

Approved 3-20-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at
Chairperson

1:40 ~~am~~/p.m. on February 22, 1990 in room 514-S of the Capitol.

All members were present except: Representatives Kline, Solbach, Vancrum and Turnquist
(all excused)

Committee staff present: Ellen Piekalkiewicz, Scott Rothe, Julian Efird,
Legislative Research Department
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

HB 2615 - Appropriations for FY91, state public safety agencies,
including youth centers.

CORRECTIONS OMBUDSMAN BOARD

Representative Helgerson reviewed the subcommittee report for FY90 and FY91 (Attachment 1). The 4 FTE approved for the agency for FY91 are an ombudsman, associate ombudsman, a deputy ombudsman, and an office manager. Representative Hensley moved adoption of the subcommittee report for FY90 and FY91. Representative Hoy seconded. Motion carried.

It was noted the report on the Ombudsman Board completes the committee work on HB 2615. Representative Chronister moved that HB 2615, as amended, be recommended favorably for passage. Representative Fuller seconded. Motion carried.

HB 2625 - Human Resources II

KANSAS COMMISSION ON VETERAN'S AFFAIRS

Representative Goossen stated the subcommittee concurred with the Governor's recommendations for FY90 and FY91 (Attachment 2). Representative Goossen moved adoption of the subcommittee report for FY90 and FY91. Representative Shriver seconded. Motion carried.

KANSAS SOLDIERS' HOME

Representative Goossen reviewed the subcommittee report for FY90 and FY91 (Attachment 3). Representative Goossen moved adoption of the subcommittee report for FY90 and FY91. Representative Shriver seconded. Motion carried.

HOMESTEAD/CIRCUIT BREAKER REFUNDS

Representative Shriver reviewed the subcommittee report for FY90 and FY91 (Attachment 4). Representative Shriver stated there will be \$10,790,00 remaining in the residential circuit breaker in FY90. Representative Shriver moved adoption of the subcommittee report for FY90 and FY91. Representative Goossen seconded. Motion carried.

DEPARTMENT OF HEALTH AND ENVIRONMENT

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 5). Representative Wisdom submitted a minority report for FY90 adding \$300,000 State General Fund for the WIC program. Representative Lowther stated the total funds in the WIC program for FY90 is \$15 million and additional formula rebate funds will

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:40 ~~am~~/p.m. on February 22, 1990

be collected this year of approximately \$2 million. Representative Wisdom moved adoption of the minority report on the Department of Health and Environment for FY90. Representative Teagarden seconded. Motion failed. Representative Brady moved to amend the subcommittee report for FY90 deleting \$300,000 from salaries and wages and increasing the agency's turnover rate. Representative Teagarden seconded. It was noted that the Governor has applied a shrinkage rate of 4.25 percent to the agency and lapsed the \$300,000 for the WIC program. Representative Brady withdrew his motion with the permission of his second, Representative Teagarden.

In response to a question, Representative Lowther stated the agency requested the 22 FTE limited term new positions recommended in item 4 as they anticipate the pending new HCFA standards for certification of nursing homes will require much more time and more paperwork. Representative Heinemann moved that item 4 in the FY91 subcommittee report be deleted to be considered later in the Omnibus bill. Representative Teagarden seconded. Motion carried.

Representative Lowther stated the General Environmental Health Program referred to in item 5 is part of the Kansas Water Plan. Representative Lowther moved adoption of the subcommittee report, as amended, for FY90 and FY91. Representative Mead seconded. Motion carried.

DEPARTMENT ON AGING

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 6). Representative Helgerson explained that the Governor reduced nutrition programs for FY90 by \$220,645. The Subcommittee shifted funding from FY91 to cover this amount so the programs would be continued through FY90; however, the Subcommittee stated the nutrition programs will have to be cut in FY91 if additional funding is not forthcoming in budget savings or federal funds. Representative Gatlin moved to delete item 3 in the FY91 subcommittee report. Representative Moomaw seconded. Motion failed.

Representative Hoy moved adoption of the subcommittee report for FY90 and FY91. Representative Helgerson seconded. Motion carried. The Committee reviewed the subcommittee report on the Department of Human Resources at the meeting on February 20, so the work on HB 2625 is now complete. Representative Chronister moved that HB 2625, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

The meeting was adjourned at 3:25 p.m.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-22-90

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Robert Sewell	700 Jackson	ombudsman
DON STUMBAUGH	TOPEKA	ombudsman
Alice KNATT	Topeka	Ks. Dept. on Aging
Esther J. Wolf	Topeka	Ks Dept on Aging
LAURA EPLER	TOPEKA	KDHE
ARTHUR SCHUMANN	TOPEKA	KDHE
DAVID M. TRASTER	Topeka	KDHE
STAN GRANT	"	KDHE
ELIZABETH E. TAYLOR	"	Asso of Local ^{DEPTS} HEALTH
MIKE Peters	"	KDHE
Gael L. Wilgers	Auburn, KS	St. Mary of the Plains Coll.
Laura Aberle	Sabetha, KS	St. Mary of the Plains Coll.
Monica Z. CHAVEZ	Topeka, KS	St. MARY of the PLAINS ^{Coll.}
Craig KAMMEN	Topeka, Ks	KDOA
Ric Silber	"	"
JOANN BOOTH	Hays, KS	Nutrition - NWKS Area Agency on Aging
Elleve DAVIS	Hays, KS	NWKS Area Agency on Aging
ANNA MAE Shaffer	Marquette	NEKBA
Pam Boden	Topeka	KSNA
Renee Rottinghaus	Topeka	KSNA
Bonnie Freeman	Topeka	KSNA
Christine Marwee	Ottawa	Mid America Nutrition
Joan Bowman	Topeka	Children & Youth Advisory Comm
Mark Intermill	Topeka	KCOA
Janice Wagner	Landon	Mass. SV Rmc
Mike Bohnkoff	Topeka	DOE

Pao Mayer	Wamego	KSNA
Donna Hart	Wamego	KSNA
Mary Jen Eyck	Alma	KSNA
Diana Bernoth	Leavenworth	KSNA
Julie Govert Watter	Manhattan	K4A
Beatrice L Skisler	Ottawa	K4A
John (Pat) ...	Tyler	
Mack ...	Topeka	KANASP
Mike ...	~	KOHE
Betty Johnson	Wichita	Central Plains AAA

10-5-30-30

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman
Board

Bill No. --

Bill Sec. --

Analyst: Mah

Analysis Pg. No. 203

Budget Pg. No. 164

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 229,725	\$ 214,279	\$ (23,132)
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board's current year estimate for expenditures is \$229,725, as authorized by the 1989 Legislature. The major expenditure for the Board is salaries and wages, estimated at \$193,922 or 84.4 percent of the budget request. The Board's estimate for all other operating expenditures totals \$35,803.

The Governor's current year recommendation of \$214,279 reduces the Board's estimate by \$15,446. The reduction is because of adjustments to the Board's estimate for salary and wage expenditures to begin the Governor's plan for elimination of the state agency by FY 1992. The Governor concurs with the Board's current year estimate for all other operating expenditures of \$35,803.

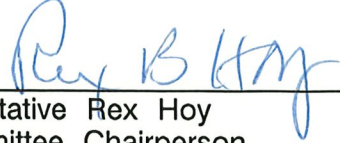
House Subcommittee Recommendations

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

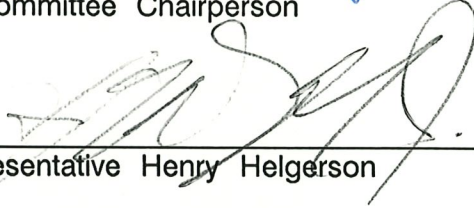
1. The Subcommittee does not agree with the Governor's recommendation to abolish this agency by FY 1992. The Subcommittee's review of the agency indicates that the position of Ombudsman has been vacant for approximately one year. The Subcommittee was informed that this position has just been filled. During the Subcommittee's review of the agency, the Subcommittee was told that problems existed in recent years with the performance of the agency and that its role was not clearly defined. The Subcommittee also was told that the Department of Corrections supported the concept of an Ombudsman Board, but had concerns about the performance of this agency in recent years. The Subcommittee believes that the Legislature should review the Corrections Ombudsman Board in one year. At this time, it will be possible to evaluate the activities of the agency under its new leadership to determine whether its performance has improved and whether its role has been better defined to prevent any duplication of services between state agencies. In addition, the Subcommittee strongly encourages the establishment of open communication channels between the Department of Corrections and the Ombudsman Board.

HA
2-22-90
Attachment 1

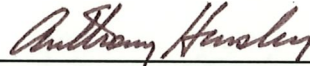
2. Delete \$18,650 from expenditures for salaries and wages based on estimated savings from vacant positions. The agency currently has 4.0 of its approved 6.0 FTE positions filled and the recommendation would provide funding for the continued employment of these 4.0 positions. The Subcommittee further recommends that, should a vacancy occur within any of the recommended positions during the fiscal year, that the position or positions not be filled by the agency.
3. Delete \$4,482 from the agency's other operating expenditures based on estimated savings from year-to-date expenses.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Corrections Ombudsman
Board

Bill No. 2615

Bill Sec. 10

Analyst: Mah

Analysis Pg. No. 203

Budget Pg. No. 164

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Funds	\$ 257,941	\$ 138,864 ^a	\$ 39,207
FTE Positions	6.0	3.0	3.0

- a) As amended by the Governor's Budget Amendment No. 1 to make a technical adjustment (reduction of \$8,703 from salaries and wages).

Agency Request/Governor's Recommendation

For FY 1991, the Board requests \$257,941 for state operations, all from the State General Fund. The request includes funding for 6.0 FTE positions, the same as the current year. Salaries and wages are estimated at \$218,381 or 84.7 percent of the budget request. This is an increase of \$24,459 over the current year estimate. Other major revisions to the current year estimate include a reduction in fees--other services (\$1,540) and increases in communications (\$1,962), printing (\$1,075), and capital outlay (\$835).

The Governor's FY 1991 recommendation of \$138,864 (as amended by the Governor's Budget Amendment No. 1) reduces the Board's request by \$119,077. The recommendation is based on complete elimination of this state agency by FY 1992 with the assumption that its functions can be performed by the Department of Corrections (DOC). The recommendation of \$106,505 for salaries and wages will reduce the currently approved 6.0 FTE positions to 3.0 FTE positions. Recommended expenditures for other operating expenses reduce the Board's request by \$7,201.

House Subcommittee Recommendations

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

1. Add \$40,106 to expenditures for salaries and wages to provide funding for the 4.0 FTE positions that are filled in the current year and review the agency during the 1991 Legislative Session to determine if the approved 6.0 FTE positions will be needed. The Governor's recommendation provided funding for 3.0 FTE positions, but the positions the Governor funded are not the currently filled positions that are being recommended by the Subcommittee.
2. Delete \$899 from the agency's other operating expenditures based on estimated savings associated with funding 4.0 of the 6.0 approved FTE positions.

3. The Subcommittee recommends that the Senate Subcommittee review the option to relocate the office for the Hutchinson Associate Ombudsman to facilities at the Kansas State Industrial Reformatory. The Hutchinson office for the Ombudsman Board is currently located at the U.S. Postal Service Building at a rental cost of \$1,200 per year. The Subcommittee has been informed that the Director of the Kansas State Industrial Reformatory would be willing to provide an office for the Hutchinson Associate Ombudsman at no charge other than reimbursement for costs that will be incurred, such as communication expenses. The Subcommittee believes that relocation of the office of the Hutchinson Associate to the Kansas State Industrial Reformatory could provide cost savings to the state.

Rex B Hoy

Representative Rex Hoy
Subcommittee Chairperson

Henry Helgerson

Representative Henry Helgerson

Anthony Hensley

Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. 2729

Bill Sec. 33

Analyst: Porter

Analysis Pg. No. 330

Budget Pg. No. 580

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund	\$ 1,421,454	\$ 1,351,786	\$ --
KCVA Fee Fund	71,920	115,053	--
TOTAL	<u>\$ 1,493,374</u>	<u>\$ 1,466,839</u>	<u>\$ --</u>
 FTE Positions	 58.0	 58.0	 --

Agency Request/Governor's Recommendation

The Commission on Veterans Affairs estimates total expenditures from all funds of \$1,493,374, as authorized by the 1989 Legislature. The FY 1990 estimate is an increase of \$43,006, or 3 percent, over actual FY 1989 expenditures of \$1,450,368. Of the total requested for FY 1990, \$1,421,454 is from the State General Fund and \$71,920 is from the federal fee fund. The State General Fund portion includes a \$2,000 grant to the Veterans of World War I. Also included in the FY 1990 estimate is \$20,000 for a consultant's study to determine the projected needs of the Kansas veterans population.

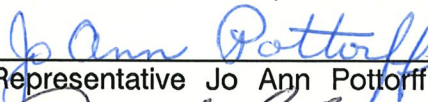
The Governor recommends expenditures of \$1,466,839 from the Kansas Commission on Veterans Affairs in FY 1990, a reduction of \$26,525 from the amount estimated by the agency. Of the total recommended, \$1,351,786 is from the State General Fund, a reduction of \$69,668 from the agency's estimate. The Governor recommends federal fund expenditure of \$115,053, an increase of \$43,133 over the amount estimated by the agency and would require legislative action to authorize the expenditures. The amount recommended from the State General Fund includes \$2,000 for the grant to the Veterans of World War I and includes \$20,000 for the consultant's study to determine the projected needs of the Kansas veterans population.

House Subcommittee Recommendation

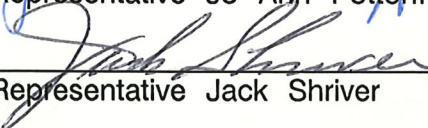
The House Subcommittee concurs with the Governor's recommendation for FY 1990.



Representative Duane Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

694-90/KP

HA
2-22-90
Attachment 2

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. 2625

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 330

Budget Pg. No. 580

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State General Fund	\$ 1,402,679	\$ 1,391,876	\$ --
KCVA Fee Fund	120,657	85,080	--
TOTAL	\$ 1,523,336	\$ 1,476,956	\$ --
 FTE Positions	 58.0	 58.0	 --

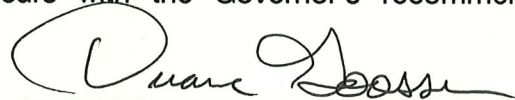
Agency Request/Governor's Recommendation

The agency requests a total of \$1,523,336 from all funds for expenditures in FY 1991, an increase of \$29,962, or 2 percent, over the FY 1990 estimate. Of the total, \$1,402,679 is from the State General Fund (92.1 percent of the total) and \$120,657 is from the federal fee fund. State General Fund expenditures include \$2,000 for the Veterans of World War I grant.

The Governor recommends expenditures of \$1,476,956 for the Kansas Commission on Veterans Affairs in FY 1991, a reduction of \$46,380 from the amount requested by the agency. Of the total recommended, \$1,391,876 is from the State General Fund, \$10,803 less than the agency's request. The Governor recommends expenditures of \$85,080 from federal funds, \$35,577 less than the agency's request. The Governor concurs with the agency's request for the \$2,000 Veterans of WWI grant.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1991.



Representative Duane Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

694-91/KP

179
2-22-90
Attachment 2-2

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2729

Bill Sec. 33

Analyst: Porter

Analysis Pg. No. 330

Budget Pg. No. 580

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,096,554	\$ 661,688	\$ --
General Fees Fund	<u>2,421,966</u>	<u>2,735,822</u>	<u>--</u>
Subtotal	<u>\$ 3,518,520</u>	<u>\$ 3,397,510</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 12,000	\$ 12,000	\$ --
State Institutions Building Fund	<u>275,563</u>	<u>275,563</u>	<u>--</u>
Subtotal	<u>\$ 287,563</u>	<u>\$ 287,563</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 3,806,083</u>	<u>\$ 3,685,073</u>	<u>\$ --</u>
FTE Positions	135.8	135.8	--
Average Census	255.0	229.0	--

Agency Request/Governor's Recommendation

FY 1990. The agency's FY 1990 total estimate for operating expenditures of \$3,518,520 is as authorized by the 1989 Legislature. Of the total estimate for FY 1990 operating expenditures, \$1,096,554 is from the State General Fund and \$2,421,966 is from the fee fund. The FY 1990 total is an increase of \$301,965, or 9.4 percent, over FY 1989 actual expenditures of \$3,216,555.

The Governor recommends FY 1990 operating expenditures of \$3,397,510, a decrease of \$121,010 from the agency request. Of the total recommendation, \$661,688 is from the State General Fund, a decrease of \$434,866 from the agency request. The Governor recommends expenditures of \$2,735,822 from the General Fees Fund, an increase of \$313,856 above the agency request. The Governor recommends \$2,689,682 for salaries and wages, a decrease of \$94,678 from the request and recommends \$707,828 for other operating expenses, a decrease of \$26,332 from the agency request. The Governor recommends that both the FY 1990 and FY 1991 appropriations for the Soldiers Home be incorporated into the appropriation for the Kansas Commission on Veterans Affairs. The FY 1990 recommendation requires an expenditure limitation increase to the General Fees fund of \$313,856.

House Subcommittee Recommendation

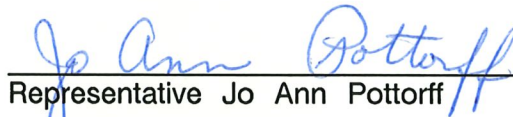
The House Subcommittee concurs with the Governor's recommendation, with the following comment:

HA
2-22-90
Attachment 3

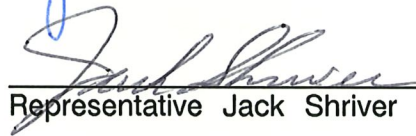
1. The Subcommittee was informed regarding the progress of an approved FY 1990 capital improvement project, replacement of the agency's electrical board. After the bid for replacement of the board was awarded and after the contractor purchased materials for the project, the agency learned that the project could be completed by the local electric company and that the company will assume total responsibility for the electrical distribution system. Both initial costs and long-term maintenance costs could be decreased if the project is completed by the local electric company. The Division of Purchasing is currently negotiating with the contractor for a mutually acceptable buy-out of the contract. The Subcommittee recommends that the Senate Subcommittee be informed of the progress of negotiations.



Representative Duane Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2625

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 330

Budget Pg. No. 580

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,134,829	\$ 1,180,263	\$ (29,624)
General Fees Fund	<u>2,621,138</u>	<u>2,329,967</u>	<u>29,624</u>
Subtotal	<u>\$ 3,755,967</u>	<u>\$ 3,510,230</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
State Institutions Building Fund	<u>100,000</u>	<u>100,000</u>	<u>--</u>
Subtotal	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 3,855,967</u>	<u>\$ 3,610,230</u>	<u>\$ 0</u>
FTE Positions	134.8	130.8	--
Average Census	255.0	227.0	--

Agency Request/Governor's Recommendation

FY 1991. The agency requests a total of \$3,755,967 for operating in FY 1991, a 6.8 percent increase over the total operating expenditures approved for FY 1990. Of the total requested for state operations, \$1,134,829 is from the State General Fund (30.2 percent of the total) and \$2,621,138 is from the fee fund. The FY 1991 budget is based on the closing of Walt Hall, one of the hospital's dormitory facilities. The agency requests that Walt Hall be closed for a variety of reasons. Walt is located apart from the remainder of the Soldiers Home facilities on the opposite side of Highway 154. Residents and staff must cross the highway to utilize other Soldiers Home facilities and programs. According to the agency, the hall is in need of major renovation work, including new floors, a new electrical system, a new lighting system, major plumbing work, new window casings, and renovations to comply with federal standards for accessibility. The hall has a separate boiler system with no backup system. The closing of the hall would result in the consolidation of residents and reallocation of staff.

The Governor recommends FY 1991 operating expenditures of \$3,510,230, a decrease of \$245,737 from the amount requested by the agency. Of the total recommended for operating expenses in FY 1991, \$1,180,263 is from the State General Fund, an increase of \$45,434 above the agency request. The Governor recommends \$2,329,967 from the General Fees Fund, a decrease of \$291,171 from the agency request. The FY 1991 recommendation includes \$2,824,752 for salaries and wages for 130.8 FTE positions, a decrease of \$131,415 and 4.0 FTE positions from the agency request. The recommendation also includes \$685,478 for other operating expenses, a reduction of \$114,322 from the agency request.

House Subcommittee Recommendation

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

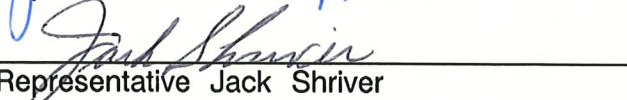
1. Increase the expenditure limitation for the Soldiers Home Fee Fund by \$29,624, from \$2,329,967 to \$2,359,591 in FY 1991 and decrease the FY 1991 State General Fund appropriation by \$29,624 from \$1,180,263 to \$1,150,639. The increase of \$29,624 to the agency fee fund is based on revised FY 1990 receipts due to an increase in federal Veterans Administration reimbursement for care and hospitalization of veterans at the facility. Effective October 1, 1989, the reimbursement rates were increased from \$20.35 to \$21.83 per day for veterans receiving nursing care and from \$8.70 to \$9.33 per day for veterans receiving dormitory care. The Subcommittee adjustment is based only on the increase for nursing home care. The Subcommittee notes that this adjustment is made to the FY 1991 budget rather than the FY 1990 budget so that fee receipts for FY 1990 can be reviewed to ensure that receipts are at the anticipated level and that receipts from other sources have not decreased. The Subcommittee further recommends that the 1991 Legislature review the agency fee fund balance to ensure that this anticipated increase in receipts has materialized. Because the agency's FY 1991 budget as submitted includes the increased VA reimbursement rates, the Subcommittee recommends no adjustment for the anticipated increase in collections in FY 1991.
2. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for patient transportation and for program needs. The Subcommittee was informed that the U.S. Department of Energy is administering a second stage oil overcharge refund program and that funding is available to the state for energy conservation-related projects and equipment purchases. The Subcommittee recommends that the agency apply for these funds to purchase vehicles, preferably a lift van and a Cushman or equivalent three-wheel delivery vehicle for meal delivery.
3. The Subcommittee was informed that, although the Governor and the Joint Committee on State Building Construction recommend funding of \$50,000 from the State Institutions Building Fund for a rehabilitation and repair fund, H.B. 2607, the capital improvements bill, does not include funding for the project. The Subcommittee recommends that the bill be amended to include this project.



Representative Duane Goossen
Subcommittee Chairperson



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Homestead/Circuit
Breaker Refunds

Bill No. 2729

Bill Sec. 48

Analyst: Efird

Analysis Pg. No. 340

Budget Pg. No. 498

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's^(a) Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Regular Assistance	\$ 12,801,435	\$ 12,801,435	\$ (2,400,000)
Residential Program	8,500,000	17,290,000	(6,500,000)
Commercial Program	--	10,900,000	(10,900,000)
TOTAL	<u>\$ 21,301,435</u>	<u>\$ 40,991,435</u>	<u>\$ (19,800,000)</u>
State General Fund:			
Regular Assistance	\$ 12,801,435	\$ 12,801,435	\$ (2,400,000)
Residential Program	8,500,000	17,290,000	(6,500,000)
Commercial Program	--	9,289,000	(9,289,000)
TOTAL	<u>\$ 21,301,435</u>	<u>\$ 39,380,435</u>	<u>\$ (18,189,000)</u>
Economic Development Initiatives Fund:			
Residential Program	\$ --	\$ --	\$ --
Commercial Program	--	1,611,000	(1,611,000)
TOTAL	<u>\$ --</u>	<u>\$ 1,611,000</u>	<u>\$ (1,611,000)</u>

a) Includes Governor's Budget Amendment 1-15.

Agency Request/Governor's Recommendation

The agency estimates higher expenditures for the regular assistance program and lower expenditures for the residential circuit breaker program than approved by the 1989 Legislature. For FY 1990, the Governor recommends \$60.9 million in property tax relief financing to provide \$12.8 million in the regular homestead assistance program, \$17.3 million in the residential circuit breaker program, and \$30.8 million in a new program offering a commercial circuit breaker for business property tax relief. The Governor's proposed commercial circuit breaker program would be a one-time relief payment over two fiscal years.

Regular Assistance. The 1989 Legislature appropriated \$11,900,000 from the State General Fund for payments of homestead refunds under the regular assistance program. In addition, the 1989 Legislature also authorized any unexpended FY 1989 balance to be carried over for expenditure in FY 1990. A carryover balance of \$901,435 makes \$12,801,435 of funding available in FY 1990 for expenditure. The revised agency estimate of September 1989 projects expenditures of \$12,801,435 in refunds for FY 1990. For the regular homestead assistance program in FY 1990, the Governor concurs with the estimate of \$12.8 million in payments, an increase of \$0.9 million over the \$11.9 million estimated during the 1989 Legislature.

Residential Circuit Breaker. An additional \$10,000,000 in FY 1990 was appropriated for the residential circuit breaker program. The agency estimates

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expenditures of \$8,500,000 in FY 1990, with \$1,500,000 in savings to be carried over to FY 1991. The agency's revised estimate assumed that 85.0 percent of the circuit breaker funds would be disbursed period to June 30, 1990, and 15.0 percent after July 1, 1990, in FY 1991. Claims are scheduled to be paid after January 1, 1990. For the residential circuit breaker program in FY 1990, the Governor recommends increasing financing from the \$10.0 million appropriated to \$17.3 million based on a revised estimate for the current fiscal year.

Commercial Circuit Breaker. The Governor recommends financing of \$30.8 million in FY 1990 for business property tax relief. Funding of \$3.6 million is recommended from the Economic Development Initiatives Fund (EDIF) in FY 1990, with other financing from the State General Fund. Governor's Budget Amendment 1-15 reduces the FY 1990 estimated cost of this program to \$9,289,000 from the State General Fund and \$1,611,000 from EDIF.

House Subcommittee Recommendation

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

1. Reduce \$2.4 million of State General Fund financing for the regular homestead program based on savings accrued over the past 18 months. As the following table illustrates, the regular homestead program has accrued an unexpended balance of almost \$2.4 million. Payments the past three six-month periods have been below the estimates previously adopted.

	<u>Estimated</u>	<u>Actual</u>	<u>Savings</u>
FY 1989 July to December 1988	\$ 1.500	\$ 1.098	\$.402
FY 1989 January to June 1989	6.900	6.401	.499
FY 1990 July to December 1989	<u>2.200</u>	<u>.685</u>	<u>1.515</u>
TOTALS	<u>\$ 10.600</u>	<u>\$ 8.184</u>	<u>\$ 2.416</u>

2. Reduce \$6.5 million of State General Fund financing for the residential circuit breaker program based on expenditures to date of \$296,130 paid for 2,248 claims (as of February 21, 1990).
3. Defer any recommendation regarding the commercial circuit breaker program pending passage of authorizing legislation, and remove the Governor's recommended expenditures for that program.

Duane Goossen

Representative Duane Goossen
Subcommittee Chairman

Jo Ann Pottorff

Representative Jo Ann Pottorff

Jack Shriver

Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Homestead/Circuit
Breaker Refunds

Bill No. 2625

Bill Sec. 2

Analyst: Efirid

Analysis Pg. No. 340

Budget Pg. No. 498

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's^(a) Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Regular Assistance	\$ 11,900,000	\$ 11,900,000	\$ --
Residential Program	5,750,000	9,555,000	(3,250,000)
Commercial Program	--	11,100,000	(11,100,000)
TOTAL	<u>\$ 17,650,000</u>	<u>\$ 32,555,000</u>	<u>\$ (14,350,000)</u>
State General Fund:			
Regular Assistance	\$ 11,900,000	\$ 11,900,000	\$ --
Residential Program	5,750,000	--	--
Commercial Program	--	11,100,000	(11,100,000)
TOTAL	<u>\$ 17,650,000</u>	<u>\$ 23,000,000</u>	<u>\$ (11,100,000)</u>
Economic Development Initiatives Fund:			
Residential Program	\$ --	\$ 9,555,000	\$ (3,250,000)
Commercial Program	--	--	--
TOTAL	<u>\$ --</u>	<u>\$ 9,555,000</u>	<u>\$ (3,250,000)</u>

a) Includes Governor's Budget Amendment 1-15.

Agency Request/Governor's Recommendation

The agency estimates decreased claims for regular refunds to be paid in FY 1991 and reduced expenditures for the circuit breaker program since the maximum amount is statutorily reduced from \$500 to \$250 in FY 1991. Part of the FY 1991 expenditures is attributed to an estimated 15-16 percent of FY 1990 claims for both programs which will be paid after July 1, 1990. For FY 1991, the Governor recommends financing of \$33.4 million for property tax relief programs to provide \$11.9 million for the regular homestead assistance program, \$9.6 million for the residential circuit breaker program, and \$11.9 million for the commercial circuit breaker program.

Regular Assistance. The total number of refunds under the regular program is estimated by the agency at 60,000 in FY 1991. Of the number, 16.0 percent are projected to be carried over from FY 1990 and 84.0 percent are projected to be new claims received after January 1, 1991. The Governor concurs with the FY 1991 estimated payments of \$11.9 million for the regular program.

Residential Circuit Breaker. For the circuit breaker program, the agency assumed that 85.0 percent of refunds would be paid between January 1 and June 30, with 15.0 percent paid between July 1 and December 30. The FY 1991 estimate of \$5,750,000 is based on \$1.5 million of refunds claimed prior to January 1, 1991, and \$4.250 million in refunds to be paid between January 1, 1991, and June 30, 1991. The Governor recommends increasing financing to \$9.555 million in FY 1991 for the

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residential circuit breaker program based on a revised estimate for the program's cost. Funding of \$9,555,000 is recommended from the Economic Development Initiatives Fund in FY 1991.

Commercial Circuit Breaker. The Governor recommends financing of \$11.9 million in FY 1991 for business property tax relief. Governor's Budget Amendment 1-15 reduces the estimated FY 1991 cost of the program to \$11,100,000.

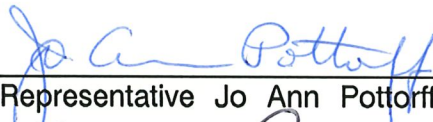
House Subcommittee Recommendation

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

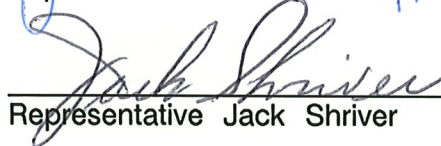
1. Reappropriate estimated FY 1990 State General Fund savings of \$8.9 million to reduce new funding required in FY 1991 to the regular homestead program line item.
2. Reduce by \$3.25 million the estimated expenditures for the residential circuit breaker program and reduce the transfers from EDIF accordingly.
3. Defer any expenditure recommendation regarding the commercial circuit breaker program pending passage of authorizing legislation, and remove the Governor's recommended expenditures for that program.



Representative Duane Goossen
Subcommittee Chairman



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 2729

Bill Sec. 34

Analyst: Rothe

Analysis Pg. No. 289

Budget Pg. No. 234

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 47,430,658	\$ 45,798,359	\$ --
Aid to Local Units	31,028,648	29,264,972	--
Other Assistance	15,066,414	15,066,414	--
Total	<u>\$ 93,525,720</u>	<u>\$ 90,129,745</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 19,615,860	\$ 19,286,875	\$ --
Aid to Local Units	3,679,135	3,779,135	--
Other Assistance	--	--	--
Total	<u>\$ 23,294,995</u>	<u>\$ 23,066,010</u>	<u>\$ --</u>
Economic Development Initiatives Fund	\$ 1,600,000	\$ 1,600,000	\$ --
FTE Positions	731.7	709.7	--

Agency Request/Governor's Recommendation

The Department requests a total budget of \$93,525,720 in FY 1990 with 731.7 FTE positions, an increase of \$22,338,295 and 23.0 FTE positions above the amount approved. The agency's revised estimate includes funding of \$47,430,658 for state operations (an increase of \$4,118,150) and \$46,095,062 for aid to local units and other assistance (an increase of \$18,220,145). Most of the increase for local aid (\$18,651,016) is from the Water Pollution Control Revolving Fund which will provide loans to municipalities for the construction of wastewater treatment facilities.

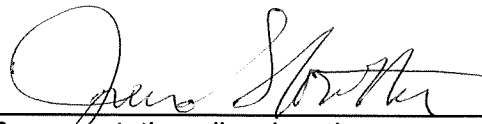
The Governor recommends FY 1990 expenditures of \$90,129,745, a reduction of \$3,395,975 from the agency's revised estimate. The recommendation includes \$23,066,010 from the State General Fund and \$67,063,735 from other funds. The recommendation includes a supplemental appropriation from the State General Fund of \$175,605 for salaries and \$100,000 for adolescent health promotion in the Aid to Local Units Program. The Governor also recommends \$17,706 from the Petroleum Storage Tank Release Trust Fund for the salaries of 3.0 FTE new positions to begin on April 18, 1990. The deletion of 2.0 FTE vacant positions in the Environmental Health program is recommended for a net increase of 1.0 FTE position for FY 1990. The Governor recommends a health insurance rate reduction of \$147,600, and salary shrinkage savings of \$1,016,249 (a 4.25 percent rate) compared to the agency's estimate of \$525,945 (a 2.1 percent rate). The Governor reduces estimated expenditures from the Water Pollution Control Revolving Fund by \$1.6 million. The Governor recommends that \$300,000 appropriated from the State General Fund for FY 1990 for WIC food vouchers be lapsed.

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House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Transfer \$18,333 from the Mined Land Conservation and Reclamation Fee Fund to the State General Fund as the second of three installment payments to the State General Fund for the renovation of a building. In 1988, the Legislature recommended the addition of \$55,000 from the State General Fund to the budget of Pittsburg State University for the renovation of one floor of Shirk Hall for the Mined Land Division of KDHE. The second payment to repay the State General Fund was overlooked during the 1989 Session.
2. Make technical adjustments in the FY 1990 supplemental bill (H.B. 2729) to conform with the Governor's intent.



Representative Jim Lowther
Subcommittee Chairperson



Representative Bob Mead

Representative Bill Wisdom

MINORITY REPORT

FY 1990. I concur with the Subcommittee's recommendation with the following adjustment:

1. Add \$300,000 from the State General Fund for food vouchers for the Women, Infants, and Children (WIC) program. The 1989 Legislature appropriated \$300,000 for WIC food vouchers for FY 1990. The KDHE budget submitted in September, 1989, shifted the money to salaries and wages. The Governor's recommendation, submitted on January 8, 1990, lapsed the \$300,000 appropriation.



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment

Bill No. 2625

Bill Sec. 5

Analyst: Rothe

Analysis Pg. No. 289

Budget Pg. No. 234

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 57,526,798	\$ 48,287,862	\$ 624,740
Aid to Local Units	35,084,833	33,786,536	--
Other Assistance	20,717,535	21,477,000	--
Total	<u>\$ 113,329,166</u>	<u>\$ 103,551,398</u>	<u>\$ 624,740</u>
State General Fund:			
State Operations	\$ 24,899,850	\$ 19,515,765	\$ (110,000)
Aid to Local Units	4,569,430	4,027,260	(250,000)
Other Assistance	--	--	--
Total	<u>\$ 29,469,280</u>	<u>\$ 23,543,025</u>	<u>\$ (360,000)</u>
FTE Positions	785.7	707.7	22.0

Agency Request/Governor's Recommendation

The Department requests a total budget of \$113,329,166 in FY 1991, an increase of \$19,803,446 above the revised current year estimate. The request would fund 785.7 FTE positions, an increase of 54.0 FTE above the current year. The request includes \$57,526,798 for state operations and \$55,802,368 for aid to local units and other assistance. The agency's request includes \$29,469,280 from the State General Fund, including \$24,899,850 for state operations (an increase of \$5,283,990) and \$4,569,430 for aid to local units (an increase of \$890,295).

The Governor recommends FY 1991 expenditures of \$103,551,398, a reduction of \$9,777,768 from the agency's request. The recommendation includes funding for 707.7 FTE positions, a reduction of 2.0 FTE from the current year recommendation. The recommendation includes \$23,543,025 from the State General Fund and \$80,008,373 from other funds. The Governor recommends a health insurance rate reduction of approximately \$184,000, and salary shrinkage savings of \$1,357,277 (a 5.4 percent rate) compared to the agency's request of 2.5 percent.

The recommendation includes \$3,840,178 from the State Water Plan Fund for environmental contamination remediation projects (\$2.0 million), the evaluation and development of plans for local environmental needs (\$1,548,512, to be matched with \$250,000 from the State General Fund), a household hazardous waste collection program (\$150,000), and technical assistance to local governments preparing and implementing nonpoint source pollution control programs (\$141,666).

New positions recommended by the Governor for FY 1991 include \$104,970 from the Petroleum Storage Tank Release Trust Fund for 3.0 FTE positions continued from April, 1990, \$50,591 from federal funds for 2.0 FTE positions to provide and service alcohol breath testing equipment, and \$64,859 from the State General Fund for 2.0

chemists to develop a program to test public water supplies for volatile organic chemicals and pesticides. The Governor recommends the deletion of 6.0 FTE existing positions for FY 1991, including three federally funded positions in the Water Quality program due to a decline in federal funds, and three positions funded from the State General Fund in the Vital Statistics program to reflect savings generated by implementation of the optical disk system.

The Governor recommends \$21,477,000 from federal funds for Women, Infants and Children (WIC) food vouchers in FY 1991, an increase of \$759,465 above the amount requested. The recommendation provides funding to serve an average monthly caseload of 44,061. The recommendation would provide funding for approximately 67 percent of those eligible for the program.

House Subcommittee Recommendations

FY 1991. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make technical adjustments in the FY 1991 appropriations bill (H.B. 2625) to conform with the Governor's intent.
2. Create two separate line items for appropriations from the State General Fund for salaries and wages and for other operating expenditures, instead of combining them into one line item as recommended by the Governor.
3. Reduce expenditures from the Mined Land Conservation and Reclamation Fee Fund by \$5,582 to provide an ending balance of \$18,333. The Subcommittee recommends the transfer of \$18,333 from that fund to the State General Fund as the third of three installment payments for the renovation of a building. In 1988 the Legislature recommended the addition of \$55,000 from the State General Fund to the budget of Pittsburg State University for the renovation of one floor of Shirk Hall for the Mined Land Division of KDHE.
4. Add \$630,322 from special revenue funds and 22 FTE limited term new positions to begin on October 1, 1990 in the Health Facilities Licensure and Certification Program, including 20 FTE Health Facility Surveyors and 2 FTE Keyboard Operators. The new positions would enhance the certification and inspection of nursing home facilities to ensure that federal Health Care Financing Administration (HCFA) standards are met. HCFA has announced that a new evaluation program with specific performance standards will be implemented on October 1, 1990, with accompanying financial penalties (reduced federal funding for survey operations) when states fail to comply with those standards. After October 1, 1990, primary distinctions between skilled nursing facilities (SNF) and intermediate care facilities (ICF) will be eliminated. SNFs and ICFs participating in Medicare and Medicaid will provide 24-hour licensed nursing services sufficient to meet the needs of residents as well as registered nurse services for at least eight consecutive hours every day. As the contracted certifying and licensing agency for Kansas, KDHE would have increased surveillance and compliance responsibilities. The Subcommittee notes that the new federal

regulations have created considerable controversy. The states have argued that they cannot afford to provide the new requirements. KDHE and SRS (the state financing agency) have disagreed over responsibilities and financing obligations. Some doubt has even been raised over whether the new requirements will actually be imposed. However, because nursing facilities could risk certification after October 1, 1990, the Subcommittee recommends that the financing mechanism be in place in case the requirements are imposed. The Subcommittee further recommends that the release of funds for the 22 FTE limited term positions be tied to publication of the new federal requirements in the Federal Register. If the requirements do not materialize, the positions are not to be filled or utilized for any other purpose. Recommended FY 1991 expenditures of \$630,322 includes \$109,122 from federal Medicare Title XVIII funds and \$521,200 from federal/state Medicaid Title XIX funds. The Subcommittee notes that 25 percent (\$130,300 state match) of the Medicaid funds to be transferred from SRS would be from the State General Fund. The Subcommittee also notes that the Governor did not recommend \$444,333 for 116 laptop computers for existing and new employees of Health Facilities Licensure and Certification program. The Subcommittee defers a decision on the computers until the 1991 Session.

5. Delete expenditures of \$250,000 from the State General Fund -- Local Environmental Aid account and increase expenditures of \$250,000 from the Water Plan Special Revenue Fund for the General Environmental Health Program in the Aid to Local Units Division. The Subcommittee recommends that all expenditures recommended by the Governor for this program (\$1,798,512) be from the water plan fund. The Subcommittee reminds the agency that K.S.A. 82a-951 prohibits expenditures from the water plan fund for the replacement of full time equivalent positions of any state agency. Program activities include providing technical assistance and funds to county departments of health to prepare plans and implement environmental programs based on approval of county-wide strategies. Grants are made to counties according to the severity and priority of environmental problems proposed by the counties.
6. Delete expenditures of \$110,000 from the State General Fund and increase expenditures of \$110,000 from the Water Plan Special Revenue Fund in the Water Quality Assessments Program. For FY 1991, the Governor recommended a program financing shift to the State General Fund (\$574,299) and the water plan fund (\$41,666) because of declining federal receipts. Because the program is responsible for the evaluation and regulation of point source polluters and runoff from agricultural feedlots, the Subcommittee concludes that a greater portion of the program should be financed from the Water Plan Special Revenue Fund.
7. The Subcommittee discovered that the federal government may reduce the FY 1991 federal AIDS grant by approximately \$193,000 below the amount earlier recommended by the Governor (\$1,014,705). The agency had requested 3 FTE new positions for FY 1990 and FY 1991 to manage AIDS grants to six community AIDS service organizations, minority organizations, and to 14 local health departments. The

Governor does not recommend new positions, but recommends utilizing estimated federal AIDS grant receipts to offset 3 FTE existing positions currently financed from the State General Fund. If federal grants are reduced, the agency may not be able to continue the existing positions.

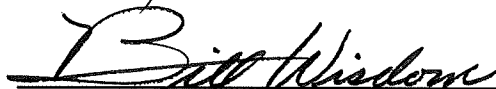
8. The Subcommittee notes that the Governor recommends the deletion of 3 FTE existing positions and approximately two temporary positions financed by the State General Fund in the Vital Statistics program to reflect savings generated by implementation of the agency's optical disk system. The deletion of the positions may be premature by one fiscal year. The optical disk system will not be entirely operational until late FY 1991 or early FY 1992. In the meantime, the agency intends to open regional vital statistics offices in metropolitan areas in association with the optical disk system to provide birth and death certificates in minutes rather than weeks. The agency intends to discuss the deletion of positions with the Governor and the House Subcommittee urges the Senate Subcommittee to revisit the issue.



Representative Jim Lowther
Subcommittee Chairperson



Representative Bob Mead



Representative Bill Wisdom

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2729

Bill Sec. 35

Analyst: Howard

Analysis Pg. No. 322

Budget Pg. No. 48

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,487,269	\$ 1,304,577	\$ --
Other Assistance	13,756,415	13,535,770	205,645
TOTAL	\$ 15,243,684	\$ 14,840,347	\$ 205,645
State General Fund:			
State Operations	\$ 900,292	\$ 732,337	\$ --
Other Assistance	1,687,324	1,644,784	27,540
TOTAL	\$ 2,587,616	\$ 2,377,121	\$ 27,540
FTE Positions	31.8	31.8	--

Agency Request/Governor's Recommendation

FY 1990. The agency's estimate of current year expenditures is an increase of \$74,521 from the amount approved by the 1989 Legislature, including an increase of \$129,798 from the State General Fund and a net reduction of \$55,277 from federal funds. The agency requests supplemental funding of \$130,000 from the State General Fund for other operating expenditures for a computer system.

The Governor recommends \$14.8 million for the Department on Aging in FY 1990, a reduction of \$403,337 from the agency estimate. The recommendation includes reductions from the State General Fund (\$210,495) and federal funds (\$192,842). The Governor does not recommend supplemental funding requested by the agency. The Governor's recommendation reduces state operations by \$182,692 and nutrition programs by \$220,645. The Governor's recommendation increases the agency's turnover rate from 2 percent to 6.3 percent.

House Subcommittee Recommendation

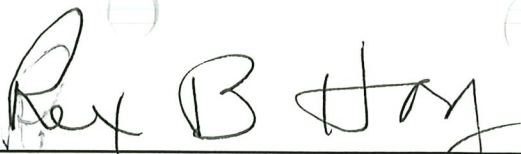
The House Subcommittee concurs with the recommendations of the Governor with the following exception:

1. The 1989 Legislature approved funding of \$117,254 to fund five new meal sites in Western Kansas. Of this amount, \$65,000 was for start-up costs and \$52,254 was for operating expenditures, primarily meal and administrative costs. The Subcommittee has heard conflicting testimony concerning state support to the five new meal sites and whether or not additional operating expenditures would be provided to the sites in subsequent fiscal years. It was not this Subcommittee's understanding that additional funding outside of the regular nutrition funding formula would be provided in subsequent fiscal years. The Subcommittee recommends that funds not expended and committed in

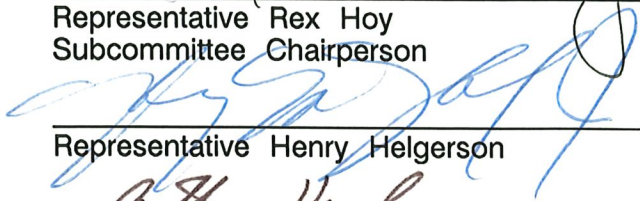
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the current year for these five sites be deleted and that this funding be inserted in the regular funding formula. To date, expenditures and commitments at the five sites total \$102,889, leaving \$15,000 to be placed in the formula.

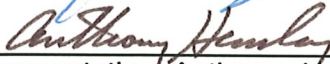
2. Add \$27,540 from the State General Fund and \$178,105 in federal funds to restore funding for nutrition sites funded through the formula to the level approved by the 1989 Legislature. The Governor's recommendation reduced funding by \$220,645, including \$42,540 from the State General Fund and \$178,105 from federal funds. The Governor's recommendation shifted the federal funding to FY 1991 for nutrition programs in response to reduced availability of federal funding in FY 1991.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2625

Bill Sec. 6

Analyst: Howard

Analysis Pg. No. 322

Budget Pg. No. 48

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,437,606	\$ 1,365,888	\$ (30,000)
Other Assistance	<u>13,449,092</u>	<u>12,325,672</u>	<u>(148,105)</u>
TOTAL	<u>\$ 14,886,698</u>	<u>\$ 13,691,560</u>	<u>\$ (178,105)</u>
State General Fund:			
State Operations	\$ 849,408	\$ 781,183	\$ (30,000)
Other Assistance	<u>2,710,352</u>	<u>1,582,930</u>	<u>30,000</u>
TOTAL	<u>\$ 3,559,760</u>	<u>\$ 2,364,113</u>	<u>\$ 0</u>
FTE Positions	33.1	31.8	--

Agency Request/Governor's Recommendation

FY 1991. The agency's FY 1991 request is a reduction of \$356,986 from the revised FY 1990 estimate. The request includes a reduction of \$49,663 for state operations and reductions in assistance of \$307,323. The FY 1991 request includes funding of \$3,559,760 from the State General Fund, an increase of \$972,144 from the current year estimate of \$2,587,616. The agency's FY 1991 budget request includes additional funding from the State General Fund to expand the Senior Care Act to one additional area of the state (\$90,000), to provide capital equipment purchases for federal nutrition projects (\$250,000) and funding to increase the current half-time Public Health Educator to eight-tenths time and to add one new Secretary I position.

The Governor recommends expenditures of \$13.7 million in FY 1991, a reduction of \$1,195,138 from the agency request. The recommendation maintains the current staffing level of 31.8 positions. The recommendation includes \$170,000 for the Senior Care Act to maintain the program at existing sites with a dollar-for-dollar local match. The recommendation includes a salary turnover rate of 5 percent. Reductions in the nutrition program from the agency request assume lower costs per meal.

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House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor with the following exceptions:

1. Delete \$178,105 in federal funding for the meals program in FY 1991 in accordance with the subcommittee recommendation that these funds be expended in FY 1990. In accordance with this recommendation the Subcommittee recommends several additional adjustments to compensate for this reduction in nutrition funding.
2. Delete \$30,000 from the State General Fund for operating expenditures. The Subcommittee recommends that 1.3 FTE positions currently vacant be held open during FY 1991 in order to generate this savings. The Subcommittee recommends that this funding be shifted to other assistance to provide additional meals funding in FY 1991. The restoration of federal funding to the meals program in FY 1991 results in reduced funding availability of \$178,105 for the meals program in FY 1991. The Subcommittee believes that the funding of meals is important and believes that it is appropriate to generate a portion of this funding through this administrative funding.
3. The Subcommittee recommends that \$48,000 recommended by the Governor in FY 1991 to continue operations at the five new meal sites be shifted to the regular nutrition funding formula in order to provide additional funding for nutrition programs. The Subcommittee notes that the effect of this recommendation is that additional operating expenditures outside of the funding formula will not be available to the five new sites in FY 1991.
4. The Subcommittee notes that the recommended funding shifts in items 1 and 2 result in an addition of \$78,000 to the funding formula in FY 1991, leaving a reduction of \$100,000 from the Governor's recommendation. The Subcommittee recommends that the agency pursue avenues of savings in order to compensate for this shortfall including evaluating the feasibility of closing meal sites and other means to promote more efficient operations. The Subcommittee recommends that any additional savings available in FY 1990 from the five new meal sites or in the nutrition program as a whole be reappropriated to FY 1991 to fund a portion of this projected shortfall. In addition, the Subcommittee recommends that the agency pursue other areas of efficient management in the budget as a whole in order to generate savings for use in the nutrition program.
5. The Senior Care Act enacted by the 1989 Legislature established a program of in-home care services for the elderly. The Act stated that a dollar-for-dollar match would be required from local sources after the first year of operation. The Act further states that for the first year, the Secretary of Aging would set the match rate. For FY 1990, the Secretary of Aging established a 25 percent local match requirement. S.B. 567 has been introduced and would eliminate the dollar-for-dollar requirement from the Act. The Subcommittee was informed during the 1989 Session that area agencies on aging were comfortable with the 50 percent match beginning in the second year of the program.

The Subcommittee would not be in favor of modifying these match requirements. The Subcommittee does understand that certain technical amendments to the Act are necessary and supports such technical adjustments.

6. The Subcommittee further notes that the Senior Care Act currently provides funding for in-home services for those individuals over certain income levels (150 percent of poverty) who are not eligible for programs operated by the Department of Social and Rehabilitation Services. In addition, SRS administers several in-home care programs. The Governor's recommendation in FY 1991 for the SRS budget includes a reduction in the eligibility for the income eligible home care program in SRS from 150 percent to 100 percent of poverty. The Subcommittee believes that there may be merit in combining these programs and sees at least three possible advantages in either moving the program to the Department on Aging or recommending that SRS contract with local area agencies on aging for administration of the program. These advantages are the local match required under the Senior Care Act, the fact that the program would not be administered by home care workers who are state employees, and better linkages with other in-home services. However, the Subcommittee believes it is premature to make a specific recommendation at this point. The Subcommittee recommends an interim study concerning in-home care services, to determine where the programs should be administered for the good of both the consumers and the state.
7. The Subcommittee concurs with the bill format as recommended by the Governor which provides one State General Fund state operations line-item rather than a separate line-item for salaries and wages and other operating expenditures.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgersen



Representative Anthony Hensley