

Approved 3-22-89  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at  
Chairperson

12:05 ~~xxx~~/p.m. on March 8, 1989 in room 514-S of the Capitol.

All members were present except: Representative Solbach (excused)

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Karen DeViney,  
Kansas Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

HB 2028 - Appropriations for FY90, Department of Social and Rehabilitation Services

**DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES**

The Committee reviewed the subcommittee report for FY89 and FY90 (Attachment 1). Chairman Bunten suggested that the option of reducing eligibility on some programs that experience shortfalls should be considered by SRS in lieu of seeking supplemental appropriations. Representative Shriver stated SRS has been requested to adjust eligibility requirements on the LIEAP program for FY90 due to a reduction in funds available. In addition, he noted that SRS has formed a consensus caseload estimating group which, using their numbers, should result in a more accurate budget.

Regarding the FY90 report, Representative Shriver explained on item #3 that the Subcommittee feels the Governor should review the SRS written plan for FY90 on projected increases for area office rents and determine if the \$350,000 above his recommendation should be provided. The Subcommittee believes this should be looked at to avoid leased facilities sitting empty much of the time.

Regarding item #10, Representative Vancrum expressed hope that the delay in implementation of the KanWork program does not imply a lack of commitment to the program, as the early results have been very positive.

On Item #29, the Subcommittee pointed out that under the new DRG method of hospital reimbursement and the medical assistance program, there will be a substantial drop in the reimbursement rate for psychiatric DRGs and alcohol and drug abuse DRGs. To lessen that impact to hospitals, the Subcommittee has recommended that \$1,622,252 be appropriated in a separate line item for that purpose. Representative Fuller requested that staff change the subcommittee report on item #29 to state clearly that the costs for these DRGs were reimbursed at a much higher rate under the former system of reimbursement to justify the line-item appropriation for this purpose.

Representative Helgerson asked the Subcommittee if there was any testimony on the availability of funds under the Stewart B. McKinney Homeless Assistance Act authorizing a housing for the homeless program for local communities provided the state invests General Fund dollars. Representative Goossen stated there were no proposals on this. Representative Helgerson made a motion on item #17 to transfer the 6 percent cost of living increase (approximately \$560,000)

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 12:05 ~~am~~/p.m. on March 8, 1989.

from the state aid formula to special purpose money. Representative Hensley seconded. Representative Helgerson explained that to deal with the hospital population, funds should be appropriated in the special purpose portion of the budget for community mental health centers. He pointed out that targeted funds can be used to generate programs in the community to serve state hospital clients. If the funds go into formula aid, they will be spent according to the priorities of the community mental health centers. Representative Shriver feels a cost of living increase in formula aid to the community mental health centers is needed, and SRS opposes putting the funds in special purpose at this time. On a voice vote, the motion failed.

Representative Hoy noted that the Governor recommended \$9.9 million for the existing KanWork program for FY90 and \$1.3 million for expansion to three more counties on 4-1-90. He expressed concern that reducing the governor's recommendation and postponing expansion will result in a diluted, less effective program than we now have. The Subcommittee feels the additional data that will be available for decision making and the additional federal match funds warrant the postponement.

Representative Gatlin requested that wording be added to item #3 (second paragraph) to clarify that consolidation is not the only reason for, or option in, development of a plan on location of area and local offices. The Subcommittee agreed and he will confer with staff on this change.

In response to a question, Representative Goossen stated policy was not discussed in the reduction in beds from 45 to 30 at the Comprehensive Screening Unit at Topeka State Hospital. Regarding item #5 on family preservation units, Representative Brady believes that the pilot program should be located in a non-KanWork area.

Representative Wisdom recommended that SRS consult with Legislative Post Audit in the preparation of a request for proposal on the study of the state's child protective services. Secretary Barton was present and agreed with this suggestion.

Representative Hamm moved that the second paragraph in item #3 addressing a plan to consolidate area and local offices be deleted from the subcommittee report. Representative Gatlin seconded. Motion failed.

Chairman Bunten commended the Subcommittee on their good work on this report, but expressed his objection to going beyond the Governor's budget on this agency. Representative Goossen moved adoption of the subcommittee report for FY89 and FY90. Representative Pottorff seconded. Motion carried. Representative Helgerson is recorded as voting "no." Representative Chronister moved that HB 2028, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried. Representative Helgerson is recorded as voting "no."

Representative Chronister moved that HB 2063, as amended, be recommended favorably for passage. Representative Fuller seconded. Motion carried.

HB 2036 - Capital Improvement projects for Kansas State Industrial Reformatory and Kansas State Penitentiary.

Chairman Bunten pointed out that the subcommittee report on Kansas State Industrial Reformatory (KSIR) deleted funding for the cellhouse

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 12:05 ~~a.m.~~/p.m. on March 8, 1989

locking systems pending review by the Joint Committee on State Building Construction. He suggested to avoid delaying HB 2036 that the Committee approve this expenditure as recommended by the Governor in HB 2036 and let the Senate handle the matter if not approved by the state building committee (Attachment 2).

Representative Teagarden moved to reconsider that portion of the subcommittee report on Kansas State Industrial Reformatory deleting the appropriation for the capital improvement project. Representative Helgerson seconded. Motion carried.

Back on the subcommittee recommendation to delete the capital improvement project replacing locking systems at KSIR pending review by the Joint Committee on State Building Construction, Representative Teagarden made a substitute motion that HB 2036 be recommended favorably for passage without amendment. Representative Chronister seconded. Motion carried.

By consensus, the Committee requested a report on the Joint Committee on State Building Construction's recommendation on this project following its deliberations. The meeting was adjourned at 2:05 p.m.

GUEST LIST

COMMITTEE: House Appropriations

DATE: 3-8-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Gigi Felix	Kansas NASW 817 W 6th	Natl Assoc of Soc Workers
ELIZABETH E. TAYLOR	TOPEKA	Prog. Director ASSO OF ALCOHOL & DRUG
Ben Conroy	TOPEKA	SRS
Lynola Clanton	Topeka	KJ DHR
Carla Nakata	Topeka	SRS
Katie Klassen	Topeka	SRS
John Alford	"	SRS
Mary Ann Mahol	Topeka	BSEB
Ed Henry	Greenleaf	KARF
Mark Intermill	Topeka	KCOA
Mike Mense	Topeka	KHA
C. Cantrell	Topeka	SRS
JOHN H. HORNIGREN	Topeka	Catholic Health ASSN.
Jeff Fockett	Topeka	St. Francis - Wichita
John Peterson	Tynden	KAL PCCIT
Dick Hammel	Topeka	KS HEALTH CARE ASSN
Louis Allen	Topeka	" " " "
Cam Cook	Salina	ACK
Wm E. Brotton	Wichita	Starkley Dev Center
Rzp <u>Jessie Branson</u>		
Rick Skuffe	Topeka	MHRS/SRS
Al Nemeč	Topeka	SRS/MHRS
Bob Clawson	Topeka	SRS/MHRS
Lela Paslay	Topeka	ARC/K
Ze Besten	Topeka	KARF

OPAVT EFFERS & LAWRENCE LOTO

Joan Strubbe  
Sheila Hochhauser  
Jerry Larson  
Bruce Liihos  
Emily Wellman  
Dick Koerth  
Melissa Ness  
Pauline Klotz  
Marty Kennedy  
R.W. Apple  
Kathy Vonachen

Manhattan  
Manhattan  
Topeka  
Lawrence  
Topeka  
Topeka  
Topeka  
Topeka  
Topeka  
Topeka  
Topeka

KAR  
Legislature  
Kansas Action  
for Children  
KALPCCA  
KCC  
Budget  
KCSK  
Assoc of CMHC's?  
DOB  
Times  
D of Budget

MW E. Broton

## SUBCOMMITTEE REPORT

Agency: Department of Social and  
Rehabilitation Services

Bill No. 2063

Bill Sec. 19

Analyst: DeViney

Analysis Pg. No. 613

Budget Pg. No. 2-542

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 148,650,563	\$ 148,050,149	\$ (759,774)
Local Aid	25,480,159	25,480,159	--
Other Assistance	<u>532,358,956</u>	<u>532,064,737</u>	<u>(2,102,572)</u>
Subtotal - Operating	\$ 706,489,678	\$ 705,595,045	\$ (2,862,346)
Capital Improvements	<u>1,130,000</u>	<u>2,472,022</u>	<u>--</u>
TOTAL	<u>\$ 707,619,678</u>	<u>\$ 708,067,067</u>	<u>\$ (2,862,346)</u>
<b>State General Fund:</b>			
State Operations	\$ 60,198,137	\$ 60,349,368	\$ (423,147)
Local Aid	22,418,776	22,418,776	--
Other Assistance	<u>243,256,596</u>	<u>240,037,520</u>	<u>(1,246,415)</u>
Subtotal - Operating	\$ 325,873,509	\$ 322,805,664	\$ (1,669,562)
Capital Improvements	<u>0</u>	<u>515,200</u>	<u>--</u>
TOTAL	<u>\$ 325,873,509</u>	<u>\$ 323,320,864</u>	<u>\$ (1,669,562)</u>
FTE Positions	3,143.4	3,139.4	--

### Agency Estimate/Governor's Recommendation

The FY 1989 revised operating budget of \$706,489,678 is \$9,131,552 above the approved budget. SRS requests \$13,784,118 in supplemental funding from the State General Fund, of which \$13,284,118 is for medical assistance and \$500,000 is for additional rent costs for area offices. The agency's estimate for capital improvements in FY 1989 is \$1,130,000 from the State Institutions Building Fund (SIBF), the same as the approved budget.

The Governor recommends an operating budget of \$705,595,045 in FY 1989, an increase of \$8,236,919 to the approved budget. The Governor recommends supplemental funding from the State General Fund totalling \$10,810,172. \$2,959,505 of the recommendation for funding from the State General Fund is for additional foster care placements in the current year.

	<u>SRS Request</u>	<u>Gov. Rec.</u>
Regular Medical Assistance	\$ 5,308,950	\$ 276,179
Long-Term Care	7,975,168	6,752,525
Administration	500,000	695,681
Youth Services	0	3,074,742
Other	<u>0</u>	<u>11,045</u>
TOTAL	<u>\$ 13,784,118</u>	<u>\$ 10,810,172</u>

HA  
3-8-89  
Attachment 1

In addition to the above recommendation for additional operating expenditures, the Governor also recommends \$2,472,022 for capital improvements in FY 1989. The Governor's recommendation includes an appropriation of \$515,200 from the State General Fund in FY 1989 to erect a fence at the Youth Center at Topeka. The SIBF amount of \$1,956,822 reflects the expenditure of \$826,822 for major maintenance and other projects which were reappropriated from FY 1988.

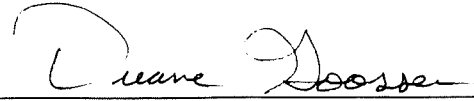
#### House Subcommittee Recommendation

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

1. The Subcommittee reviewed the Governor's recommendations for aid to families with dependent children, general assistance, medical assistance and foster care in the current fiscal year, including the recommendation for supplemental funding for medical assistance and foster care. The Subcommittee recommends no change in the Governor's recommendation at this time. The Subcommittee notes that SRS has developed a consensus caseload estimating process within the agency to develop and periodically review caseload projections for cash and medical assistance and foster care, and that the next major review of projections for FY 1989 and FY 1990 will occur in mid-March.
2. Reduce funding for the KanWork program by \$2,352,000 (\$1,392,000 State General Fund) from the level of \$8,707,490 recommended by the Governor. Startup delays of about three months occurred in Shawnee, Barton, and Finney Counties, and staff hiring in Sedgwick was not completed until January 1989. The program is now fully operational in the four pilot counties, but there are projected savings in state operations (\$630,074) and in services and assistance (\$1,902,572). The Subcommittee learned that the agency now expects the state/federal shares of financing for KanWork to be 55 percent/45 percent, instead of the 63/37 ratio assumed in the Governor's recommendations. However, this additional savings may be offset by a potential disallowance of federal funds for KanWork expenditures claimed prior to receiving the federal waiver in February, 1989. The Subcommittee requests that the Senate review this issue, should additional information become available.
3. Reduce funding for the staff development program by \$58,908 (State General Fund). The Subcommittee learned that the salaries of four trainers are being charged to the automated eligibility project and thus are receiving additional federal match.
4. Reduce funding for runaway youth grants from \$808,500 to \$608,550, a savings of \$200,000 to the State General Fund. FY 1989 is the first year of operations, and thus far, utilization of the program has been much lower than anticipated.
5. Reduce funding for salaries and wages in the Adult Services Job Preparation subprogram for Food Stamp recipients by \$70,792 (\$17,698 State General Fund) based on year-to-date expenditures.

6. The Subcommittee concurs with the Governor's recommendation for a supplemental appropriation of \$500,000 from the State General Fund in the current fiscal year for area office rents, but is concerned about the rapid escalation of these costs. The FY 1989 recommendation of \$3,913,490 is a 17 percent increase over the FY 1988 level of \$3,349,349. The Subcommittee recognizes that part of the increased cost is due to the creation of additional positions by the 1988 Legislature without additional appropriations for rent. However, the Subcommittee also learned that the agency is evaluating all of its rental space against standards such as handicapped accessibility and square feet per worker. While such enhancements are often necessary and desirable, the Subcommittee expects them to be achieved within the budget set by the Legislature. The Subcommittee also notes that the agency is considering moving the Osawatomie area office from the state hospital grounds to a location not owned by the State, and that such a move would result in a loss of \$54,170 annually to the institution's fee fund.
7. The Subcommittee learned that the agency estimates a shortfall in the SRS fee fund in the current year of \$2,168,955, of which \$1,587,002 is due to a decrease in anticipated collections of AFDC-related child support. Total child support collections are still on target, but the non-AFDC share is greater than expected. The Subcommittee expects a Governor's Budget Amendment will be submitted should this trend continue.
8. The Subcommittee also learned that Governor's Budget Amendments for several issues pertaining to mental health and retardation services may be submitted. The agency was recently notified that the state's allocation for the mental health block grant for the current fiscal year was reduced by about \$200,000, and the state may only use 5 percent instead of 10 percent for state operations. Shortfalls are also expected in funding for physicians' malpractice insurance which the agency pays for physicians at the state institutions (\$74,910), and court ordered evaluations (\$18,200).
9. The Subcommittee notes that there may be a technical error in the Governor's recommendation for the state share of medical assistance funding in the current fiscal year. The recommendation assumes federal match of \$1,795,150 for a deferral payment of \$3,500,000 to the federal government which in fact must be 100 percent state funds. A Governor's Budget Amendment is expected on this item, unless countervailing savings in the medical assistance budget should make it unnecessary.
10. The Subcommittee learned that there is a shortfall in the home care program in the current year of \$628,230 from the State General Fund. Some clients' hours of service have been cut, and intake of additional clients has been halted. The Subcommittee was informed that the agency has requested a Governor's Budget Amendment on this item.



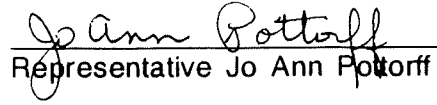


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Representative Duane Goossen  
Subcommittee Chairperson

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Representative Jack Shriver



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Representative Jo Ann Pottoff

628-89

## SUBCOMMITTEE REPORT

Agency: Department of Social  
and Rehabilitation Services

Bill No. 2028

Bill Sec. 2

Analyst: DeViney

Analysis Pg. No. 613

Budget Pg. No. 2-542

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 171,671,580	\$ 154,310,746	\$ 1,358,353
Local Aid	36,636,672	29,964,037	--
Other Assistance	667,273,686	569,195,721	11,333,582
Subtotal - Operating	\$ 875,581,938	\$ 753,470,504	\$ 12,691,935
Capital Improvements	12,697,518	4,593,000	--
<b>TOTAL</b>	<b>\$ 888,279,456</b>	<b>\$ 758,063,504</b>	<b>\$ 12,691,935</b>
<b>State General Fund</b>			
State Operations	\$ 75,681,276	\$ 65,420,456	\$ 1,254,922
Local Aid	33,522,138	26,849,503	--
Other Assistance	321,378,915	259,475,359	4,337,767
Subtotal - Operating	\$ 430,582,329	\$ 351,745,318	5,592,689
Capital Improvements	0	0	--
<b>TOTAL</b>	<b>\$ 430,582,329</b>	<b>\$ 351,745,318</b>	<b>\$ 5,592,689</b>
<b>Economic Development Initiatives Fund</b>			
Other Assistance	\$ 0	\$ 50,000	\$ --
<b>FTE Positions</b>	<b>3,682.1</b>	<b>3,250.4*</b>	<b>50.5</b>

\* The Governor's Budget Amendment No. 1 recommends an additional 4.0 FTE positions for Mental Health and Retardation Services, increasing the agency's position limitation from 3,246.4 FTE positions as originally recommended to 3,250.4.

### Agency Estimate/Governor's Recommendation

For FY 1990, the agency requests an operating budget of \$875,581,938, an increase of 23.9 percent over the revised FY 1989 estimate. Of the total requested increase, \$104,708,820 is from the State General Fund. The FY 1990 request is based on an increase of 15.5 percent in state operations, including 538.7 new positions, an increase of 43.8 percent in aid to local units, and an increase of 25.3 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 5 percent, (2) a revised hospital reimbursement system based on diagnosis related groups (DRG), (3) a 6 percent rate increase for nursing homes, (4) rate increases for physician office visits, drug acquisition costs, and pharmacists, (5) restoration of Medicaid coverage of physical therapy, occupational therapy, and speech therapy for children, (6) funding for services to comply with the federal Nursing Home Reform Act, (7) expansion of the KanWork program to an additional seven counties, (8) increased staff for local office social services, including 49 social workers and 49 program technicians, and upgrading of current social worker and family support worker positions, (9) 100 case managers to coordinate community-based long-term care, (10) day care provider increases of 15 percent for infant care and 10

percent for other care and an additional 2,325 slots, (11) a 10 percent rate increase for foster care providers, (12) a vocational rehabilitation program for the head-injured, (13) 5 percent increases in state aid for community mental health and mental retardation centers, and (14) funding to serve an additional 324 persons in community mental retardation programs and multi-year funding to begin serving other persons from the community waiting list.

For FY 1990, the agency requests \$12,697,518 from the SIBF for capital improvements, of which \$10,632,000 is for the institutional major maintenance program.

The Governor recommends a total operating budget of \$753,470,504, an increase of \$47,875,459 of which \$28,939,654 is from the State General Fund. The Governor's recommendation includes 104 new positions, including 50 positions for the expansion of KanWork to an additional three counties and 38.5 positions for the youth screening unit being transferred from the jurisdiction of Topeka State Hospital to Youth Services. Nine positions to implement a vocational rehabilitation program for the head-injured are also recommended, as well as 4 positions to implement recommendations of a task force on mental health reform.

The Governor recommends \$29,964,037 for local aid in FY 1990, including a 6 percent increase in state aid for community mental health centers and a 5 percent increase for mental retardation centers. The Governor recommends funds to serve an additional 200 persons in community programs for the mentally retarded. \$1,600,000 is recommended for a case management program for the chronically mentally ill.

The Governor recommends \$569,195,721 for other assistance in FY 1990, including funding for the following major items: (1) a 2 percent increase for AFDC and General Assistance grants, (2) DRG method of hospital reimbursement (although providing \$9,823,490 instead of \$20,000,000 as requested), (3) a 4 percent rate increase for nursing homes, (4) a 5 percent increase for drug acquisition costs, (5) additional nurse aide training to comply with the federal Nursing Home Reform Act, (6) a 10 percent rate increase for day care providers, and (7) a 5 percent rate increase for foster care providers.

The Governor recommends \$4,593,000 from the SIBF for capital improvements in FY 1990.

#### House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. The House Subcommittee recommends that a substitute bill be introduced which will contain the budgets of the Department of Social and Rehabilitation Services and the various institutions in the same format as in past years. The Governor's bill, H.B. 2028, would appropriate all funding for the department and the mental health and mental retardation hospitals to the department.
2. The House Subcommittee recommends the deletion of 20.5 FTE positions in the Department which have been vacant for a month or more for a savings in FY 1990 of \$473,634 (\$188,346 State General Fund). Positions to be deleted include 7.5 unfilled positions in the child support enforce-

ment program, four positions in Administration, three in area offices, two in Rehabilitation Services, two income maintenance workers, and one position from Adult Services and Youth Services respectively. However, the Subcommittee recommends that until the omnibus session, the Department be permitted to submit alternative positions to the Legislature to be deleted; for example, deletion of positions from which persons are retiring.

3. The Subcommittee concurs with the Governor's recommendation of \$4,070,030 for area office rents for FY 1990. However, the Subcommittee learned that the agency's FY 1990 projection for rents exceeds the Governor's recommendation by about \$350,000. (\$86,500 of the estimated increase is based on 50 additional KanWork staff for the entire fiscal year, and could probably be reduced if expansion of KanWork is delayed until April 1990.) The agency has 26 leases which are due to expire during FY 1990 plus 45 leases that are on a month-to-month basis, and the agency is projecting increases in these leases. The Subcommittee directs SRS to submit the revised FY 1990 rent plan to the Governor for approval, revision, or rejection, and the Subcommittee expects that a Governor's Budget Amendment will be submitted to cover any additional costs prior to the omnibus session. The Subcommittee does not expect a supplemental appropriation for office rents next year.

Because of rising costs, the Subcommittee recommends that the agency develop a plan to consolidate area and local offices wherever possible, and if necessary, draft legislation for consideration by the 1990 Legislature to modify the requirement that the agency have offices in all 105 counties.

4. The Subcommittee reviewed information pertaining to the number of vacancies in field social work positions and problems which the agency has had in recruiting and retaining social workers. As of late February, the agency reported 38 field social worker vacancies. While the largest number of vacancies are in urban areas (currently 10 in Wichita and 8 in Topeka), rural areas also report difficulty in filling these positions. According to the agency, vacancies in the Wichita office are in part due to social workers transferring to the KanWork program. The Subcommittee endorses the steps that SRS has taken thus far to recruit additional social workers, including visits by the Secretary to colleges offering social work degrees and the hiring of a social worker recruiter.

The Subcommittee learned that SRS supports changes in social work licensing procedures of the Behavioral Sciences Regulatory Board. The House has passed legislation (H.B. 2434) to authorize the Board to issue temporary licenses for social workers to practice until the examination is given. Other changes sought by SRS include the development of reciprocal agreements to recognize social work licenses issued in other states and to permit substitution of experience for education for persons who have worked as social workers in other states but whose degree is not in social work. The Subcommittee also recommends that SRS consider paying the testing fee for social workers hired by the agency.

The Subcommittee recommends that, if passage of H.B. 2434 does not alleviate the agency's difficulty in filling social work positions, legislation should be introduced to remove social workers employed by SRS from the purview of the Behavioral Sciences Regulatory Board. The Subcommittee also directs SRS to develop and submit to the Legislature a plan for use of alternative job titles for positions which may require a social science, psychology or counselling background rather than a social work degree. KanWork appears to be one program in which such alternative job titles could be used effectively.

5. The House Subcommittee recommends \$547,918 (\$399,980 SGF) to establish a family preservation unit in either one large metropolitan area office or two smaller offices. The recommendation includes salaries and wages for an additional 24 FTE positions, including two Social Worker III's, ten Social Worker II's, four Family Support Workers, four Program Technicians, and four Office Assistant II's. Social workers in the family preservation unit will provide intensive, comprehensive assistance to families in crisis to avoid out-of-home placement of children. The social workers will have flexible schedules and smaller caseloads for shorter periods of time, and will be available to families on a 24 hour basis. The family support workers will provide additional in-home services, and the program technicians will provide other administrative support (e.g., record-keeping, transporting clients). The Subcommittee requests SRS to conduct an evaluation of the project to ascertain its effectiveness.
6. The Subcommittee is frustrated at the current lack of coordination among and within the various agencies involved with drug and alcohol issues, including the departments of SRS, Education, Corrections, Administration, and Transportation, the Kansas Bureau of Investigation, and the court system. This concern is not a criticism of the performance of the individual agencies. However, it is unclear what programs are already being funded and what the role of each agency is. The Subcommittee strongly recommends that the Legislature undertake an interim study to determine ways to set service priorities and coordinate programs.
7. The Subcommittee was informed that under the recently enacted Omnibus Drug bill, the agency will receive an additional \$598,968 in federal funds in FY 1990 from the alcohol and drug abuse block grant. Of that amount, \$181,579 is expected to be transferred from the Governor's Office to SRS for high risk youth prevention programs. The new federal law also requires an additional expenditure of \$134,818 for women's services and \$100,000 for a revolving loan fund for recovering persons. These additional federal funds are not included in the Governor's recommendation. The Subcommittee learned that ADAS would like to use \$317,389 of the new funding to establish a 15-20 bed treatment program for women and their children, \$100,000 for the required revolving loan fund, and \$166,000 to establish an additional regional prevention center. The Subcommittee recommends the funding of these proposals.
8. The Subcommittee recommends the removal of a proviso in the Governor's bill which requires that grants for residential treatment of juvenile substance abusers must be made to programs with taxing authority. The Subcommittee learned that this restriction has proven

cumbersome because the agency provides grants to local units of government which in turn make subgrants to providers. While the original intent was to ensure local support of these programs should federal and state funds end, the result has been additional administrative requirements for both the state and the local providers. Therefore, the Subcommittee recommends that the proviso be stricken.

9. The Subcommittee recommends the addition of 3.0 FTE limited term positions to the Division of Medical Programs, to implement additional cost recovery and cost avoidance methods. The three positions would include a Social Services Administrator IV, an Accountant III, and a clerical position. The additional cost containment methods would include increased collections from third party payers, review of drug prescribing patterns, and pre-approval of certain medical procedures and services to determine appropriateness. The additional cost of this initiative would be \$119,537 (\$44,491 SGF) for salaries and wages and overhead costs for the three positions and \$1,276,000 (\$328,450 SGF) for management information system changes and contracted medical reviewers. The Subcommittee recommends that the state share (\$372,941) for the project be financed through a reduction in funding from the State General Fund for the medical assistance program, but assumes no other reductions in medical assistance costs until data are available after implementation. Continuation of the project would depend upon precise tracking of savings from the initiatives and proof of cost-effectiveness.
10. The Subcommittee recommends that expansion of KanWork to an additional three counties be delayed until April 1990 when the jobs component of the new federal welfare reform law takes effect. The Subcommittee endorses the KanWork program and the progress made thus far, but recognizes that implementation delays in the current year have resulted in little data on program performance. The postponement of expansion in FY 1990 will enable the state to receive additional federal funds for the program since federal match will be available for post-employment transitional services in addition to services while participants are still receiving cash assistance. An April startup date will also give the 1990 Legislature an opportunity to review the program again prior to expansion. The Subcommittee recommends that the agency begin hiring staff in February 1990 to prepare for intake of clients beginning April 1, 1990.

The Subcommittee also notes that the Governor's recommendation for KanWork in FY 1990 is based on financing of 62 percent state funds, 38 percent federal. However, the agency currently estimates that state and federal shares of program costs will be 55 percent state, 45 percent federal. This more favorable match rate, as well as postponement of program expansion until April 1, 1990, will result in a reduction of \$3,069,930 (\$1,990,586 SGF) to the Governor's FY 1990 recommendation.

The Subcommittee recommends that for future fiscal years, KanWork should be expanded on an area office basis, i.e., that the program be instituted at the same time in all counties under the jurisdiction of a particular area office(s).

11. The House Subcommittee was informed that the Governor's recommendation for the home care program would result in cutbacks in services in both FY 1989 and FY 1990. The shortfall for FY 1990 is \$983,168. The Subcommittee was informed that the agency has requested a Governor's Budget Amendment for this amount, and the Subcommittee requests that the Senate review funding for the program.
12. The Subcommittee recommends the deletion of \$70,432 State General Fund and 2 Management Analyst positions from the Economic Opportunity Program in Adult Services. The program currently receives no funding from the State General Fund.
13. The House Subcommittee recommends an appropriation of \$500,000 from the State General Fund to commission a comprehensive evaluation of the state's child protective services. The scope of the study should include (but not be limited to) the judicial process, the schools, the foster care system, and the family services system. The goal of the study is to identify needed changes in administrative structure, assignment of responsibilities, planning and decision-making processes, and funding needs. The Subcommittee recommends that the study be awarded on a request for proposal basis to a nationally recognized standard-setting organization. It is expected that the study would begin by January 1990 and could take up to two years.
14. The Subcommittee examined the proposed budget for the Comprehensive Screening Unit which is being transferred from Topeka State Hospital to Youth Services. The Subcommittee questioned the increased costs and decreased staff and bed capacity after the program is to be shifted to Youth Services. The Subcommittee was informed that the increased costs are due to the inclusion of services which will now be purchased from the hospital. The Subcommittee was informed that the fee funds in the hospital budget appear to have been increased to account for this additional revenue to the hospital. The Subcommittee also learned that, assuming legislative approval, Topeka State Hospital will retain 14.4 positions from the screening unit. (The Governor's recommendation is based on 38.5 FTE positions for the screening unit under Youth Services, instead of the current 53.2 positions.) While the Subcommittee has been told that the transfer of the screening unit to Youth Services involves no net increase to the State General Fund, the Subcommittee has concerns regarding the budget data which have been presented, and will continue to monitor the situation.
15. The Subcommittee concurs with the Governor's recommendation for \$250,000 from the State General Fund to continue a contract for private operation of the Kansas City workshop for the blind. However, the Subcommittee is concerned that the blind employees have been laid off since late January due to a lack of work. The Subcommittee suggests that this situation be reviewed later in the session, and that consideration be given to ending the contract and resuming state operation if progress has not been made in reemploying these persons. The Subcommittee also notes that there is pending legislation giving SRS the authority to sell the workshop building to the private operator, and that consideration of such legislation should be delayed until the viability of the new management is assured.

16. The Subcommittee requests that the agency develop a more coordinated method for presenting the budget for mental health and mental retardation programs, elements of which are included in MHRS, Medical Programs, Adult Services, Alcohol and Drug Abuse Services, Youth Services, and the state institutions. While there may be valid programmatic reasons for the current division of responsibilities among the divisions of the department, the Subcommittee needs to review the programs in their entirety, instead of their component parts.
17. The Subcommittee concurs with the Governor's recommendation for a 6 percent cost of living increase in state aid for mental health centers. However, with proposed legislation to revise the state's mental health system, this funding mechanism may be changed in future years to implement mental health system reform. 560K
18. The Subcommittee concurs with the Governor's recommendation for \$1,600,000 from the State General Fund for community-based case managers for the chronically mentally ill, but notes that many key elements of this proposed program are not yet developed. The Subcommittee recommends that the agency draft guidelines, and if possible, the request for proposal that will be used to provide funds to local agencies, for further review by the Legislature before the end of the 1989 Session. The Subcommittee notes that the agency may request an additional \$800,000 for additional services that the case managers will generate.
19. The Subcommittee was informed by the agency that the project for mental health services for the hearing impaired which is currently funded through a \$50,000 special purpose grant, will be continued for FY 1990.
20. The Subcommittee considered the agency's request for multi-year funding, to be matched with county mill levy funds, to serve persons remaining on the waiting list for community mental retardation services. Multi-year funding would give local agencies more lead time to expand services, instead of the current system under which they have a few months to respond to a request for proposal. However, the Subcommittee heard no community testimony in favor of the concept. The Subcommittee believes that multi-year funding with the use of local matching funds is a laudable idea, but needs more local and community support.
21. The Subcommittee reviewed projections for caseloads for medical assistance, aid to families with dependent children, general assistance, and foster care, and recommends no changes at this time. The Governor's recommendation assumes no increase in AFDC caseloads from FY 1989 to FY 1990, based on the effect of the KanWork program operating in seven counties. The Governor's projection for AFDC is the same as the agency estimate for FY 1989 and 1 percent below the FY 1990 request. The agency's assumption is based on a four-county KanWork program instead of a seven-county program.) In both FY 1989 and FY 1990, the Governor's recommendation for General Assistance is two percent below the agency's estimate.



The Subcommittee notes that SRS has established a caseload consensus-estimating group which meets periodically to project medical assistance, public assistance and foster caseloads and costs per person. The group meets in July, prior to preparation of the agency's budget request; in November, prior to development of the Governor's budget recommendation; and in March, prior to completion of legislative budget decisions. The Subcommittee endorses this process for projecting caseloads and believes that it provides a more objective basis for decisions about public assistance policy issues. The Subcommittee also recommends that the directors of the Budget Division and of Legislative Research participate in the caseload consensus estimation.

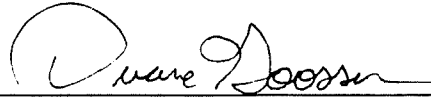
The caseload estimating group is scheduled to revise caseload projections again in mid-March, and the Subcommittee requests the Senate to review the results at that time. This Subcommittee's recommendation to delay the expansion of KanWork until April 1990 should also be considered in the revised caseload estimates.

22. The Subcommittee learned that the shelter allowance component of public assistance grants, which varies by county, is based on 1974 data and that subsequent changes in housing costs have resulted in inequities in various parts of the state. The Subcommittee learned that legislation has been introduced to address this issue, and that SRS is evaluating several methodologies to correct the problem. The Subcommittee requests that the Senate review this issue once the analysis is completed.
23. The Subcommittee recommends that \$100,000 of the amount recommended by the Governor for the General Assistance program be used to continue legal assistance for GA recipients seeking eligibility for federal Supplemental Security Income. The Governor's recommendation did not assume continued funding for this project, even though it has resulted in cost-savings to the state and additional federally-funded benefits for the recipients. The Subcommittee assumes that the cost-savings will continue to more than offset the cost of the project. Financing the project through the General Assistance budget is not to reduce funding for benefits to recipients. The Subcommittee also recommends that the project be awarded through a request for proposal (RFP) process to an organization that can operate the project on a statewide basis. This recommendation does not reflect any dissatisfaction with the current service provider, Kansas Legal Services, but will help assure that provider performance is reviewed each year.
24. The Subcommittee recommends an additional appropriation of \$1,193,948 from oil overcharge funds for the Low Income Energy Assistance Program to maintain current funding levels for FY 1990.
25. The Subcommittee recommends an additional appropriation of \$680,381 from oil overcharge funds to maintain the Weatherization program at the current level for FY 1990. The Subcommittee recommends that, at the beginning of the next program year (which for LIEAP-funded weatherization projects is January 1990 and for Department of Energy/oil overcharge

weatherization projects is April 1990), eligibility is to be set at 125 percent of the poverty level instead of the current level of 150 percent.

26. The Subcommittee recommends that the portion of the medical assistance budget financed from the State General Fund continue to be appropriated as two line items, one for regular medical assistance and one for long-term care, instead of the one line item recommended by the Governor.
27. The House Subcommittee recommends an appropriation of \$4,951,180 (\$2,249,849 State General Fund) for the expansion of Medicaid eligibility to pregnant women and their infants (up to one year of age) with family incomes of up to 150 percent of the federal poverty level. Of the recommended amount, \$4,514,805 (\$2,031,662 SGF) is for medical assistance and \$436,375 (\$218,187 SGF) is for administrative costs. The amount for administration includes salaries and wages for 12.5 income maintenance workers and 2.5 clerical positions, an increase of 15.0 FTE to the agency's position limitation. The Subcommittee notes that this expansion of eligibility for perinatal and infant health care can provide additional financing for Maternal and Infant projects which are administered by the Kansas Department of Health and Environment and which also serve low income families. The Subcommittee directs SRS to cooperate with KDHE to maximize federal Medicaid funding for services provided through the Maternal and Infant program to pregnant women and infants whose incomes are below 150 percent of poverty.
28. The House Subcommittee recommends an appropriation of \$5,185,318 (\$2,374,101 SGF) for expansion of Medicaid eligibility to children from ages two through four (eligibility ending on the fifth birthday) in families with incomes up to 100 percent of the federal poverty level. (The program currently covers such children up to age two). Of the recommended amount, \$4,371,147 (\$1,967,016 SGF) is for medical assistance and \$814,171 (\$407,085 SGF) is for administrative costs. The administrative costs include salaries and wages for an additional 26.5 income maintenance workers and 4.5 clerical positions, an addition of 31 FTE positions to the agency's position limitation.
29. The Subcommittee concurs with the Governor's recommendation of \$9,823,490 to implement a diagnosis related group (DRG) method of hospital reimbursement under the medical assistance program. However, the Subcommittee recommends that \$1,622,252 of that amount be for additional reimbursement for psychiatric DRGs (\$422,252) and alcohol and drug abuse DRGs (\$1,200,000). The Subcommittee heard testimony that without these additional funds, the reduction in reimbursement from the current per diem system for these services would be severe. The Subcommittee recommends that the \$1,622,252 (\$859,794 SGF) be appropriated separately so that these expenditures can be monitored.
30. The House Subcommittee recommends \$1,297,235 (\$1,210,320 State General Fund) to provide an additional 550 child care slots and to establish a regional reimbursement system which will bring the SRS rates for each of the 17 area offices to a minimum of 75 percent of the cost of child care for that area.

31. In addition to the 5 percent rate increase for foster care providers recommended by the Governor, the Subcommittee recommends an additional 10 percent rate increase effective January 1, 1990. The cost of this additional rate increase is \$1,350,983 (\$1,107,803 SGF).



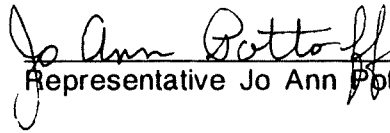
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Representative Duane Goossen  
Subcommittee Chairperson



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Representative Jack Shriver



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Representative Jo Ann Pottorff

**HOUSE BILL NO. 2036**  
(Multi-Year Capital Improvement Appropriations)

Recommended by the Governor

The Governor's FY 1990 and FY 1991 recommendation for multi-year capital improvement projects includes two projects at the State Industrial Reformatory and the Kansas State Penitentiary. The Governor recommends \$600,000 from the State General Fund in FY 1990 and \$1,044,670 from the Correctional Institutions Building Fund (CIBF) in FY 1991 to replace the locking systems in A, B, and C cellhouses at the State Industrial Reformatory. The Governor recommends \$190,000 in FY 1990 from the CIBF and \$3,512,800 in FY 1991 from the CIBF to plan and construct a new steam generating plant at the State Penitentiary.

As Recommended by the House Appropriations Committee

The House Committee concurs with the Governor's recommendation.

HA  
3-8-89  
Attachment 2

Agency Request/Governor's Recommendation

House Committee Adjustments

Senate Committee Adjustments

Sec. 2 -- State Industrial Reformatory

The agency requested \$871,622 in FY 1990 and \$772,948 in FY 1991 from the State General Fund to replace the locking systems in A, B, and C cellhouses.

The Governor recommends \$600,000 in FY 1990 from the State General Fund and \$1,044,670 in FY 1991 from the Correctional Institutions Building Fund to replace the locking systems in A, B, and C cellhouses.

The House Committee concurs with the Governor's recommendation.

Sec. 3 -- Kansas State Penitentiary

The agency requested \$190,005 from the State General Fund in FY 1990 and \$3,512,795 in FY 1991 to plan and construct a new steam generating plant.

The Governor recommends \$190,000 in FY 1990 and \$3,512,800 in FY 1991 from the Correctional Institutions Building Fund to plan and construct a new steam generating plant.

The House Committee concurs with the Governor's recommendation.