

Approved _____

4-30-90

Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:10 a.m./XX on MARCH 19, 19 90 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Diane Duffy, Leah Robinson
Revisor: Norm Furse, Gordon Self
Committee Staff: Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

HB 2625 - Appropriations for FY 91, homestead tax refunds, Department of Human Resources, Commission on Veterans Affairs, Department of Health and Environment, Department on Aging

HOMESTEAD/CIRCUIT BREAKER REFUNDS

Chairman Bogina reviewed the FY 90 and FY 91 subcommittee report, Attachment 1. He reminded the Committee that the homestead and circuit breaker funds were merged into one for FY 91. He noted that smaller payments and fewer numbers of applicants than anticipated were reasons for reduced financing of the programs. In answer to a question, it was stated that 1/4 to 1/3 of eligible applicants claim and file for the circuit breakers. It was noted that all of the funding for the residential circuit breaker for FY 90 is from the State General Fund, and in FY 91 the funding source is EDIF.

KANSAS COMMISSION ON VETERANS AFFAIRS

KANSAS SOLDIERS' HOME

Senator Gaines reviewed the FY 90 and FY 91 subcommittee reports, Attachments 2 and 3.

DEPARTMENT ON AGING

Senator Kerr reviewed the FY 90 and FY 91 subcommittee report, Attachment 4. He noted that the funding provided in the Senate subcommittee's first recommendation for FY 90 would make it possible for all counties wanting a meal program to have one. Concern was expressed that the shift of \$15,000 might affect the operation of the existing programs. Senator Kerr noted that the cost of the total program is over \$12 million, and did not believe that the shift would impact service.

In answer to a question, Secretary Wolf stated that the \$18,821 (recommendation 2 of the FY 91 report) is the only state money used for RSVP. She stated that match requirements are currently being met and, therefore, the Department is maximizing federal funds.

Secretary Wolf told the Committee that the average cost of a meal is \$2.87. A funding formula which accounts for the percentage of elderly and minority population is used to determine the amount the state pays each district. It was noted that because county mill levies vary greatly, the possibility of a minimum effort requirement for eligibility for state funds has been considered. Sec. Wolf stated that the increase in minimum wage was considered when budget decisions were made.

DEPARTMENT OF HUMAN RESOURCES

Senator Hayden reviewed the FY 90 and FY 91 subcommittee report, Attachment 5.

DEPARTMENT OF HEALTH AND ENVIRONMENT

Senator Winter reviewed the FY 90 subcommittee report, Attachment 6. Discussion was held regarding "maintenance of effort," with legislators voicing concern over wealthy counties disregarding the law. Norm Furse, Revisor of Statutes, noted that there is a question of legal interpretation

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS
 123-S 11:10 XX MARCH 19 90
 room _____, Statehouse, at _____ a.m./p.m. on _____, 19__.

of K.S.A. 65-246 regarding the fiscal year of the county versus the fiscal year of the state.

Senator Gaines moved, Senator Harder seconded, that the subcommittee report be amended by deleting the proviso on the Aid to Local Units -- General Public Health Program account of the State General Fund.

Stanley Grant, Secretary of Health & Environment, stated that these funds are for services for people. In spite of the Committee's outrage with the counties, the loss of state moneys will impact clients of local health departments.

Senator Feleciano expressed his concern that exempting these 22 counties from the "maintenance of Effort" would establish double standards for different counties.

Senator Hayden offered a substitute motion to change the percent of the proviso to 74%. Senator Allen seconded, and the substitute motion failed on a show of hands.

As a point of clarification, Senator Winter noted that the numbers found under "decrease in effort" (Attachment 6-4) are the amounts of local reduction. He stated that the state's payment to the local health departments was reduced by \$106,000. Sec. Grant said that the most common response to notices sent out by the Department was that counties had reduced the amount of new money for local health departments because of carryover money.

Chairman Bogina called for a show of hands on the primary motion. It failed.

Chairman Bogina announced that Senator Doyen left the Committee meeting because of chest pains.

Senator Winter continued with his review of Attachment 6, the FY 91 subcommittee report. He told the Committee that local health departments had requested \$383,000 to provide a second MMR vaccination (item 1, Attachment 6-10), but the subcommittee does not want to discourage federal funding for this request by providing it prematurely. He noted that there is sufficient funding for the second shot in counties where an outbreak may occur.

In answer to a question, it was noted that the cost of the optical disc system was \$183,000 over 5 years on a certificate of participation.

Senator Winter moved, Senator Rock seconded, that the subcommittee report be amended to include a request from the Senate Ways and Means Committee that Post Audit conduct a study of the shifting of costs for immunizations from doctors and their insurance carriers to local health departments and the state, and a study of the feasibility of fees of local health departments based on ability to pay. The motion carried.

Senator Winter called the Committee's attention to Attachment 7, a memorandum regarding the Central Interstate Low-Level Radioactive Waste Compact. Secretary Grant stated that Kansas is under the obligation to pay \$75,000 per year for four years that will be used to assist the local units of government where the site is actually constructed. Once the construction is completed, the payment of \$75,000 ceases. Secretary Grant said that most states have taxed utilities instead of making appropriations from the SGF.

Senator Hayden moved, Senator Allen seconded, that the subcommittee report be amended by including \$100,000 for the CILLRWC contract. The motion carried.

Senator Winter moved, Senator Rock seconded, the adoption of the subcommittee report as amended. The motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
room 123-S, Statehouse, at 11:10 XX MARCH 19 90
a.m./p.m. on _____, 19__

Senator Hayden moved, Senator Allen seconded, that HB 2625 as amended be recommended favorable for passage. The motion carried on a roll call vote.

Senator Winter moved, Senator Hayden seconded, that the minutes of February 27 and 28 be approved. The motion carried.

The meeting was adjourned by the Chairman at 12:47 P.M.

SUBCOMMITTEE REPORT

Agency: Homestead/Circuit
Breaker Refunds

Bill No. 2729

Bill Sec. 48

Analyst: Efirid

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

*SWAM
March 19, 1990
Attachment 1*

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	2.200	.685	1.515
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.

House Committee Recommendation

The House Committee concurs.

House Recommendation

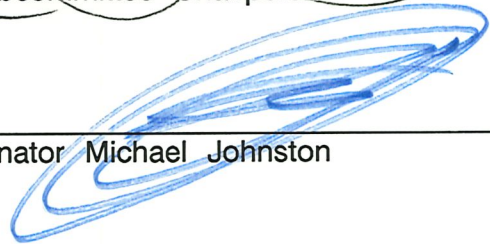
The House concurs.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation.



Senator August Bogina
Subcommittee Chairperson



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Homestead/Circuit
Breaker Refunds

Bill No. 2625

Bill Sec. 2

Analyst: Efird

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

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.

House Committee Recommendation

The House Committee concurs.

House Recommendation

The House concurs.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations with the following exception:

1. Split the first FY 1991 EDIF transfer between July and August to help cashflow for that Fund.



Senator August Bogina
Subcommittee Chairperson



Senator Michael Johnston

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.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the House Committee.

*SWAM
March 19, 1990
Attachment 2*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House Committee of the Whole with the following observations:

1. The Subcommittee was informed that \$304,691,085 in federal funds was spent in Kansas by the federal Veterans Administration for veteran benefits and services in federal fiscal year 1988. The Subcommittee notes that the Kansas Commission on Veterans Affairs assists Kansans in obtaining these benefits and services and recognizes that the Commission's ability to assist in obtaining these federal funds allows services to be provided to veterans which might otherwise be funded with State General Fund money.
2. The Subcommittee notes that the Commission has awarded a contract for the first phase of a study to determine the needs of aging Kansas veterans. This study was approved by the 1989 Legislature and is to include a demographic analysis of Kansas veterans, a socio-economic analysis of the population, an analysis of the future needs of Kansas veterans, an assessment of what needs are currently being met, and an assessment of what resources will be necessary to meet the needs of Kansas veterans in the future. The Commission anticipates that this phase of the study will be completed by August 1, 1990.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Frank Gaines

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	<u>\$ 1,523,336</u>	<u>\$ 1,476,956</u>	<u>\$ --</u>
 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.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole Recommendation

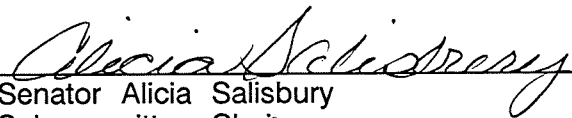
The House Committee of the Whole concurs with the recommendation of the House Committee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House Committee of the Whole with the following adjustments:

1. The Subcommittee notes that the 7.0 percent turnover rate recommended by the Governor for the Commission in FY 1991 appears high in light of the Commissions's actual turnover rate in recent years. However, the Subcommittee does not recommend an adjustment to the turnover rate and notes that the recommended turnover rate will allow the agency to assess the level of activity in each of its field offices and adjust staffing needs accordingly.

2. As a technical adjustment, the Subcommittee recommends that the appropriations bill be amended to reflect the number of FTE positions recommended by the Governor. As introduced, the appropriations bill contains a total FTE limitation of 193.8 for the two agencies. The correct FTE limitation is 188.8.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Frank Gaines

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	2,421,966	2,735,822	--
Subtotal	\$ 3,518,520	\$ 3,397,510	\$ --
Capital Improvements:			
State General Fund	\$ 12,000	\$ 12,000	\$ --
State Institutions Building Fund	275,563	275,563	--
Subtotal	\$ 287,563	\$ 287,563	\$ --
GRAND TOTAL	\$ 3,806,083	\$ 3,685,073	\$ --
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:

*SWAM
March 19, 1990
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.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole Recommendation

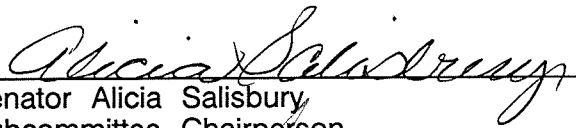
The House Committee of the Whole concurs with the recommendation of the House Committee.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the House Committee of the Whole with the following observation:

1. The Subcommittee was informed that negotiations for the buy-out of the contract for replacement of the Home's electrical board have progressed. Negotiators for the Division of Purchasing and the contractor have agreed to a buy-out amount of \$22,967. In addition, a restocking charge of as much as \$12,000 may need to be paid to an electrical company.

The Soldiers' Home will submit a request for a Governor's Budget Amendment to allow the Home to spend approximately \$20,000 of the remainder of the \$96,148 SIBF appropriation for electrical system adjustments which are necessary before the local electrical company begins work on the electrical distribution system. The Subcommittee notes that, once negotiations are complete and the amount necessary for electrical system adjustments is known, a lapse of the remaining SIBF appropriation will be appropriate. The Subcommittee recommends that, if possible, the remaining funds be lapsed in the Omnibus bill.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Frank Gaines

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><u>\$ 3,855,967</u></u>	<u><u>\$ 3,610,230</u></u>	<u><u>\$ 0</u></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.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole Recommendation

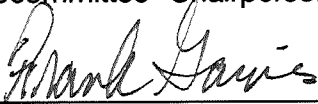
The House Committee of the Whole concurs with the recommendation of the House Committee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House Committee of the Whole.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Department on Aging Bill No. 2729 Bill Sec. 35
 Analyst: Howard Analysis Pg. No. 322 Budget Pg. No. 48

<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	\$ 1,487,269	\$ 1,304,577	\$ --
Other Assistance	13,756,415	13,535,770	205,645
TOTAL	<u>\$ 15,243,684</u>	<u>\$ 14,840,347</u>	<u>\$ 205,645</u>
State General Fund:			
State Operations	\$ 900,292	\$ 732,337	\$ --
Other Assistance	1,687,324	1,644,784	27,540
TOTAL	<u>\$ 2,587,616</u>	<u>\$ 2,377,121</u>	<u>\$ 27,540</u>
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

*SWAM
 March 19, 1990
 Attachment 4*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 1,304,577	\$ --
Other Assistance	205,645	13,330,125	--
TOTAL	<u>\$ 205,645</u>	<u>\$ 14,634,702</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 732,337	\$ --
Other Assistance	27,540	1,617,244	--
TOTAL	<u>\$ 27,540</u>	<u>\$ 2,349,581</u>	<u>\$ --</u>
FTE Positions	--	31.8	--

Senate Subcommittee Recommendation

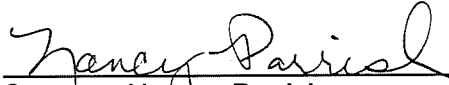
The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Shift \$15,000 from the regular nutrition funding formula under the Older Americans Act to fund the five new nutrition sites in Western Kansas recommended by the 1989 Legislature. The House shifted \$15,000 of

the \$117,254 appropriated for these sites to the nutrition formula. The Subcommittee notes that the local sites have relied on the approved level of funding in planning, developing and implementing these new sites.



Senator Dave Kerr
Subcommittee Chairperson



Senator Nancy Parrish

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>(175,645)</u>
TOTAL	<u>\$ 14,886,698</u>	<u>\$ 13,691,560</u>	<u>\$ (205,645)</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>2,460</u>
TOTAL	<u>\$ 3,559,760</u>	<u>\$ 2,364,113</u>	<u>\$ (27,540)</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.

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, beginning July 1, 1990. 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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec.</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (30,000)	\$ 1,335,888	\$ --
Other Assistance	<u>(175,645)</u>	<u>12,150,027</u>	<u>53,821</u>
TOTAL	<u>\$ (205,645)</u>	<u>\$ 13,485,915</u>	<u>\$ 53,821</u>
State General Fund:			
State Operations	\$ (30,000)	\$ 751,183	\$ --
Other Assistance	<u>2,460</u>	<u>1,585,390</u>	<u>53,821</u>
TOTAL	<u>\$ (27,540)</u>	<u>\$ 2,336,573</u>	<u>\$ 53,821</u>
FTE Positions	--	31.8	--

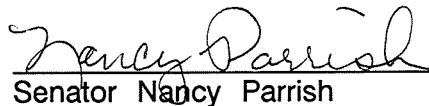
Senate Subcommittee Recommendation

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

1. Add \$35,000 from the State General Fund for the five new meal sites in Western Kansas. The House recommended that no additional operating support outside of the regular nutrition formula be provided to these sites in FY 1991. The Senate Subcommittee believes that funding support to these sites should not be eliminated entirely in one year and recommends reduced operating support from the State General Fund in FY 1991. However, the Subcommittee further expects FY 1991 to be the last year in which these sites will be funded in an exceptional way and that in subsequent fiscal years these sites will be expected to continue with the support of the regular nutrition funding formula and local resources.
2. Add \$18,821 for the Retired Senior Volunteer Program (RSVP).
3. The Subcommittee would note S.B. 567, concerning the local match requirement for the Senior Care Act. The Subcommittee recommends that this bill be passed to allow the Secretary of Aging the discretion to set the local match requirement. For the first year of operation, the Secretary had the discretion to set the match and required a 25 percent local contribution. According to the Senior Care Act, in subsequent fiscal years, beginning in FY 1991, the required match is dollar-for-dollar. The Subcommittee heard testimony concerning the existing programs and the potential impact of the dollar-for-dollar match requirement. It appears that some or all of the three projects might not be able to continue with this higher match rate. The Subcommittee recommends that this item be considered in the Omnibus bill upon passage of S.B. 567. The establishment of a 60/40 overall match requirement would require additional funding of \$34,000. The Subcommittee would further note that it may be desirable to allow the Secretary to set different match rates for different sites depending upon individual circumstances so long as an overall match across all three sites is met.
4. The Subcommittee concurs with the House recommendation concerning the coordination of long-term care community based services. Currently both SRS and the Department on Aging operate in-home care programs. The Subcommittee believes that better coordination between these programs is necessary and concurs with the recommendation for an interim study concerning in-home care services, in order to determine where and how these programs can best be administered.



Senator Dave Kerr
Subcommittee Chairperson



Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 2729

Bill Sec. 32

Analyst: Porter

Analysis Pg. No. 308

Budget Pg. No. 298

<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	\$ 36,426,683	\$ 35,465,068	\$ 35,551
Other Assistance	<u>201,544,051</u>	<u>201,544,051</u>	--
Subtotal - Operating	\$ 237,970,734	\$ 237,009,119	\$ 35,551
Capital Improvements	<u>160,661</u>	<u>160,661</u>	--
Total	<u>\$ 238,131,395</u>	<u>\$ 237,169,780</u>	<u>\$ 35,551</u>
State General Fund:			
State Operations	\$ 1,364,429	\$ 1,339,379	\$ --
Other Assistance	--	--	--
Total	<u>\$ 1,364,429</u>	<u>\$ 1,339,379</u>	<u>\$ --</u>
FTE Positions	914.0	884.0	--

Agency Request/Governor's Recommendation

The agency's revised estimate for FY 1990 operating expenditures is \$237,970,734, an increase of \$19,347,670 from the budget authorized by the 1989 Legislature. Of the increase, \$1,714,252 is for state operations and \$17,633,418 is for other assistance. The Governor's recommendation for FY 1990 is \$237,009,199, a decrease of \$961,616 from the agency's revised estimate. Major components of the recommended decrease from the agency's request for the current year include reductions of \$903,323 from salaries and wages, \$55,671 from contractual services, and \$3,621 from commodities. The Governor concurs with the agency's estimate for other assistance, including unemployment security benefits, WIN payments, and other grants.

1. **State General Fund.** The Department's current year estimate for State General Fund expenditures totals \$1,364,429, which is a decrease of \$2,713 from the amount authorized by the 1989 Legislature.

The Governor recommends total FY 1990 State General Fund expenditures of \$1,339,379, a decrease of \$25,050 from the agency's estimate.

2. **Other Funds.** The Department estimates FY 1990 operating expenditures from non-State General Fund sources will total \$201,544,051, an increase of \$17,633,418 above the budget approved by the 1989 Legislature.

The Governor recommends FY 1990 operating expenditures from non-State General Fund sources of \$201,544,051, as estimated by the agency. The Governor's

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Attachment 5*

FY 1990 recommendation includes expenditures of \$188,000,000 from unemployment security benefits, \$15,000 from WIN payments, and \$13,529,051 from other grants, all as estimated by the agency. The Governor also recommends a revenue transfer of \$200,000 from the Penalty and Interest Fund to the State General Fund.

3. **Capital Improvements.** The agency estimates expenditures of \$160,661 for capital improvement projects in FY 1990, an amount unchanged from the budget approved by the 1989 Legislature. The projects are to be funded from federal funds and the Employment Security Fund. The Governor concurs with the agency's estimate for capital improvement projects.

House Subcommittee Recommendation

FY 1990. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

1. The Subcommittee was informed that the Department of Human Resources (DHR) provides job referral services, vocational counseling, JTPA (Job Training Partnership Act) services, and other services for the KanWork Program. Services provided by DHR are funded through a contract with the Department of Social and Rehabilitation Services (SRS). DHR is currently operating under an FY 1990 contract with SRS which has been extended on a month-to-month basis. Because of the possibility that the FY 1990 contract with SRS could be modified in the current year and because the possibility of contract modification will exist each year DHR contracts with SRS to provide KanWork services, the Subcommittee recommends the deletion of the proviso in the appropriations bill which limits expenditures from the Employment Security Administration Fund for the KanWork Program. The Subcommittee notes that the Employment Security Administration Fund is a no-limit fund and that DHR expenditures for the KanWork Program are controlled by the amount of the contract with SRS.
2. The Subcommittee concurs with Governor's Budget Amendment No. 1, which recommends amendment of the appropriations bill to reflect the transfer of an additional \$200,000 from the Special Employment Security Administration Fund (Penalty and Interest Fund) to the State General Fund. The recommended \$200,000 transfer is in addition to a \$300,000 transfer from the Penalty and Interest Fund to the State General Fund approved by the 1989 Legislature. The transfers from the Penalty and Interest Fund to the State General Fund are for the purpose of financing operations of the Department for which appropriations are made from the State General Fund.
3. The Subcommittee concurs with the Governor's recommendation to authorize the expenditure of \$200,000 from the Penalty and Interest Fund to the Job Service Program for use in the Targeted Jobs Tax Credit Program and recommends that the appropriations bill be amended to reflect this authorization. Although the Governor recom-

mended this authorization, the appropriations bill does not reflect the authorization. The Targeted Jobs Tax Credit Program provides tax credits to employers who hire certain targeted applicants for jobs.

4. The Subcommittee has reviewed the agency's year-to-date expenditures and has compared FY 1989 turnover rates with the turnover rates recommended by the Governor. The Subcommittee notes that, although the Division of Workers Compensation had an FY 1989 actual turnover rate of 0.6 percent and the agency requested a turnover rate of 1.9 percent for FY 1990, the Governor's recommendation contains an agency-wide turnover rate of 4.0 percent. Although it appears that the 4.0 percent turnover rate will not present a difficulty to some programs, it does not appear to the Subcommittee that the 4.0 percent rate is a realistic one for the Division of Workers Compensation. The Subcommittee therefore recommends that the turnover rate for the Division of Workers Compensation be adjusted downward from 4.0 percent (with turnover savings of \$68,216) to 1.9 percent (with turnover savings of \$32,665). This results in an expenditure limitation increase of \$35,551 to the Workers Compensation Fee Fund in FY 1990. It appears to the Subcommittee that a forced reduction in staffing could result in delayed compensation payments or reduced services to the public. The Subcommittee further notes that the FY 1990 ending balance of the Workers Compensation Fee Fund is \$175,413 and that the FY 1991 ending balance is \$374,567.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendation of the House Committee.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House Committee of the Whole with the following adjustments:

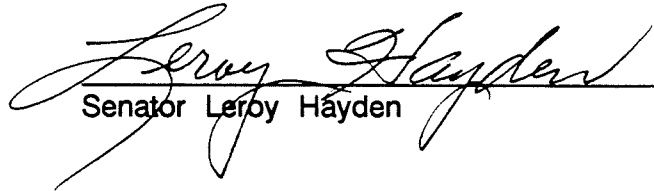
1. Increase the expenditure limitation of the Workers Compensation Fee Fund by \$46,490 in FY 1990. The Subcommittee was informed that the Division of Workers Compensation moved from the Landon State Office Building to the Merchants National Bank Building in FY 1990 and had unbudgeted moving expenses of \$29,403 in FY 1990. The Division also incurred unbudgeted expenses of \$17,087 in FY 1990 for hearing officer and court reporting services which were required when

the Department held a formal adjudicative proceeding to investigate allegations regarding a vendor of vocational rehabilitation services.

2. The Subcommittee was informed that four FY 1990 capital improvements projects approved by the 1989 Legislature will not be completed in FY 1990 because the State Architect's office will be unable to design, bid, and award the projects prior to July 1, 1990. A total of \$87,500 in federal Reed Act funds was approved for the four projects. To allow the agency to expend these funds in FY 1991, the Subcommittee recommends an amendment to the appropriation for capital improvements for the Department of Human Resources in H.B. 2607.



Senator Ross Doyen
Subcommittee Chairperson



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 2625

Bill Sec. 3

Analyst: Porter

Analysis Pg. No. 308

Budget Pg. No. 298

<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	\$ 39,306,907	\$ 37,209,180	\$ 464,000
Other Assistance	<u>215,215,000</u>	<u>215,215,000</u>	--
Subtotal - Operating	\$ 254,521,907	\$ 252,424,180	\$ --
Capital Improvements	123,360	123,360	--
Total	<u>\$ 254,645,267</u>	<u>\$ 252,547,540</u>	<u>\$ 464,000</u>
State General Fund:			
State Operations	\$ 1,593,685	\$ 1,097,360	\$ --
Other Assistance	--	--	--
Total	<u>\$ 1,593,685</u>	<u>\$ 1,097,360</u>	<u>\$ --</u>
FTE Positions	940.0	882.0	20

Agency Request/Governor's Recommendation

The agency requests FY 1991 operating expenditures of \$254,521,907, an increase of \$16,551,173 above the FY 1990 revised estimate. \$15,000,000 is requested for increased unemployment insurance benefits. The Governor's recommendation for the FY 1991 operating budget is \$252,424,180, an increase of \$15,415,061 above the FY 1990 recommendation.

1. **State General Fund.** The Department requests \$1,593,685 from the State General fund in FY 1991, an increase of \$229,256 from the current year estimate of \$1,364,429. Of the requested increase, the majority (\$157,899) would fund a portion of the salaries and wages of the 6.0 FTE positions requested for the Industrial Safety and Health Program and \$74,727 would fund increased operating expenses for that program. Other increases include \$8,900 for the Administration and Support Program, \$15,025 for the Employment Services Program, \$9,077 for the Hispanic Affairs Program, and \$5,869 for the Apprenticeship Program. The FY 1991 State General Fund request for the Employment Standards and Labor Relations Program is a \$44,853 reduction from the FY 1990 estimate.

The Governor recommends \$1,297,360 from the State General Fund in FY 1991, a decrease of \$42,019 from the current year recommendation of \$1,339,379. Although the recommendation is for State General Fund expenditures of \$1,297,360, the appropriations bill for the agency appropriates only \$1,097,360 from the State General Fund, \$200,00 less than the recommended amount. Of the recommended decrease, \$7,745 is for decreases to salary expenses and \$34,274 is for other operating expenses.

The Governor recommends one appropriation from the State General Fund for both salaries and wages and other operating expenses. If the recommendation is to increase expenditures from other sources and to decrease State General Fund financing by that same amount, the recommended expenditure from the State General Fund would need to be decreased by \$200,000 and expenditures from other funds would need to be increased by that same amount.

2. **Other Funds.** As requested by the agency, FY 1991 operating expenditures financed from non-State General Fund resources total \$215,215,000, a net increase of \$13,670,949 from the current year estimate. Unemployment insurance benefits are expected to increase by \$15,000,000. WIN funding is expected to continue at the FY 1990 level of \$15,000. Expenditures from all other grants will have a net decrease of \$1,329,051.

The Governor concurs with the agency request for expenditures of \$215,215,000 from non-State General Fund sources for all other operating expenses of the agency in FY 1991. As noted above, it may be the intent of the Governor's recommendation to shift an additional \$200,000 of expenditures from the General Fund to unspecified federal funds. The Governor also recommends the transfer of \$450,000 from the Penalty and Interest fund to the State General Fund.

3. **Capital Improvements.** The agency requests \$123,360 for one capital improvement project in FY 1991. The project would be financed with federal Reed Act funds. The Governor concurs with the agency's capital improvement request.

House Subcommittee Recommendation

FY 1991. The House Subcommittee concurs with the budget as recommended by the Governor, with the following adjustments:

1. The Subcommittee concurs with Governor's Budget Amendment No. 1, which reflects a \$200,000 decrease in State General Fund expenditures and an increase of \$200,000 in federal funds expenditures. The intent of the recommendation is to charge federal programs for the costs of indirect state services, such as personnel services.
2. To allow the agency to segregate federal funds which will be expended for the indirect costs of state services, the Subcommittee recommends that the agency be allowed to establish a federal indirect cost offset fund with an FY 1990 expenditure limitation of \$200,000. The Subcommittee intends that the fund will assist the agency in implementing the recommendation above regarding charging federal programs for the costs of indirect state services.
3. The Subcommittee concurs with the Governor's recommendation to authorize the expenditure of \$200,000 from the Penalty and Interest Fund to the Job Service Program for use in the Targeted Jobs Tax Credit Program and recommends that the appropriations bill be amended to reflect this authorization. Although the Governor recom-

mended this authorization, the appropriations bill does not reflect the authorization. The Targeted Jobs Tax Credit Program provides tax credits to employers who hire certain targeted applicants for jobs.

4. As in FY 1990, the Subcommittee recommends the deletion of the proviso in the appropriations bill which limits expenditures from the Employment Security Administration Fund for the KanWork Program. The Subcommittee notes that the Employment Security Administration Fund is a no-limit fund and that DHR expenditures for the KanWork Program are controlled by the amount of the contract with SRS.
5. The Subcommittee was informed that the agency anticipates expansion of the KanWork Program into seven additional counties, as approved by the 1989 Legislature. To allow DHR to provide the employment services connected with the KanWork Program, the Subcommittee recommends 20 limited term employees for FY 1991. Funding for the employees is subject to the funds being included in the SRS budget as part of the KanWork contract. The Subcommittee further recommends that the need for and utilization of these employees be reviewed by the 1991 Legislature.
6. The Subcommittee was informed that approximately \$464,000 from the federal Job Training Partnership Act which the agency originally anticipated spending in FY 1990 will not be expended. To allow the agency to expend these federal funds in FY 1991, the Subcommittee recommends that the appropriations bill be amended to authorize expenditures from the no-limit Job Training Partnership Act Title III Dislocated Workers Fund.
7. The Subcommittee notes that, although each of the remaining federal Job Training Partnership Act funds (the JTPA Title II-A Disadvantaged Training Fund, the JTPA Title III EDWAA Fund, and the JTPA Title II-B Summer Youth Training Fund) is a no-limit fund, each contains a proviso limiting the amount of expenditures for state operations. The Subcommittee recommends that these provisos be removed to allow the agency more flexibility in expending these federal funds to provide JTPA services.
8. The Subcommittee was informed that the Secretary of Human Resources collects and stores detailed operational maps of all underground coal, rock, and limestone mines located within the state. The Subcommittee suggests that a more appropriate depository for the maps, such as the Surface Mining Section of the Kansas Department of Health and Environment, could be located and recommends that the Secretary explore this possibility. The Subcommittee notes that DHR performs this largely custodial duty with no FTE or funding allocated to the duty and the Subcommittee suggests that any future depository be required to do the same. The Subcommittee further notes that, if a more logical depository is located, amendment of K.S.A. 49-201, which requires that maps be filed with DHR, will be necessary.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee.

House Committee of the Whole

The House Committee of the Whole concurs with the recommendation of the House Committee with the following adjustments:

1. Prohibit expenditures any moneys appropriated from the State General Fund for the Department unless 1990 H.B. 2780, or a substantially similar bill which requires the payment of prevailing wages for public works projects of state agencies, is enacted during the 1990 regular session of the Legislature and will be in effect on or before January 1, 1991. The prevailing wages would be determined in accordance with wage areas, job classifications, and wage rates determined under the federal Davis-Bacon act which would apply to federal projects at the locations of the public works projects of state agencies.
2. As a technical adjustment, amend the State General Fund appropriation from \$850,107 to \$1,059,107 and adjust the total accordingly to reflect the recommendation of the Governor.

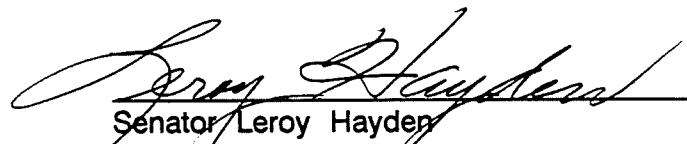
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House Committee of the Whole with the following adjustment:

1. The Subcommittee recommends deletion of the provision added by the House Committee of the Whole which states that no expenditures shall be made of moneys appropriated from the State General Fund unless 1990 H.B. 2780, or a substantially similar bill requiring the payment of prevailing wages for public works projects of state agencies, is passed. The Subcommittee was informed that H.B. 2780 remains in the House Labor and Industry Committee and that no substantially similar bills have been introduced.



Senator Ross Doyen
Subcommittee Chairperson



Senator Leroy Hayden

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.

*SWAM
March 19, 1990
Attachment 6*

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee with the following adjustments:

1. Add a proviso to the federal Women, Infants, and Children (WIC) Program Fund that expenditures for administration of the WIC program not exceed 20 percent of WIC federal receipts. The Committee recommends that any savings be shifted to WIC food vouchers.
2. Change the proviso on the Aid to Local Units -- General Public Health Program account of the State General Fund to exempt local governments from the "maintenance of effort" requirement for FY 1990. K.S.A. 65-246 requires local health departments to at least maintain the level of funding from year to year or risk losing a portion of state financing.

House Committee of the Whole Recommendation

The House Committee of the Whole concurred with the recommendations of the Committee.

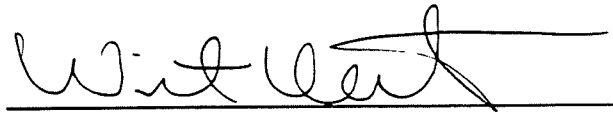
<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 45,798,359	\$ --
Aid to Local Units	--	29,264,972	--
Other Assistance	--	15,066,414	--
Total	<u>\$ --</u>	<u>\$ 90,129,745</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 19,286,875	\$ --
Aid to Local Units	--	3,779,135	--
Other Assistance	--	--	--
Total	<u>\$ --</u>	<u>\$ 23,066,010</u>	<u>\$ --</u>
Economic Development Initiatives Fund	\$ --	\$ 1,600,000	\$ --
FTE Positions	--	709.7	--

Senate Subcommittee Recommendation

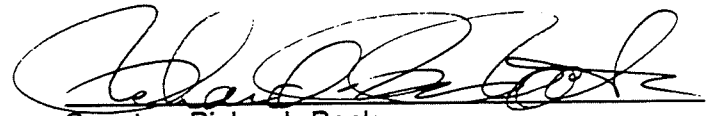
The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

1. Delete the House Committee proviso limiting WIC administrative expenditures to 20 percent of federal WIC receipts. The Senate Subcommittee learned that 80 percent of WIC administrative costs that would be affected by the proviso are borne by local health departments.
2. The Subcommittee concurs with the House Committee's recommendation to exempt local governments from the "maintenance of effort" requirement for local health department expenditures for FY 1990, but adds an additional proviso that of the local funds reimbursed to the state, no more than 75 percent (\$79,757 of \$106,342) will be returned to the local governments. The Subcommittee vigorously supports the maintenance of effort requirement, but does not wish to work an undue hardship on the 22 delinquent counties by providing no exemption for FY 1990. The Kansas Department of Health and Environment sent two notices to every county reminding them of the state requirements. However, the following 22 counties decided to ignore K.S.A. 65-246 and reduced their local level of funding for health department funding.

<u>County</u>	<u>Decrease in Effort</u>
Barton	\$ 97
Chase	35
Coffey	39,356
Comanche	7,783
Ellsworth	23,779
Franklin	19,852
Gove	400
Gray	356
Hamilton	1,450
Harper	18,593
Kearny	1,808
Kingman	31,704
Kiowa	13,690
Logan	1,756
Marshall	8,532
Morton	1,520
Osborne	212
Ottawa	1,000
Pratt	14,402
Russell	846
Seward	18,090
Wabaunsee	19,885
Total	<u>\$ 225,146</u>



Senator Wint Winter, Jr.
Subcommittee Chairperson



Senator Richard Rock

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.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee with the following adjustment:

1. Delete \$630,322 from special revenue funds and 22.0 FTE new positions in the Health Facilities Licensure and Certification Program. The Committee's recommendation (which deletes House Subcommittee Recommendation No. 4) is to defer consideration of new HCFA nursing home certification standards until more information is available.

<u>Expenditure Summary</u>	<u>Committee Adjustments</u>	<u>House Rec. FY 91</u>	<u>House Adjustments</u>
All Funds:			
State Operations	\$ (5,582)	\$ 48,282,280	\$ (360,000)
Aid to Local Units	--	33,786,536	1,200,000
Others Assistance	--	<u>21,477,000</u>	<u>300,000</u>
TOTAL	<u>\$ (5,582)</u>	<u>\$ 103,545,816</u>	<u>\$ 1,140,000</u>
State General Fund:			
State Operations	\$ (110,000)	\$ 19,405,765	\$ --
Aid to Local Units	(250,000)	3,777,260	1,200,000
Other Assistance	--	--	<u>300,000</u>
TOTAL	<u>\$ (360,000)</u>	<u>\$ 23,183,025</u>	<u>\$ 1,500,000</u>
FTE Positions	--	707.7	--

House Committee of the Whole Recommendation

The House concurs with the recommendations of the Committee with the following adjustments:

1. Add \$1,000,000 from the State General Fund (Aid to Local Units) for the Mothers and Infants -- Parental Care Collaborative Program. The recommendation would provide total FY 1991 program expenditures of \$2,357,056, including \$1,700,000 from the State General Fund and \$657,056 from federal funds. The program currently provides funding to approximately 47 counties to provide services to pregnant women and their infants, including prenatal and post-natal care, nutrition assessments, social work services and parenting education. The program specifically targets those who are uninsured or have other health care access barriers.
2. Add \$200,000 from the State General Fund (Aid to Local Units) for the Home Visitor/Healthy Start Program. The recommendation would provide total FY 1991 program expenditures of \$672,264, including \$436,505 from the State General Fund and \$235,759 from federal funds. The program currently provides services to 49 counties which include visits by trained lay persons to prenatal clients and families with newborn infants to promote infant health and prevent child abuse and neglect.
3. Add \$300,000 from the State General Fund (Other Assistance) for Womens, Infants, and Children (WIC) program food vouchers. Recommended FY 1991 WIC food voucher expenditures of \$21,777,000 include \$300,000 from the State General Fund and \$21,477,000 from federal funds. The \$300,000 adjustment would increase the average monthly caseload from 44,061 (recommended by the Governor) to 44,778 per month (68.1 percent of potentially eligible clients), an increase of 717 clients.
4. Reduce expenditures from the Water Plan Special Revenue Fund by \$360,000 for FY 1991, including \$250,000 from the Local Environmental Aid program and \$110,000 from the Water Quality Assessments Program. The House Committee had increased water plan expenditures by \$360,000 in order to offset (reduce) State General Fund expenditures by \$360,000. The House Committee of the Whole adjustment results in a net reduction of \$360,000 from agency expenditures below the Governor's recommendation.
5. Lapse \$75,000 from the State General Fund in the Low Level Radioactive Waste account and lapse the unencumbered balance reappropriated from FY 1990 (\$25,000). The deletion of \$100,000 in expenditures for FY 1991 was made by an amendment to the FY 1990 House supplemental bill (H.B. 2729).

<u>Expenditure Summary</u>	<u>House Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (460,000)	\$ 47,822,280	\$ 591,686
Aid to Local Units	1,200,000	34,986,536	300,000
Other Assistance	300,000	21,777,000	(300,000)
TOTAL	<u>\$ 1,040,000</u>	<u>\$ 104,585,816</u>	<u>\$ 591,686</u>
State General Fund:			
State Operations	\$ (100,000)	\$ 19,305,765	\$ 314,359
Aid to Local Units	1,200,000	4,977,260	300,000
Other Assistance	300,000	300,000	(300,000)
TOTAL	<u>\$ 1,400,000</u>	<u>\$ 24,583,025</u>	<u>\$ 314,359</u>
FTE Positions	--	707.7	4.5

Senate Subcommittee Recommendation

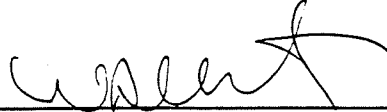
FY 1991. The Senate Subcommittee concurs with the recommendations of the House with the following adjustments:

- Shift \$300,000 from the State General Fund added by the House Committee of the Whole for WIC food vouchers to the Aid to Local Units -- Adolescent Health Promotion program. The Subcommittee recommends that \$90,000 be utilized to expand the Adolescent Health Promotion program. The remaining \$210,000 should be set aside as a contingency fund to provide additional vaccine to local health departments in the event of an outbreak of measles, mumps or rubella. The Subcommittee reminds the Committee that it strongly supported the addition of \$300,000 from the State General Fund for WIC food vouchers during the 1989 Session, and was disturbed that the Governor lapsed the appropriation. The Subcommittee has decided, however, that with the expected expansion of federal support for the voucher program from \$15,066,414 in FY 1990 to \$21,477,600 in FY 1991, the funds can be more effectively utilized elsewhere. KDHE has expressed an interest in expanding its adolescent health care projects beyond Sedgwick, Shawnee and Wyandotte counties. The projects provide junior and senior high school students with physical examinations, health tests and education on a wide variety of topics.
- Add 1.5 FTE positions to administer the \$1,000,000 in additional funds added to the Maternal and Infants (M&I) program. The Subcommittee expects the agency to utilize the added funds to extend the program to the most critically unserved counties and to additional consortiums of counties. The program currently provides prenatal care to high-risk mothers and newborns in 44 counties. Information received from the Kansas City-Wyandotte County Department of Health demonstrates the importance of the M&I program. During the last year, the number of premature babies born to pregnant women in the local M&I project declined from 43 to 26. Assuming a savings of \$25,000 to \$50,000 each by avoiding lengthy stays in a neonatal intensive care unit, this

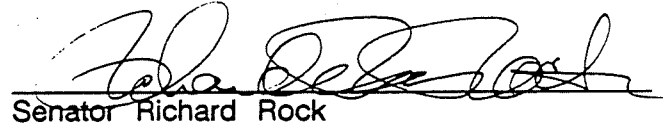
translates into a savings of \$425,000 to \$850,000 from this group alone.

3. Add \$149,196 from the State General Fund to the AIDS Education and Risk Reduction program. The Subcommittee learned that the Governor shifted program costs from the State General Fund to anticipated new federal funds for FY 1991. The federal government has since notified the agency that new federal AIDS funds will not be available for FY 1991.
4. Restore \$82,490 from the State General Fund for the salaries of three FTE positions and two temporary positions to fully implement the conversion of records onto the new optical disc system. The agency, which has just begun to enter thousands of vital statistics records into the computer, assures the Subcommittee that the positions can be deleted in FY 1993.
5. Restore \$250,000 from the Water Plan Special Revenue Fund for the Local Environmental Aid program and \$110,000 from the State General Fund for the Water Quality Assessments program. The House Committee shifted financing for the programs from the State General Fund to the Water Plan Fund. The House Committee of the Whole deleted financing from the Water Plan Fund, but did not restore financing from the State General Fund. The Subcommittee believes the critically important programs should be fully financed.
6. Shift financing of the Southeast Kansas Canoe Trail Feasibility Study from the State General Fund to the Water Plan Special Revenue Fund. The Governor recommended \$27,327 from the State General Fund for a temporary Engineering Technician IV to study the feasibility of the creation of a 20-mile canoe trail through abandoned surface coal mine pits in Cherokee County. Federal reclamation funds may be available for construction costs. Should the project be deemed feasible, the Subcommittee would not recommend construction financing from the State General Fund. The Subcommittee asks the agency to confirm that Water Plan Funds are available for the feasibility study.
7. The Subcommittee extensively reviewed the House Subcommittee's discussion concerning shifting responsibilities in the Health Facilities Licensure Program. The Senate Subcommittee believes that funding shifts must be addressed this Session. However, program responsibilities between KDHE and SRS should be addressed by a Governor's Budget Amendment. The Subcommittee defers consideration of new nursing home certification standards to the Omnibus Bill.
8. The Subcommittee notes that the \$.75 per capita formula funding cap for local health departments should be addressed by the Legislature. The Subcommittee commends the activities of the local health departments and believes that they are doing a good job in providing services to the citizens of the State. The Subcommittee recognizes that the local health departments have experienced increased costs in a number of areas as well as an increased demand for services. The local health departments have experienced increased demand for services in the areas of communicable diseases, sexually transmitted

diseases, and other basic services, and have experienced additional costs including increasing costs of liability insurance and rising costs of nursing salaries. The Subcommittee is supportive of providing additional funding to the local health departments for these services and suggests that the agency seek legislation in the 1991 Session to increase the statutory maximum from \$.75 per capita.



Senator Wint Winter Jr.
Subcommittee Chairperson



Senator Richard Rock

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

Division of Environment

M E M O R A N D U M

TO Laura Epler
FROM James A. Power, Director of Environment
SUBJECT Central Interstate Low-Level Radioactive Waste Compact
DATE March 16, 1990

The Central Interstate Low-Level Radioactive Waste Compact (CILLRWC) was passed by the Kansas Legislature in 1982 and is printed as K.S.A. 34-a01. In passing the Low-Level Radioactive Waste Policy Act (P.L. 96-573), the Congress required the states to enter into compacts for the efficient management of the wastes. Kansas joined with Nebraska, Oklahoma, Arkansas, and Louisiana to form the Central Interstate Low-Level Radioactive Waste Compact. The Congress ratified our compact in 1985. The Commission selected Nebraska as the host state. The selection of the site in Boyd County was announced around the first of this year.

K.S.A. 65-34a01, Article IV, h(i) sets the state's contribution on an annual basis in an amount not to exceed \$25,000, until surcharges are available for that purpose. The surcharge is part of the rate structure charged users of the regional waste facility when it is projected to be in operation in 1993. The monies currently appropriated to fund the Commission are used to maintain staff and expenses for operating the Commission office.

In accepting the responsibility for permitting the regional facility in Nebraska, Governor Orr included a proviso requiring a total annual contribution from the other four states of \$300,000. These contributions will be made until such time as surcharges on the waste are available. The purpose of this contribution is to reimburse communities located adjacent or near the regional facility. The funds can be used for any purpose the communities desire. Once surcharges are available, the communities will be provided funds for their use in any manner they so desire.

Should Kansas default on its annual contribution to the Commission budget (\$25,000) or the contribution to Nebraska (\$75,000), the Commission could take action to revoke Kansas' membership in the compact. If this occurs, the State of Kansas would be responsible for disposal of its own waste and would have to have a permitted facility in operation by January 1993. In addition to revoking our membership, the Commission can assess severe penalties.

cah

SWAM
March 19, 1990
Attachment 7

Fax 6231

0461 Kathy

December 22, 1989

Division of the Budget

Issue 2: Low Level Radioactive Waste Compact Payment - FY 1990 and FY 1991

Description: In FY 1990 and FY 1991 the agency requests \$100,000 from the State General Fund for payment of costs associated with participation in the radioactive waste compact. The amount includes \$25,000 to pay the Kansas share of annual operating costs of the compact, and \$75,000 is for start-up costs of the storage site in Nebraska.

According to agency personnel, costs associated with the compact may be billed to producers of the waste. Rule 9 of the Compact allows states to undertake such billings. Legislation would be needed to accomplish such an arrangement. Provision for assessment of Wolf Creek for this purpose was included in House Bill 3026 of the 1988 Legislature. The bill passed the House but was defeated on the Senate floor. In a letter dated December 5, 1988, the Chief Executive Officer, speaking for Wolf Creek, declined to pay the \$75,000 cost voluntarily, on the grounds that the utility was not party to negotiations on the compact, and therefore, was not responsible for the payment.

Division of the Budget Recommendation: Recommend the request be funded. Some states have chosen to invoke Rule 9 of the Compact and bill their utilities for Compact administrative costs. Others have not. Given that Wolf Creek is the only nuclear generator in the state and the cost of the Compact would be borne unequally among ratepayers, recommend the state fund membership costs.

Agency Appeals: No appeal.

Governor's Recommendation: Concur DOB.

Legislative Action:

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