

**SENATE SUBCOMMITTEE REPORTS ON**

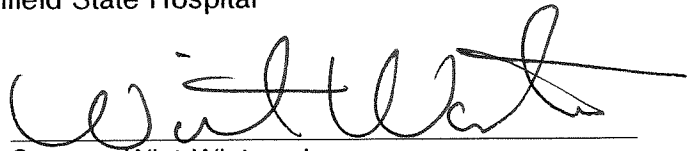
Senate Bill No. 571 -- Supplemental Appropriations Bill

and

Senate Bill No. 545 -- FY 1989 Appropriations Bill

Sections Pertaining to:

- Section 2 -- Youth Center at Topeka
- Section 3 -- Youth Center at Beloit
- Section 4 -- Youth Center at Atchison
- Section 5 -- Kansas Neurological Institute
- Section 6 -- Larned State Hospital
- Section 7 -- Osawatomie State Hospital
- Section 8 -- Parsons State Hospital and Training Center
- Section 9 -- Rainbow Mental Health Facility
- Section 10 -- Norton State Hospital
- Section 11 -- Topeka State Hospital
- Section 12 -- Winfield State Hospital



Senator Wint Winter, Jr.



Senator Richard Gannon

*by waew*

## SUBCOMMITTEE REPORT

The Subcommittee makes the following systemwide observations and recommendations:

1. The Subcommittee held a hearing on the administration and financing of the education programs at Department of Social and Rehabilitation Services (SRS) institutions. Testimony was heard from representatives from SRS, the Kansas Neurological Institute (KNI), Topeka State Hospital, the Youth Center at Topeka (YCAT), the Department of Education, and the Southeast Kansas Education Service Center (SKESC), Interlocal 609, Greenbush.

The Department of Education reviewed the survey it conducted on the administration of youth center education programs. The survey was sent to the superintendents of the youth centers and the superintendents of the school districts with which the youth centers contract. The Department of Education indicated that results of the survey show that the present system provides for all of the educational needs of students at the youth centers in an effective and efficient manner.

The Subcommittee was particularly interested in the impact of the action of the 1987 Legislature which reduced the administrative fee paid to the school districts from 10 to 7 percent of base salaries. YCAT was the most affected by this action. Seaman Public Schools, USD 345, with which YCAT had been contracting, decided to discontinue contracted education services, stating that it would not continue service at an administrative fee of less than 10 percent. YCAT had only a month to find a new school district and was extremely concerned that no school district would contract with them. The youth center signed a contract for the 1987-88 school year with Silver Lake Public Schools, USD 372, at the beginning of August. The Subcommittee has learned that the process of searching for another school district and subsequently changing over to a new school district caused some disruption in the entire education program of the youth center. In addition, the Subcommittee notes that the cost of the Silver Lake contract is approximately \$50,000 more than what the Seaman contract would have cost, due to higher fringe benefits for teachers included in the Silver Lake contract. The Subcommittee visited the school at YCAT and was told there is greater satisfaction with the Silver Lake school district than there had been with the Seaman school district. Silver Lake is a smaller district and has been more attentive to and has provided better service to the youth center.

The Subcommittee considered several alternatives to the present system of contracting with individual school districts, including the following: (a) a state special school district; (b) the youth centers contracting with one single school district; and (c) the

youth centers contracting with SKESC as do the mental retardation institutions.

The Subcommittee feels that the most efficient and sensible alternative is that the youth centers contract with a single school district, which would provide a certain degree of uniformity throughout the system, greater cooperation between the youth centers and the school district, and a stronger negotiating position for the youth centers. The SRS Commissioner of Administrative Services and the Commissioner of Youth Services testified in favor of this proposal. The Subcommittee spoke with representatives from Silver Lake Public Schools, who expressed interest in and will consider the possibility of contracting with all three youth centers. The Subcommittee recommends that the House Subcommittee further explore the idea of a single school district for the youth centers. Failing this option the Subcommittee finds that the current system is functioning adequately, but recommends that there be more communication between the education and program sides of the youth centers.

2. The Subcommittee heard the request of Youth Services that the federal Chapter I accounts of the youth centers be made no limit accounts, because the youth centers never know prior to submitting their budgets the exact amount of Chapter I funds they will be receiving, and that the amount they include in their budgets is merely a very rough estimate. Youth Services also informed the Subcommittee that in the current year the youth centers must spend 80 percent of the Chapter I funds available to them or lose those funds. In past years there were no federal restrictions prohibiting the youth centers from carrying over Chapter I funds from one year to the next. Now no more than 20 percent can be carried over. The Subcommittee understands the urgency of this matter, since more than half of the fiscal year has already passed and it will be difficult for the youth centers to spend all the additional funds in such a short period of time. However, the Subcommittee believes that this sense of urgency was not felt by Youth Services, since no exact dollar amounts of the Chapter I funds were presented to the Subcommittee, nor could Youth Services, when questioned, provide a breakdown of how those funds are to be spent.

Therefore, the Subcommittee does not recommend at this time that the expenditure limitations be raised. The Subcommittee requests that Youth Services provide a detailed breakdown of what those funds will be used for and requests that the House Subcommittee consider those expenditures. In light of this recommendation, the Subcommittee does not recommend that the expenditure limitation on the Youth Center at Atchison's Chapter I account be raised from \$58,644 to \$97,877 as proposed in S.B. 571, the FY 1988 supplemental bill. The Subcommittee notes that

the expenditure limitations should be increased; however, the Subcommittee believes it would not be prudent to do so without first seeing a proposal of how that money is to be spent.

3. During the 1987 Legislative Session a survey was made available to the Subcommittee, which cited that 93 percent of the youth center residents are using alcohol and 84 percent are using illegal drugs at the time of their admission. The Subcommittee believed it was a top priority that substance abuse counsellors be put into place at the youth centers as soon as possible. The House Subcommittee deleted those positions when federal funds under the federal Anti-Drug Abuse Act became available. A proviso was attached to 1987 H.B. 2587, in which the federal funds were included, to specify that expenditures by SRS include \$85,000 for counselling programs for residents at the youth centers. It was reported to the Subcommittee that the substance abuse programs at the youth centers have still not been commenced, and that the plan now being considered by SRS proposes that \$45,000 of the federal funds go towards aftercare and that the remainder be used for the purchase of materials and for training of existing youth center staff. The Subcommittee was informed that a contract for these services will be signed within a month.

The Subcommittee is disturbed by the administrative delays which have prevented the availability of the federal funds which were to help alleviate what the Subcommittee was led to understand is a serious problem. Furthermore, the Subcommittee is concerned that it does not appear as if the superintendents, the program directors, or psychologists at the youth centers were consulted or sufficiently informed as to how the federal money would be spent. The Subcommittee believes that this example is not an isolated one and recommends that Alcohol and Drug Abuse Services and Youth Services take into account the expertise at the youth centers, especially since it is ultimately the youth centers' responsibility to implement the decisions made. Alcohol and Drug Abuse Services and Youth Services should not merely direct but should serve to gather information and coordinate policy.

The Subcommittee is concerned that this new plan would provide only minimal treatment and counselling at the youth centers, and that if the money is so spent, resources may well be spread too thin. The Subcommittee would like to note that training for the staff of the youth centers is certainly beneficial, as is aftercare for residents. However, the Subcommittee has consulted with substance abuse treatment professionals who indicated that the proposed training of existing staff would not suffice to carry out a complex and difficult treatment program. Furthermore, it is the impression of the Subcommittee that the staff already has difficulty finding enough time for training, and that under the present plan, aftercare might not be available to all residents who need it, since aftercare apparently would only be available in the large population centers of the state.

The Subcommittee recommends that the House hold a hearing to explore this entire issue of substance abuse treatment at the youth centers and the use of the federal funds. Based on the reservations expressed above, the Subcommittee requests that Youth Services and Alcohol and Drug Abuse Services consult with the youth centers and delay the signing of a contract prior to the House consideration of this issue. The Senate Subcommittee will be following up on this topic with substance abuse treatment professionals and will report its findings to the House.

4. The Subcommittee heard testimony on accreditation of the youth centers by the American Correctional Association. Shortly, the Youth Center at Beloit will be ready for an audit. Audits are conducted every three years at a cost of \$7,500. In the opinion of the Subcommittee, while accreditation seems appropriate particularly in light of the fact that courts have taken over youth centers in other states and have ordered those institutions to comply with accreditation standards, the Subcommittee would not like to see that inordinate amounts of staff time and/or financial resources were being expended in attempting to comply with accreditation standards, which at the very least in the case of the mental health and retardation hospitals have proven very difficult to attain. Furthermore, the Subcommittee believes that compliance with accreditation standards should never come before the needs of the youth centers' residents.
5. The Subcommittee would like to see greater use by the youth centers of inmate work details for maintenance services. The superintendents of the youth centers raised no objections to this suggestion. The Commissioner of Youth Services stated that the possibility of using inmates would be pursued. The Subcommittee notes that inmate work details are capable of doing very skilled work, and have undertaken projects all over the state. The Subcommittee expects that by next year the youth centers will be making greater use of inmates. The Subcommittee notes its concern about the potential problems that could arise from contact between the residents of the youth centers and the inmates, but feels that if inmates were to work on projects outside the residential living units that potential problems could be prevented.
6. The Subcommittee has learned that Youth Services has mandated training hours for youth service workers and that the youth centers are concerned that their staff may not be able to fulfill those requirements, given the constraints on their time that already exist. In addition, the Subcommittee is concerned with the high attrition rate of the youth service workers. The Subcommittee has learned that this high attrition rate makes it nearly impossible for the youth centers to provide adequate coverage in the residential living units, which jeopardizes security and proper treatment of the youth. In addition, the

Subcommittee is concerned that many employees do not have sufficient training before being placed in a residential unit.

In light of these problems, the Subcommittee recommends that the youth centers use their turnover savings to fund youth center worker trainees (see the Subcommittee's report on YCAT). Presently at the mental health and retardation institutions a pool of such trainees is being used. The trainees at the youth centers would be hired with the understanding that no permanent position is guaranteed, but that the likelihood of receiving fulltime employment is very high, given the turnover rate of youth services workers. The Subcommittee feels that this arrangement would allow staff to receive the mandated training, provide for adequate coverage in the residential units, and provide the youth centers with a larger pool of candidates for permanent positions. The Subcommittee requests that a complete proposal of this system should be presented by the youth centers to the House Subcommittee. It is the Subcommittee's intent that turnover savings be used only to hire youth service worker trainees and not other temporary employees. The Subcommittee recommends, in addition, that this be first attempted as a pilot program at YCAT.

7. The Subcommittee heard testimony from a representative of Right to Life of Kansas, who expressed strong concern about the sex education program that has been implemented at the Youth Center at Topeka. The Subcommittee reviewed the sex education syllabus presented by the representative and is of the opinion that because of the severity of the sex offenses committed by many of YCAT's residents and the sexual responsibility problems of many of the residents, the approach being taken by the youth center appears warranted. The Subcommittee notes, in addition, that the representative provided no alternative sex education proposal on how the youth center is to provide sex education to its residents. The Subcommittee supports the efforts of all the youth centers to provide sex education.
  
8. The Subcommittee reviewed the issues surrounding the job rate study and salary upgrade of youth service workers. It was brought to the attention of the Subcommittee that morale among youth service workers is very low and that they do not feel that the work they perform is valued. The Subcommittee is extremely concerned and recommends that the portion of Phase III of the job rate study which includes youth service workers and the direct care staff at the state mental health and retardation hospitals be implemented. The Subcommittee reports that the half-year cost for direct care workers and youth service workers is approximately \$5 million and that Division of Personnel estimates that 73 percent of that amount would come from the State Federal Fund. The Subcommittee recommends that during this Session the full Ways and Means Committee explore all options for funding of the salary upgrade. The Subcommittee

notes that such funding would assist state employees and, most importantly, would improve the quality of care for youth center residents.

## SUBCOMMITTEE REPORT

The Subcommittee makes the following systemwide observations and recommendations:

1. The Subcommittee believes that the era of large state hospitals is rapidly coming to an end. As evidence of this, the Subcommittee cites reports of the federal government, actions of federal surveying agencies, and experiences of our own state hospitals.

In April, 1985, the U.S. Senate Subcommittee on the Handicapped held hearings concerning the results of a six-month investigation of state mental health hospitals in 12 states (Kansas was not included). Senator Weicker's report described patient, staff abuse, and injury; poor living conditions in the patient areas; violations in safeguarding patients' rights; lack of adequate treatment; overuse of seclusion; criticism of the accreditation and certification processes conducted by the Joint Commission on Accreditation of Hospitals (JCAH) and the Health Care Financing Administration (HCFA) and the role of the Department of Justice in monitoring conditions as related to constitutional and federal statutory requirements.

The Subcommittee reminds the 1988 Legislature that a 1985 Interim study concluded as follows:

It is possible more aggressive federal regulators will visit the mental health institutions in the near future, providing additional incentive to move clients out of the institutions and into less restrictive environments. The Committee therefore believes the state should plan for movement of those clients now, rather than wait and be placed in the position of responding to federal surveys as has occurred at the mental retardation institutions.

Despite this direction from the Legislature, population levels at the state hospitals have not declined and no comprehensive proposal for treating persons in the community has been developed. Unfortunately, Kansas mental health institutions are now in the position of responding to federal surveys. On March 4, 5, 6, 1987 Larned was surveyed and the hospital was found out of compliance with respect to the number of RNs at the hospital. On August 28-29, the surveyors revisited and found that the hospital continued to be out of compliance despite the addition of seven RN positions. Larned received notification that the hospital would be decertified as of October 30, 1987, and therefore would lose all federal Medicare and Medicaid funds (projected loss of \$1,099,282 for the remainder of FY 1988). In an attempt to get the units of the hospital which generate the majority of Medicare/Medicaid funds certified the hospital shifted 13 RNs from other areas to four units (i.e., children, adolescent, admissions, and adult I). HCFA returned to Larned in October for a special revisit and certified the four units as a "distinct part" of the hospital in which Medicare/Medicaid participation would continue. Despite the certification of the "distinct part," projected shortfall in receipts are anticipated to be \$750,000.

On July 27-29, Osawatome State Hospital was surveyed by HCFA and was found out of compliance with respect to the number of registered nurses and physicians. The hospital filled the physician positions which were vacant at the time of the survey and added nine RNs by leaving vacant nine other positions



from various classifications. Perhaps most notably, the hospital implemented a restrictive admission policy. When Medicare revisited in October, Osawatomie had significantly reduced the census and employed the additional nine RNs. HCFA found the hospital in compliance and eligible to receive federal Medicare/Medicaid.

In response to these certification problems at Larned and Osawatomie, in January, 1988, the Finance Council authorized 30 additional RNs for Larned and 20 RNs for Osawatomie. Although Topeka State Hospital passed the HCFA survey, the hospital was found in "marginal compliance." Topeka's FY 1989 budget request includes 16 RN Ills in response to the HCFA survey. The Subcommittee notes that Rainbow Mental Health Facility, a relatively small facility, which provides short-term (average length of stay is less than ten days) acute psychiatric treatment was also surveyed by JCAH and HCFA in FY 1987 and received full accreditation and certification. The hospital received a three-year accreditation with no contingencies and no focus survey between regular surveys and was found in full compliance with the HCFA survey. The surveyors were generally very positive about the type of program at Rainbow.

The Subcommittee notes that no plans were presented to the Legislature by SRS to avoid this crisis in the three large state mental health hospitals, even though the direction of the federal government as expressed through surveyors in regard to large state mental hospitals is clear. It is quite possible that the loss of federal funds and increased staffing costs could have been avoided if plans to downsize the state hospitals and enhance community resources had been developed and implemented.

As mentioned previously, Osawatomie State Hospital was successful in reducing its census as a result of pressure to increase the ratio of RNs to patients to avoid HCFA decertification (during the initial survey the census was 379 compared to 328 at the time of the survey revisit). In summary, the temporary admission policy: (1) limited voluntary admission to only those individuals who posed a life threatening situation; (2) limited substance abuse admissions to counties in the Osawatomie State Hospital catchment area; and (3) strongly encouraged the use of local medical and mental health resources for emergency evaluations and protective custody services. The Subcommittee believes that the experience of Osawatomie State Hospital in reducing its census by implementing a temporary, restrictive admission policy supports conclusions in the Rapp report and the ability of adequately funded community-based facilities to deal with these populations.

The Subcommittee directs the Division of Mental Health and Retardation Services to review whether the restrictive admission policy at Osawatomie should be made permanent and whether a similar policy should be implemented at Topeka and Larned. The Subcommittee directs SRS to respond to the House and Senate Subcommittees on the policy considerations in implementing such a policy. The Subcommittee notes that the Superintendent at Osawatomie was very positive and reported few problems as a result of the restricted admission policy. The Subcommittee recognizes that it may have been easier for Osawatomie to accomplish this because of the number of private psychiatric beds in the Kansas City area, the existence of Rainbow and a relatively well developed community support program in Johnson and Wyandotte counties. The Subcommittee emphasizes the need for developing mechanisms for controlling entry and exit from state hospitals while at the same time strengthening community support programs

across the state. The Subcommittee wishes to emphasize that in order for Osawatomie to maintain the lower census and retain certification, it is critical that private and public community mental health resources are developed.

The Subcommittee concludes that future mental health funding must be targeted to reduce the burdens of the state hospitals by serving more of the chronically mentally ill in the community. The Subcommittee held hearings on a report prepared by Charles Rapp, Ph.D., University of Kansas School of Social Welfare, entitled "Towards an Agenda for Mental Health." The report outlines a comprehensive plan for mental health services in Kansas. The Subcommittee believes that the report has a great deal of merit and is a tremendous resource for the state of Kansas. The Subcommittee notes that in a public hearing, the Secretary of SRS, the hospital superintendents, and a representative of the Community Mental Health Centers were basically supportive of the goals in the Rapp plan, but feel that comprehensive planning, which would specifically outline the details, is necessary to achieve the desired goals.

The Subcommittee directs the Secretary of SRS to select members for a task force responsible for preparing a detailed report to outline the implementation of the Rapp plan. The Subcommittee requests the Secretary to report to the Senate and House Subcommittees on the list of persons selected for the Task Force, the proposed agenda, and a timetable for meeting. The Subcommittee notes that the Task Force should be prepared to present a detailed written plan to implement the recommendations of the Rapp plan in time for consideration in the Governor's FY 1990 budget, but in no case later than the start of the 1989 Session.

Based on the lack of a specific administrative plan for implementation, the Subcommittee reluctantly concurs with the majority of conferees that it would be disruptive to attempt to significantly reduce the census of the hospitals by reducing beds in FY 1989. The Subcommittee stresses the importance of a comprehensive, detailed plan for implementation and reiterates that this plan must include policy options for consideration by the 1989 Legislature.

2. The Subcommittee reviewed the issues surrounding the job rate study and salary upgrade of direct care staff at the mental health hospitals. The hospital superintendents were extremely concerned and several mentioned this as a high priority. The Subcommittee notes that the Governor's recommendations for FY 1988 and FY 1989 included a salary upgrade for registered nurses and certain other therapists. It was brought to the attention of the Subcommittee that morale among direct care staff is very low and that direct care staff do not feel that the work they perform is valued. They cite as an example that an Animal Caretaker I is range 10 and an Animal Caretaker II is range 13, while a Health Service Worker is range 7 and a Psychiatric Aid is range 9. The Subcommittee learned of relatively high turnover rates among direct care staff and that this problem has intensified with the presence of the Department of Corrections on the hospital campuses. In fact, it was reported that direct care trainees have left to go to work for Corrections the day after they finish training. The Subcommittee is extremely concerned and recommends that the portion of Phase III of the job rate study which involves the direct care staff and youth service workers be implemented. The Subcommittee reports that the half-year cost for direct care and youth service workers is approximately \$5 million. Of this \$5 million, the Division of Personnel Services estimates that 73 percent would be from the State General Fund. Further, the

Subcommittee recommends that during this session the full Ways and Means Committee explore all options for funding of the salary upgrades. The Subcommittee notes that such funding would assist state employees and, most importantly, would improve the quality of care for patients in the mental health hospitals.

3. The subcommittee also learned that the hospital's are having difficulty retaining employees they have trained for certain positions, particularly direct care staff. The Subcommittee understands that Osawatomie has implemented a contract which requires employees who enroll for further training to pay back identifiable training costs if they leave the hospital before a certain date. The Subcommittee directs SRS to explore using this contract at the other institutions.

4. The Subcommittee held a hearing on the administration and financing of the education programs at SRS institutions. The Subcommittee received testimony from representatives of SRS, Kansas Neurological Institute, Topeka State Hospital, the Youth Center at Topeka, the Department of Education, and the Southeast Kansas Education Service Center (Interlocal 609). At the hearing, the Subcommittee considered several alternatives to the present system of contracting with individual school districts, including the following: (1) a state special school district; (2) the mental health hospitals contract with one single school district; and (3) the mental health hospitals contract with Southeast Kansas Education Service Center as do the mental retardation institutions.

Although the Subcommittee finds that the current system is functioning adequately, the Subcommittee concludes that the most efficient and sensible alternative is for the mental health hospitals to contract with a single school district. This would provide a certain degree of uniformity throughout the system, greater cooperation between mental health institutions and the school district, and a stronger negotiating position for the mental health institutions. The Commissioner of Administrative Services for SRS testified in favor of this proposal.

The Subcommittee recommends that the House Subcommittee further explore the concept of a single school district for the Mental Health institutions and the feasibility of this option. At a minimum, SRS should enter into discussions with the districts with which it currently contracts and report to the 1989 Legislature on the results.

5. The Subcommittee notes that the Division of Mental Health and Retardation Services submitted a brief list of anticipated GBA requests to the Subcommittee at the budget hearing. These items were not directly presented to the Subcommittee as appeal items and, therefore, the Subcommittee does not believe that the Subcommittee received adequate information to make decisions in regard to these items. The Subcommittee wishes to acknowledge these items and notes that they should be revisited during Omnibus consideration.

## SUBCOMMITTEE REPORT

### SYSTEMWIDE RECOMMENDATIONS MENTAL RETARDATION INSTITUTIONS

#### Client Movement

The Senate Subcommittee on SRS institutions met jointly with the Senate Subcommittee on SRS to review the current status of movement of clients out of the state mental retardation institutions and the plan for FY 1989 proposed by the Governor.

The Legislature has provided special grant funds to move clients out of the state mental retardation institutions in the past several years. In FY 1986, 23 clients were moved out, in FY 1987 69 clients were moved, and in FY 1988, the approved budget provides for movement of 96 clients out of state mental retardation institutions. The Governor recommends that 100 additional clients be moved out of those state institutions in FY 1989. Beginning in FY 1987, the Legislature has also provided special grant funds to serve clients on the community waiting lists. In FY 1987, 68 clients were served and in FY 1988, SRS anticipates that 50 clients from community waiting lists will be served. The Governor recommends that 100 additional clients from waiting lists be served through special grants in FY 1989.

During the 1987 Legislative Session, SRS presented a five-year plan for client movement from the mental retardation institutions and to serve clients on community waiting lists. The primary goal of the plan was to reduce the institutional populations so that Norton would be totally closed at the end of five years and the populations at KNI, Parsons, and Winfield would be 285 clients. The plan calls for a total of 368 clients to be moved from state institutions and 950 clients to be served from community waiting lists over the five-year period. The plan also anticipates significant involvement with the private Intermediate Care Facilities for the Mentally Retarded (ICF/MRs). The plan proposes that of the 368 clients moved out of state institutions, 315 would be moved to those private institutions, which would require that 315 clients in the private institutions would have to be moved to community-based group homes.

The Governor's recommendations for the special grants in FY 1989 total \$5.6 million, of which about \$900,000 is from federal Medicaid waiver funds. (The Subcommittee wishes to note that the Governor's recommendations provide only five-six months of movement of the 200 additional clients in FY 1989 and that the estimated additional annualized cost of the 200 clients in FY 1990 will be approximately \$1.7 million in state funds.)

Major reductions in the state institution budgets are not proposed as a result of moving an additional 100 clients to other facilities, in fact, costs per day per client at the institutions increase significantly when clients are moved out, due to the fixed nature of many of those institutional costs.

The Subcommittees held meetings with SRS, the superintendents of the mental retardation institutions, and community providers. The Subcommittee makes the following observations regarding the Governor's plan for the special mental retardation grants:

1. The superintendents testified that the great majority of the clients at their institutions are appropriately placed in a state institution and there are not community facilities available to care for the type of clients at the state institutions. The superintendents also generally stated that they opposed the shuffling of clients from one institution to another, simply for the sake of movement and that if institutional populations must be reduced, they favored placing clients directly into the community. The Governor's plan is based on moving clients from one institution to another, and from state institutions to private institutions, which necessitates movement of clients from private institutions to community group homes. This plan multiplies the number of families and clients who must have their lives disrupted. Multiple movements also place significant stress on the state institutions that are already struggling to retain certification.
2. Many community providers have been reluctant to serve clients coming from state institutions for two primary reasons:
  - a. Clients currently residing in state institutions are in many cases dissimilar from the clients that community facilities are accustomed to serving. Many state institution clients are more medically fragile and in need of more medical and nursing care. Others have very severe behavior problems which need a high level of staffing and behavior management training.
  - b. Many community facilities already have long waiting lists of mentally retarded persons. Community facilities may feel obligated to serve the clients already in their community before worrying about institutional clients.
3. According to SRS, there are currently only 19 vacancies in the private ICF/MR facilities, out of a total of 863 beds. SRS also provided information indicating that perhaps only 50 of the clients currently in those private facilities might not be appropriately placed.
4. There is generally a lack of community facilities for the mentally retarded in Kansas. The Subcommittees are concerned that the plans for movement of clients in both FY 1988 and FY 1989 may be too ambitious and that there is no place for these clients to go. Although the Governor's plan calls for clients from the state institutions to go to private ICF/MRs, it appears that those facilities are full and that there are not community facilities available to move those clients into. The superintendents discussed the possibility of delaying further movement of clients from the institutions until a plan is developed for provision of more services in the community. The Subcommittee believes this suggestion has merit. The Subcommittees discussed the concept

of multi-year appropriations to ensure future funding for development of facilities and wish to further pursue this concept.

5. The five-year plan developed by SRS contained an underlying assumption that if the state institutions each served less than 300 clients that there would be less oversight by surveyors. The Subcommittee notes that the Department of Health and Environment surveys all ICF/MR facilities annually, regardless of the size. The Subcommittee does not believe that simply reducing the number of clients at a facility like Winfield will ensure that federal regulators will not visit that facility. The proposed census of 285 clients at each of the larger facilities is an arbitrary figure and is not based on any assessment of the number of clients at those facilities that could be served in another setting.
6. The Subcommittee learned that in 1985, SRS developed a long-range plan for small private ICF/MR facilities which outlined the shortage of those types of facilities and called for expansion of that program. In recent years, SRS has requested funds in the Medical Assistance budget for new small private nonprofit ICF/MR facilities. In FY 1989, \$2.5 million was requested to allow six new facilities. The Governor did not recommend funding for new ICF/MR facilities. The expansion of small private nonprofit ICF/MR facilities may play a key role in addressing the shortage of facilities for the mentally retarded. Federal matching funds (55 percent currently) are available for small private ICF/MR facilities.

Based on the above information, the Subcommittee concludes that the Governor's plan for movement of clients out of the state institutions is not an appropriate plan at this time. The Subcommittee believes that the entire issue of provision of services for the mentally retarded needs to be more carefully thought out and that any plans developed must reflect the reality of the availability of services.

The Subcommittee therefore recommends that there be additional study of this issue and that action on the special mental retardation grants be delayed until further plans are developed. The Subcommittee notes that plans for client movement may have an effect on the budgets of the individual state institutions, and therefore those budgets may need to be adjusted later in the Session.

#### Direct Care Staff Job Rate Study

The Subcommittee reviewed the issues surrounding the job rate study and salary upgrade of direct care staff at the state institutions. The superintendents were extremely concerned and several mentioned this as their highest priority. The Subcommittee notes that the Governor's recommendations for FY 1988 and FY 1989 included a salary upgrade for registered nurses and certain other therapists. It was brought to the attention of the Subcommittee that morale among direct care staff is very low and that direct care staff do not feel that the work they perform is valued. They cite as an example that an Animal

Caretaker I is a range 10 and an Animal Caretaker II is a range 13, while a Health Service Worker is a range 7 and a Psychiatric Aid is a range 9. The Subcommittee learned of relatively high turnover rates among direct care staff. For example, at KNI the turnover rate for direct care staff in FY 1987 was 44 percent. This problem has intensified with the presence of the Department of Corrections on the hospital campuses. In fact, it was reported that direct care trainees have left to go to work for Corrections the day after they finish training. The Subcommittee is extremely concerned and recommends that the portion of Phase III of the job rate study which includes the direct care staff and youth service workers be implemented. The Subcommittee reports that the half-year cost for direct care and youth service workers is approximately \$5 million. Of this \$5 million, the Division of Personnel Services estimates that 73 percent would be from the State General Fund. Further, the Subcommittee recommends that during this Session, the full Ways and Means Committee explore all options for funding of the salary upgrades. The Subcommittee notes that such funding would assist state employees and, most importantly, would improve the quality of care for clients in the state institutions.

**SUBCOMMITTEE REPORT**

Agency: Youth Center at Topeka Bill No. -- Bill Sec. --  
 Analyst: Piekalkiewicz Analysis Pg. No. Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,424,444	\$ 6,428,891	\$ (112,964)
General Fee Fund	37,577	37,577	--
Federal Education Aid	118,958	118,958	--
Subtotal - Operating	<u>\$ 6,580,979</u>	<u>\$ 6,585,426</u>	<u>\$ (112,964)</u>
<b>Capital Improvements:</b>			
State Institutions	\$	\$	\$
Building Fund	0	7,629	--
TOTAL	<u>\$ 6,580,979</u>	<u>\$ 6,593,055</u>	<u>\$ (112,964)</u>
 Budgeted Census	 200	 200	 200
FTE Positions	206	206	206

**Agency Estimate/Governor's Recommendation**

The agency estimates FY 1988 operating expenditures of \$6,580,979.

The Governor recommends FY 1988 operating expenditures of \$6,585,426, which is \$4,447 above the agency's estimate, reflecting a health insurance rate adjustment.

**Senate Subcommittee Recommendation**

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

1. The Subcommittee has identified \$126,964 in turnover savings. As discussed in the systemwide recommendations the Subcommittee recommends that \$14,000 of the amount be used in the current year for three youth service worker trainees; that \$80,500 of the amount be used in FY 1989 for six trainees; and that \$32,464 be reappropriated to FY 1989.



## SUBCOMMITTEE REPORT

Agency: Youth Center at Topeka

Bill No. 545

Bill Sec. 2

Analyst: Piekalkiewicz

Analysis Pg. No. 4-93

Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 7,045,264	\$ 6,758,741	\$ (931)
General Fee Fund	37,577	171,161	--
Federal Education Aid	<u>124,955</u>	<u>118,958</u>	--
Subtotal -- Operating	<u>\$ 7,207,796</u>	<u>\$ 7,048,860</u>	<u>\$ (931)</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 410,310</u>	<u>\$ --</u>	<u>\$ --</u>
<b>TOTAL</b>	<u>\$ 716,096</u>	<u>\$ 7,048,860</u>	<u>\$ (931)</u>
FTE Positions	220	206	206
Budgeted Census	200	200	200

### Agency Estimate/Governor's Recommendation

The agency requests FY 1989 operating expenditures of \$7,207,796, an increase of \$626,817 over the FY 1988 estimate of \$6,580,979. Of the increase, 67 percent is attributable to salaries and wages, 10.6 percent to the education contract, 18.5 percent to capital outlay, and 3.9 percent to other operating expenditures. The request would fund 220 FTE positions, an increase of 14 FTE positions over the current year. The request would also fund \$227,661 for a proposed Special Offender Unit.

The Governor recommends FY 1989 operating expenditures of \$7,048,860, which is \$463,434 above the FY 1988 recommendation. Of the increase, \$332,835 (or 72 percent) is attributable to salaries and wages due to salary increases and fringe benefit rate adjustments. The Governor does not recommend the requested funding for the Special Offender Unit, or for the requested new positions. The Governor's recommendation includes \$77,861 for capital outlay.

### Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor with the following exceptions:

1. Add \$2,228 as a technical adjustment to salaries and wages for the upgrading of Registered Nurses' salaries to be consistent with the Governor's recommendation for the upgrading of all RN and certain therapist salaries.

2. Increase the expenditures in salaries and wages by \$80,450 for six youth service worker trainees.
3. Based on historical trends the Subcommittee recommends that the turnover rate be increased from 2.5 to 4.0 percent, which would result in additional salary and wage savings of \$77,806 above the Governor's recommendation. The actual turnover rate for FY 1987 was 4.7 percent and is estimated to be 5.7 percent in FY 1988.
4. Delete \$3,003 for office equipment and \$3,300 for window blinds. The Subcommittee recommends a total of \$3,820 for office equipment and \$4,200 for window blinds.
5. The Subcommittee concurs with the Governor's recommendation of \$7,931 for a subcompact automobile but adds the stipulation that the automobile be used primarily for the implementation of a drivers' education program. The Subcommittee recommends an additional \$500 for modifications on the automobile needed for drivers' education. Presently, there is no drivers' education program at the youth center and the youth center indicated that a drivers' education program is its number one priority program enhancement. The Subcommittee notes that the youth center reported that it has the necessary staff and materials to implement the program. The Subcommittee requests a report next year on the progress of this program.

**SUBCOMMITTEE REPORT**

Agency: Youth Center at Beloit

Bill No. --

Bill Sec. --

Analyst: Piekalkiewicz

Analysis Pg. No. 290

Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$3,164,537	\$3,179,070	\$ (30,000)
General Fee Fund	20,000	20,000	--
Federal Education Aid	66,670	66,670	--
Subtotal - Operating	<u>\$3,251,207</u>	<u>\$3,265,740</u>	<u>\$ (30,000)</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ 66,310	\$ --	\$ --
TOTAL	<u>\$3,317,517</u>	<u>\$3,265,740</u>	<u>\$(30,000)</u>
FTE Positions	102.5	97.5	97.5
Budgeted Census:			
Youth Center at Beloit	80	80	80
Comprehensive Screening Unit	9	9	9

Agency Estimate/Governor's Recommendation

The agency estimates FY 1988 operating expenditures of \$3,251,207.

The Governor recommends operating expenditures for FY 1988 of \$3,265,740. The recommendation includes increases in communications (\$4,009), in utilities (\$11,297), and in medical services (\$8,083); and reductions in the education contract (\$3,143), and capital outlay (\$6,500).

Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. The Subcommittee has identified \$30,000 in additional salary and wage savings. The Subcommittee recommends that \$15,467 be re-appropriated to FY 1989 and the remaining \$14,533 be used to eliminate the amount included in S.B. 571, the FY 1988 supplemental bill.

## SUBCOMMITTEE REPORT

Agency: Youth Center at Beloit

Bill No. 545

Bill Sec. 3

Analyst: Piekalkiewicz

Analysis Pg. No. 289

Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,770,306	\$3,378,901	\$ 5,000
General Fee Fund	20,000	64,190	--
Federal Education Aid	<u>79,794</u>	<u>79,794</u>	--
Subtotal -- Operating	<u>\$ 3,870,100</u>	<u>\$3,522,885</u>	<u>\$ 5,000</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 337,400</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$ 4,207,500</u>	<u>\$3,522,885</u>	<u>\$ 5,000</u>
FTE Positions	102.5	97.5	97.5
<b>Budgeted Census:</b>			
Youth Center at Beloit	80	80	80
Comprehensive Screening Unit	9	9	9

### Agency Estimate/Governor's Recommendation

The agency requests FY 1989 operating expenditures of \$3,870,100, an increase of \$618,893 over the FY 1988 estimate of \$3,251,207. Of the increase, 37 percent is attributable to salaries and wages, 22 percent to the education contract, 25.4 percent to capital outlay, 7.9 percent to medical services, and 7.7 percent to other operating expenditures. The request would fund five new FTE positions.

The Governor recommends FY 1989 operating expenditures of \$3,522,887, an increase of \$257,147 over the FY 1988 recommendation. Of the increase 58.2 percent is attributable to salaries and wages, reflecting salary increases and fringe benefit rate adjustments. The recommendation includes a \$20,009 increase for medical services and \$22,573 for capital outlay.

### Senate Subcommittee Recommendations

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

1. Consistent with the Subcommittee's desire that the training programs at the youth centers become formalized and given a higher priority, the Subcommittee recommends \$2,000 be added to enable the youth center to purchase updated training manuals, films, and books. In addition, the Subcommittee recommends \$2,000 for in-service training services.

2. Recognizing that many of the residents of all the youth centers need counselling in a number of areas the Subcommittee recommends that \$1,000 be added for the psycho-educational groups which counsel the youth in social, interpersonal, and daily survival skills.

545-325

# SUBCOMMITTEE REPORT

Agency: Youth Center at Atchison

Bill No. --

Bill Sec. --

Analyst: Piekalkiewicz

Analysis Pg. No. 295

Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 88</u>	<u>Governor's Rec. FY 88</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,667,946	\$ 3,660,375	\$ (39,567)
General Fee Fund	25,000	25,000	--
Federal Education Aid	<u>97,877</u>	<u>97,877</u>	<u>(39,233)</u>
Subtotal - Operating	<u>\$ 3,790,823</u>	<u>\$ 3,783,352</u>	<u>\$ (78,800)</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	\$ --	\$ 30,064	\$ --
<b>TOTAL</b>	<u>\$ 3,790,823</u>	<u>\$ 3,813,316</u>	<u>\$ (78,800)</u>
FTE Positions	118.5	118.5	118.5
Budgeted Census	95	95	95

### Agency Estimate/Governor's Recommendation

The agency estimates FY 1988 operating expenditures of \$3,790,823, an increase of \$18,667 over the amount approved by the 1987 Legislature. The increase is a result of an additional \$39,233 in federal education funds and a reduction of \$20,566 in salaries and wages from the State General Fund.

The Governor recommends FY 1988 operating expenditures of \$3,783,252, a reduction of \$7,571 from the agency's estimate which is mostly attributable to a \$6,400 reduction in utilities. The Governor recommends the expenditure limitation of \$58,644 on the federal Chapter I funds be increased to \$97,877.

### Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Add \$433 as a technical adjustment to salaries and wages for the upgrading of a Registered Nurse's salary to be consistent with the Governor's recommendation for the upgrading the salaries of all RNs and certain types of therapists.
2. The Subcommittee has identified a savings of \$40,000 from the State General Fund in the education contract. The Subcommittee recommends that the net amount be reappropriated to FY 1989.

3. The Subcommittee does not recommend that the expenditure limitation on the Chapter I account be increased from \$58,644 to \$97,877, as recommended by the Governor.

335-ycaa

## SUBCOMMITTEE REPORT

Agency: Youth Center at Alchison

Bill No. 545

Bill Sec. 4

Analyst: Piekalkiewicz

Analysis Pg. No. 295

Budget Pg. No. 4-89

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$4,178,687	\$3,939,706	\$ (1,868)
General Fee Fund	25,000	25,000	--
Federal Education Aid	<u>72,974</u>	<u>72,974</u>	--
Subtotal - Operating	<u>\$4,276,661</u>	<u>\$4,037,680</u>	<u>\$ (1,868)</u>
<b>Capital Improvements:</b>			
State Institutions			
Building Fund	<u>\$ 159,900</u>	<u>\$ --</u>	<u>\$ --</u>
<b>TOTAL</b>	<u>\$4,436,561</u>	<u>\$4,037,680</u>	<u>\$ (1,868)</u>
<b>FTE Positions</b>	123.5	118.5	118.5
<b>Budgeted Census</b>	100	95	95

### Agency Estimate/Governor's Recommendation

The agency requests FY 1989 operating expenditures of \$4,276,661, an increase of \$485,838 over the FY 1988 estimate of \$3,790,823. Of the increase, 45.2 percent is attributable to salaries and wages, 42.4 percent to the education contract, 6.9 percent to capital outlay, and 5.5 percent to other operating expenditures. The request includes funding for a clerical position, two Youth Service Workers to provide additional coverage in the residential living units, an Alcoholism Unit Director, and a painter. The education contract request is \$986,126, which includes funding for three additional academic teachers, six additional paraprofessionals, a substitute teacher, and a school psychologist.

The Governor recommends FY 1989 operating expenditures of \$4,037,680, an increase of \$254,325 above the FY 1988 recommendation. Of the increase \$199,414 is attributable to salaries and wages, reflecting salary increases and fringe benefit rate adjustments. The Governor does not recommend the requested new positions.

### Senate Subcommittee Recommendations

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

1. Delete \$10,000 for a 2-door sedan and \$1,000 for a whirlpool tub, and add \$1,700 for maintenance equipment for a total reduction in capital outlay of \$9,300.



2. The Subcommittee desires that the training programs at the youth centers become more formalized and given a higher priority. In light of this concern, the Subcommittee recommends \$2,000 be added to enable the youth center to purchase updated training manuals, films, and books. In addition, the Subcommittee recommends \$2,000 for in-service training services.
3. Recognizing that many the residents of all the youth centers need counselling in a number of areas the Subcommittee recommends that \$1,000 be added for the psycho-educational groups which counsel the youth in social, interpersonal, and daily survival skills. The Subcommittee further recommends the addition of \$1,200 for the Family Group Services program, which provides an opportunity for the entire family to become involved in counselling.
4. Add \$1,232 as a technical adjustment to salaries and wages for the upgrading of the Registered Nurse's salary to be consistent with the Governor's recommendation for the upgrading of all RN and certain therapist salaries.

545-355

## SUBCOMMITTEE REPORT

Agency: Larned State Hospital

Bill No. 571

Bill Sec. 23

Analyst: Duffy

Analysis Pg. No. 307

Budget Pg. No. 6-47

<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	\$ 23,144,772	\$ 23,279,411	\$ --
Capital Improvements	<u>2,465,348</u>	<u>2,445,836</u>	--
TOTAL	<u>\$ 25,610,120</u>	<u>\$ 25,725,247</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 19,997,819	\$ 20,839,851	\$ (147,767)
Capital Improvements	--	--	--
TOTAL	<u>\$ 19,997,819</u>	<u>\$ 20,839,851</u>	<u>\$ (147,767)</u>
FTE Positions	911.0	911.0	--
Average Daily Census	532	530	--

### Agency Estimate/Governor's Recommendation

Larned State Hospital estimates FY 1988 operating expenditures to be \$23,144,772, a reduction of \$24,837 from the amount appropriated by the 1987 Legislature. On March 4, 5, and 6, 1987 Larned was surveyed and the hospital was found out of compliance with respect to the number of RNs at the hospital. On August 28-29, the surveyors revisited and found that the hospital continued to be out of compliance. Larned received notification that the hospital would be decertified as of October 30, 1987, and therefore would lose all federal Medicare and Medicaid funds (projected loss for the remainder of FY 1988 of \$1,099,283). On October 20, 1987, HCFA returned for a special revisit and certified four units which generate the majority of Medicare/Medicaid funds as a "distinct part" of the hospital. Despite the certification of the "distinct part" of the hospital, projected shortfall in receipts are anticipated to be \$751,426. The hospital's budget submission does not include a request for supplemental funding.

The Governor recommends a total operating budget of \$23,279,411 for FY 1988, an increase of \$134,639 over the agency's revised estimate. The FY 1988 recommendation includes additional funds for the upgrade of RN and certain licensed therapist positions (\$47,195) and a decrease in utilities (\$33,079). The Governor does not recommend additional funds in FY 1988 for the 30 RN positions authorized by the Finance Council in response to certification problems, but assumes that the agency will absorb the costs. Additional funding is included in the FY 1989 recommendation for the additional positions. The Governor recommends expenditures of \$20,839,851 from the State General Fund including a supplemental appropriation of \$838,379; \$1,743,829 from the hospital's fee fund, a decrease of \$235,921 from the FY 1988 estimate; \$632,603 from federal Medicaid funds, a decrease of \$471,472 from the \$1,104,075 approved for FY 1988. The State General Fund supplemental appropriation is due to reduction in Medicaid and the fee fund due to the partial certification and an increase in

salaries and wages due to the RN salary upgrade and adjustment to fringe benefit rates.

### Senate Subcommittee Recommendations

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

1. On March 4, 5, and 6, 1987, Larned was surveyed by the Health Care Financing Administration (HCFA) for Medicare/Medicaid certification, and surveyors found that there was an insufficient number of registered nurses (RNs) at the hospital and found the hospital out of compliance with the respect to nursing services. In response to the deficiency, the hospital requested 25 RNs for the required plan of correction. The Division of Mental Health and Retardation Services reviewed this request and recommended the addition of seven positions. Governor's Budget Amendment No. 4 recommended the addition of seven RNs and the Legislature concurred. On March 28-29, 1987, the surveyors returned to Larned and conducted a revisit of the nursing staff and found that the hospital continued to be out of compliance. Larned received notification that the hospital would be decertified as of October 30, 1987, and therefore would lose all federal Medicare and Medicaid funds for a projected loss of \$1,099,283 for the remainder of FY 1988. In an attempt to get the units of the hospital which generate the majority of the Medicare/Medicaid funds certified (i.e., admissions-15 beds, adult 1-24 beds, children-17 beds, and adolescents-26 beds) the hospital shifted 13 RNs from other areas to these four units. HCFA returned to Larned for a special revisit and certified the four units as a "distinct part" of the hospital in which Medicare/Medicaid participation would continue. Despite the certification of the "distinct part", projected shortfall in receipts in FY 1988 are anticipated to be \$559,626 (Medicare -- \$235,921 and Medicaid -- \$323,705).

The State Finance Council met in January, 1988 and authorized 30 additional FTE positions. The Finance Council was informed that the 30 RNs would bring the entire facility into compliance with the federal standards. The Subcommittee notes that during the agency hearing the Superintendent at Larned, told the Subcommittee that the Director of Nursing at Larned State Hospital has determined that the hospital needs 76.8 positions, based on the hospital's Patient Classification system. Under questioning by the Subcommittee, Dr. Getz would not give an opinion as to whether the 30 additional FTE would be adequate and lacked confidence that 30 would suffice. The Subcommittee wished to emphasize that as of February 16, 1988, the hospital had filled only 8 of the 30 authorized FTE. The Subcommittee is concerned about the hospital's practical ability to successfully recruit the remainder of the 30 positions, to say nothing of the possible need for more than 30 RNs.

Larned is scheduled to be surveyed by JCAH in April, 1988. Hospital officials informed the Subcommittee that for the JCAH survey they intend to spread the additional RNs across all parts of the hospital. Hospital officials are concerned that JCAH will not accredit the hospital because there are serious RN shortages in the 13 noncertified units of the hospital because the hospital shifted RNs from the noncertified areas to the four certified units.

The Subcommittee is concerned and wishes to alert the Legislature to the possibility that Larned may not be accredited by JCAH in April. We also note that if the hospital fails JCAH, they will most likely not achieve further HCFA certification and may lose certification on the four units which are currently certified. The hospital stands to lose approximately \$2.6 million if it is not accredited by JCAH or certified by HCFA. The Subcommittee notes that the annual cost of an additional 76.8 RNs is approximately \$2.2 million. The Subcommittee is concerned and directs the Division of Mental Health and Retardation Services in concert with Larned State Hospital to present a written report this session to the Senate and House Subcommittees exploring options in regard to the certification and accreditation of Larned State Hospital. For example, the Subcommittee questions the necessity of certifying the 20-bed substance abuse unit. Perhaps this unit could be transferred to the community. The Subcommittee notes that currently 263 of the 548 beds at Larned State Hospital are security (i.e. mentally ill DOC inmates are transferred to Larned and are in the custody of the Secretary of SRS); we may wish to consider seeking accreditation and certification of the psychiatric beds only and not the security unit. Other states report that offender units are not accredited or certified. The Subcommittee believes that all options must be studied as to the future of Larned State Hospital and the provision of mental health services for the Larned catchment area.

2. The subcommittee recommends that based on year to date Medicaid collections, the Title XIX transfer to Larned State Hospital in FY 1988 should be increased by \$147,767 and a corresponding decrease in the supplemental appropriation from the State General Fund.
3. The Subcommittee identified savings in several object codes and was informed that any savings in the hospital's operating budget will be used to fund the additional 30 RN positions authorized by the State Finance Council. The Subcommittee understands that the agency also intends to keep nondirect care positions vacant and offer fewer paid holidays to fund the additional FTE. The Subcommittee expresses concern over this and asks the House Subcommittee to monitor this situation.

**SUBCOMMITTEE REPORT**

Agency: Larned State Hospital

Bill No. 545

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 307

Budget Pg. No. 6-47

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$25,129,469	\$25,970,904	\$ --
Capital Improvements	<u>4,148,400</u>	<u>3,563,200</u>	<u>--</u>
TOTAL	<u>\$29,277,869</u>	<u>\$29,534,104</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$22,054,055	\$22,925,663	\$ --
Capital Improvements			<u>--</u>
TOTAL	<u>\$22,054,055</u>	<u>\$22,925,663</u>	<u>\$ --</u>
FTE Positions	937.8	908.8	--
Average Daily Census	532	530	--

Agency Estimate/Governor's Recommendation

The agency requests an FY 1989 operating budget of \$25,129,469, an 8.6 percent increase over the approved FY 1988 budget. The hospital requests 56.8 new FTE positions. The hospital also requests a total of \$327,205 for capital outlay.

The Governor recommends a total operating budget of \$25,970,904, an 11.6 percent increase over the FY 1988 recommendation. The recommendation includes funding for the additional RN positions authorized by the Finance Council (805,070), the salary upgrade for RNs and certain licensed therapist positions (\$170,105), 4 percent increase for classified employees (\$763,493) and a 5.8 percent merit pool for unclassified employees (\$128,166). The Governor's recommendation reflects funding from the State General Fund of \$22,925,663, a 10 percent increase over the FY 1988 recommendation. The recommendation also includes funding of \$1,742,560 from the hospital fee fund, and \$1,234,281 from federal Medicaid funds. The FY 1989 recommendation for financing assumes complete certification of the hospital in FY 1989.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation, but makes the following observations:

1. The Subcommittee wishes to emphasize that the Governor's recommendation for funding assumes that Larned will achieve full certification for the entire fiscal year. The Subcommittee received testimony indicating that there is considerable doubt that the entire hospital will be certified for all of FY 1989. If the hospital does not achieve any further certification and

maintains the status quo, the Subcommittee anticipates a shortfall of at least 1.1 million (\$400,000 in the fee fund and \$700,000 in Medicaid).

2. The Subcommittee acknowledges the agency's anticipated GBA request for a psychiatric aide position. The Subcommittee notes that this position was eliminated in the hospital's budget in order to add a position in the Division of Mental Health and Retardation Services as part of the new investigation teams requested by the Division of Mental Health and Retardation Services (SRS budget). The psychiatric aide position was not directly presented to the Subcommittee as a budget appeal item, therefore, the Subcommittee does not believe it is appropriate to address the issue at this time, but believes that the issue should be revisited during Omnibus consideration.

545-410

SUBCOMMITTEE REPORT

Agency: Osawatomie State Hospital                      Bill No. 571                      Bill Sec. 21  
 Analyst: Duffy    Analysis Pg. No. 307                      Budget Pg. No. 6-47

<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	\$16,257,171	\$16,376,485	\$ 11,804
Capital Improvements	460,760	358,770	--
TOTAL	<u>\$16,717,931</u>	<u>\$16,735,255</u>	<u>\$ 11,804</u>
State General Fund:			
State Operations	\$11,905,564	\$12,524,878	\$ 11,804
Capital Improvements	--	--	--
TOTAL	<u>\$11,905,564</u>	<u>\$12,524,878</u>	<u>\$ 11,804</u>
FTE Positions	607.3	627.4	--
Average Daily Census	345	345	--

Agency Estimate/Governor's Recommendation

Osawatomie State Hospital requests a total operating budget of \$16,257,171, a reduction of \$34,603 from the amount approved by the 1987 Legislature. Funding includes \$11,905,564 from the State General Fund, \$2,330,427 from the hospital's fee fund, and \$1,998,911 from Medicaid. Based on the hospital's fee fund projections, agency officials anticipate fee collections to be short of the approved expenditure limitation of \$2,330,427, although the budget submission does not include a request for supplemental funding. On July 27-29, Osawatomie State Hospital was surveyed by the Health Care Financing Administration (HCFA) for the hospital's annual Medicare/Medicaid certification. Osawatomie was found out of compliance with respect to RNs and physicians. The hospital filled the physician positions which were vacant at the time of the survey, added nine RNs by leaving vacant nine other positions from various classifications, and implemented a restrictive admission policy to reduce the hospital's census. The surveyors returned to Osawatomie on November 30, 1987 for the revisit survey and found that the hospital had made sufficient progress to be in compliance and thus eligible for federal Medicare and Medicaid funds.

The Governor recommends a total operating budget of \$16,376,485, an increase of \$119,314 over the approved FY 1988 estimate of \$16,257,171. The Governor's recommendation includes a State General Fund Supplemental appropriation of \$589,711. The supplemental funding is based on a short fall in fee collection of \$500,000 and salaries and wages of \$89,711. The Governor does not recommend additional funds in FY 1988 for the 20 RN positions approved by the Finance Council in response to certification problems, but assumes that the agency will absorb the costs. Additional funding is included in the FY 1989 recommendation for the additional positions.

Senate Subcommittee Recommendations

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

1. Add \$11,804 to dietary for anticipated additional costs. Hospital officials were notified that 20 additional inmates are to be assigned to the Osawatomie Correctional Facility as of March 1, 1988 which is 20 more than the Department of Corrections anticipated and for which they were budgeted.
2. The Subcommittee reviewed expenditures to date in the various object codes and was informed that any savings in the hospital's operating budget will be used to finance the additional 20 RNs authorized by the state Finance Council. The Subcommittee expresses concern over the hospital's ability to absorb the additional costs without additional funds and requests that the House Subcommittee monitor this situation.

571-494



## SUBCOMMITTEE REPORT

Agency: Osawatomie State Hospital

Bill No. 545

Bill Sec. 7

Analyst: Duffy

Analysis Pg. No. 317

Budget Pg. No. 6-51

<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	\$18,741,112	\$18,164,937	\$ --
Capital Improvements	514,200	--	--
<b>TOTAL</b>	<u><u>\$19,255,312</u></u>	<u><u>\$18,164,937</u></u>	<u><u>\$ --</u></u>
<b>State General Fund:</b>			
State Operations	\$14,446,930	\$13,970,592	\$ --
Capital Improvements	--	--	--
<b>TOTAL</b>	<u><u>\$14,446,930</u></u>	<u><u>\$13,970,592</u></u>	<u><u>\$ --</u></u>
FTE Positions	681.5	627.1	--
Average Daily Census	345	345	--

### Agency Estimate/Governor's Recommendation

The hospital requests a total operating budget of \$18,741,112 in FY 1989, a 15.3 percent increase over FY 1988. The request includes funding for 681.5 FTE positions, an increase of 74.25 FTE positions.

The Governor recommends a total operating budget of \$18,164,937, a 10.9 percent increase over the FY 1988 recommendation. The recommendation includes funding for the 20 additional RN positions authorized by the Finance Council in January, 1988 (\$487,238); the salary upgrade of RN and licensed therapist positions (\$60,687), an average 4 percent increase for classified employees (\$512,363), a 5.8 percent merit pool for unclassified employees (\$89,744). The Governor's recommendation reflects funding from the State General Fund of \$13,970,592, an increase of 11.5 percent over the FY 1988 estimate. The recommendation also includes funding of \$2,127,995 from the hospital's fee fund, a reduction of \$99,837 from the agency's projection, and \$2,037,939 from Medicaid.

### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation with the following observations:

1. The Superintendent reported to the Subcommittee that the increase in physician salaries approved by the 1988 Legislature is having a very positive impact on the hospital. The hospital is much more successful in recruiting qualified physicians. In fact, Osawatomie has recruited one board certified psychiatrist with the possibility of employing another.

2. The Superintendent reported to the Subcommittee that the establishment of the Osawatomie Work Facility on the hospital's campus has been a relatively good experience. The Superintendent commented that the hospital had experienced increased turnover as a result of hospital employees seeking employment with the Department of Corrections (DOC) because of higher salaries. In addition, the Subcommittee learned that the hospital has been disappointed in the number of inmates assigned to the hospital. The Subcommittee expresses concern, but hopes that recent DOC staff changes will result in better cooperation from the DOC.
3. The Subcommittee acknowledges Osawatomie's request for a portion of the rent paid for staff housing to be returned to the hospital for a maintenance and repair fund for these housing units. The Subcommittee understands that rent is collected from employees through a payroll deduction and that an adjustment is made to salaries and wages similar to the adjustment made for turnover. The subcommittee recommends that if the hospital believes this is necessary that they consider raising the rent an appropriate amount and utilizing all or a portion of the increase for housing improvements.
4. The Subcommittee acknowledges the agency's anticipated GBA request for six LMHTs, five psychiatric aides, and one General Maintenance and Repair Technician. The Subcommittee notes that the direct care staff were requested in response to federal surveys. The General Maintenance and Repair Technician was eliminated in the hospital's budget in order to add a position in the Division of Mental Health and Retardation Services as part of the new investigation teams requested by the Division (SRS budget). These positions were not directly presented to the Subcommittee as budget appeal items, therefore, the Subcommittee does not believe it is appropriate to address the issue at this time, but believes that the issue should be revisited during Omnibus consideration.

SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility      Bill No. 571      Bill Sec. 22  
 Analyst: Duffy      Analysis Pg. No. 327      Budget Pg. No. 6-53

<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	\$ 3,744,340	\$ 3,760,767	\$ (5,000)
Capital Improvements	<u>118,844</u>	<u>113,952</u>	<u>--</u>
Total	<u>\$ 3,863,184</u>	<u>\$ 3,874,719</u>	<u>\$ (5,000)</u>
State General Fund:			
State Operations	\$ 2,231,364	\$ 2,674,802	\$ (5,000)
Capital Improvements	<u>0</u>	<u>0</u>	<u>--</u>
Total	<u>\$ 2,231,363</u>	<u>\$ 2,674,802</u>	<u>\$ (5,000)</u>
FTE Positions	122.0	122.0	--
Average Daily Census	52	52	--

Agency Estimate/Governor's Recommendation

Rainbow Mental Health Facility estimates FY 1988 expenditures of \$3,744,340, as approved by the 1987 Legislature. Funding includes \$2,231,364 from the State General Fund, \$592,757 from Rainbow's fee fund, \$891,808 from Medicaid, and \$28,411 from federal Chapter I funds. Although current year projections indicate a significant shortfall in the fee fund, the hospital's budget submission does not include a request for supplemental funding.

The Governor recommends an operating budget of \$3,760,767, an increase of \$16,427 over the FY 1988 revised estimate of \$3,744,340. The increase is reflected in salaries and wages as a result of the Governor's recommendation to upgrade registered nurses (RNs) and certain licensed therapist positions and adjustment to fringe benefit rates. The recommendation includes funding of \$2,674,802 from the State General Fund, an increase of \$443,437 over the FY 1988 estimate and expenditures of \$165,746 from the hospital's fee fund, a decrease of \$427,011 from that approved for FY 1988. The Governor's recommendation includes a State General Fund supplemental appropriation of \$443,437.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. The Subcommittee recommends a reduction in communications of \$5,000, based on current year expenditures.

## SUBCOMMITTEE REPORT

Agency: Rainbow Mental Health Facility      Bill No. 545      Bill Sec. 9  
 Analyst: Duffy      Analysis Pg. No. 327      Budget Pg. No. 6-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,266,093	\$ 4,032,720	\$ (3,798)
Capital Improvements	832,600	0	--
Total	\$ 5,098,693	\$ 4,032,720	\$ (3,798)
State General Fund:			
State Operations	\$ 2,976,920	\$ 2,372,711	\$ (3,798)
Capital Improvements	0	0	--
Total	\$ 2,976,920	\$ 2,372,711	\$ (3,798)
FTE Positions	134.8	123.0	--
Average Daily Census	52	52	--

### Agency Estimate/Governor's Recommendation

Rainbow requests an operating budget of \$4,266,093 for 134.8 FTE positions. The funding request includes \$2,978,755 from the State General Fund, \$202,075 from the hospital's fee fund, \$1,059,875 from Medicaid, and \$25,388 from federal Chapter I funds. The decrease in expenditures from the fee fund is based upon current year projections. The agency believes the estimate is a realistic projection of anticipated collections. During the last several legislative sessions, funds have been shifted from other sources to cover shortages in the fee fund. The request reflects continuation of all existing programs and the addition of 12.8 FTE positions. In addition to the 11.6 percent increase in salaries and wages for new positions, increases in the agency's request over the FY 1988 approved budget are reflected in the school contract and capital outlay. In addition, the hospital proposes the expansion of the partial hospitalization program.

The Governor recommends \$4,032,720 for operating expenditures in FY 1989, a decrease of \$233,373 from the agency's FY 1989 request and an increase of 7.2 percent over the Governor's FY 1988 recommendation. The FY 1989 recommendation includes funding for the salary upgrade of RNs and certain licensed therapist positions (\$11,736), a 4 percent increase for classified employees (\$97,617), and a 5.8 percent merit pool for unclassified employees (\$27,687). In addition, the Governor recommends that the special projects position approved by the 1987 Legislature become a permanent Reimbursement Officer II in FY 1989. The Governor's funding recommendations include \$2,372,711 from the State General Fund, \$202,078 from the hospital's fee fund, \$1,432,543 from Medicaid, and \$25,388 from federal Chapter I funds.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends a reduction of \$3,798 from communications based on current year expenditures.
2. The Subcommittee notes that Rainbow Mental Health Facility operates a unique adult program, in that, it is a short-term, acute care hospital. The Subcommittee considers Rainbow an important resource which supports community-based programs and lowers the utilization of Osawatomie State Hospital.
3. The Subcommittee is concerned about the waiting list for the children's program at Rainbow. The Superintendent reported that there is an average of 20 children on the waiting list and that this translates into approximately a five to six month wait. Currently, there is a specialized foster care program funded through a federal grant which is having positive results, and if expanded could reduce the waiting, according to the Superintendent. The Subcommittee supports continued and, if possible, expanded funding for this program which is budgeted in SRS.

545-555

**SUBCOMMITTEE REPORT**

Agency: Topeka State Hospital

Bill No. 571

Bill Sec. 24

Analyst: Duffy

Analysis Pg. No. 352

Budget Pg. No. 6-57

<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	\$ 17,417,187	\$ 17,585,288	\$ 75,000
Capital Improvements	325,100	29,494	--
Total	<u>\$ 17,742,287</u>	<u>\$ 17,614,782</u>	<u>\$ 75,000</u>
State General Fund:			
State Operations	\$ 10,643,119	\$ 10,814,813	\$ (144,951)
Capital Improvements	0	0	--
Total	<u>\$ 10,643,119</u>	<u>\$ 10,814,813</u>	<u>\$ (144,951)</u>
 FTE Positions	 655.0	 655.0	 --
Average Daily Census	380	380	--

Agency Estimate/Governor's Recommendation

Topeka State Hospital requests an FY 1988 operating budget of \$17,417,185, a reduction of \$47,880 from the amount approved by the 1987 Legislature. The agency expended \$47,880 in FY 1987 from the FY 1988 reappropriation of \$62,632. The agency requests funding for 655 FTE positions, a reduction of 2.5 FTE positions from the 657.5 authorized for FY 1988. Funding includes \$10,643,118 from the State General Fund, \$3,604,364 from the hospital's fee fund, \$3,085,869 from Medicaid, and \$83,834 from federal Chapter I funds. Although no supplemental funding has been requested, agency officials report that several areas including salaries and wages, the school contract, and utilities are under funded. In addition, the hospital has experienced an expensive outside hospitalization of a Topeka State Hospital patient.

The Governor recommends an operating budget of \$17,585,288, an increase of \$168,101 over the FY 1988 revised estimate of \$17,417,187. The increase is reflected in salaries and wages and includes the Governor's recommendation to upgrade registered nurses and certain licensed therapist positions (\$49,806) and adjustments to fringe benefit rates. In addition, the Governor's recommendation includes minor reductions in printing and advertising, travel and subsistence, and fees -- other services. The Governor's recommendation includes funding of \$10,814,813 from the State General Fund, including a State General Fund supplemental appropriation of \$171,695; \$3,597,179 from the hospital's fee fund, a reduction of \$7,168 from the FY 1988 estimate; \$3,089,462 from Medicaid, an increase of \$3,593; and \$83,834 from federal Chapter I funds.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Increase the expenditure limitation of the hospital's fee fund by \$219,951 and decrease the State General Fund by the same amount, based on current year projections.
2. Add \$75,000 from the State General Fund to utilities based on current year expenditures.

571-664

**SUBCOMMITTEE REPORT**

Agency: Topeka State Hospital

Bill No. 545

Bill Sec. 11

Analyst: Duffy

Analysis Pg. No. 352

Budget Pg. No. 6-51

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,074,303	\$ 19,273,935	\$ --
Capital Improvements	<u>1,236,200</u>	<u>0</u>	<u>--</u>
Total	<u>\$ 21,310,503</u>	<u>\$ 19,273,935</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 13,374,683	\$ 12,508,212	\$ --
Capital Improvements	<u>0</u>	<u>0</u>	<u>--</u>
Total	<u>\$ 13,374,683</u>	<u>\$ 12,508,212</u>	<u>\$ --</u>
 FTE Positions	 727.0	 654.9	 .1
Average Daily Census	382	382	--

Agency Estimate/Governor's Recommendation

The FY 1989 operating budget request for Topeka State Hospital is \$20,074,303 for 727 FTE positions, an increase of 15 percent over the FY 1988 estimated operating budget. The budget reflects 72 new positions, including 16 Registered Nurse (RN) IIIs and 26 Psychiatric Aides. The FY 1989 budget request includes a 14 percent increase in funding for the school contract and a total of \$743,613 in capital outlay.

The Governor recommends \$19,273,935 for operating expenditures in FY 1989, a 9.6 percent increase over the Governor's FY 1988 recommendation. The FY 1989 recommendation includes funding for the salary upgrade of RNs and certain licensed therapist positions (\$113,570), a 4 percent increase for classified employees (\$556,594), and a 5.8 percent merit pool for unclassified employees (\$86,438). In addition, the Governor recommends the addition of a custodial worker and the deletion of a laundry worker. The Governor's funding recommendation includes \$12,508,212 from the State General Fund, \$3,649,751 from the hospital's fee fund, \$3,032,452 from Medicaid, and \$83,520 from federal Chapter 1 funds.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments:

1. The Subcommittee acknowledges the agency's anticipated GBA request for 16 RNs, 10 LMHTs, 9 Psychiatric Aides and 1 Laundry Worker. The Subcommittee notes that the RNs and direct care staff were requested in response to federal surveys. The Laundry



Worker was eliminated in the hospital's budget in order to add a position in the Division of Mental Health and Retardation Services as part of the new investigation teams requested by the Division of Mental Health and Retardation Services (SRS budget). These positions were not directly presented to the Subcommittee as budget appeal items, therefore, the Subcommittee does not believe it is appropriate to address the issue at this time, but believes that the issue should be revisited during the Omnibus consideration.

2. The Subcommittee notes that the agency's FY 1989 budget request included an additional Power Plant Operator II position. The need for this position was brought to the attention of the Subcommittee, however, the Subcommittee did not have time to ask the Superintendent about this position and requests that the House Subcommittee carefully review the merit of this new position.
3. The Superintendent reported to the Subcommittee that the relationship between the hospital and the Topeka Pre-Release Center located on the hospital grounds is very good. The Subcommittee encourages the hospital to share information with other institutions about that cooperative arrangement.
4. The Superintendent reported to the Subcommittee that there has been overcrowding on some wards of the hospital. The Superintendent noted that when Osawatomie restricted admissions the hospital experienced an increase in involuntary patients whose primary diagnosis was alcohol or drug abuse related, but were admitted under a psychiatric diagnosis. The Subcommittee concludes that this supports the need to expand inpatient alcohol and drug abuse services in the community and again raises the question as to whether alcohol and drug programs are appropriately placed in state mental health hospitals.
5. The Subcommittee recommends the addition of .1 FTE due to a technical error in the appropriations bill to accurately reflect the Governor's recommendation.

**SUBCOMMITTEE REPORT**

Agency: Kansas Neurological Institute                      Bill No. 545    Bill Sec. 5  
 Analyst: Hunn    Analysis Pg. No. 300    Budget Pg. No. 6-39

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,043,822	\$ 10,045,339	\$        --
General Fees Fund	566,703	522,658	--
Medicaid	8,636,285	8,771,746	--
Other Funds	235,930	235,930	--
Subtotal	\$ 19,482,740	\$ 19,575,673	\$        --
Capital Improvements:			
State Institutions			
Building Fund	638,500	--	--
TOTAL	\$ 20,121,240	\$ 19,575,673	\$        --
FTE Positions	843.5	816.0	--

Agency Estimate/Governor's Recommendation

KNI proposes to reduce its census by 35 residents in FY 1989 to a population of 350 clients by the end of FY 1989. KNI proposes to move one or two clients from each living unit rather than close any unit. KNI requests the addition of 62.5 FTE positions in FY 1989.

The Governor recommends an operating budget of \$19,575,673 for KNI in FY 1989. The Governor concurs with KNI's request to move 35 clients to the community in FY 1989 to provide for an estimated 350 clients at the end of FY 1989. The Governor recommends adding 35 new positions in FY 1989.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Adjustments in KNI's budget may be necessary at a later date once decisions have been made regarding client movement.

## SUBCOMMITTEE REPORT

Agency: Norton State Hospital

Bill No. 545

Bill Sec. 10

Analyst: Hunn

Analysis Pg. No. 345

Budget Pg. No. 6-33

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,658,018	\$ 2,131,929	\$ --
General Fees Fund	193,314	202,421	--
Medicaid	2,849,655	3,118,692	--
Other Funds	--	--	--
Subtotal	<u>\$ 5,700,987</u>	<u>\$ 5,453,042</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions			
Building Fund	234,900	--	--
TOTAL	<u>\$ 5,935,887</u>	<u>\$ 5,453,042</u>	<u>\$ --</u>
FTE Positions	214.0	194.0	--

### Agency Estimate/Governor's Recommendation

The FY 1989 budget request of \$5,700,987 includes funding for 214 FTE positions, a net reduction of 47 FTE positions from FY 1988. The proposed reduction in FTE positions is based on the deletion of 60 existing positions and a request for 13 new positions. The reduction in positions is due to the proposed reduction in the number of residents in FY 1988 described above. Reductions are also made in various OOE items to reflect the smaller client population.

The Governor recommends an operating budget of \$5,453,042 for Norton in FY 1989, including 194.0 FTE positions, a reduction of 67 positions. None of the positions requested by Norton are recommended in FY 1989. The Governor's recommendations are based on a population of 60 clients throughout FY 1989.

### Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Adjustments to Norton's budget may be necessary at a later date once decisions have been made regarding client movement.

**SUBCOMMITTEE REPORT**

Agency: Parsons State Hospital

Bill No. 545

Bill Sec. 8

Analyst: Hunn

Analysis Pg. No. 336

Budget Pg. No. 6-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 8,439,057	\$ 6,947,918	\$ --
General Fees Fund	623,606	597,960	--
Medicaid	6,311,153	6,324,308	--
Other Funds	<u>63,660</u>	<u>63,660</u>	--
Subtotal	\$ 15,437,476	\$ 13,933,846	\$ --
Capital Improvements:			
State Institutions			
Building Fund	<u>1,452,900</u>	--	--
TOTAL	<u>\$ 16,890,376</u>	<u>\$ 13,933,846</u>	<u>\$ --</u>
FTE Positions	619.5	519.5	--

Agency Estimate/Governor's Recommendation

Major new items requested for Parsons in FY 1989 are 111 new positions, a demonstration adult family home program which would fund community placements of three clients in a family setting, and a state child care center for state employees. Parsons requests an overall increase in OOE expenditures in FY 1989 of 17.4 percent. No change in the budgeted census at Parsons is projected for FY 1989, however, some clients that SRS proposed to move out of Winfield in FY 1989 might be moved to Parsons.

The Governor recommends an operating budget of \$13,933,846 in FY 1989, a decrease of \$1,503,630 to the agency's request. The Governor's recommendation includes an estimated \$399,050 for a 4 percent increase for classified employees and \$16,749 for a merit pool for unclassified employees. The Governor's recommendations provide for a net increase of 11 new positions in FY 1989, including the addition of 12 Licensed Practical Nurses to administer medications and a deletion of one storekeeper position. The Governor's recommendations also include funding for a state day care center. The Governor's recommendations continue the budgeted census for Parsons at 285 clients.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Adjustments in Parsons' budget may be necessary at later date once decisions have been made regarding client movement.

**SUBCOMMITTEE REPORT**

Agency: Winfield State Hospital

Bill No. 545

Bill Sec. 12

Analyst: Hunn

Analysis Pg. No. 360

Budget Pg. No. 6-41

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 10,942,832	\$ 11,273,895	\$ --
General Fees Fund	1,001,537	938,919	--
Medicaid	12,610,965	13,111,982	--
Other Funds	<u>234,732</u>	<u>234,732</u>	--
Subtotal	\$ 24,790,066	\$ 25,559,528	\$ --
Capital Improvements			
State Institutions			
Building Fund	<u>612,200</u>	--	--
TOTAL	<u>\$ 25,402,266</u>	<u>\$ 25,559,528</u>	<u>\$ --</u>
FTE Positions	986.4	966.0	--

Agency Estimate/Governor's Recommendation

The FY 1989 request is based on a further reduction in the number of clients at Winfield from 392 to 344. The 48 clients would be moved to either private ICF/MRs or to other state institutions. The estimated cost per client per day in FY 1989 would be \$185 compared to an estimated \$152 in FY 1988. Winfield requests 66.4 new positions in FY 1988. (Some of the requested positions were approved in Finance Council action in January, 1988.) Winfield also proposes to delete 18 positions in FY 1989, primarily due to the reduction in client population.

The Governor recommends an operating budget for Winfield in FY 1989 of \$25,559,528, an increase of \$769,462 to the agency's request. The Governor recommends 966.0 FTE positions in FY 1989, reflecting a deletion of 28 positions from the FY 1988 level. Included in the FY 1989 recommendation is \$1,599,398 for contracted therapy services. Also included in FY 1989 is \$685,719 for a 4 percent increase for classified employees and \$30,776 for a merit pool for unclassified employees. The Governor concurs with the proposal to reduce Winfield's population by 48 clients in FY 1989. Based on the Governor's recommendations, the average daily cost of care at Winfield in FY 1989 is projected to be \$190 per day, compared to the \$161 per day estimated for FY 1988.

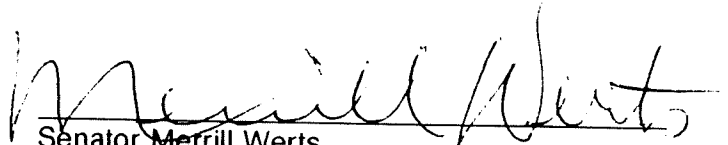
Senate Subcommittee Recommendation


The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989. Adjustments to the Winfield budget may be necessary at a later date once decisions have been made regarding client movement.

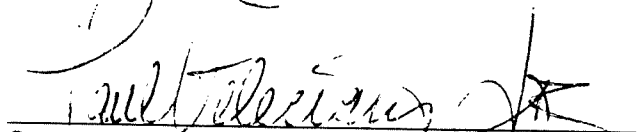
Senate Subcommittee Reports on Senate Bill No. 550 --  
FY 1989 Appropriations Bill  
And  
Senate Bill No. 571 -- Supplemental Appropriations Bill

Sections Pertaining to:

- Section 2 -- Department of Administration
- Section 3 -- State Finance Council
- Section 4 -- Department of Wildlife and Parks
- Section 5 -- State Corporation Commission
- Section 6 -- State Historical Society

  
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Senator Merrill Werts  
Subcommittee Chairperson

  
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Senator Dave Kerr

  
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Senator Paul Feleciano