

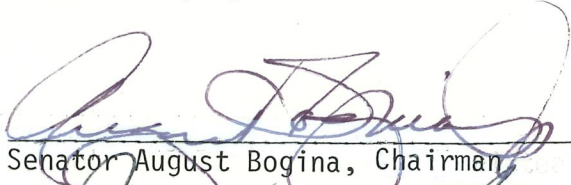
SENATE SUBCOMMITTEE REPORTS

S.B. 244 -- Supplemental Appropriations Bill

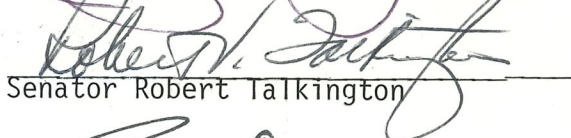
- Sec. 5 - Department of Social and Rehabilitation Services
- Sec. 19 - Department of Health and Environment

S.B. 196 -- FY 1988 Appropriations Bill

- Sec. 2 - Department of Revenue -- Homestead Property Tax Refunds
- Sec. 3 - Department of Social and Rehabilitation Services
- Sec. 4 - Department of Health and Environment
- Sec. 5 - Department on Aging



Senator August Bogina, Chairman



Senator Robert Talkington



Senator Ross Doyen



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Department of Revenue Bill No. 196
 Homestead Property Tax Refunds

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 631

Budget Pg. No. 2-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
Other Assistance: State General Fund	\$7,565,000	\$7,600,000	--

Agency Request/Governor's Recommendations

FY 1987. The 1986 Legislature appropriated \$8,200,000 for payments of homestead refunds from the State General Fund. The agency's revised estimate of September 1986 anticipated \$7,484,000 in refunds for FY 1987. The consensus estimate of November 1986 is \$7,600,000 for FY 1987. The Governor concurs with the revised estimate and includes \$600,000 in 1987 HB 2049 to lapse the funds.

FY 1988. The agency's September 1986 estimate for FY 1988 projected payments of \$7,565,000. The consensus estimate of November 1986 is \$7,600,000. The Governor concurs with the consensus estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor in FY 1987 and FY 1988.

SUBCOMMITTEE REPORT

**Agency: Department of Social and
Rehabilitation Services**

Bill No. 244

Bill Sec. 5

Analyst: Hunn

Analysis Pg. No. 632

Budget Pg. No. 2-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$116,594,776	\$115,233,132	\$ --
Local Aid	17,743,063	18,075,804	--
Other Assistance	437,807,430	433,723,867	--
Subtotal - Operating	<u>\$572,145,269</u>	<u>\$567,032,803</u>	\$ --
Capital Improvements	2,124,188	2,867,415	--
TOTAL	<u><u>\$574,269,457</u></u>	<u><u>\$569,900,218</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 48,638,838	\$ 48,501,936	\$ --
Local Aid	14,670,025	\$ 14,670,025	\$ --
Other Assistance	210,711,400	203,257,069	--
Subtotal Operating	<u>\$274,020,263</u>	<u>\$266,429,030</u>	\$ --
Capital Improvements	--	--	--
TOTAL	<u><u>\$274,020,263</u></u>	<u><u>\$266,429,030</u></u>	<u><u>\$ --</u></u>
FTE Positions	2,877.6	2,878.6	--

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee reviewed a lengthy appeal document from the agency which included items of a technical nature as well as items of significant magnitude which were not included in the Governor's recommendations. A number of these items were unintentionally never included in the original agency request. The majority of these items can be characterized as costs of ongoing programs at SRS, such as foster care and adoption support caseload adjustments, costs to continue the Kansas Industries for the Blind, shortfalls in the SRS Fee Fund, and costs of providing active treatment at private Intermediate Care Facilities for the Mentally Retarded. The Subcommittee anticipates there will be a Governor's budget amendment on many of these items. The State General Fund requests in the appeal document total \$3.2 million in FY 1987 and \$5.6 million in FY 1988. Although the Subcommittee believes many of these items are necessary and are confident they will be funded, no specific recommendations are made on these items at this time, in anticipation of a Governor's budget

amendment. The Subcommittee also calls these items to the attention of the House, and recommends that the anticipated Governor's budget amendment be reviewed in detail by the House Committee. Attachment 1 lists the appeal items that the Subcommittee anticipates a Governor's budget amendment on.

2. Included in the appeal document is a request for additional funds for Kansas Industries for the Blind to allow the purchase of raw materials and to cover existing obligations for that program. A recent Legislative Post Audit report noted numerous problems in this program and made several recommendations to make Blind Industries more efficient and potentially self-supporting. That report found that Blind Industries has operated at a deficit of \$122,000 in FY 1985 and \$457,000 in FY 1986 and the loss for the first quarter of FY 1987 was \$122,000. To cover these losses, SRS has had to subsidize Blind Industries from the SRS Fee Fund, which is used interchangeably with the State General Fund. The Subcommittee notes that this program is becoming extremely expensive and may not compare favorably with community-based sheltered workshops in terms of efficiency. The total recommendation for Blind Industries for FY 1987, including the \$650,000 requested in the appeal document is \$2,448,960, or in excess of \$15,806 per year in costs for each of the workers benefiting from the program. At this time, SRS estimates receipts from the sale of Blind Industries products at \$1,211,088 in FY 1987, or a net deficit estimated at \$1,237,872. The Subcommittee recommends that SRS give serious attention to the recommendations of the Post Audit report and that SRS review options for the future of Blind Industries which would result in a less-costly program. The Subcommittee anticipates a Governor's budget amendment on this item and recommends that the House should further review this program once that amendment is received.
3. The Subcommittee reviewed SRS estimates on projected savings of \$814,322 in the cash assistance budget. The Subcommittee notes that 1987 Sub. S.B. 62 assumes those savings and utilizes those projected savings to fund retroactive restoration of cash grant cuts as a result of the lapse bill. The Subcommittee further notes that unless S.B. 62 is passed and signed by the Governor prior to March 16 that SRS cannot receive federal matching funds for retroactive restoration of the cash grants.
4. The Subcommittee reviewed preliminary data on the Medical program expenditures through the month of February. While this data does not show the full effect of the reductions made to the Medical budget as a result of the lapse bill, it appears that, unless expenditures in the remaining months decline significantly, there may be an additional shortfall in the Medical budget, even considering the \$9.5 million supplemental funding recommended by the Governor. The Subcommittee recommends that the House carefully review the Medical budget when additional data is available and notes that since there is a zero ending balance budgeted in the SRS Fee Fund, any underfunding of the Medical budget in FY 1987 will translate to an automatic supplemental funding request for

SRS in FY 1988. This situation occurred in FY 1987, as \$4.7 million in FY 1986 medical claims were carried over to FY 1987, contributing to the need for a significant supplemental appropriation this fiscal year. The Subcommittee expresses concern over the magnitude of the supplemental appropriations for SRS in recent years, but notes that the large supplementals have occurred, in part, because insufficient caseload adjustments have been budgeted for the cash and medical assistance budgets. The Subcommittee recommendations for FY 1988 attempt to address this problem by providing for caseload increases in the assistance budgets.

628.87

SUBCOMMITTEE REPORT

**Agency: Department of Social and
Rehabilitation Services**

Bill No. 196

Bill Sec. 3

Analyst: Hunn

Analysis Pg. No. 632

Budget Pg. No. 2-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 135,665,918	\$ 137,162,616	\$ (120,127)
Local Aid	22,147,685	18,863,556	(281,167)
Other Assistance	472,209,028	444,475,861	81,436
Subtotal-Operating	<u>\$ 630,022,631</u>	<u>\$ 600,502,033</u>	<u>\$ (319,858)</u>
Capital Improvements	8,880,698	1,062,463	331,200
TOTAL	<u>\$ 638,903,329</u>	<u>\$ 601,564,496</u>	<u>\$ 11,342</u>
State General Fund:			
State Operations	\$ 56,806,637	\$ 53,873,947	179,662
Local Aid	19,614,123	15,829,994	(281,167)
Other Assistance	218,272,565	196,881,376	(470,932)
Subtotal-Operating	<u>\$ 294,693,325</u>	<u>\$ 266,585,317</u>	<u>\$ (572,437)</u>
Capital Improvements	--	--	--
TOTAL	<u>\$ 294,693,325</u>	<u>\$ 266,585,317</u>	<u>\$ (572,437)</u>
FTE Positions	2,975.9	2,875.2	--

Agency Request/Governor's Recommendations

The agency's FY 1988 operating budget request is \$630,022,631, an increase of \$57,877,362 over the revised FY 1987 estimate. The FY 1988 request is based on an increase of 16.4 percent in state operations, including 98.3 new positions, an increase of 24.8 percent in aid to local units, and an increase of 7.9 percent in assistance, grants, and benefits. The agency request includes the following major items: (1) reducing the TGA program to two months eligibility for both cash and medical assistance, combined with an intensive job preparation and training program; (2) a 3 percent increase in ADC and GA cash grants; (3) a 3 percent increase in reimbursement rates for nursing homes, hospitals, and certain other providers; (4) a 3 percent rate increase for foster care and day care; (5) \$9,000,000 for the automated eligibility system; (6) \$4,000,000 for partial repayment of the nursing home lawsuit settlement; (7) increased funding for mental health and retardation grants; (8) increased funding for alcohol and drug abuse grants; (9) funding of \$2.5 million in oil overcharge funds for the LIEAP program; and (10) a new computerized management information system for vocational rehabilitation services.

The Governor recommends an operating budget of \$600,502,033 in FY 1988, of which \$266,585,317 is from the State General Fund. The Governor's FY 1988 recommendations restore all program reductions made in 1987 H.B. 2049 except:

(1) changes in the TGA program to limit cash assistance to one month and eliminate TGA medical assistance, (2) elimination of dental services for adults and non-EPSTD children, and (3) a change in reimbursement procedures for outpatient hospital services. In addition to the restorations, the Governor recommends the following major items: (1) a 1.25 percent increase in reimbursement rates for nursing homes (\$1,325,950) and hospitals (\$745,501); (2) a 1 percent increase for foster care (\$228,268), day care (\$48,348), and homemaker services (\$96,179); (3) \$9,000,000 for the automated eligibility system; (4) \$9,900,000 for the total nursing home lawsuit settlement to be financed from a revenue transfer from the State General Fund; (5) a 1 percent increase for state aid to community mental health and retardation centers (\$135,432); (6) increased funding for movement of mentally retarded clients out of state institutions (\$1,024,537); and (7) increased reimbursement rates for physician obstetric, and prenatal services (\$1,228,013). The Governor does not recommend an increase in cash grants in FY 1988 aside from restoration of cuts made in FY 1987.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee recommends the same procedure in FY 1988 as recommended in Item 1 of the FY 1987 report for items appealed by the agency totaling \$5.6 million from the State General Fund. These items are listed in Attachment 1.
2. The Subcommittee reviewed the Transitional General Assistance program which was reduced to four months of cash assistance and 12 months of medical assistance by the 1986 Legislature and was further reduced to one month of cash assistance and no medical assistance by 1987 H.B. 2049 (lapse bill). The Governor's recommendations provide for no restoration of the TGA program cuts and continues the program at one month of cash assistance at a maximum of \$100 per individual and no medical assistance. The Subcommittee learned that, because of the way TGA grants are prorated based on what date during the month the client applies for assistance, the average TGA grant is now \$69 per client. The Subcommittee questions the true value of such a limited assistance program and believes that the funding budgeted for the TGA program could be spent more effectively to better meet the needs of this client group.

The Subcommittee reviewed data on facilities throughout the state which provide meals to low income persons and learned that currently there are 23 such programs providing an estimated 576,000 meals annually. The average cost of those meals is \$1.50-\$1.75 per meal. These programs are currently funded from community sources and also receive significant commodities from the USDA Surplus Commodity program administered by SRS. The Subcommittee recommends elimination of the TGA cash assistance program in FY 1988 (\$922,338) and that \$500,000 of the savings from eliminating that program be utilized to fund a TGA Meals grant program which would allow expansion of the number of meals served by community

facilities, either through existing programs or in new programs which may develop in areas of the state where no program currently exists. The Subcommittee notes that SRS has the capacity to administer this program within the existing staff and therefore recommends that the line item appropriation for the TGA meals program only be used to fund direct costs of meals provided. The Subcommittee further recommends that SRS require that the grant funds be used only to expand the number of meals served, rather than supplant funding for existing programs. The Subcommittee estimates that approximately 333,000 additional meals can be provided with this grant, which would expand the number of meals provided by almost 60 percent and should provide a significant benefit to TGA clients. The Subcommittee requests that the Secretary of SRS report to the 1988 Legislature on the recommended TGA Meals Program.

3. The Subcommittee reviewed the Governor's recommendation for the Work Incentive Program(WIN) for ADC clients. The Governor's recommendation provides funding for the WIN program of \$552,368 from the federal Social Services Block Grant and \$72,917 from the State General Fund. In previous years, the WIN program has been eligible for a 90 percent federal match, however, the Governor's recommendation assumes the federal WIN program will be eliminated, reflecting current discussions at the federal level. The Subcommittee notes that there is also considerable discussion at the federal and state level regarding welfare reform and the possibility of a new federal workfare program. The Subcommittee recommends a change in the financing of the WIN program, which assumes that some action will be taken at the federal level to provide at least a 50 percent match for this program in FY 1988. The Subcommittee therefore recommends that \$552,368 from the federal Social Services Block Grant be deleted from the WIN program and be replaced with \$179,662 from the State General Fund which is assumed will be matched with 50 percent federal funds. This adjustment also deletes the recommended transfer to the Department of Human Resources which in the past has been used to provide a 10 percent match for Department of Human Resources costs related to the WIN program. This transfer will not be necessary in FY 1988 if the federal WIN program is eliminated. The Subcommittee recommends that the funding for the WIN program be re-evaluated after the federal funding issues have been resolved, which may not be until the 1988 Legislative Session.
4. The Subcommittee heard testimony from several ADC mothers during the hearings on the SRS budget. One mother with an infant daughter described to the Subcommittee her difficulty obtaining employment and thus getting off ADC cash assistance, due to the state's method of providing day care assistance to ADC clients. The current ADC program requires that clients provide proof of payment of day care expenses, after which time a day care allowance of up to \$160 per month per child may be deducted from gross income when calculating the client's cash grant. Because of further complexities in the calculations and timing of cash grants, a client typically has to cover two months of day care expense from her own

pocket before the day care allowance is built into the cash grant received. The client is never reimbursed for the day care costs she must finance initially.

The Subcommittee believes this system is unreasonably complex and results in a substantial hindrance in allowing clients incentive to seek employment. The Subcommittee learned that prior to 1981, SRS did not utilize this method of day care financing and that the system was changed only to receive federal matching funds for day care costs. SRS estimates that currently only 2 percent of ADC families utilize the day care allowance through the cash grants, for an estimated total cost of \$552,000, of which approximately fifty percent would be from the State General Fund. The Subcommittee recommends that SRS discontinue the current ADC day care procedures and that instead SRS should return to using the system in place prior to 1981, which is a direct purchase of day care services for clients.

The cost of this change is estimated at \$782,000 in FY 1988, although the Subcommittee recommendations on financing this program involve additional State General Fund expenditures of only \$156,809 above the level recommended by the Governor. The Subcommittee recommends that \$252,485 from the State General Fund be shifted from the ADC cash assistance budget to reflect the removal of the day care allowance in the cash grant calculations, and that \$552,368 in savings from Item 3 above from the Social Services Block Grant be utilized to finance this program.

5. The Subcommittee reviewed the ADC and General Assistance cash grant programs. The Governor's recommendations for FY 1988 provide for restoration of cash grant cuts made in the lapse bill, and provide for a 5 percent caseload increase, but provide no further increases in cash grants above the level authorized prior to the lapse bill cuts. The Subcommittee found, however, that the Governor's recommendations utilized an average grant of \$114.33 per person in calculating the ADC cash grant program, rather than the actual current average (prior to the cuts) of \$111.98. The Subcommittee recalculated the financing needs for the ADC and General Assistance cash grant budget and found that within the existing funding recommended by the Governor, that a cash grant increase of 2 percent, based on a 4.5 percent caseload increase could be financed. This recommendation would provide an average increase for a 3 person ADC family of \$6.72 per month, or \$80.64 annually.
6. The Subcommittee reviewed the Governor's recommendations for the SRS Adult Services grants, which provided for a 2.6 percent increase in those grants. (These grants primarily go to community facilities for the mentally retarded.) The Subcommittee also noted that the Governor's recommendations for other SRS programs, such as foster care and day care provided for only a 1 percent increase. The Subcommittee therefore recommends that \$100,000 from the State General Fund be deleted from this program, still allowing for a 1.7 percent increase in these grants.

7. The Subcommittee reviewed the Governor's recommendations for special purpose grant for community mental retardation programs of \$2,151,378. This recommendation is to provide continued funding for 92 clients moved out of state institutions in previous years, provide continued funding for 77 day or residential program slots for clients moved off of community waiting lists, and for additional movement of 47 clients out of the state institutions. The Subcommittee found that the estimated cost of continued funding for existing grants and the cost of moving 47 additional clients out of the institution totals \$1,870,211, rather than the \$2,151,378 recommended by the Governor. The Subcommittee recommends a reduction in the State General Fund appropriation for these grants of \$281,167 to reflect these savings.
8. The Subcommittee recommends the addition of \$74,259 from the State General Fund for guardianship grants. The recommendation is to allow funding for guardians for clients at the mental retardation institutions.
9. The Subcommittee reviewed the SRS Medical Assistance program and noted that the state has no program for the medically indigent, and that the elimination of the TGA medical program furthers this problem of medical care for the poor. The Subcommittee discussed the possibility of an interim study on the comprehensive topic of the state's Medical Assistance program, but was convinced by the agency that sufficient data already exists to document the problems of medical care for the poor. SRS provided testimony to the Special Committee on Public Health and Welfare during the 1986 interim during that committee's study of the medically indigent that showed that the cost of reinstating the General Assistance-Medical Only program (which was eliminated in 1980) would be approximately \$18 million in state funds. SRS indicated that the cost of such a program could be considerably less if coverage was limited to only certain areas, such as inpatient hospital care. The Subcommittee recommends that during the review of the University of Kansas Medical Center budget, options should be studied for developing some form of program for the medically indigent, perhaps utilizing residents of the Medical Center to provide care. The Subcommittee also recommends that additional options within the SRS budget be explored for providing medical care to the poor and that any such proposals could be considered during the Omnibus Session.
10. The Subcommittee reviewed the child support enforcement system jointly operated by SRS and the court system. The Subcommittee believes the Legislature should have more information regarding the various responsibilities and financing mechanisms for this program and recommends an interim study be requested on the child support enforcement system.

ATTACHMENT 1

SRS-APPEAL DOCUMENT ITEMS

	FY 1987		TOTAL
	SSF	OTHER FUNDS	
1) MEDICAL MANAGEMENT INFO. SYSTEM	\$217,800	\$878,977	\$1,096,777
2) INDEPENDENT LIVING PROGRAM-FEDERAL	\$9,865	\$86,982	\$96,847
3) SUPPORTED EMPLOYMENT-FEDERAL	---	(\$166,667)	(\$166,667)
4) KANSAS INDUSTRIES FOR THE BLIND	\$650,000	\$0	\$650,000
5) BLIND VENDING PROGRAM	\$0	\$62,546	\$62,546
6) FOOD STAMP JOB PROGRAM	\$31,500	\$31,500	\$63,000
7) SRS FEE FUND	\$311,634	\$0	\$311,634
8) AREA OFFICES SALARIES AND WAGES	\$117,600	\$82,400	\$200,000
9) ICF/MR-ACTIVE TREATMENT COSTS	\$1,240,586	\$1,191,936	\$2,432,522
10) FOSTER CARE	\$381,645	\$0	\$381,645
11) ADOPTION SUPPORT	\$225,172	\$62,948	\$288,120
12) OIL OVERCHARGE FUNDS FOR WEATHERIZATION	0	\$500,000	\$500,000
	\$3,185,802	\$2,730,622	\$5,916,424
ESTIMATED CASELOAD SAVINGS	\$814,322	\$1,298,972	\$2,113,294
	\$2,371,480	\$1,431,650	\$3,803,130

SRS-APPEAL DOCUMENT ITEMS

FY 1988

	FY 1988		TOTAL
	SGF	OTHER FUNDS	
1) MEDICAL CONSULTANTS	\$39,350	\$39,350	\$78,700
2) MEDICAL MANAGEMENT INFO. SYSTEM	\$156,141	\$1,056,500	\$1,212,641
3) HEMOPHILUS INFLUENZAE B VACCINE	\$13,540	\$11,660	\$25,200
4) PHARMACY DRUG INFLATION COSTS	\$864,356	\$744,346	\$1,608,702
5) KANSAS INDUSTRIES FOR THE BLIND	\$1,017,838	\$0	\$1,017,838
6) BLIND VENDING PROGRAM	\$0	\$63,146	\$63,146
7) MANAGEMENT INFO. SYSTEM-VOC. REHAB.	\$0	\$460,102	\$460,102
8) COMMODITY SUPPL. PROGRAM	\$0	\$49,108	\$49,108
9) INSTITUTIONAL COMMODITY PROGRAM	\$0	\$49,108	\$49,108
10) MR INSTITUTIONS-STUDENT STIPEND	\$32,000	\$0	\$32,000
11) SPECIAL MENTAL HEALTH GRANTS	\$500,000	\$0	\$500,000
12) ICF/MR ACTIVE TREATMENT COSTS	\$1,294,463	\$1,347,299	\$2,641,762
13) ADULT CARE HOMES	\$584,974	\$584,974	\$1,169,948
14) ADOPTION SUPPORT	\$225,172	\$62,956	\$288,128
15) FOSTER CARE	\$381,645	\$0	\$381,645
16) CASE MANAGEMENT POSITIONS-5 FTE	\$50,020	\$52,063	\$102,083
17) FOOD STAMP JOB PROGRAM 4 FTE	\$170,000	\$170,000	\$340,000
18) ATTORNEY-GUARDIAN PROGRAM .5 FTE	\$16,341	\$0	\$16,341
19) SECRETARY-ADMINISTRATIVE HEARINGS 1 FTE	\$11,023	\$11,245	\$22,268
20) HCBS-CASE MANAGER STAFF-PART-TIME INTERMITT.	\$65,197	\$53,344	\$118,541
21) AREA OFFICE STAFF-RESTORE 4 FTE CLERICAL	\$55,863	\$26,071	\$81,934
22) CHILD SUPPORT ENFORCEMENT PART-TIME STAFF SRS FEE FUND	\$34,666	\$161,775	\$231,108
23) DATA PROCESSING PART TIME STAFF	\$42,192	\$17,808	\$60,000
24) COMMODITY PROGRAM POSITION- .75 FTE	\$5,034	\$15,104	\$20,138
25) OFFICE ASST.-FINANCE DIVISION 1 FTE	\$11,610	\$5,626	\$17,236

26) RESEARCH ANALYST 1 FTE	\$17,257	\$9,762	\$27,019
27) OIL OVERCHARGE-WEATHERIZATION	\$0	\$1,550,000	\$1,550,000
28) OIL OVERCHARGE-LIEAP	\$0	\$3,019,441	\$3,019,441
	-----	-----	-----
	\$5,588,682	\$9,560,789	\$15,149,471
ESTIMATED CASELOAD SAVINGS	\$786,338	\$1,153,067	\$1,939,405
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	\$4,802,344	\$8,407,722	\$13,244,732
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SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 244

Bill Sec. 19

Analyst: Timmer

Analysis Pg. No. 672

Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$29,366,374	\$28,847,252	\$ --
Aid to Local Units	7,822,315	7,757,072	--
Other Assistance	9,958,770	9,959,770	--
TOTAL	<u>\$47,147,459</u>	<u>\$46,563,094</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$13,437,875	\$12,902,579	\$ --
Aid to Local Units	1,716,932	1,651,689	--
Other Assistance	--	--	--
TOTAL	<u>\$15,154,807</u>	<u>\$14,554,268</u>	<u>\$ --</u>
FTE Positions	617.2	617.2	--

Agency Request/Governor's Recommendation

The Department requests a total budget of \$47,147,459 for FY 1987 with 617.2 FTE positions. The agency's request includes funding of \$13,437,875 from the State General Fund for state operations, of which \$400,000 is designated for the Prenatal Care Collaborative Program initiated during the 1986 Session. The request also includes \$15,944,673 for state operations from other funding sources, primarily federal. The agency estimates expenditures for aid to local units will be \$6,105,383, of which \$1,716,932 is from the State General Fund. In addition, \$9,958,770 in food vouchers of the federal Women, Infants, and Children (WIC) nutrition program will be distributed. The request includes \$17,068,664 for salaries and wages and \$12,297,710 for other operating expenditures.

The Governor recommends a revised budget of \$46,563,094 for FY 1987, a reduction of \$584,365 from the approved budget. The Governor's recommendations include the lapse of \$535,296 from the State General Fund appropriation for state operations and \$65,243 from the aid to local units State General Fund appropriations. The reductions in state funding for local units were offset by the Department through distribution of additional Maternal and Child Health Block Grant funds. Also, six new federal grants totaling \$172,749 have been received by the Department and are included in the Governor's FY 1987 recommendations. The Department's State General Fund reductions were contained in 1987 H.B. 2049.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1987 recommendations for the Department of Health and Environment.

264.87

SUBCOMMITTEE REPORT

**Agency: Department of Health
and Environment**

Bill No. 196

Bill Sec. 4

Analyst: Timmer

Analysis Pg. No. 672

Budget Pg. No. 6-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$40,870,762	\$29,822,561	\$ (336,963)
Aid to Local Units	11,129,880	8,107,536	350,000
Other Assistance	14,089,340	12,912,500	--
TOTAL	<u>\$66,089,982</u>	<u>\$50,842,597</u>	<u>\$ 13,037</u>
State General Fund:			
State Operations	\$21,524,885	\$14,038,444	\$ (24,185)
Aid to Local Units	4,739,276	1,716,932	350,000
Other Assistance	1,176,840	0	--
TOTAL	<u>\$27,441,001</u>	<u>\$15,755,376</u>	<u>\$ 325,815</u>
FTE Positions	735.0	603.2	(5.5)

Agency Request/Governor's Recommendation

The Department of Health and Environment requests a total budget of \$66,089,982 for FY 1988. The request includes funding of \$20,611,872 for salaries and wages for 735.0 FTE positions, \$16,049,074 for contractual services, \$1,824,835 for commodity purchases, \$2,044,981 for capital outlay, and \$340,000 for debt service. A total of \$21,524,885 is requested from the State General Fund for state operations, \$4,739,276 for aid to local units and \$1,176,840 for other assistance.

A total FY 1988 budget of \$50,842,597 is recommended by the Governor for the Department. The recommendation includes \$17,094,531 for salaries and wages, \$12,377,356 for other operating expenditures and \$350,674 for capital outlay. A total of \$8,107,536 is recommended for aid to local units, a 4.5 percent increase over the revised FY 1987 recommendation. Twenty positions are eliminated, most due to the loss of federal funds. In addition, six new positions are recommended, three of which are federally funded and three state funded.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletion of \$236,963 from the State General Fund and deletion of 5.5 FTE positions from the agency's salary and wage budget. The Subcommittee's action deletes the position and the funding for a Management Analyst II, an Office Assistant III, and a Health and Environment Analyst in the Administrative Division; an Office Specialist in Community Health; and a .5 FTE Programmer in Office Systems and Computing. All of the above positions were vacant as of February 17, 1987. In addition the Subcommittee action deletes 1.0 FTE and funding for a Health Promotion Administrator which will be vacant as of May 18, 1987, and deletes funding for the Special Assistant to the Secretary position.
2. Addition of \$312,778 from the State General Fund and deletion of the same amount from the transfer from the Conservation Fee Fund. The Subcommittee's recommendation will provide Conservation Fee Funds (\$267,222) for 36 percent of the state activities in the Environmental Remediation program with funding from the State General Fund (\$475,061) for the remainder with the total being \$742,283. The Subcommittee is of the opinion that the remediation activities conducted by this Bureau involve oil and gas related pollution or activity 36 percent of the time.
3. Addition of \$350,000 from the State General Fund to the Aid to Local Units -- General Public Health Program line item. The recommendation will provide a total of \$1,604,506 for general health formula funding in FY 1988. The funding for the Subcommittee's recommendation is to include \$100,000 to be deleted from the Prenatal Care Collaborative Program line item, leaving \$400,000 from the State General Fund for that program.
4. The Subcommittee expresses concern about the equity of the distribution of the Prenatal Care Collaborative Program funding and asks the House Subcommittee to review the distribution process of those funds.
5. The Subcommittee notes that the Department had requested an Office Assistant II to microfilm death records from 1911 to 1945 and marriage licenses from 1913 to 1973. The Subcommittee concurs with the Department's concerns about confidentiality of vital statistics records but is of the opinion that such records could safely be microfilmed by correctional inmates and urges the Department to investigate that possibility with the Department of Corrections.
6. The Subcommittee concurs with the Governor's recommendation for \$298,052 for the purchase of vaccines and drugs for distribution to local health departments. The Subcommittee also strongly encourages the Department to pursue any method for the purchase of drugs which will provide the maximum number of doses at the lowest possible price.
7. The Subcommittee makes a technical amendment to the bill to include transfer language from the Health Care Stabilization Fund to the Medical Care Facilities Risk Management Program Fund.

8. The Subcommittee recommends the introduction of legislation to allow local units which conduct food service and lodging inspections be reimbursed at 80 percent of fees. Local units are currently reimbursed at 60 percent of fees.
9. The Governor's recommendations deletes the funding and positions of the Environmental and Health Planning Division. The Subcommittee concurs with the Governor's recommendation but notes that the planning staff had also been conducting the credentialing activities. The Subcommittee does not recommend repeal of the Credentialing Act and does recommend that the credentialing responsibilities be assigned to existing staff in the Department.
10. The Subcommittee reviewed the agency's request and the Governor's recommendation concerning the Central States Low-Level Radioactive Waste Compact and concurs with the Governor's recommendation for creation of a fund for funds relating to the Compact with a 0 limitation and no funding provided. The Subcommittee highlights this issue as one which will need to be reviewed later in the Session when the Legislature makes a decision regarding the Compact.
11. The Subcommittee received testimony from the Acting Secretary of Health and Environment regarding new federal Community Right-to-Know legislation and the state's responsibilities due to the law. The Subcommittee notes that the issue may have a significant fiscal note and will need to be reviewed later in the Session.

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Timmer

Analysis Pg. No. 688

Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 87</u>	<u>Governor's Rec. FY 87</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,070,242	\$ 1,061,779	\$ --
Other Assistance	10,787,284	10,579,018	--
TOTAL	<u>\$11,857,526</u>	<u>\$11,640,797</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 575,523	\$ 567,060	\$ --
Other Assistance	1,314,411	1,150,218	--
TOTAL	<u>\$ 1,889,934</u>	<u>\$ 1,717,278</u>	<u>\$ --</u>
FTE Positions	28.8	28.8	--

Agency Request/Governor's Recommendation

FY 1987. The Department estimates FY 1987 expenditures to be \$11,857,526 which includes \$1,070,242 for state operations and \$10,787,284 for other assistance. The Governor recommends \$1,061,779 for state operations and \$10,579,018 for other assistance. The recommendation includes total reduction of \$522,408 from the State General Fund for program grants, reductions which are contained in H.B. 2049 and which were offset by increased federal funding. The recommendations include 3,696,673 meals in the Older Americans Act Nutrition Program and 226,829 low income in-home meals.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's FY 1987 recommendations.

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 196

Bill Sec. 5

Analyst: Timmer

Analysis Pg. No. 688

Budget Pg. No. 2-1

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,244,638	\$ 1,083,233	\$ --
Other Assistance	11,112,149	10,732,045	35,000
TOTAL	<u>\$12,356,787</u>	<u>\$11,815,278</u>	<u>\$ 35,000</u>
State General Fund:			
State Operations	\$ 722,095	\$ 563,315	\$ --
Other Assistance	1,525,331	1,176,382	35,000
TOTAL	<u>\$ 2,247,426</u>	<u>\$ 1,739,697</u>	<u>\$ 35,000</u>
FTE Positions	31.3	28.8	--

Agency Request/Governor's Recommendation

The agency requests a total of \$1,244,638 for state operations and \$11,102,149 for other assistance. The request includes funding of \$50,692 for 2.5 additional FTE positions, \$60,000 for six home-sharing programs, \$120,000 for a low income elderly home repair program, and \$10,000 for a rural in-home meals program.

The Governor recommends \$1,083,233 for state operations for 28.8 FTE positions. The Governor also recommends \$10,732,045 for other assistance and does not recommend funding for any new programs. The Governor's recommendation includes funding for 3,769,730 OAA Nutrition program meals at \$2.779 per meal and 236,777 meals for the Low Income In-Home Nutrition Program at \$2.2048 per meal.

Senate Subcommittee Recommendations

FY 1988. The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Addition of \$10,000 from the State General Fund to the Low Income In-Home Nutrition Program for a rural low income in-home meal program. The Subcommittee recommendation would provide 4,000 meals at a cost of \$2.50 per meal. The Subcommittee recommends that a proviso be attached to the Program Grants line item stating that not less than \$10,000 shall be provided for the rural program.

2. Addition of \$25,000 from the State General Fund to the state funded Older Kansans Employment programs. The Subcommittee's recommendation will allow a total of \$100,000 for the three existing programs.
3. The Subcommittee concurs with the Governor's recommendations for the Nutrition program in FY 1988 and restates its nutrition service and funding priorities of (1) Low Income In-Home Nutrition Program; (2) Home Delivered Meals; and (3) Congregate Meals programs. The Subcommittee learned that several area agencies have instituted efforts to maximize local contributions to the program and have realized gains in contributions through the attempts. The Subcommittee applauds those efforts and urges all area agencies to make every effort to increase local contributions.
4. The Subcommittee reviewed the agency's request for funding for a home-sharing program. The program would attempt to match older Kansans with college students in order to allow the older Kansans to remain in their homes while providing the students with a place to live in exchange for services such as maintenance. The Subcommittee is of the opinion that the home-sharing program has merit and urges the Department to pursue all possible avenues for implementation of the program including coordination through university or college housing offices.
5. The Subcommittee reviewed the Department's request for \$2,500 from the State General Fund for the purchase of a 20 mg. Bernoulli box to allow the upgrade of the Department's computer equipment. The Subcommittee does not recommend the additional funds for the box and does recommend that the agency purchase the box if savings in other areas of the operating budget can be found.