. Home Care Program. The Home Care program has two components, the Homemaker program and the nonmedical attendant care program. The homemaker component includes homemaking, home management, and home maintenance assistance. The nonmedical attendant care program provides personal assistance in daily living tasks that do not require medical care. The goal of both components is to reduce dependency on nursing home care. Prior to FY 1988, the nonmedical attendant care component was included in the medical assistance budget as part of the Home and Community Based Services program. The program was transferred to state operations due to an IRS requirement that the attendants be treated as SRS employees. New workers under either program are now hired as unclassified part-time intermittent employees at a starting salary of \$4.14 per hour with no benefits. Those employees may work a maximum of 999 hours per year. Existing employees were frozen at their current salaries but will continue to receive retirement and health insurance benefits.

The approved FY 1988 budget for the homemaker program was \$6,299,990 and the revised estimate is \$9,671,967, an increase of \$3,401,149. SRS requests a supplemental appropriation from the State General Fund of \$1,773,911 for this program and the remainder of the additional request is financed from federal Medicaid funds.

(Staff Note: See the section on LIEAP for additional information on a projected funding shortfall for the Home Care Program.) The supplemental funding request is in part due to the transfer of the program to the Homemaker program from the Medical Assistance budget, yet corresponding funding was not transferred from the Medical Assistance budget due to the fact that there were already funding problems in Medical Assistance. The agency requests \$11,035,902 for this program in FY 1989, of which \$5,819,571, or 52.7 percent is from the State General Fund.

J. Administrative Costs-Medical Assistance. There are three major areas of administrative costs within SRS related to the Medical Assistance budget. The Medical Management Information System (MMIS) is the largest component and provides all claims processing and reporting of the medical assistance program. Two other sections within SRS, the Adult Services Medical

 Governor's Recommendation

I. The Governor recommends \$10,278,150 for the Home Care Program in FY 1989, of which \$4,331,519 or 42.1 percent is from the State General Fund. The Governor recommends \$9,625,812 for this program in FY 1988, including supplemental funding of \$1,753,437 from the State General Fund. Excluding the amount for the 4 percent salary increase. The Governor's recommendations provide for an increase of 2.7 percent in this program in FY 1989.

J. The Governor recommends continued funding for these programs.

Item	Governor's Recommendation
<p>Review Program and the Income Maintenance Medical section, have responsibility for managing the medical program.</p>	
<p>1. MMIS. SRS requests \$7,000,000 in FY 1989 for MMIS, an increase of \$1,751,859 over the FY 1988 approved budget of \$5,248,141. Actual costs for FY 1987 were \$5,107,448. The MMIS system has in the past few years been contracted to Electronic Data Systems-Federal (EDS) and provides management and administrative reporting, surveillance and utilization review, claims processing, provider enrollment, reviews for third party liability and other services to comply with federal requirements in the Medicaid program and to make the medical program more efficient. On-going costs of the system are eligible for 75 percent federal funding (except for MediKan costs which are not eligible for federal funds) and system enhancements are eligible for 90 percent federal funding. The FY 1989 request is based on 67.6 percent federal funding and the FY 1988 estimate is based on 72.3 percent federal funding. A 73.2 percent federal match rate was received in FY 1987. Enhancements requested for the system in FY 1989 include costs related to changing to a DRG (Diagnostic Related Group) system, targeted case management reporting for AIDS patients, expansion of the voice response system, which allows providers to call EDS and receive patient eligibility data, and anticipated costs of renewal of the MMIS contract in July, 1988.</p>	<p>1. The Governor recommends \$5,660,500 for the MMIS System in FY 1989, of which \$1,919,000 is from the State General Fund, and \$3,741,500, or 66.1 percent is from federal funds. The Governor's recommendation in FY 1989 provides for an increase of 7.9 percent to the FY 1988 recommendation of \$5,248,141.</p>
<p>2. Income Maintenance Medical Section. This section provides for overall administration of the medical assistance program. Specific functions include: development of reimbursement systems and rate-setting, program evaluation, monitoring and resolving claims payment problems, monitoring of third party resources for collections and recoupments, maintaining the Medicaid state plan, surveillance and utilization review, development of rules and regulations for the medical program, determination of medical necessity of services, and responding to concerns from recipients, providers, and the public. This section has experienced significant turnover recently, and SRS believes this is due to the workloads imposed on this staff, which currently consists of 28 FTE positions. Three new positions are</p>	<p>2. The Governor recommends \$2,094,755 for the Income Maintenance Medical section in FY 1989, of which 61 percent is from federal funds. The Governor concurs with the agency's request for this program in FY 1988. The Governor recommends one new position in FY 1989, the requested RN IV.</p>

Item	Governor's Recommendation
<p>requested for FY 1989, including an Administrative Officer I to expand and enhance third party resource recovery efforts, an Administrative Officer I to respond to recipient, provider and staff inquiries regarding the medical program, and a Registered Nurse IV to assist with increasing program responsibilities. Also included in this section are contracts for hospital utilization review of admissions and continued stays (\$950,000), contracted services related to pharmacy reimbursement(\$175,000), and other consultants, such as for developing alternative methods of reimbursement for physician services (\$205,965). The total amount requested for this section in FY 1989 is \$2,456,403, of which 60 percent is from federal funds. The FY 1988 estimate of \$1,938,501 is financed from 65.8 percent federal funds. The majority of the costs of this section are eligible for 75 percent federal matching funds (except costs related to the MediKan program are not eligible for federal funds).</p>	<p>3. The Governor recommends \$3,517,497 for the Adult Services Medical review program in FY 1989, of which 66.3 percent is from federal funds. The FY 1988 recommendation is \$2,990,183 of which 77.9 percent is from federal funds. The Governor does not recommend any new positions for this program. The Governor's recommendation provides \$1,271,480 in FY 1988 and \$1,604,271 in FY 1989 for the contract with the Department of Health and Environment. (The contract amount in FY 1989 includes funding for the 4 percent salary increase.) The Governor does not recommend funding for the requested computer equipment.</p>
<p>3. Adult Services Medical Review Program. SRS requests \$3,405,863 in FY 1989 for the adult services medical review program. This section is composed of 13 review teams who annually review clients in adult care homes to determine Medicaid eligibility and monitor the quality of care received. The section is also responsible for administering the adult care home reimbursement system, conducting screening of applicants for adult care homes, and administering the Home and Community Based Services program. Currently, there are 34 FTE positions in this section. SRS requests 4 new positions in FY 1989, including an Administrative Officer I to assist in rate processing, budgeting, and fiscal analysis, a Secretary I and an Office Assistant II to assist in preparation of reports generated by the 13 review teams (failure to complete timely reports can result in a loss of federal matching funds), and a Qualified Mental Retardation Professional to review active treatment programs and make recommendations for appropriate placements of clients in Intermediate Care Facilities for the Mentally Retarded. The FY 1989 request also includes \$1,319,796 for the contract with the Department of Health and Environment to certify adult care homes for continued federal Medicaid eligibility. The FY 1988 estimate for this contract is \$1,271,480 and</p>	

ItemGovernor's Recommendation

the actual amount in FY 1987 was \$975,698. Included in the contract amount to KDHE is \$304,280 in FY 1988 and FY 1989 to fund the Patient Care and Services (PACS) surveys. Also requested for this section is \$72,640 for micro-computers and equipment. Of the total, \$10,165 would be for equipment for the HCBS staff, \$4,000 would be for the adult care home administrative staff, and \$58,475 would be for the 13 medical review teams. Currently, this section of SRS has almost no computer capabilities. (In comparison, the Division of Mental Health and Retardation reports a total of 36 personal computers for a total of 37.7 positions.) The overall request for this section is based on 65.4 percent federal funding in FY 1989, 77.9 percent federal funding in FY 1988 and the actual federal matching rate in FY 1987 was 64.7 percent.

K. Vocational Rehabilitation. SRS requests \$21,693,711 in FY 1989 for state operations for Vocational Rehabilitation, Blind, and Disability Determination Services, a decrease of 1.3 percent from the FY 1988 estimate of \$21,974,598. The FY 1989 request includes \$9,283,080 for client services, \$2,044,426 for the Vocational Rehabilitation Center in Salina (primarily serving those with physical and mental illness disabilities), \$895,890 for the Vocational Rehabilitation Unit in Topeka (serving the mentally retarded), \$359,376 for the Commission on the Hearing Impaired, \$2,792,529 for Blind Services, \$4,993,373 for Disability Determination Services, and \$1,325,037 for vocational rehabilitation administration. Of the total amount requested for FY 1989, \$3,507,725, or 16.2 percent is from the State General Fund. The majority of Vocational Rehabilitation Services are eligible for 80 percent federal funding. Disability Determination services are eligible for almost 100 percent federal funding. Although the federal vocational rehabilitation funds are provided on a matching basis, there is an overall cap on those funds. The FY 1989 request is based on using all the federal funds projected to be available.

1. Kansas Industries for the Blind (KIB). KIB is a sheltered employment program for blind persons which includes workshops in Kansas City and Topeka and several home industry units.

K. The Governor recommends \$20,466,884 for state operations for Vocational Rehabilitation Services in FY 1989 and \$21,928,793 in FY 1988. The FY 1989 recommendation includes \$8,164,883 for client services (a reduction of \$1,118,197 to the request) \$2,036,908 for the vocational Rehabilitation Center at Salina, \$884,897 for the vocational rehabilitation unit in Topeka, \$198,626 for the Commission on the Hearing Impaired, \$2,620,691 for Blind Services, \$5,093,337 for Disability Determination Services, and \$1,287,542 for vocational rehabilitation administration. (Staff Note: The Governor's recommendations do not maximize the state's available federal funds. It is estimated that an additional \$285,936 from the State General Fund would be necessary to access an additional \$1,143,744 in federal funds in FY 1988. Future federal matching funds for vocational rehabilitation are partially dependent on the state's use of these funds in federal FY 1988.)

1. The Governor recommends \$2,107,910 for KIB in FY 1988, including supplemental funding of \$281,362 from the State General Fund. The Governor does not recommend funding for KIB

Item	Governor's Recommendation
<p>Products manufactured include brooms, flight kits, litter pads, pillow cases, erasers, and mops, which are sold to government agencies, local school districts, and private customers. Currently, 14 FTE positions are assigned to KIB and an estimated 46 persons participate in the workshops each day. Revenues generated by KIB are deposited in the SRS Fee Fund and the costs of KIB are financed from the SRS Fee Fund and the State General Fund. According to SRS, KIB has operated at a deficit in 39 of its 47 year existence. The state subsidy was \$36,520 in FY 1986, \$1,057,576 in FY 1987, and is estimated to be \$799,212 in FY 1988. SRS requests supplemental funding from the State General Fund for KIB in FY 1988 of \$36,860. The state subsidy per worker in FY 1987 was approximately \$20,900 and it is projected to be approximately \$17,400 per worker in FY 1988. The average earnings for a worker at KIB are approximately \$5,000. Subcommittees reviewing the SRS budget during the 1987 Legislative Session recommended that if the finances of KIB were not significantly improved that SRS should phase out the program or turn it over to an interested community agency. SRS proposes to discontinue funding for KIB in FY 1989. An organization for the blind in Wichita has shown interest in KIB and SRS is pursuing this possibility. SRS has not investigated whether any other organizations such as workshops for the mentally retarded might be interested in KIB. SRS states that only nine other states operate workshops for the blind through a state agency. Total costs for KIB in FY 1987 were \$2,199,541 and the FY 1988 estimate is \$1,899,212.</p>	<p>in FY 1989. Of the total supplemental, \$250,000 is to allow SRS to pursue options for the transition of KIB to the private sector. The Governor's recommendations for FY 1988 indicate a deficit for KIB of \$721,413, not including the \$250,000 supplemental funding.</p>
<p>2. Salaries and Wages. Included in the FY 1989 request for vocational and rehabilitation services are 376.3 FTE positions, a net increase of 27 positions over the FY 1988 level. New positions requested include the following: (1) eight VR Counselors I and three Office Assistants II are requested to replace special project workers which were approved by the 1987 Legislature to implement 1986 H.B. 2300 for school to work transitional planning for the developmentally disabled. SRS states that they have had a turnover problem with these positions due to the fact that they are not classified. (2) Four VR Counselors I and four Office Assistants II are requested to expand the</p>	<p>2. The Governor recommends five new positions for FY 1989 for vocational rehabilitation and blind services. Included is one VR counselor for the chronically mentally ill in the Kansas City area, two VR counselors to replace positions currently funded with federal grants, and two positions for the Rehabilitation Center for the Blind. The Governor also deletes 14 positions from Kansas Industries for the Blind.</p>

Item	Governor's Recommendation
<p>transitional planning staff. Currently, 620 severely disabled youth exiting special education are being served and the new staff is requested to serve an estimated 1,137 educable mentally retarded individuals exiting special education. (3) A specialty VR Counselor I is requested for the chronically mentally ill in the Kansas City area. There is already such a counselor in the Topeka and Wichita areas. (4) Two VR Counselors I are requested to replace two positions currently funded with federal grants. (5) Five positions are requested for the Commission on the Hearing Impaired. (6) Eight positions are requested for blind services. (7) 4.5 other positions are requested. The total of 41 new positions requested is offset by the 14 positions proposed to be eliminated from Kansas Industries for the Blind, for the net increase of 27 positions.</p>	

AID TO LOCAL UNITS

A. Summary. SRS requests \$18,561,366 for aid to local units in FY 1988 and \$27,186,186 in FY 1989. Only aid to mental health and mental retardation centers and special purpose mental health and mental retardation grants are budgeted as aid to local units in the SRS budget.

B. State Formula Aid to Mental Health Centers. The 1987 Legislature passed S.B. 316 which created a new formula for distribution of state aid to community mental health centers. Under the previous "649" formula, state aid distribution was based on a percentage match, not to exceed 50 percent, of a center's locally-generated income. This formula provided an incentive to provide funding for mental health centers at the local level. S.B. 316 provides that centers shall receive state aid based on a three year average of what they would have received under the old formula and that any increases are to be prorated among the centers, presumably in proportion to their "base" grant. S.B. 316 also provides the Secretary of SRS with the authority to make special purpose grants to mental health centers. The amount requested for formula aid in FY 1989 is \$8,399,125, a 4.8

A. The Governor recommends \$20,269,373 for aid to local units in FY 1989 and \$18,571,729 in FY 1988.

B. The Governor recommends \$8,013,630 for state formula aid to community mental health centers in FY 1989, no increase from the FY 1988 level.

Item	Governor's Recommendation
<p>percent increase over the FY 1988 amount of \$8,013,630. The actual amount of aid in FY 1987 was \$7,951,178.</p>	
<p>C. State Aid to Community Mental Retardation Centers. The 1986 Legislature passed H.B. 3127 which created a new formula for distribution of state aid to community mental retardation centers. Mental retardation centers previously received aid under the "649" formula. 1986 H.B. 3127 provides for aid to be distributed based on the number of full-time equivalent clients served in the previous calendar quarter with a per diem amount per client. The formula also includes a hold-harmless provision, under which no center is to receive less state aid than received in FY 1986. Since the same amount of funds were appropriated in FY 1987 as for FY 1986 (\$5,216,286), no funds were distributed under the new formula. In FY 1988, \$5,255,408 was appropriated for formula mental retardation funding, so the increase of \$39,122 will be distributed under the per diem provision of the new formula. Given the relatively small amount of the increase, the effect on an individual center should be minimal. In FY 1989, SRS requests \$7,255,408 for state formula aid, a \$2 million increase over FY 1988. (<u>Staff Note:</u> Although there have not been major increases in formula aid for mental retardation in the past few years, major new funding has been provided to centers to serve clients on waiting lists and those exiting state institutions.)</p>	<p>C. The Governor recommends \$5,255,408 in FY 1989 for state formula aid to community mental retardation centers, no increase from the FY 1988 level.</p>
<p>D. Special Purpose Grants-Mental Health. SRS requests \$2,968,220 from the State General Fund in FY 1989 for special purpose mental health grants. Included in the amount requested is \$225,720 to continue existing special grants to coordinate continuity of care for clients between state institutions and community centers, \$50,000 for grants for community services to facilitate the reduction of the adult population at Larned State Hospital, and \$100,000 for community services to help offset the elimination of 25 beds at Osawatomie State Hospital in FY 1987. (<u>Staff Note:</u> Although most of the \$150,000 for Larned and Osawatomie areas was used for residential programs in FY 1987 and FY 1988, \$60,000 was provided each year for a 24-hour emergency and screening unit for Johnson and Wyandotte counties.) Included in the total</p>	<p>D. The Governor recommends \$375,720 for special purpose mental health grants in FY 1989, no change from the FY 1988 level.</p>

Item	Governor's Recommendation
<p>amount requested for FY 1989 is also \$1,092,500 which would be used to provide a grant to the Shawnee County Mental Health Center to operate the Boisen Building which is currently part of Topeka State Hospital. SRS proposes that this grant would be funded through an offsetting reduction in the Topeka State Hospital budget. (<u>Staff Note:</u> Topeka State Hospital does not propose the transfer of this program in their budget request.) The remaining amount requested of \$1,650,000 would be used to develop new residential programs, new childrens programs and new pre-vocational programs. SRS does not specifically request any funds to move clients out of state institutions in FY 1988 or FY 1989.</p>	
<p>E. Special Purpose Grants-Mental Retardation. The FY 1988 approved budget for special mental retardation grants is \$2,716,899 of which \$2,402,087 is from the State General Fund and \$314,812 is from federal HCBS funds. (Of the total amount for these special grants, \$570,000 appears in the Medical Assistance budget as it is assumed that a number of the clients will be eligible for the HCBS program.) The FY 1988 approved amount includes funding to continue community placement grants started in FY 1986 and FY 1987 and to move an additional 96 clients out of state institutions and to serve 50 additional clients on community waiting lists in FY 1988. Also included is \$120,000 to fund group homes in Johnson County for clients cited by federal surveyors as inappropriately placed at Faith Village, a private ICF/MR. The FY 1989 request continues the above grants and also includes \$869,331 to move 100 additional clients out of state institutions and \$2,244,750 to serve 300 clients on community waiting lists. The total amount requested for FY 1989 is \$7,499,402 of which \$6,688,312 is from the State General Fund and \$811,090 is from federal HCBS funds. The actual amount spent on special purpose mental retardation grants in FY 1987 was \$1,106,167. Table 12 presents details of the proposed grants.</p>	<p>E. The Governor recommends \$5,486,290 for special purpose mental retardation grants in FY 1989 and \$2,716,899 in FY 1988. The FY 1989 recommendation provides for movement of 100 additional clients out of state institutions and services to 100 additional clients from community waiting lists. The recommendation also continues funding for a grant to Faith Village (\$165,000). The Governor's recommendation for FY 1989 is based on \$3,869,054 from the State General Fund and \$1,617,236 from federal funds.</p>

Item	Governor's Recommendation
<p>F. Federal Mental Health Block Grant. SRS requests expenditures of \$2,406,916 from the federal Mental Health Block Grant in FY 1989. Of the total, \$289,623 would be spent on state operations and \$2,117,293 would be spent on grants to mental health centers in accordance with priorities set by SRS which include partial hospitalization programs, and services for the chronically mentally ill. Grant awards to centers in FY 1987 totaled \$1,943,114 and the amount estimated for FY 1988 is \$2,250,000. SRS estimates total block grant expenditures of \$2,500,000 in FY 1988. Federal regulations allow up to 10 percent of the block grant to be used for administrative costs. SRS in the past has used part of this block grant to sustain special projects positions after other special federal grants have been discontinued. In FY 1987, \$47,855 was used for this purpose, in FY 1988 \$150,000 is proposed, and in FY 1989 \$51,260 is requested to fund positions that otherwise would be terminated after the expiration of a federal grant. (Staff Note: The Legislature may wish to consider whether SRS should continue to support positions for small federal grants that have expired, rather than use the block grant funding for grants.)</p>	<p>F. The Governor recommends expenditures of \$2,422,726 from the federal Mental Health Block grant in FY 1989, of which \$242,759 would be for state operations and \$2,199,967 would be for grants. The Governor's recommendations provide for continued funding of positions that were previously funded from other federal grants. (\$153,362 in FY 1988 and \$143,111 in FY 1989). The Governor recommends \$2,503,421 in block grant expenditures in FY 1988.</p>

ASSISTANCE AND GRANTS

<p>A. Summary. SRS requests \$570,327,682 for assistance and grants in FY 1989, an increase of 17.3 percent over the revised FY 1988 estimate of \$486,107,873. Of the total in FY 1989 \$269,649,630 is from state funds, an increase of 20.2 percent over the revised FY 1988 estimate. The revised FY 1988 estimate is \$29,141,273 over the approved budget, of which \$12,432,984 is requested from the State General Fund in supplemental funding.</p>	<p>A. The Governor recommends \$514,429,263 for assistance and grants in FY 1989, an increase of 5.7 percent over the amount recommended for FY 1988 of \$486,781,176. Of the total in FY 1988, \$224,512,351 is from state funds (46 percent), including supplemental funding of \$12,896,138 from the State General Fund. The FY 1989 recommendation includes \$238,247,856 from state funds (46 percent), an increase in state funds of 6.1 percent in FY 1989.</p>
<p>B. Aid to Families with Dependent Children (AFDC) -- FY 1988. The FY 1988 estimate for the AFDC cash assistance program is \$103,287,036, of which \$47,380,345 is from the State General Fund and \$55,906,691 or 54.1 percent is from federal funds. The agency requests no change in FY 1988 from the approved budget, however the narrative</p>	<p>B. The Governor recommends \$102,664,278 for the AFDC cash assistance program in FY 1988, of which \$47,094,671 is from the State General Fund. The Governor's recommendation is based on an increase of 3.8 percent in the AFDC caseload in FY 1989. (Staff Note: Although the Governor's recommendations make some reduction in funding for this program, it still</p>

 Item

explanation in the budget for the AFDC program indicates that SRS believes that an additional \$1,595,386 in expenditures over the approved level will occur. SRS projects that the AFDC caseloads will increase 6.1 percent during FY 1988 over the FY 1987 level although the approved budget was based on 3 percent caseload growth. SRS developed their projection using a statistical analysis software called exponential smoothing. (Staff Note: SRS projections of caseloads using complex statistical models have not been accurate in the past. For example, a model used last year predicted a caseload decline of 1.9 percent, when in fact caseloads increased by 8 percent. Based on caseload trends so far in FY 1988, it appears that AFDC caseloads have stabilized. The lower than projected caseload levels could result in savings of up to \$5.7 million in FY 1988, of which approximately \$2.5 million would be from the State General Fund.)

1. **Shared Living Penalty.** The 1987 Legislature provided \$829,787 of which \$390,000 was from the State General Fund, to be released upon approval by the State Finance Council, to modify the AFDC shared living policy to reduce the effect of the fiscal penalties that result when two or more AFDC families reside together. The funding would have allowed the penalty to be reduced from 50 percent to 33.3 percent for AFDC families living together if at least one of the clients were involved in a work program or was employed. The federal government has notified SRS that such a proposal would not comply with federal regulations because it would create a dual system that would not provide an equitable system for all AFDC clients, whether or not they were involved in a work program. (Staff Note: The savings from not implementing this proposal are reflected in the above calculations for AFDC in FY 1988.)

C. **Aid to Families with Dependent Children--FY 1989.** SRS requests \$117,454,269 in FY 1989 for AFDC cash assistance, of which \$52,949,129, or 45.1 percent is from the State General Fund. The FY 1989 request assumes a caseload increase of 5.9 percent over the projected FY 1988 level (As noted above, the FY 1988 requested level appears to be significantly overstated which may cause the FY 1989 request to also be overstated). The FY 1989 request includes \$4,276,253 of which

 Governor's Recommendation

appears there will be significant savings in this program in FY 1988.)

1. The Governor does not recommend funding for elimination of the shared living penalty.

C. The Governor recommends \$111,055,372 for AFDC cash assistance in FY 1989, of which \$49,918,407 is from the State General Fund. The Governor recommends no increase in the grants, but provides for an 8.2 percent growth in caseload from the FY 1988 recommended level. (Staff Note: The Governor's recommendation for FY 1989 is equivalent to the SRS "B level" budget request which was calculated based on SRS estimates of the FY 1988 caseload plus a 5.9 percent growth factor.)

Item Governor's Recommendation

\$2,084,023 is from the State General Fund for a 3.3 percent grant increase. At the FY 1989 requested caseload level, each 1 percent grant increase would cost approximately \$1.1 million of which about \$500,000 would be from the State General Fund. In recent years, AFDC cash grant increases have been as follows:

<u>Year</u>	<u>% Increase AFDC Grants</u>	<u>% Increase CPI-U</u>	<u>AFDC Maximum Grant For Family of 3 as % of Federal Poverty Level</u>	<u>% Increase in Caseload</u>
FY 1983	3.0	4.3	49.3	7.3
FY 1984	0.0	3.7	47.9	2.1
FY 1985	3.0	3.9	47.0	(6.0)
FY 1986	7.5	2.9	48.8	0.7
FY 1987	3.0*	2.2	48.7	8.0
FY 1988	1.5	4.3**	48.5	---

* AFDC cash grants were reduced by 3.8 percent for February through June, 1987 as part of the "lapse" bill. This reduction was restored in July 1987, in addition to the 1.5 percent grant increase.

** Based on first five months of FY 1988.

*** AFDC caseloads in FY 1988 appear to be stabilized based on expenditures through January.

1. **Shelter Allowances.** The FY 1989 AFDC request includes \$2,122,644, of which \$946,699 is from the State General Fund to revise the shelter standard for AFDC grants. Currently, there are 5 shelter standards ranging from \$76 to \$135 per month. Detail on these shelter standards is shown below:

	<u>Current</u>		<u>Proposed</u>	
	<u>No. of Counties</u>	<u>Rate</u>	<u>No. of Counties</u>	<u>Rate</u>
Group 1	26	\$ 76	--	\$ 97
Group 2	61	86	--	97
Group 3	7	97	89	97
Group 4	9	109	13	109
Group 5	2	135	3	135

1. The Governor does not recommend funding for any change in the shelter allowances.

Item

Federal regulations would allow this consolidation and increase in shelter standards, but do not permit states to reduce shelter standards for only certain geographic areas. The original shelter standards were set in the early 1970s, and reflected 50 percent of the HUD established fair market rate for housing. There has been no change in the shelter standards since they were originally established. (Staff Note: The amount requested includes funds to revise the shelter standards for General Assistance clients also.)

D. General Assistance. The General Assistance (GA) program is for individuals who are not eligible for other assistance programs and who are considered unemployable. GA clients are typically persons over 54, families not eligible for AFDC, or disabled individuals. GA clients currently receive grants based on 80 percent of the AFDC standard unless they are participating in an SRS work program or are in vocational rehabilitation. GA clients are also eligible for the MediKan program. Both cash assistance and medical assistance for GA clients are funded entirely with state funds. Prior to July, 1987, SRS also operated the Transitional General Assistance program for clients between the ages of 18 and 54 who were considered employable. The TGA program was reduced to one month of cash assistance by the "lapse" bill last session and the program was eliminated entirely July 1, 1987.

1. General Assistance FY 1988. The FY 1988 approved budget for GA is \$10,150,769. SRS projects that the GA caseload level will increase by 3.0 percent in FY 1988, no change from the approved budget. (Staff Note: Based on expenditures through January it appears that savings may be realized in the General Assistance program. Caseload levels for the first eight months of FY 1988 indicate that GA caseloads have stabilized.)

Governor's Recommendation

D. The Governor continues the General Assistance program in FY 1988 and FY 1989.

1. The Governor concurs with the SRS estimate for General Assistance in FY 1988 of \$10,150,772.

Item	Governor's Recommendation
<p>2. General Assistance FY 1989. The FY 1989 request for GA is \$10,246,796. The request is based on a 2.2 percent increase in caseload levels above the projected FY 1988 level (which includes the 3 percent growth in FY 1988). Also included is \$386,000 for GA clients at alcohol and drug treatment facilities, and \$327,561 for a 3.3 percent grant increase. (<u>Staff Note:</u> The SRS request apparently inadvertently omitted funding for GA clients in jobs programs and provides only \$386,000 for GA clients currently in alcohol and drug facilities compared to the FY 1988 amount of \$488,894.)</p>	<p>2. The Governor recommends \$10,246,796 for the General Assistance program in FY 1989 as requested. (<u>Staff Note:</u> The Governor's recommendation for GA is the same as the agency's request which includes \$327,561 for a 3.3 percent grant increase.)</p>
<p>E. Emergency Assistance. The Emergency Assistance program provides emergency funds to income eligible families with children when evictions or disasters occur and other resources are not available. Emergency Assistance is provided to a family no more than once annually and eviction assistance is limited to two months. SRS requests \$435,792 for Emergency Assistance in FY 1989, a 16.2 percent increase over the amount estimated for FY 1988 of \$375,000. Actual expenditures in FY 1987 were \$326,845. Expenditures under this program receive a 50 percent federal match. (<u>Staff Note:</u> In recent years, the Emergency Assistance program has run out of funds in April, forcing the program to be discontinued the last quarter of the year.)</p>	<p>E. The Governor recommends \$411,880 for the emergency assistance program in FY 1989, and \$375,000 in FY 1988.</p>
<p>F. Burial Assistance. SRS provides up to \$850 for a coffin and services, \$250 for cemetery expense, and \$150 for an outside container for deceased individuals whose estate is insufficient to meet the costs of burial. The expenditures for the burial program have grown in recent years, with the rising number of elderly persons in the state. SRS requests \$721,113 for this program in FY 1989 and \$696,600 in FY 1988. Actual expenditures were \$686,774 in FY 1987 and \$689,756 in FY 1986. This program is funded entirely from the State General Fund.</p>	<p>F. The Governor recommends \$710,947 for the burial assistance program in FY 1989 and \$696,600 in FY 1988.</p>

Item

Governor's Recommendation

G. **Refugee Program.** The refugee program provides cash, medical, and social services assistance for up to 31 months to Indochinese refugees. This program is 100 percent federally funded. The FY 1988 estimate for the program is \$5,289,174 and the FY 1989 request is \$5,490,163. Actual expenditures in FY 1987 were \$3,543,002. (Staff Note: Recent federal action changes the maximum number of months of eligibility for Refugee Assistance from 31 to 24 months, effective February 1, 1988. This change could have some impact on other SRS assistance programs.)

G. The Governor recommends \$5,493,163 for the refugee program in FY 1989 and \$5,289,174 in FY 1988, as requested.

H. **Medical Assistance.** The Medical Assistance budget comprises approximately 44 percent of the SRS operating budget. The state's Medicaid program includes automatic coverage for AFDC and SSI clients, and children under 18 and pregnant women meeting income eligibility guidelines. The program also includes a spenddown provision, whereby clients categorically related to AFDC or SSI may become eligible after a certain level of medical expenses are incurred. The state receives federal reimbursement on a matching basis for Medicaid costs. The federal match rate is currently 55.2 percent and is scheduled to decline to 54.93 percent on October 1, 1988. The state also operates the MediKan program for GA cash recipients, which is entirely financed from state funds. In FY 1987, the MediKan program cost approximately \$13 million.

H. The Governor recommends continued funding for the Medicaid and MediKan program.

1. **Medical-FY 1988.** The FY 1988 medical budget is outlined below:

1. The Governor provides an additional \$163,509 in supplemental funding over the

	<u>Approved Budget</u>	<u>Revised Estimate</u>	<u>Difference</u>	<u>Governor's Rec.</u>	<u>Difference</u>
State General Fund	\$118,121,055	\$130,481,652	\$ 12,360,597	\$130,645,161	\$ 12,524,106
SRS Fee Fund	9,848,893	9,000,000	(848,893)	9,000,000	(848,893)
Federal Medicaid	<u>132,590,895</u>	<u>148,275,509</u>	<u>15,684,614</u>	<u>148,443,662</u>	<u>15,852,767</u>
TOTAL	<u>\$260,560,843</u>	<u>\$287,757,161</u>	<u>\$ 27,196,318</u>	<u>\$288,088,823</u>	<u>\$ 27,527,980</u>

Item	Governor's Recommendation
<p>Table 6 provides a detailed explanation for the requested supplemental funding for the Medical Assistance Budget. The revised estimate for FY 1988 is an 11.7 percent increase over FY 1987 expenditures (adjusting for carryover claims). Of this increase, 60 percent is related to increases in the nursing home budget.</p>	<p>agency's request due to revised estimates of caseloads for elderly clients.</p>
<p>2. Medical-FY 1989. SRS requests \$339,476,981 for the Medical Assistance budget in FY 1989, of which \$155,288,453 is from the State General Fund and \$10,356,625 is from the SRS Fee Fund and 51.2 percent is from federal funds. Adjusting for carryover claims, the FY 1989 request is an increase of 20.7 percent over the FY 1988 revised estimate.</p>	<p>2. The Governor recommends \$305,257,526 for the Medical Assistance budget in FY 1989 of which \$139,043,245 is from the State General Fund and \$10,355,001 is from the SRS Fee fund and 51.6 percent is from federal funds. Adjusting for carryover claims the FY 1989 recommendation is an 8.4 percent increase over FY 1988.</p>
<p>3. Caseloads. In the past, SRS has not included caseload adjustments for all client categories when preparing the medical budget. In FY 1988, the approved budget included \$3,689,328 for a 3 percent caseload increase for AFDC and GA clients and a 4.6 percent increase for SSI disabled clients. No other caseload increases were included. SRS now projects caseload increases for all client categories, including such categories as the SSI-Aged, and the medically needy clients, which tend to be the most expensive. The total amount requested for caseload increases in FY 1989 is \$8,216,257.</p>	<p>3. The Governor recommends \$8,216,257 for caseload adjustments in the medical assistance budget in FY 1989.</p>
<p>4. Eligibility. In FY 1989, SRS requests \$3,722,600 of which an estimated \$1,674,425 would be from the State General Fund to expand Medicaid eligibility to pregnant women and children up to one year old who have family incomes up to 100 percent of the federal poverty level. The federal government now provides matching funds to allow states to expand Medicaid coverage for pregnant women and children up to age two who have family incomes up to 100 percent of the federal poverty level. As of January, 1988, 30 states had taken advantage of this new option although several of those states did not already have an AFDC-medical only program as Kansas does. Essentially, the new option would allow Kansas to provide Medicaid eligibility to those clients without a "spenddown" of their income.</p>	<p>4. The Governor does not recommend funding for this option.</p>

Item	Governor's Recommendation
<p>Additional expansion options for pregnant women and children were made available to states in the budget reconciliation bill passed in late December, 1987.</p>	<p>The Governor recommends \$715,961 in FY 1989 for dental services for adults.</p>
<p>SRS also requests \$900,000, of which an estimated \$500,000 would be from the State General Fund, to provide dental services to adults. Dental services to adults were eliminated January 1, 1987 as part of the lapse bill reductions.</p>	<p>The Governor recommends \$1,274,000 in FY 1989 for the "Division of Assets and Income" change. (Staff Note: Existing law would have to be amended to allow this change.)</p>
<p>SRS also requests \$1,300,000 (approximately one-half from the State General Fund) in FY 1989 to allow additional persons to become eligible for medical assistance through the so-called "division of assets and income" change. This change would allow a couple to divide their assets and income when determining eligibility for welfare in the long term care program. (Staff Note: During the 1987 Legislative Session, the fiscal note on 1987 S.B. 264 was \$2.2 million from all funds. That fiscal note did not take into account the 3.6 percent rate increases provided to nursing homes in FY 1988 and the elimination of the fifth cost center.)</p>	<p>5. The Governor recommends \$7,814,963 in FY 1989 for various rate increases. Of the total amount, \$2,440,930 is for the nursing home budget. (Staff Note: The Governor's recommendations provide a 2 percent rate increase for nursing homes. In FY 1988 approximately \$1.4 million of the State General Fund supplemental amount for medical assistance is due to the fact that the approved budget included a 1.25 percent increase for nursing homes, yet a 3.6 percent rate increase was provided.)</p>
<p>5. Rate Increases. SRS requests a total of \$21,854,839 in FY 1989 for various rate increases. Of the total amount requested for rate increases, \$7,121,343 is for the nursing home budget. These rate increases are delineated in Table 8. Additional information on these increases is available from the Legislative Research Department.</p>	<p>6. The Governor recommends \$2,348,935 in FY 1988 and \$3,500,000 in FY 1989 for the ICF/MH funding repayment.</p>
<p>6. ICF/MH Funding Issue. The federal government does not allow federal matching funds for clients between the ages of 16 and 64 who are in Intermediate Care Facilities for Mental Health (ICF/MH). SRS has claimed federal matching funds for such clients in the past and now must repay those federal funds. The total amount to be repaid is \$5,848,935 of which \$2,348,935 is requested for FY 1988 and \$3,500,000 is requested for FY 1989. The Subcommittees reviewing the SRS budget during the 1987 Legislative Session requested that SRS report on the status of this program to the 1988 Legislature and provide recommendations on how such</p>	

Item	Governor's Recommendation
<p>clients might be served more appropriately and efficiently. (Staff Note: Recent information from the federal government indicates that the first repayment should be \$2,155,945 or \$192,990 less than anticipated originally.)</p>	
<p>7. Elimination of the Fifth Cost Center. The 1987 Legislature authorized \$3.6 million in FY 1988 to phase out the fifth cost center. The fifth cost center was partially phased out on July 1, 1987 and was completely eliminated on January 1, 1988. SRS requests an additional \$1.2 million in FY 1989 to annualize the costs of complete elimination of this mechanism.</p>	<p>7. The Governor's recommendations for FY 1988 include the approved \$3.6 million for the elimination of the fifth cost center. It does not appear that the Governor's budget includes funds in FY 1989 for the annualized costs of full phase-out of the fifth cost center.</p>
<p>I. Low Income Energy Assistance Program (LIEAP). The federal LIEAP block grant program provides funds for assistance in utility payments for eligible persons. The main program operated by SRS is a winter heating program. A summer cooling and emergency program is also offered for households with an elderly or disabled member. LIEAP regulations allow transfer of 10 percent of the total federal grant to other block grants, 10 percent for administration, and 15 percent for weatherization programs. In the past, SRS has fully utilized these authorized transfers and has used the 10 percent transfer to other block grants to fund the Homemaker program. Federal LIEAP funding has declined significantly in recent years, by 9.9 percent in FY 1987 and 16 percent in FY 1988. The federal government has assumed that states will use oil overcharge moneys to offset cuts in LIEAP funds.</p>	<p>I. The Governor's recommendations for LIEAP are outlined in the following sections. The Governor's recommendation for LIEAP in FY 1988 does not take into account recent federal cuts in LIEAP funding.</p>
<p>1. LIEAP -- FY 1988. The amount in the FY 1988 revised budget for the LIEAP block grant expenditures totals \$17,593,864. Based on recent federal actions, SRS now estimates that LIEAP expenditures in FY 1988 will be only \$14,381,493. As shown in the chart below, SRS now estimates that there will be a shortfall in total LIEAP funding of approximately \$4 million if the agency were to maintain the present level of benefits. The figures below assume a 7 percent caseload growth in the LIEAP program and no change in benefit levels.</p>	<p>1. The Governor recommends \$17,562,190 for LIEAP block grant expenditures in FY 1988. The Governor's recommendations provide for an overall 6.6 percent increase in LIEAP utility assistance in FY 1988. The Governor's recommendations in FY 1988 provide \$2,231,397 in oil overcharge funds for LIEAP as approved by the 1987 Legislature.</p>

<u>Item</u>	<u>Amount Requested</u>	<u>Amount Available</u>	<u>Shortfall</u>
LIEAP Administration	\$ 927,435	\$ 927,435	\$ 0
Other Administration	1,142,669	54,345	1,088,324
LIEAP Benefits	14,454,884	12,358,492*	2,096,392
Homemaker Program	1,744,919	1,309,039	435,880
Weatherization	<u>2,486,510</u>	<u>1,963,559</u>	<u>522,951</u>
TOTAL	<u>\$20,756,417</u>	<u>\$16,612,870</u>	<u>\$ 4,143,547</u>

* Includes \$2,231,397 in oil overcharge funds.

<u>Item</u>	<u>Governor's Recommendation</u>
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2. **LIEAP -- FY 1989.** The FY 1989 request assumes \$16,159,534 in LIEAP block grant expenditures. Based on recent federal data, SRS now assumes that only \$13,090,396 will be available in LIEAP funds in FY 1989. (Staff Note: This estimate assumes no additional federal cuts in the LIEAP block grant in federal FY 1989. In recent years, SRS has overestimated the amount of administration costs that could be financed from LIEAP funds.) The following chart outlines the current estimate of the situation:

2. The Governor recommends LIEAP block grant expenditures of \$16,142,278 in FY 1989. The Governor recommends \$3,708,600 in oil overcharge funds for LIEAP in FY 1989.

<u>Item</u>	<u>Amount Requested</u>	<u>Amount Available</u>	<u>Shortfall</u>
LIEAP Administration	\$ 1,254,803	\$ 981,780	\$ 273,023
Other Administration	1,272,173	0	1,272,173
LIEAP Benefits	15,350,546	8,836,018	6,514,528
Homemaker Program	1,446,282	1,309,039	137,243
Weatherization	<u>2,217,811</u>	<u>1,963,559</u>	<u>254,252</u>
TOTAL	<u>\$21,541,615</u>	<u>\$13,090,396</u>	<u>\$ 8,451,219</u>

J. **Weatherization.** The Weatherization program provides low-income eligible persons with weatherization services such as caulking, weatherstripping, storm windows, insulation and furnace repair. Income eligibility for the program is based on 150 percent of the federal poverty level. Persons do not have to own their homes to be eligible. In FY 1987, 2,593 homes were weatherized, at an average cost of \$1,437 per home. SRS requests \$4,463,129 for weatherization assistance in FY 1988, of which \$1,976,619 is from federal weatherization funds and \$2,486,510 is from federal LIEAP funds. (Staff Note: The 1988 approved budget for weatherization was based on funding of \$346,858 from oil overcharge funds. SRS does not

J. The Governor recommends \$4,463,129 for weatherization in FY 1988 and \$4,525,121 in FY 1989, an increase of 1.4 percent. Included in the recommendation is \$346,858 in FY 1988 and \$646,858 in FY 1989 for oil overcharge funds.

Item	Governor's Recommendation
<p>include this funding in the revised FY 1988 budget.) The FY 1989 request for Weatherization of \$5,378,263 is based on \$1,660,452 from federal weatherization funds, \$2,217,811 from federal LIEAP funds, and \$1,500,000 from oil overcharge funds. The FY 1989 request is a 20.5 percent increase over the FY 1988 revised estimate. The FY 1989 request assumes 3,184 homes would be weatherized.</p>	
<p>K. Adult Services Grants. In recent years, Adult Services grants have been made primarily for community-based mental health and retardation services. These grants totaled \$10,779,447 in FY 1987. The FY 1988 estimate is \$10,661,530. The approved budget included a 1 percent increase in these grants beginning October 1, 1987. The revised estimate for FY 1988 includes a reduction in the amount of funding for these grants from the federal Social Services Block Grant, resulting in an overall 1.1 percent decrease for these grants in FY 1988. The FY 1989 request is \$12,800,736, of which \$3,984,779 is from the State General Fund and \$8,815,957 is from the federal Social Services Block Grant. The FY 1989 request is a 20 percent increase over the FY 1988 estimate. SRS states that the increased amounts would be used to provide a 5 percent increase in existing grants, funds to provide services to an additional 56 clients, and \$150,000 to use as a reserve for clients who may be found ineligible for the Home and Community Based waiver program, yet continue to need services in the community. <u>(Staff Note:</u> The Adult Services grants are primarily used to continue a base level of support for certain community-based mental retardation facilities, and in some cases finances the same services as those financed through state aid to mental retardation centers. The Legislature may wish to consider whether it is appropriate to have multiple divisions within SRS providing funding for the same programs.)</p>	<p>K. The Governor recommends \$11,116,530 for adult services grants in FY 1989, a 4.3 percent increase over the FY 1988 recommendation of \$10,661,530.</p>
<p>L. Daycare. SRS purchases day care services for AFDC clients participating in jobs programs, working AFDC clients, and other persons with incomes up to 85 percent above the federal poverty level.</p>	<p>L. The Governor recommends \$7,018,466 for daycare in FY 1989, no increase over the FY 1988 level.</p>

ItemGovernor's Recommendation

In recent years, the majority of the daycare funds have been allocated to the non-AFDC clients, as AFDC clients may have daycare support of up to \$160 per month per child built into their monthly cash grant. The 1987 Legislature approved an alternative system of financing daycare for AFDC clients through a direct purchase of service, rather than having the daycare allowance built into the cash grant. Previously, AFDC clients had to pay the first two months of child care out of their own pockets, creating a significant barrier to employment. The FY 1988 revised estimate for daycare is \$7,018,466, a decrease of \$88,758 from the approved budget. The daycare budget is financed primarily from the State General Fund and the Social Services Block Grant, with the exception that daycare provided to AFDC clients in SRS work programs is eligible for 50 percent AFDC federal matching funds. Daycare costs per slot are currently about \$117 per month or \$1,400 per year for one child.

	<u>Approved Slots FY 1988</u>	<u>Revised Estimate FY 1988</u>	<u>Request FY 1989</u>
AFDC-Working	1,325	1,135	1,240
AFDC-Job Programs	782	738	1,060
Low-Income Program	<u>3,508</u>	<u>3,177</u>	<u>3,700</u>
TOTAL	<u><u>5,615</u></u>	<u><u>5,050</u></u>	<u><u>6,000</u></u>

SRS proposes a 10 percent increase in daycare rates for infants and toddlers and a 5 percent increase for older children. Daycare rates were not increased in FY 1988. The total daycare request for FY 1989 is \$9,017,877, of which \$4,431,988 is from the State General Fund, \$3,864,459 is from the federal Social Services Block Grant, and \$721,430 is from federal AFDC funds.

 Item

M. Foster Care. The Foster Care program serves children and youth who have been adjudicated as a juvenile offender or as a child in need of care. The program includes family foster homes, groups homes, and residential centers. The Foster Care program has several financing sources, dependent on the child's eligibility for AFDC and the child's custody status. SRS allocates foster care funds to each of the area SRS offices, based on a formula. In the past, this formula was based primarily on historical expenditures, so that areas with high historical expenditures continued to receive proportionately more funds. In FY 1988, this formula was changed, partially in response to a Legislative Post Audit study and recommendations of the 1987 Legislature. The formula is based on the number of juveniles and the number of children's cases in the area, with the provision that no area would lose or gain more than 15 percent from the FY 1987 allocation. After the first allocation of funds under the new formula, concerns developed about the level of funding to certain areas. SRS then rescinded \$290,000 from the Olathe area and reallocated this amount plus \$320,000 (held in reserve) to the Kansas City, Parsons, Topeka, and Wichita areas. Currently, there are approximately 2,800 children in foster care placements.

The Adoption Support program provides financial and medical assistance to families who could not otherwise afford to adopt a special needs child. SRS uses its own staff to place children in adoption and also purchases adoption services from private agencies for which a fee is paid for each adoption. SRS recently received a federal grant to increase the number of adoptive families in the state for special needs and minority children. Currently there are approximately 600 children in the adoption support program.

1. **FY 1988.** The approved FY 1988 foster care and adoption support budget is \$24,673,872. The revised budget of \$24,587,785 includes a decrease of \$86,087 in funding from the Social Service Block Grant. The 1987 Legislature approved rate increases for the foster care program of 3 percent beginning July 1, 1987 for family foster care and 2 percent beginning January 1, 1988 for residential foster care. With the January increases, the foster care rates

 Governor's Recommendation

M. The Governor's recommendations for foster care and adoption support are outlined below.

1. The Governor concurs with the agency's request for foster care in FY 1988.

<u>Item</u>	<u>Governor's Recommendation</u>	
	<u>Current Daily Rate</u>	<u>Request FY 1989</u>
Family Foster Care		
Ages 0-4	\$ 6.22	\$6.53
5-11	8.41	8.83
12 +	10.66	11.19
Residential Foster Care		
Level III	\$ 26.35	27.65
Level IV	44.40	46.60
Level V	58.15	61.05
Level VI	144.90	152.15
Emergency	58.15	61.05
Detention	41.70	43.80

2. **FY 1989.** SRS requests \$28,070,336 in FY 1989 for the Foster Care and Adoption Support programs, of which \$19,105,515 is from the State General Fund. The request is a total increase of 13.8 percent over the FY 1988 estimate. SRS states that the amount requested would finance a 5 percent increase in rates to all foster care providers for the entire fiscal year, provide an expansion of Independent Living Programs for older adolescents, provide additional recruitment and development of therapeutic foster homes, and provide an increase in the amount each SRS area office has for foster parent training. SRS does not project any significant change in the number of children in foster care in FY 1989. SRS requests a 25.3 percent increase in the adoption support program in FY 1989. Outlined below is the estimated cost for each 1 percent increase in foster care rates in FY 1989:

2. The Governor recommends a 3.4 percent increase in the foster Care budget in FY 1989 and a 9.3 percent increase in the adoption support program. The Governor's recommendations do not specify whether the increased foster care amounts should be used for caseload growth or rate increases. A portion of the increase would be to annualize rate increases provided in FY 1988. The total amount recommended for foster care and adoption support in FY 1989 is \$25,648,365.

Item	Governor's Recommendation	
	State General Fund	All Funds
Family Foster Care	\$ 25,000	\$ 43,000
Residential Foster Care	150,000	176,000
Both Family and Residential	175,000	219,000

Governor's Recommendation

N. **Alcohol and Drug Abuse (ADAS) Grants-Summary.** SRS requests \$9,486,667 in ADAS grants in FY 1989, a 36.5 percent increase over the FY 1988 estimate of \$6,950,999. Of the total request in FY 1989, \$5,840,548 is from the State General Fund, and represents an increase of \$2,625,245 over the State General Fund estimate for FY 1988.

N. The Governor recommends \$7,355,908 in FY 1988 and \$7,366,667 in FY 1989 for alcohol and drug abuse programs. The FY 1988 recommendation includes \$302,166 in supplemental funding from the State General Fund to allow the development of two new regional prevention centers.

1. **New Federal Funds.** In FY 1987, SRS received new federal funds for ADAS grants totaling \$883,000 in FY 1988 and \$796,471 in FY 1989. The 1987 Legislature approved the following uses of funds for FY 1988:

1. The Governor's recommendations are based on expenditures of \$883,000 in FY 1988 and \$796,471 in FY 1989 from these federal funds.

Youth Treatment Facility -- 20 beds	\$300,000
Counseling services for the Youth Centers	85,000
Youth counselors for community programs	140,000
Department of Corrections (continue current program)	150,000
Board of Regents	50,000
Prevention Centers	<u>158,000</u>
TOTAL	<u>\$883,000</u>

In addition to the federal funds provided to SRS, new federal funds were also provided to the Department of Administration, the Department of Corrections, and the Department of Education. SRS plans to use the FY 1989 federal funds to continue the above programs. (Staff Note: SRS anticipates that new federal funds of up to \$1.5 million will become available in FY 1989 for alcohol and drug treatment programs. Although such funds would likely prohibit supplanting of existing state funding, it should be noted that the above grant of \$150,000 for the Department of Corrections in FY 1988 did maintain an existing program.)

Item	Governor's Recommendation
<p>2. Regional Prevention Programs. In FY 1988, SRS began a new system of providing prevention and education grants. Existing prevention grants were discontinued (about 16 grants totaling \$474,810) and a new regional prevention program was established. There are currently five regional centers (Wichita, Lawrence, Kansas City, Colby, and Girard) which receive a grant of \$166,162 each. The grants are provided to fund training of teachers, parents, and youth within the schools and community and to provide youth counseling services. SRS estimates that 45 percent of the state's population is served by the five grants. SRS has also received a federal demonstration grant of \$96,909 which has been awarded to the Wichita school system to diagnose and identify youth with alcohol or drug problems. SRS requests \$770,000 in new state funding in FY 1989 to fund five new regional centers, for a total of ten centers. SRS also requests \$100,000 for a statewide prevention program in schools for student training, and \$180,000 to fund six intervention specialists in the regional prevention centers. The total estimated for prevention grants in FY 1988 is \$952,196 and the FY 1989 request totals \$2,002,196.</p>	<p>2. The Governor recommends \$1,357,105 in FY 1988 and \$952,196 in FY 1989 for prevention programs. The Governor's recommendations include funding for seven regional centers in FY 1988 and five centers in FY 1989.</p>
<p>3. Department of Corrections. SRS requests \$630,000 in FY 1989 for the alcohol and drug treatment program for the Department of Corrections. This program was started in FY 1987 at KSIR and includes a 30-bed, 45-day inpatient treatment program and community treatment programs. Grants from SRS for this program totaled \$708,031 in FY 1987 and are estimated at \$630,000 in FY 1988. All the funding for the program was from the State General Fund in FY 1987. In FY 1988, \$150,000 of the new federal funds were used to fund the program and in FY 1989, SRS requests that \$150,000 be from federal funds.</p>	<p>3. The Governor recommends \$630,000 in FY 1988 and \$648,000 in FY 1989 for the Department of Corrections.</p>
<p>4. Treatment Grants. SRS requests a total of \$6,854,471 for adult and youth treatment grants for FY 1989 and the FY 1988 estimate is \$5,368,803. Of the FY 1989 total, \$2,300,000 would be for youth treatment grants and the remainder is for adults. Currently, SRS provides \$200,000 to Johnson county and \$500,000 to Wichita for youth treatment programs. The Wichita grant includes \$300,000 from federal funds and the remainder of the youth grants are financed from the State General Fund.</p>	<p>4. The Governor recommends \$5,736,471 for adult and youth treatment grants in FY 1989. Of the total, \$920,000 would be for youth treatment grants and \$4,816,471 would be for adult grants. The FY 1989 recommendation for adult treatment grants is a 3.2 percent increase over FY 1988.</p>

<u>Item</u>	<u>Governor's Recommendation</u>
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Providing alcohol and drug residential treatment for indigent youths has been a priority area for SRS. According to SRS, there are currently 27 beds available state wide in the community for indigent youth to receive such services. The amount requested for adult treatment grants in FY 1989 of \$4,554,471 is a 2.4 percent decrease from the FY 1988 estimate.

CAPITAL IMPROVEMENTS

<u>Project</u>	<u>Request FY 1989</u>	<u>Gov. Rec. FY 1989</u>
Institutional Major Maintenance	\$ 9,407,650	\$ --
Institutional Roof Repair	769,200	--
Institutional Energy Conservation	825,300	--
Safety Improvements -- Manual Arts	16,783	--
Access Ramp-Perry and Feldman Buildings (TSH)	10,870	--
Replace Locks at Complex	7,680	--
Improve Eraser Room -- Kansas Industries for the Blind	4,845	--
Access Remodeling -- Vocational Rehabilitation Center in Salina	-- 25,000	-- --
Dormitory Improvements -- Vocational Rehabilitation Center in Salina	-- 30,714	-- --
Sandblast and Paint SRS Chanute office	14,800	--
Concrete Repairs -- Kansas Industries for the Blind	4,069	--
Resurface Parking Lot -- Chanute Office	11,300	--
TOTAL	<u>\$ 11,128,211</u>	<u>\$ --</u>
<u>Funding</u>		
State Institutions Building Fund	\$ 11,128,211	\$ --

Atch 4
SRS

TABLE 1
SRS BUDGET SUMMARY - FY 1988

Expenditure Items	Approved FY 1988 Budget		Gov. Rec.		Difference	
	State Funds	All Funds	State Funds	All Funds	State Funds	All Funds
State Operations*	\$ 57,722,977	\$144,814,459	\$ 59,222,109	\$145,668,348	\$ 1,499,132	\$ 853,889
Aid to Local Units						
State Aid to Community Mental Health	\$ 8,013,630	\$ 8,013,630	\$ 8,013,630	\$ 8,013,630	\$ 0	\$ 0
State Aid to Community Mental Retardation	5,255,408	5,255,408	5,255,408	5,255,408	0	0
Other Mental Health Grants	375,720	2,839,608	375,720	2,825,755	0	(13,853)
Other Mental Retardation Grants	2,146,899	2,466,573	2,146,899	2,476,836	0	10,363
Subtotal -- Aid to Local Units	<u>\$ 15,791,657</u>	<u>\$ 18,575,219</u>	<u>\$ 15,791,657</u>	<u>\$ 18,571,729</u>	<u>\$ 0</u>	<u>\$ (3,490)</u>
Assistance and Grants						
Medical Assistance	\$127,969,948	\$260,560,843	\$139,645,161	\$288,088,823	\$ 11,675,213	\$ 27,527,980
AFDC Cash Assistance	47,380,345	103,287,035	47,094,671	102,664,278	(285,674)	(622,757)
GA Unrestricted	10,150,772	10,150,772	10,150,772	10,150,772	0	0
GA Transitional	0	0	0	0	0	0
Indochinese Refugee Assistance	0	5,289,174	0	5,289,174	0	0
Low Income Energy Assistance	0	13,523,728	0	13,537,644	0	13,916
Emergency Assistance	152,737	375,000	222,263	375,000	69,526	0
Foster Care	15,630,793	23,531,790	15,630,793	23,445,703	0	(86,087)
Adoption Support	892,214	1,142,082	892,214	1,142,082	0	0
Day Care	2,545,468	7,107,224	2,545,468	7,018,466	0	(88,758)
Alcohol and Drug Abuse Grants	3,215,303	6,950,999	3,523,303	7,355,908	308,000	404,909
Community Services Grants	0	2,797,796	0	3,104,180	0	306,384
Weatherization Assistance	0	4,805,238	0	4,458,380	0	(346,858)
Adult Services Grants	1,845,573	11,328,903	1,845,573	11,128,530	0	(200,453)
Housing and Urban Development Grants	0	2,570,000	0	2,570,000	0	0
Other Assistance, Grants and Benefits	2,864,590	6,124,191	2,962,133	6,452,236	97,543	328,045
Subtotal -- Assistance and Grants	<u>\$212,647,743</u>	<u>\$459,544,855</u>	<u>\$224,512,351</u>	<u>\$486,781,176</u>	<u>\$ 11,864,608</u>	<u>\$ 27,236,321</u>
Total Operating	\$286,162,377	\$622,934,533	\$299,526,117	\$651,021,253	\$ 13,363,740	\$ 28,086,720
Capital Improvements	\$ 0	\$ 1,393,663	\$ 0	\$ 2,247,541	\$ 0	\$ 853,878
TOTAL BUDGET	<u>\$286,162,377</u>	<u>\$624,328,196</u>	<u>\$299,526,117</u>	<u>\$653,268,794</u>	<u>\$ 13,363,740</u>	<u>\$ 28,940,598</u>
State General Fund Financed	\$273,634,903		\$288,062,060		\$ 14,427,157	
SRS Fee Fund Financed	\$ 12,527,474		\$ 11,464,057		\$ (1,063,417)	

(Note: State Funds include State General Fund and SRS Fee Fund.)

* Includes \$9,900,000 for repayment of the nursing home lawsuit settlement.

700

ATTACHMENT 4
G.O. COMMITTEE

2/18/88

TABLE 2

SRS BUDGET SUMMARY - FY 1989

Expenditure Items	Agency Request FY 1989		Gov. Rec. FY 1989		Difference	
	State Funds	All Funds	State Funds	All Funds	State Funds	All Funds
State Operations	\$ 67,850,806	\$ 149,856,241	\$62,041,245	\$140,677,227	\$ (5,809,561)	\$ (9,179,014)
Aid to Local Units						
State Aid to Community Mental Health	\$ 8,399,125	\$ 8,399,125	\$ 8,013,630	\$ 8,013,630	\$ (385,495)	\$ (385,495)
State Aid to Community Mental Retardation	7,255,408	7,255,408	5,255,408	5,255,408	(2,000,000)	(2,000,000)
Other Mental Health Grants	2,968,220	5,281,424	375,720	2,751,598	(2,592,500)	(2,529,826)
Other Mental Retardation Grants	<u>5,925,229</u>	<u>6,250,229</u>	<u>3,869,054</u>	<u>4,248,737</u>	<u>(2,056,175)</u>	<u>(2,001,492)</u>
Subtotal -- Aid to Local Units	<u>\$ 24,547,982</u>	<u>\$27,186,186</u>	<u>\$17,513,812</u>	<u>\$20,269,373</u>	<u>\$(7,034,170)</u>	<u>\$(6,916,813)</u>
Assistance and Grants						
Medical Assistance	\$165,645,078	\$339,476,981	\$149,398,246	305,257,526	\$(16,246,832)	\$(34,219,455)
AFDC Cash Assistance	52,949,129	117,454,269	49,918,407	111,055,372	(3,030,722)	(6,398,897)
GA Unrestricted	10,246,796	10,246,796	10,246,796	10,246,796	0	0
GA Transitional	0	0	0	0	0	0
Indochinese Refugee Assistance	0	5,490,163	0	5,490,163	0	0
Low Income Energy Assistance	0	14,621,186	0	13,676,841	0	(944,345)
Emergency Assistance	217,896	435,792	205,940	411,880	(11,956)	(23,912)
Foster Care	18,012,773	26,634,145	16,069,521	24,239,970	(1,943,252)	(2,394,175)
Adoption Support	1,092,742	1,436,191	977,742	1,248,395	(115,000)	(187,796)
Day Care	4,431,988	9,017,877	2,545,468	7,018,466	(1,886,520)	(1,999,411)
Alcohol and Drug Abuse Grants	5,840,548	9,486,667	3,690,548	7,336,667	(2,150,000)	(2,150,000)
Community Services Grants	0	3,188,751	0	3,188,751	0	0
Weatherization Assistance	0	5,378,263	0	4,625,121	0	(853,142)
Adult Services Grants	3,984,779	13,160,736	2,300,573	11,476,530	(1,684,206)	(1,684,206)
Housing and Urban Development Grants	0	2,950,660	0	2,950,660	0	0
Other Assistance, Grants and Benefits	<u>7,114,860</u>	<u>11,236,164</u>	<u>2,894,615</u>	<u>6,306,125</u>	<u>(4,220,245)</u>	<u>(4,930,039)</u>
Subtotal -- Assistance and Grants	<u>\$269,536,589</u>	<u>\$570,214,641</u>	<u>\$238,247,856</u>	<u>\$514,429,263</u>	<u>\$(31,288,733)</u>	<u>\$(55,785,378)</u>
Total Operating	\$361,935,377	\$747,257,068	\$317,802,913	\$675,375,863	\$(44,132,464)	\$(71,881,205)
Capital Improvements	\$ 0	\$ 11,128,211	\$ 0	\$ 0	\$ 0	\$(11,128,211)
TOTAL BUDGET	<u>\$361,935,377</u>	<u>\$758,385,279</u>	<u>\$317,802,913</u>	<u>\$675,375,863</u>	<u>\$(44,132,464)</u>	<u>\$(83,009,416)</u>
State General Fund Financed	\$348,755,420		\$304,884,677		\$(43,870,743)	
SRS Fee Fund Financed	\$ 13,179,957		\$ 12,918,236		\$ (261,721)	

(Note: State Funds include State General Fund and SRS Fee Fund.)

TABLE 3

SRS BUDGET SUMMARY -- FY 1988-FY 1989

Expenditure Items	Gov. Request FY 1988		Gov. Rec. FY 1989		Difference	
	State Funds	All Funds	State Funds	All Funds	State Funds	All Funds
State Operations	\$59,222,109	\$145,668,348	\$62,041,245	\$140,677,227	\$2,819,136	(\$4,991,121)
Aid to Local Units						
State Aid to Community Mental Health	\$8,013,630	\$8,013,630	\$8,013,630	\$8,013,630	\$0	\$0
State Aid to Community Mental Retard.	5,255,408	5,255,408	5,255,408	5,255,408	0	0
Other MH Grants	375,720	2,825,755	375,720	2,751,598	0	(74,157)
Other MR Grants	<u>2,146,899</u>	<u>2,476,936</u>	<u>3,869,054</u>	<u>4,248,737</u>	<u>1,722,155</u>	<u>1,771,801</u>
Subtotal	\$ 15,791,657	\$ 18,571,729	\$ 17,513,812	\$ 20,269,373	\$ 1,722,155	\$ 1,697,644
Assistance and Grants						
Medical Assistance	\$139,645,161	\$288,088,823	\$149,398,246	\$306,257,526	9,753,085	\$17,168,703
AFDC Cash Assistance	47,094,671	102,664,278	49,918,407	111,055,372	2,823,736	8,391,094
GA Unrestricted	10,150,772	10,150,772	10,246,796	10,246,796	96,024	96,024
GA Transitional	0	0	0	0	0	0
Indochinese Refugee Assistance	0	5,289,174	0	5,490,163	0	200,989
Low Income Energy Assistance	0	13,537,644	0	13,676,841	0	139,197
Emergency Assistance	222,263	375,000	205,940	411,880	(16,323)	36,880
Foster Care	15,630,793	23,445,703	16,069,521	24,239,970	438,728	794,267
Adoption Support	892,214	1,142,082	977,742	1,248,395	85,528	106,313
Day Care	2,545,468	7,018,466	2,545,468	7,018,466	0	0
Alcohol and Drug Abuse Grants	3,523,303	7,355,908	3,690,548	7,336,667	167,245	(19,241)
Community Services Grants	0	3,104,180	0	3,188,751	0	84,571
Weatherization Assistance	0	4,458,380	0	4,525,121	0	66,741
Adult Services Grants	1,845,573	11,128,530	2,300,573	11,476,530	455,000	348,000
Housing and Urban Dev. Grants	0	2,570,000	0	2,950,660	0	380,660
Other Assistance, Grants & Benefits	<u>2,962,133</u>	<u>6,452,236</u>	<u>2,894,615</u>	<u>6,306,125</u>	<u>(67,518)</u>	<u>(146,111)</u>
Subtotal-Assistance and Grants	\$224,512,351	\$486,781,176	\$238,247,856	\$514,429,263	\$13,735,505	\$27,648,087
Total Operating	\$299,526,117	\$651,021,253	\$317,802,913	\$675,376,863	\$18,276,796	\$24,354,610
Capital Improvements	\$ 0	\$ 2,247,541	\$ 0	\$ 0	\$ 0	(\$2,247,541)
TOTAL BUDGET	\$299,526,117	\$653,268,794	\$317,802,913	\$675,376,863	\$18,276,796	\$22,107,069
State General Fund Financed	\$288,062,060		\$304,884,677		\$16,822,617	
SRS Fee Fund Financed	\$ 11,464,057		\$ 12,918,236		\$ 1,454,179	

TABLE 4

SUMMARY -- SOCIAL SERVICE BLOCK GRANT EXPENDITURES

<u>State Operations</u>	<u>Actual FY 1987</u>	<u>Approved FY 1988</u>	<u>Rev. Est. FY 1988</u>	<u>Gov. Rec. FY 1988</u>	<u>Request FY 1989</u>	<u>Gov. Rec. FY 1989</u>
Homemaker Services	\$ 2,180,329	\$ 1,873,553	\$ 1,830,362	\$ 1,821,884	\$ 1,830,735	\$ 2,197,353
Adult Services -- Field Staff	1,850,744	2,149,007	2,036,979	2,037,014	2,036,979	2,120,368
Youth Services -- Field Staff	5,552,234	5,376,080	5,289,834	5,289,923	5,289,834	5,531,015
Blind Services	200,947	216,838	226,744	225,515	231,416	239,499
Administration/Other	<u>1,772,633</u>	<u>1,473,636</u>	<u>1,616,767</u>	<u>1,612,786</u>	<u>1,631,881</u>	<u>1,644,920</u>
Subtotal -- State Operations	<u>\$11,556,887</u>	<u>\$11,089,114</u>	<u>\$11,000,686</u>	<u>\$10,987,122</u>	<u>\$11,020,845</u>	<u>\$11,733,155</u>
<u>Grants and Purchased Services</u>						
Adult Services Grants	\$ 8,880,314	\$ 9,205,532	\$ 8,815,957	\$ 8,815,957	\$ 8,815,957	\$ 8,815,957
Foster Care	3,341,462	3,871,612	3,785,525	3,785,525	3,785,525	3,785,525
Day Care	3,236,979	4,014,609	3,902,998	3,902,998	3,864,459	3,864,459
Other	<u>66,273</u>	<u>0</u>	<u>597</u>	<u>597</u>	<u>96,538</u>	<u>61,748</u>
Subtotal -- Grants and Benefits	<u>\$15,525,028</u>	<u>\$17,091,753</u>	<u>\$16,505,077</u>	<u>\$16,505,077</u>	<u>\$16,562,479</u>	<u>\$16,527,689</u>
TOTAL	<u>\$27,081,915</u>	<u>\$28,180,867</u>	<u>\$27,505,763</u>	<u>\$27,492,199</u>	<u>\$27,583,324</u>	<u>\$28,260,844</u>

The Social Services Block Grant (SSBG) provides federal funding for social services in the state. No state match is required for these funds, however, most activities financed with the SSBG also include state funds. There are few restrictions on what types of activities the SSBG may finance, except that it must be used for provision of services, not for maintenance such as cash assistance. SSBG funds have historically been used for a wide variety of assistance programs and state operations. (Staff Note: Recent federal funding information indicates that the Social Service Block grant will total \$27,978,500 in FY 1988 and \$27,576,750 in FY 1989, or \$195,793 less than the Governor recommended for the two-year period.)

TABLE 5

SUMMARY OF LIEAP BLOCK GRANT

<u>State Operations</u>	<u>Actual FY 1987</u>	<u>Rev. Est. FY 1988</u>	<u>Gov. Rec. FY 1988</u>	<u>Request FY 1989</u>	<u>Gov. Rec. FY 1989</u>
Administration					
LIEAP Administration	\$ 962,199	\$ 927,435	\$ 891,767	\$ 1,254,803	\$ 910,865
Other Administration	<u>1,444,195</u>	<u>1,142,669</u>	<u>1,141,543</u>	<u>1,272,173</u>	<u>1,178,082</u>
Subtotal -- Administration	\$ 2,406,394	\$ 2,070,104	\$ 2,033,310	\$ 2,526,976	\$ 2,088,947
Homemaker Program	<u>1,557,737</u>	<u>1,744,919</u>	<u>1,736,123</u>	<u>1,446,282</u>	<u>1,867,059</u>
Subtotal -- State Operations	<u>\$ 3,964,131</u>	<u>\$ 3,815,023</u>	<u>\$ 3,769,433</u>	<u>\$ 3,973,258</u>	<u>\$ 3,956,006</u>
Grants and Purchased Services					
LIEAP					
Winter Heating Program*	\$ 9,990,546	\$10,740,189	\$10,754,105	\$11,758,773	\$10,814,428
Summer Cooling Program	2,494,534	2,551,985	2,551,985	2,628,544	2,628,544
Emergency Cooling Program	207,165	231,554	231,554	233,869	233,869
Weatherization	<u>3,215,736</u>	<u>2,486,510</u>	<u>2,486,510</u>	<u>2,217,811</u>	<u>2,218,101</u>
Subtotal -- Grants	<u>\$15,907,981</u>	<u>\$16,010,238</u>	<u>\$16,024,154</u>	<u>\$16,838,997</u>	<u>\$15,894,942</u>
TOTAL	<u>\$19,872,112</u>	<u>\$19,825,261</u>	<u>\$19,793,587</u>	<u>\$20,812,255</u>	<u>\$19,850,948</u>

- * Includes \$2,231,397 in approved oil overcharge fund expenditures in FY 1988 and \$4,653,015 in requested oil overcharge fund expenditures in FY 1989. The Governor recommends \$2,231,397 in oil overcharge funds in FY 1988 and \$3,708,670 in FY 1989 for LIEAP. (Staff Note: The above amounts requested by the agency and recommended by the Governor do not reflect recent cuts in LIEAP funds. Additional information on recent developments in LIEAP funding is provided in the detailed analysis section.)

	<u>FY 1988</u>	<u>FY 1989</u>
Projected Total LIEAP Funding (As of January, 1988)	\$ 14,381,473	\$ 13,090,396
Gov. Rec.	17,562,190	16,142,278
Difference (Shortfall)	\$ 3,180,717	\$ 3,051,882

TABLE 6

FINANCING ALCOHOL AND DRUG ABUSE SERVICES

	Actual <u>FY 1987</u>	Rev. Est. <u>FY 1988</u>	Gov. Rec. <u>FY 1988</u>	Request <u>FY 1989</u>	Gov. Rec. <u>FY 1989</u>
Total by Fund					
State General Fund	\$ 3,614,421	\$ 3,382,517	\$ 3,684,683	\$ 6,112,468	\$ 3,878,263
Community Alcohol and Intoxica- tion Program	1,258,401	1,397,093	1,397,125	1,398,000	1,403,213
Alcoholism Treatment Fund	545,873	550,255	547,266	555,700	568,715
Federal Block Grant	1,558,146	1,712,782	1,712,836	1,735,084	1,742,945
Federal Drug Abuse Fund	0	883,000	979,909	796,471	796,471
Certification Fees	20,194	18,186	18,190	18,125	18,714
TOTAL	<u>\$ 6,997,035</u>	<u>\$ 7,943,833</u>	<u>\$ 8,340,009</u>	<u>\$10,615,848</u>	<u>\$ 8,408,321</u>
Expenditures					
Administration	\$ 953,470	\$ 992,834	\$ 984,101	\$ 1,129,181	\$ 1,071,654
Adult Treatment Grants	4,552,048	4,668,803	4,668,803	4,554,471	4,816,471
Youth Treatment Grants	200,000	700,000	700,000	2,300,000	920,000
Prevention Grants	583,486	952,196	1,357,105	2,002,196	952,196
Department of Corrections	708,031	630,000	630,000	630,000	648,000
TOTAL	<u>\$6,997,035</u>	<u>\$7,943,833</u>	<u>\$ 8,340,009</u>	<u>\$10,615,848</u>	<u>\$ 8,408,321</u>

TABLE 7

SUMMARY OF REVISED FY 1988 MEDICAL ASSISTANCE BUDGET

Approved budget	\$260,560,843
Claims from FY 1987 paid in FY 1988	6,462,957
Adjust FY 1988 base to account for higher claims in FY 1987	6,462,957
Medicare Repricing - savings lower than anticipated by SRS	5,280,000
Reduced estimate of savings from 1987 "lapse" bill cut	2,543,377
Increased nursing home reimbursement	2,781,081
Drug inflation costs	1,693,158
HCFA Deferral - Intermediate Care Facilities for the Mentally Ill AZT	2,348,935
	156,438
Dental care for residents of Intermediate Care Facilities for the Mentally Retarded	70,802
Lawsuit -- Nursing Home	115,000
Head injury facility	300,000
Hospital rate appeals	577,382
HCBS workers shifted to state operations	(1,900,000)
Miscellaneous	<u>304,231</u>
Revised Budget Total	\$287,757,161
Less: Approved Amount	<u>260,560,843</u>
Requested Increase	\$ 27,196,318
State General Fund Amount	\$ 12,360,597
Governor's Recommendation	<u>12,524,106</u>
Difference	<u>\$ 163,509</u>

TABLE 8

SUMMARY -- MEDICAL ASSISTANCE

	Actual FY 1987	Approved FY 1988	Revised Request FY 1988	Requested Increase FY 1988	Gov. Rec. FY 1988	Request FY 1989	Gov. Rec. FY 1989
Inpatient Hospital	\$ 59,411,100	\$ 64,912,066	\$ 71,625,606	\$ 6,713,540	\$ 71,625,606	\$ 79,637,656	\$ 70,571,848
First Day Hospitalization	1,135,914	1,050,000	1,350,000	300,000	1,350,000	1,605,000	1,350,000
Community Mental Health Center	6,220,065	6,290,745	6,345,045	54,300	6,345,045	7,321,886	6,807,067
Inpatient -- Mental	203,731	213,503	226,331	12,828	226,331	230,950	231,552
Outpatient Hospital	7,109,258	6,352,433	6,872,863	520,430	6,872,863	7,415,295	6,855,985
Physicians	23,927,997	26,366,448	27,702,235	1,335,787	27,702,235	35,294,807	29,800,361
Drugs	22,107,890	23,442,433	25,689,152	2,246,719	25,689,152	29,994,082	29,329,350
Dental	4,983,128	4,636,883	4,762,055	125,172	4,762,055	5,939,770	5,761,671
Laboratory	2,062,507	2,303,254	2,426,456	123,202	2,426,456	2,447,852	2,454,227
Family Planning	1,752,663	1,956,235	2,121,572	165,337	2,121,572	2,890,637	2,113,634
Alternate Services	2,234,563	2,426,660	2,431,745	5,085	2,431,745	4,777,911	3,965,470
Medical Supplies	1,749,428	1,939,119	1,920,659	(18,460)	1,920,659	2,659,114	2,510,130
Chiropractic Services	99,188	100,541	102,679	2,138	102,679	107,715	107,996
Podiatric Services	130,019	140,106	141,699	1,593	141,699	148,649	149,036
Optometric Services	1,119,563	1,192,702	1,217,610	24,908	1,217,610	1,336,230	1,280,659
Audiological Services	130,124	139,871	141,574	1,703	141,574	148,518	148,905
Ambulance	567,877	598,962	608,987	10,035	608,987	638,857	640,521
Non-Ambulance	470,575	507,413	510,668	3,255	510,668	1,041,411	537,111
Miscellaneous	62,901	80,889	59,772	(1,117)	59,772	66,839	66,010
Medicare Buy-In	4,945,393	6,037,393	6,140,727	103,334	6,140,727	8,757,590	6,458,697
ICF	90,364,539	95,504,290	102,462,157	6,967,867	102,462,155	115,543,631	106,777,766
ICF/MR	14,069,997	16,134,400	19,101,702	2,967,302	19,101,702	22,956,728	19,483,736
SNF	2,175,080	2,574,490	2,676,409	101,919	2,676,409	5,317,317	4,855,759
HCBS	2,849,950	3,227,249	2,164,660	(1,062,589)	2,164,660	4,519,536	4,319,536
Total Expenditures	\$249,873,440	\$268,108,075	\$288,802,363	\$20,694,288	\$288,802,361	\$ 340,796,981	\$306,577,526
Medicare Repricing and Other Savings		(7,547,232)	(1,045,202)	6,502,030	(713,538)	(1,320,000)	(1,320,000)
BUDGET TOTAL	\$249,873,440	\$260,560,843	\$287,757,161	\$ 27,196,318	\$288,088,823	\$ 339,476,981	\$305,257,526
Claims Pended from Previous Year:							
FY 1987	\$ 4,658,723						
FY 1988	6,462,957						

707

SRS

TABLE 10

PUBLIC ASSISTANCE CASELOADS

	Actual FY 1986	Actual FY 1987	Approved FY 1988	Revised Estimate FY 1988	Gov. Rec. FY 1988	Request FY 1989	Gov. Rec. FY 1989
<u>Aid to Families with Dependent Children (AFDC)</u>							
Average Number Persons	67,122	72,494	75,524	76,911	75,245	81,445	81,445
Total Number Person Months	805,462	869,898	906,293	922,929	902,940	977,342	977,342
Percent Change Over Previous Year	0.7%	8.0%	4.2%	6.1%	3.8%	5.9%	8.2%
Average Grant	\$110.26	\$108.93	\$113.97	\$115.28	\$113.70	\$120.18	\$113.63
Total Cost	\$88,805,929	\$94,760,190	\$103,287,035	\$103,287,036	\$102,664,278	\$117,454,269	\$111,055,372
State Portion	\$44,360,904	\$46,570,828	\$47,380,345	\$47,380,345	\$47,094,671	\$52,949,129	\$49,918,407
<u>General Assistance (GA)</u>							
Average Number Persons	5,628	5,564	5,914	5,731	5,731	5,856	5,856
Total Number Person Months	67,533	66,769	70,964	68,772	68,772	70,273	70,273
Percent Change Over Previous Year	-2.9%	-1.1%	6.3%	3.0%	3.0%	2.2%	2.2%
Average Grant	\$ 114.33	\$ 126.79	\$ 131.58	\$ 135.66	\$135.66	\$ 140.32	\$140.32
Total Cost	\$7,618,271	\$8,465,363	\$9,337,758	\$9,329,610	\$9,329,610	\$9,860,796	\$9,860,796
State Portion	\$7,618,271	\$8,465,363	\$9,337,758	\$9,329,610	\$9,329,610	\$9,860,796	\$9,860,796
<u>Food Stamps*</u>							
Average Number Persons	115,825	121,058		117,291			
Public Assistance	68,728	75,325		75,586			
Nonpublic Assistance	47,097	45,733		41,705			
Average Monthly Benefit Per Person	\$ 45.34	\$ 47.20		\$ 49.12			

* Except for administrative costs, food stamps are 100 percent federally funded. SRS does not include projections of food stamp caseloads in their budget. Numbers shown for FY 1988 reflect averages through November.

TABLE 11

SRS FEE FUND

	<u>Actual FY 1986</u>	<u>Actual FY 1987</u>	<u>Approved FY 1988</u>	<u>Gov. Rec. FY 1988</u>	<u>Difference</u>	<u>Request FY 1989</u>	<u>Gov. Rec. FY 1989</u>
Receipts							
Kansas Industries for the Blind	\$ 1,609,281	\$ 1,133,400	\$ 1,950,000	\$ 1,100,000	\$ (850,000)	\$ 500,000	\$ 250,000
Recovery of Expenditures	1,701,791	1,936,116	1,750,000	1,700,000	(50,000)	1,700,000	1,700,000
AFDC Child Support Collections	4,751,849	7,033,300	7,069,332	7,500,000	430,668	9,000,000	9,250,000
General Medical Recoveries	1,077,649	1,156,766	1,813,142	1,200,000	(613,142)	1,450,000	1,450,000
Transfers	(130,971)	(74,591)	(140,000)	100,000	240,000	100,000	100,000
Other -- Miscellaneous	<u>86,071</u>	<u>518,548</u>	<u>85,000</u>	<u>75,000</u>	<u>(10,000)</u>	<u>75,000</u>	<u>75,000</u>
Total	\$ 9,105,670	\$ 11,703,539	\$ 12,527,474	\$ 11,675,000	\$ (852,474)	\$ 12,825,000	\$ 12,825,000
Carryforward Balance from Previous Year	\$ 5,848,504	\$ 946,377	\$ 0	\$ 390,641	\$ 390,641	\$ 568,650	\$ 601,584
TOTAL AVAILABLE	\$ 14,954,174	\$ 12,649,916	\$ 12,527,474	\$ 12,065,641	\$ (461,833)	\$ 13,393,650	\$ 13,426,584
Expenditures							
Medical Assistance	\$ 10,692,069	\$ 8,578,105	\$ 9,848,893	\$ 9,000,000	\$ (848,893)	\$ 10,356,625	\$ 10,355,001
Child Support Enforcement	1,012,820	1,520,513	1,128,965	997,452	(131,978)	2,523,332	2,156,756
Blind Services	1,407,039	1,557,015	1,449,858	1,445,850	29,277	0	0
Foster Care	29,408	410,402	0	0	0	0	0
Other -- Miscellaneous	<u>868,205</u>	<u>183,240</u>	<u>99,768</u>	<u>20,755</u>	<u>(78,889)</u>	<u>300,000</u>	<u>406,479</u>
TOTAL	\$ 14,009,541	\$ 12,259,275	\$ 12,527,474	\$ 11,464,057	\$ (1,030,483)	\$ 13,179,957	\$ 12,918,236

The SRS Fee Fund receives its revenue from the sale of blind industries products, child support collections, recovery of costs from the federal government, and recovery of expenditures resulting from audits and overpayments to providers or recipients. Routine expenditures from this fund have been for operation of blind industries, medical assistance, and child support enforcement. Additionally, the Fee Fund has been used as a reserve to finance the state's share of cash assistance programs during years when costs for assistance programs have exceeded appropriations from the General Fund and to finance retrospective adjustments with the federal government. Fee Fund expenditures have traditionally been a no-limit appropriation. Prior to FY 1987, the Fund was budgeted to maintain a considerable balance, due to the relative uncertainty of expenditures for which the fund is used as a reserve. The FY 1989 agency request provides for an ending balance of \$213,693. The FY 1989 Governor's Recommendation provides for an ending balance of \$508,348. (Staff Note: The SRS estimate of \$9,000,000 in child support receipts in FY 1989 was based on the addition of 167 child support positions. The Governor provides for \$9,250,000 in child support receipts based on the addition of 88.5 positions.)

TABLE 12

Special Purpose Mental Retardation Grants

		Total Cost	Est. Cost	Req. Amount	Req. Cost	Gov. Rec.	Rec. Cost
		<u>FY 1988</u>	<u>Per Slot</u>	<u>FY 1989</u>	<u>Per Slot</u>	<u>FY 1989</u>	<u>Per Slot</u>
			<u>FY 1988</u>		<u>FY 1989</u>		<u>FY 1989</u>
<u>Clients Moved Out of Institutions</u>							
	FY 1986*	\$ 330,996	\$39	\$ 346,626	\$41	\$346,626	\$41
	FY 1987	828,000	33	869,917	35	869,917	35
	FY 1988	770,562	50	1,245,377	38	1,245,377	38
	FY 1989	--	--	912,872	50	776,166	38
<u>Waiting List Clients</u>							
	FY 1987	485,241	40	468,999	38	468,999	38
	FY 1988	282,100	50	872,653	48	872,653	48
	FY 1989 300/100*	--	--	2,617,958	48	841,552	46
<u>Faith Village</u>							
	FY 1988	120,000	34	--	--	--	--
	FY 1989	--	--	165,000	35	165,000	35
		<u>\$2,816,899</u>		<u>\$7,499,402</u>		<u>\$5,586,290</u>	

* The SRS request was to serve 300 clients from community waiting lists. The Governor recommended 100 clients be served.

-- Includes \$314,812 in federal HCBS funds.

-- Includes \$811,090 in federal HCBS funds.

-- Includes \$1,617,235 in federal HCBS funds.

SRS/Alcohol and Drug Abuse Services

The State began to recognize alcohol and drug abuse as a major health problem in 1969 when a Governor's Committee on Alcoholism was appointed. The Legislature established the Kansas Commission on Alcoholism as a state agency in July 1972 and on April 27, 1973, the Kansas Drug Abuse Commission was created by executive order. In 1975, both commissions were merged and became the Alcohol and Drug Section under the Department of Social and Rehabilitation Services. During the 1980 legislature, the Alcohol and Drug Abuse Section was elevated to a full service area.

In January 1987, Governor Mike Hayden unveiled the most extensive anti-drug campaign in Kansas history. He received legislative approval to spend \$5 million dollars in new federal anti-drug funds during fiscal year 1988 and 1989. SRS received 35 percent of these federal funds. The Alcohol and Drug Abuse Services budget is \$8,346,000 for fiscal year 1988.

Mission and Goals

Alcohol and Drug Abuse Services' mission is to provide the leadership, guidance, and advocacy in developing regional alcohol and drug prevention, intervention and treatment services.

While Alcohol and Drug Abuse Services' staff do not directly serve people with the diseases of alcoholism and addiction, they do support and nurture programs and groups who do. The 28 staff members provide statewide technical assistance services in licensing and monitoring, program development, professional training, and research.

To achieve its mission and goals, Alcohol and Drug Abuse Services (ADAS):

- o **Provides funding to strengthen local, regional and statewide prevention, intervention and treatment programs.** In fiscal year 1987, the agency awarded a total of \$7 million to 60 school/community prevention, intervention and treatment programs.

Prevention/Intervention Services

Early prevention efforts are critical in terms of building life skills, positive peer pressure, and understanding the diseases of alcoholism and addiction. A major ADAS focus is the Governor's new regional prevention/intervention centers that opened in July 1987. The centers provide information, training, and assistance in drug-free alternatives, developing social policy, and intervention programs. An intervention specialist is located in each center to assist parents and schools. Governor Hayden has recommended two additional centers in fiscal year 1989.

Alcohol and Drug Abuse Services is a major source of funding for the successful SCHOOL TEAM TRAINING for SUBSTANCE ABUSE PREVENTION PROGRAM administered by the Wichita School System. More than 256 teams of school and community representatives have been trained in prevention skills and action planning. PROJECT STAR, a refusal skill program for middle school students, trained 200 teachers in 1987 in Salina, Emporia, Lawrence and Pittsburg. Additional sites are targeted for 1988. The Kansas program is a cooperative effort between ADAS and the developer, Marion Laboratories and the Ewing M. and Muriel Kauffman Foundation in Kansas City.

Other SRS-coordinated youth prevention programs include SADD (Students Against Driving Drunk) and Just Say No To Drugs Clubs. SADD has grown from 28 chapters in 1984 to 165 in 1987. Fifty-five Kansas "Just Say No" Clubs were launched in 1987 to help youngsters resist peer pressure.

2/18/88

Treatment Services

Treatment for youth and adults who cannot pay for services continues to be needed. Admissions to Kansas' treatment programs increased by 52 percent between fiscal year 1984 and 1987--from 19,442 to 29,500. SRS-funded programs for indigent clients remain full and have waiting lists.

A 1986 SRS study estimated that at least 700 indigent Kansas youth are in need of substance abuse treatment. Progress has been made to reduce this need. In fiscal year 1988, SRS provided \$500,000 in federal anti-drug funds to the City of Wichita for a 20 bed residential treatment program for indigent youth. Another \$85,000 in federal funds will be awarded for information, counseling and training services at SRS' Youth Centers. Governor Hayden has recommended funding for a 20 bed reintegration (halfway house) program in fiscal year 1989.

Since fiscal year 1987, funding has been available to treat Department of Corrections' inmates who are eligible for parole but who are in need of substance abuse treatment as a condition of their parole. Approximately 500 inmates received treatment services through this program the first year.

o **Monitor and license programs.**

Alcohol and Drug Abuse Services consultants monitor funded programs' impact and work to ensure quality service and fiscal accountability.

ADAS has a formalized grant review process to make recommendations to the Secretary of SRS on continuation grants and new projects. Once grants are awarded, ADAS consultants monitor the grants progress and conduct on-site reviews at least annually. The consultants also work with the local SRS offices to get input on the program's performance.

Ensuring that client services paid for by SRS meet acceptable standards is a priority for the agency. Facilities that provide habilitation or rehabilitation services to substance abusers must be either licensed or certified according to state statute. SRS consultants review facilities for safety standards, program policies, personnel manuals, treatment services, and compliance with federal confidentiality laws. The number of facilities or programs licensed or certified has increased from 245 in fiscal year 1986 to 275 components in fiscal year 1987.

o **Coordinate and develop program planning education materials, professional training, evaluation services.**

Training, consultation, research and information services are important areas that are likely to expand in future years. ADAS provides technical assistance and training services to alcohol and drug programs and local councils throughout the state. Topics covered by such services include client confidentiality, AIDS, management skills, board development, clinical skills and the acquisition of private sector funding. In fiscal year 1987, SRS awarded a \$35,000 grant, to be administered by Washburn University for comprehensive training services in alcohol and drug professional development.

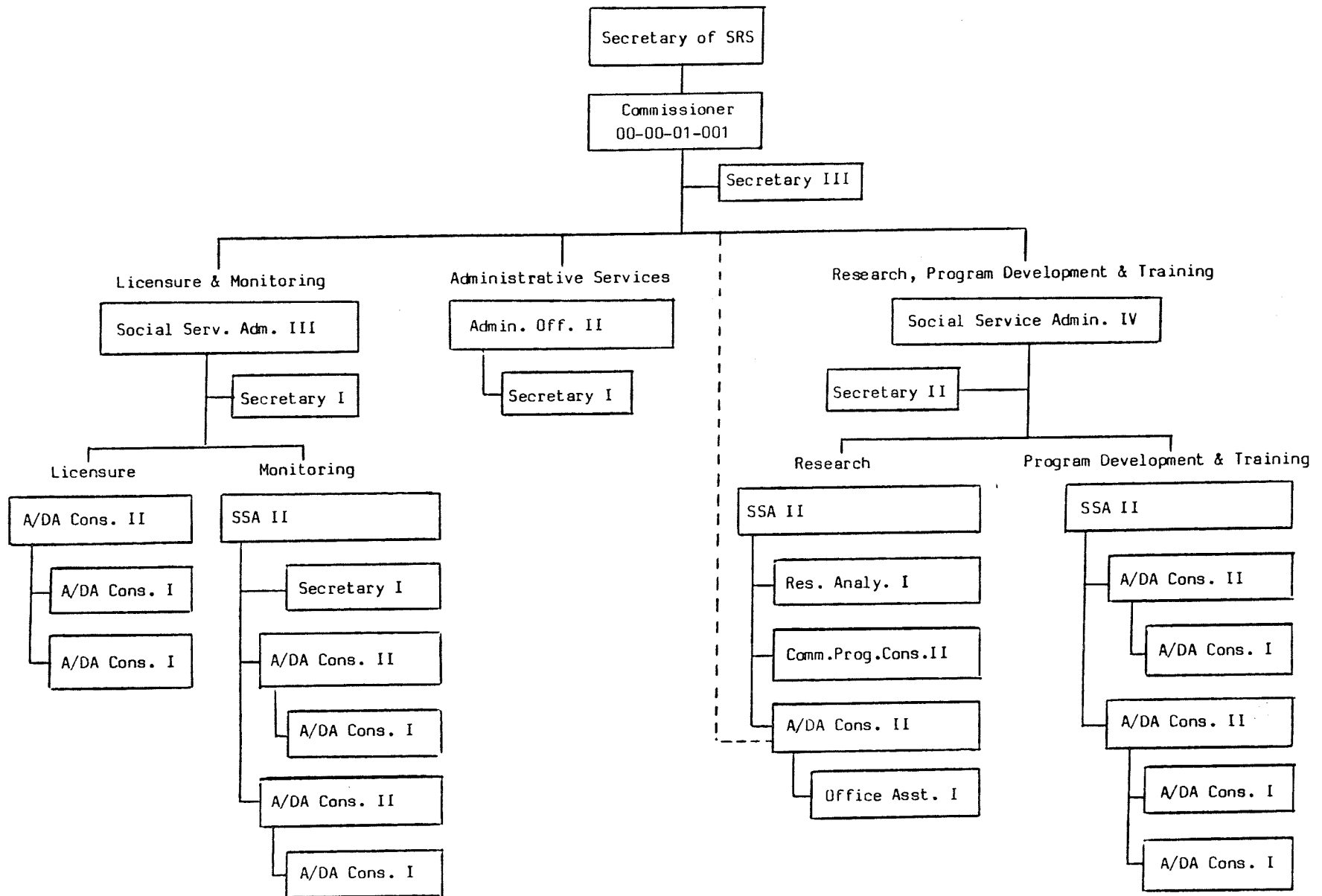
The demand for substance information has increased by 660 percent since 1980. SRS provides information to community groups, professionals, and other state agencies for planning, program development, evaluation and public awareness.

o **Serve as liaison among the 17 SRS local offices, the professional alcohol and drug associations, state and local governments, and private activities as well as federal agencies.**

Input is also received from the 24-member Kansas Citizen's Committee on Alcohol and other Drug Abuse.

March 18, 1988

ALCOHOL AND DRUG ABUSE SERVICES



CHANGES IN PUBLIC ASSISTANCE CASELOADS

The following data provide an overview of changes in the numbers of public assistance clients between February of 1983 and February 1987. The data is reported by area office and by individual county. There are large declines in the numbers of General Assistance clients (GAU) in all except the Pratt area, these declines reflect the changes in the Transitional General Assistance program that took place July 1, 1986 and February 1, 1987.

The ADC population reflects a large growth in most of the rural areas and a stabilization and in many cases a decline in urban areas. The state total increased by 7.7 percent, Hays, Garden City and Pratt increased by 49.4 percent, 50 percent and 73.5 percent, respectively. The largest decrease occurred in the Kansas City (-24.6%) and Olathe (-16.4%) areas.

2/18/88

PUBLIC ASSISTANCE RECIPIENTS
FEBRUARY 1983 AND 1987

	ADC			GAU		
	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE
HAYS AREA	1,165	1,741	49.4%	285	156	-45.3%
CHEYENNE	12	19	58.3%	3	0	-100.0%
DECATUR	19	64	236.8%	4	2	-50.0%
ELLIS	186	455	144.6%	58	43	-25.9%
GOVE	27	16	-40.7%	3	0	-100.0%
GRAHAM	51	60	17.6%	3	8	166.7%
LOGAN	51	15	-70.6%	10	8	-20.0%
NORTON	67	61	-9.0%	11	3	-72.7%
OSBORNE	67	80	19.4%	17	10	-41.2%
PHILLIPS	57	87	52.6%	11	3	-72.7%
RAWLINS	14	17	21.4%	5	4	-20.0%
ROOKS	78	162	107.7%	15	11	-26.7%
RUSSELL	104	149	43.3%	21	10	-52.4%
SHERIDAN	5	12	140.0%	8	5	-37.5%
SHERMAN	239	271	13.4%	47	17	-63.8%
WIRTH	53	54	1.9%	14	11	-21.4%
TOMAS	87	145	66.7%	46	17	-63.0%
TREGO	25	43	72.0%	6	2	-66.7%
WALLACE	23	31	34.8%	3	2	-33.3%
GARDEN CITY AREA	2,479	3,941	59.0%	449	296	-34.1%
CLARK	15	22	46.7%	16	1	-93.8%
FINNEY	462	885	91.6%	94	49	-47.9%
FORD	802	1,039	29.6%	134	81	-39.6%
GRANT	188	284	51.1%	23	13	-43.5%
GRAY	71	68	-4.2%	8	0	-100.0%
GREELEY	29	47	62.1%	5	9	80.0%
HAMILTON	31	52	67.7%	34	7	-79.4%
HASKELL	60	40	-33.3%	8	5	-37.5%
HODGEMAN	17	42	147.1%	2	3	50.0%
KEARNY	74	136	83.8%	14	11	-21.4%
LANE	21	29	38.1%	2	4	100.0%
MEADE	33	34	3.0%	11	3	-72.7%
MORTON	51	106	107.8%	9	22	144.4%
NESS	13	80	515.4%	4	0	-100.0%
SCOTT	33	75	127.3%	18	0	-100.0%
SEWARD	337	763	126.4%	41	54	31.7%
STANTON	38	41	7.9%	0	5	
STEVENS	60	121	101.7%	7	2	-71.4%
TENCHITA	144	77	-46.5%	19	27	42.1%

CAUTION SHOULD BE EXERCISED REGARDING PERCENT CHANGE WHEN
RELATIVELY SMALL NUMBERS ARE COMPARED.

PUBLIC ASSISTANCE RECIPIENTS
FEBRUARY 1983 AND 1987

	ADC			GAU		
	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE
SALINA AREA	1,980	1,916	-3.2%	441	124	-71.9%
CLOUD	241	167	-30.7%	56	25	-55.4%
ELLSWORTH	48	89	85.4%	5	9	80.0%
JEWELL	61	41	-32.8%	4	2	-50.0%
LINCOLN	50	66	32.0%	6	3	-50.0%
MITCHELL	84	98	16.7%	23	6	-73.9%
OTTAWA	72	106	47.2%	23	6	-73.9%
REPUBLIC	66	66	0.0%	16	7	-56.3%
SALINE	1,358	1,283	-5.5%	308	66	-78.6%
PRATT AREA	1,669	2,895	73.5%	200	256	28.0%
BARBER	22	44	100.0%	2	0	-100.0%
BARTON	492	1,179	139.6%	63	91	44.4%
COMANCHE	6	4	-33.3%	0	4	
WARDS	48	54	12.5%	9	8	-11.1%
RPER	95	170	78.9%	6	14	133.3%
KINGMAN	116	173	49.1%	25	6	-76.0%
KIOWA	48	91	89.6%	8	8	0.0%
PAWNEE	104	94	-9.6%	41	26	-36.6%
PRATT	126	231	83.3%	15	12	-20.0%
RUSH	35	69	97.1%	10	7	-30.0%
STAFFORD	62	109	75.8%	3	14	366.7%
SUMNER	515	677	31.5%	18	66	266.7%
WICHITA AREA						
SEDGWICK	15,448	16,427	6.3%	3,286	1,444	-56.1%
HUTCHINSON AREA	3,235	3,764	16.4%	672	422	-37.2%
HARVEY	738	690	-6.5%	191	113	-40.8%
McPHERSON	280	370	32.1%	39	32	-17.9%
RENO	1,915	2,183	14.0%	400	251	-37.3%
RICE	302	521	72.5%	42	26	-38.1%
WINFIELD AREA	2,505	3,545	41.5%	394	323	-18.0%
BUTLER	1,065	1,350	26.8%	140	118	-15.7%
CHAUTAUQUA	143	220	53.8%	30	34	13.3%
COWLEY	903	1,500	66.1%	169	128	-24.3%
K	136	168	23.5%	23	16	-30.4%
GREENWOOD	258	307	19.0%	32	27	-15.6%

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PUBLIC ASSISTANCE RECIPIENTS
FEBRUARY 1983 AND 1987

	ADC			GAU		
	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE
EMPORIA AREA	1,420	1,697	19.5%	272	109	-59.9%
CHASE	64	27	-57.8%	5	1	-80.0%
DICKINSON	519	567	9.2%	106	30	-71.7%
LYON	506	776	53.4%	108	57	-47.2%
MARION	151	207	37.1%	28	18	-35.7%
MORRIS	180	120	-33.3%	25	3	-88.0%
JUNCTION CITY AREA	3,199	3,175	-0.8%	701	269	-61.6%
CLAY	198	194	-2.0%	73	8	-89.0%
GEARY	1,287	1,300	1.0%	258	99	-61.6%
MARSHALL	260	231	-11.2%	69	22	-68.1%
NEMAHA	152	133	-12.5%	43	15	-65.1%
POTTAWATOMIE	303	342	12.9%	65	30	-53.8%
RILEY	786	800	1.8%	151	75	-50.3%
'BAUNSEE	91	108	18.7%	16	5	-68.8%
SHINGTON	122	67	-45.1%	26	15	-42.3%
HIAWATHA AREA	2,213	2,308	4.3%	415	177	-57.3%
ATCHISON	784	757	-3.4%	143	69	-51.7%
BROWN	387	497	28.4%	93	51	-45.2%
DONIPHAN	416	485	16.6%	54	17	-68.5%
JACKSON	366	320	-12.6%	67	27	-59.7%
JEFFERSON	260	249	-4.2%	58	13	-77.6%
TOPEKA AREA	7,985	7,559	-5.3%	1,880	579	-69.2%
DOUGLAS	1,616	1,402	-13.2%	248	91	-63.3%
SHAWNEE	6,369	6,157	-3.3%	1,632	488	-70.1%
KANSAS CITY AREA						
WYANDOTTE	15,383	11,595	-24.6%	2,737	605	-77.9%
OLATHE AREA	3,935	3,289	-16.4%	701	219	-68.8%
JOHNSON	2,402	1,907	-20.6%	289	138	-52.2%
LEAVENWORTH	1,533	1,382	-9.8%	412	81	-80.3%

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PUBLIC ASSISTANCE RECIPIENTS
FEBRUARY 1983 AND 1987

	ADC			GAU		
	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE	TOTAL PERSONS 1983	TOTAL PERSONS 1987	PERCENT * CHANGE
OSAWATOMIE AREA	2,198	2,154	-2.0%	485	194	-60.0%
ANDERSON	139	168	20.9%	30	25	-16.7%
COFFEY	146	219	50.0%	20	11	-45.0%
FRANKLIN	753	755	0.3%	168	71	-57.7%
LINN	202	219	8.4%	43	12	-72.1%
MIAMI	489	479	-2.0%	105	38	-63.8%
OSAGE	469	314	-33.0%	119	37	-68.9%
CHANUTE AREA	2,384	3,051	28.0%	337	225	-33.2%
MONTGOMERY	1,551	2,059	32.8%	183	119	-35.0%
NEOSHO	505	519	2.8%	98	73	-25.5%
WILSON	288	375	30.2%	42	27	-35.7%
WOODSON	40	98	145.0%	14	6	-57.1%
PARSONS AREA	2,362	2,804	18.7%	585	255	-56.4%
CHEROKEE	1,283	1,581	23.2%	302	138	-54.3%
LABETTE	1,079	1,223	13.3%	283	117	-58.7%
PITTSBURG AREA	2,228	3,119	40.0%	498	257	-48.4%
ALLEN	417	672	61.2%	65	66	1.5%
BOURBON	525	669	27.4%	96	18	-81.3%
CRAWFORD	1,286	1,778	38.3%	337	173	-48.7%
STATE TOTAL	111,580	120,197	7.7%	22,368	9,615	-57.0%

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countyda Source: Run 581