

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./~~p.m.~~ on MARCH 26, 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:

Winston Barton, Department of Social and Rehabilitation Services
Stanley Grant, Secretary of Health and Environment

Written testimony from Alan Steppat in support of SB 763 was distributed to the Committee (Attachment 1).

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES FEDERAL BLOCK GRANT HEARINGS

The Chairman called to order the hearing which is required by federal law, and called upon Secretary Winston Barton to review Attachment 2. In answer to a question regarding LIEAP, Secretary Barton stated that this program is supplemented with oil overcharge funds which are starting to run out. He stated that the reduction in the administrative portion of the mental health block grant funds is accomplished through a shift from the grant funds to the State General Fund.

Because there were no additional conferees, the Chairman closed the hearing on the Department of Social and Rehabilitation Services Federal Block Grant.

DEPARTMENT OF HEALTH AND ENVIRONMENT FEDERAL BLOCK GRANT HEARING

The Chairman called to order the hearing required by federal law. Secretary Stanley Grant reviewed Attachment 3. Chairman Bogina asked for clarification of the projected 1991 MCH moneys which were quoted at \$1,583,521 (Attachment 3-8) and \$1,413,958 (Attachment 3-10). In answer to a question, Sec. Grant stated that the increase in vouchers for the WIC program is not reflected in this document. In response to a request, he indicated that a budget document showing the breakdown of state operations would be provided to the Committee.

Since there were no further conferees, the Chairman declared the hearing closed.

HB 2618 - Appropriations for FY 91, for state mental health and mental retardation institutions

KANSAS NEUROLOGICAL INSTITUTE

Senator Salisbury reviewed the report, Attachment 4. Senator Allen, a member of the subcommittee, noted that \$440,000 new dollars above the House's recommendation were appropriated in this budget, but the subcommittee felt the appropriations were necessary.

In answer to a question regarding the oil overcharge funds (item 7 of Attachment 4-8), Senator Salisbury stated that the House recommended that the agency not exceed their C level budget. The agency had requested a limited number of vehicles to keep capital outlay down. She noted that item 7 would allow the purchase of cars if internally approved, and the moneys would be non Warner.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
123-S 11:10 XX MARCH 26 90
room _____, Statehouse, at _____ a.m./p.m. on _____, 19__.

Senator Kerr asked whether Title XIX is split exactly 50%-50%. Staff indicated that it is based on average daily census because the agency said that was appropriate.

In answer to a question about the recommended decrease in shrinkage, Senator Salisbury stated that the shrinkage rate is manageable. There will be no layoffs, but vacancies may not always be filled.

PARSONS STATE HOSPITAL

Senator Salisbury reviewed the subcommittee report, Attachment 5. Senator Winter expressed concern that transferring patients might lead to decertification. Senators Johnston and Salisbury agreed that the movement of patients from one institution to another could result in a greater number of difficult to manage patients residing in one institution, which would require a higher level of staffing. There were questions regarding the subcommittee members' opinion regarding the transfer of patients, which the members noted would be discussed in more depth during the Winfield subcommittee report. Chairman Bogina said that if clients are to be placed in the community, the only cost effective method would be to close a wing at one of the hospitals. Because of the professional staffing problems at Winfield State Hospital, it seems to be reasonable to consider closing a wing at that institution.

Because Parsons State Hospital is threatened with decertification, Senator Johnston expressed his frustration with what he termed the "moving target of staffing." Senator Salisbury stated that the staffing ratio of staff to resident is 1.5:1 at Winfield and 1.04:1 at Parsons. With the adoption of this budget, the 29 new direct care positions would bring the ratio at Parsons to an estimated 1.13:1.

Senator Salisbury moved, Senator Winter seconded, that the average daily census of the FY 91 subcommittee report be amended to read "270." The motion carried.

The meeting was adjourned.



Kansas Legislative Policy Group

412 Capitol Tower, 400 West Eighth, Topeka, Kansas 66603, 913-233-2227

TIMOTHY N. HAGEMANN, Executive Director

**TESTIMONY TO
SENATE WAYS AND MEANS COMMITTEE
ON
SENATE BILL 763
MARCH 23, 1990**

Mr. Chairman and Members of the Committee, I am Alan Steppat of Pete McGill & Associates. We appear on behalf of the Kansas Legislative Policy Group which is an organization of county commissioners who represent 24 counties from primarily rural areas of the state. We strongly support SB 763.

Statewide reappraisal was mandated by the 1985 Legislature and was to be completed in three-and-a-half years. However, there was little thought given to how the system would be maintained once it was in place.

The state and the counties have shared the cost on a 50/50 basis since its implementation. Last year that 50/50 formula was extended to also cover maintenance costs when the state agreed to appropriate \$5.5 million to cover half

*SWAM
March 26, 1990
Attachment 1*

the maintenance costs. The state should continue this funding appropriation to maintain the reappraisal system.

SB 763 simply keeps the process in place of transferring 30% of the moneys credited to the state gaming revenues fund to the county reappraisal fund for one more year.

We urge your support for this legislation.

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Testimony presented to
The Senate Ways and Means Committee
Regarding

FEDERAL BLOCK GRANTS

March 26, 1990

11 a.m.

Room 123-South

Capitol Building

Presented by:

Winston Barton, Secretary
Department of Social and
Rehabilitation Services
(913) 296-3274

*SWAm
March 26, 1990
Attachment 2*

Summary
Kansas Social Service Block Grant
July 1, 1990 to June 30, 1991

Social and Rehabilitation Services views as its goal the formulating and carrying out of a program of social services designed to promote the welfare of targeted needy persons by enhancing the opportunity to develop their capacities to the greatest extent possible.

Historical Perspective

This is the tenth year of the social service block grant program. The Omnibus Reconciliation Act of 1981 replaced Title XX social services funding with the social service block grant. Along with the block grant system came a severe reduction in the amount of social service funds available. Consequently most social service programs funded under Title XX were carried forward under the social service block grant, but with reduced federal funding. The transfer of funds from the low-income energy assistance program helped to offset some of the loss of federal block grant funds.

Probably the biggest change in funding concepts in Adult Day and Community Living services has been the switch from purchase of services for handicapped persons to a grant program. This new system provides the same high caliber service to the recipients with a significant reduction in paperwork and bureaucratic red tape.

Eligibility and Requirements

Individual eligibility for social service block grant funding is based on two criteria: 1) There must be a need for the service; and 2) income levels must be met. A single individual may not have a gross income exceeding \$785 per month. This scale is graduated upward. For example, for a family of four the gross income may not exceed \$1,588 per month. The scale is set at 150% of the federally established poverty level.

All services must relate to one of the five national goals: 1) helping individuals to become economically self-supporting; 2) helping individuals to reduce dependency and become self-sufficient; 3) providing protective services for those in need (regardless of income); 4) providing services to help persons to remain in their own homes; 5) when no other alternatives exist, providing services to help persons receive the most appropriate institutional setting (i.e., adult care home, state institution, private institution, etc.).

Social service block grant funds will continue to be used on a statewide basis to purchase services where appropriate, to give direct grants where appropriate, and to provide direct services by Social and Rehabilitation Services employees where appropriate.

The Kansas Social Services Block Grant Plan will be presented later this spring and a thirty-day public comment period will follow. The Plan is scheduled to be adopted by the Secretary in June and submitted to the federal government later that month.

Department of Social and
Rehabilitation Services
Office of the Secretary
Date: March 26, 1990

FY 1991 LOW INCOME HOME ENERGY ASSISTANCE BLOCK GRANT SUMMARY

BACKGROUND

The Low Income Home Energy Assistance Program (LIEAP) block grant is authorized by Title XXVI of Public Law 97-35, the Omnibus Budget Reconciliation Act of 1981, amended by the Human Services Reauthorization Acts of 1984 and 1986. The current authorization expires September 30, 1990 but is expected to be reauthorized for another four year period.

Significant federal cuts were experienced primarily due to the attitude that states could use their oil overcharge funds to supplement federal reductions. The following demonstrates the pattern of funding decline:

FFY 1985	18.2 m
FFY 1986	17.2 m
FFY 1987	15.5 m
FFY 1988	13.0 m
FFY 1989	11.8 m
FFY 1990	11.8 m
FFY 1991	9.4 m (President's recommended budget level)

UTILIZATION OF BLOCK GRANT FUNDS

The block grant is used for three programs:

- 75% is used to fund the Low Income Energy Assistance Program (LIEAP).
- 15% is used for the Low Income Weatherization Program to supplement Department of Energy Weatherization Program funds.
- 10% is transferred, as allowed by federal provision, to supplement Social Services Block Grant funds.

LIEAP PROGRAM DESCRIPTION

The Low Income Home Energy Assistance Program provides benefits to eligible households to reduce the financial impact of energy costs on low income households. Eligibility certification is determined through a uniform application process. Households may complete the entire application process by mail or by visiting any local SRS office.

Income eligibility maximums are set at 150% of the federal poverty level. Eligible households must also demonstrate self payments. Three types of assistance are available:

1. Winter Heating - Applications are taken during the period December through March. The benefit level is determined by a sliding scale which considers the following factors:

- * Income of all household members
- * Type of dwelling structure
- * Type of heating fuel
- * Utility rates charged by applicant's utility or fuel vendor.

Benefits were provided to 48,339 households last winter, a caseload decrease of 6% due to a decrease in income eligibility standards. Approximately 42% recipient households contained a member 65 years or older. The average benefit of \$217 represents 15% of annual utility costs.

2. Summer Cooling - A limited summer benefit is provided for low income persons who are over 65 or disabled. The 1990 program assisted 22,541 households, half of which contained a member over 75. Benefits are determined by a sliding scale which considers three factors:

- * Income
- * Types of dwelling structure
- * Electricity rates charged by the applicant's utility

3. Medical Emergency Cooling - A physician's statement of need for cooling is required for eligibility. The household must also be in a utility disconnect situation. This limited program assisted 679 medically needy households last year.

LIEAP assistance is issued in the form of a two-party check payable to the household and the utility, ensuring use for purchase of energy. All three types of assistance emphasize the household's responsibility for energy obligations by requiring two self-payments in advance of application. This requirement provides incentive for continued self-payment and promotes regular contact with the utility or other fuel provider.

The benefit levels and types of energy assistance described above is contingent upon a) the amount of funding ultimately received, and b) the number and demographics of applicants. Any LIEAP funding not expended will be carried over for use in the following program year, as federally allowable up to a maximum of 15% of the allotment.

STATE OF KANSAS
REPORT ON THE PROPOSED USE OF ALCOHOL, DRUG ABUSE
AND MENTAL HEALTH BLOCK GRANT FUNDS

The Department of Social and Rehabilitation Services will soon begin the development of a tenth year Federal application for funding under the Alcohol, Drug Abuse, and Mental Health Block Grant authorized by the omnibus budget Reconciliation Act of 1981, P.L. 97-35.

Federal regulations governing the application process require the State Legislature to conduct public hearings on proposed use and distribution of those funds for the period beginning October 1, 1990 and ending September 30, 1991.

ALCOHOL AND DRUG ABUSE SERVICES

The FY 1990 federal block grant award to Kansas is expected to total \$7,573,000. Of that amount \$5,119,681 must be utilized for alcohol and drug abuse activities. The balance of the total award must be utilized for mental health activities.

The proposed distribution of those funds would be as follows:

- | | |
|---|-------------|
| 1.) Treatment grants to community based programs: | \$3,155,910 |
| 2.) Prevention grants to community based programs: | \$1,386,771 |
| 3.) Grants to provide services to women (treatment and prevention): | \$1,025,000 |
| 4.) State Agency (ADAS) administration: | \$ 577,000 |

The Block Grant fund will be used in conjunction with State funds to insure that effective treatment services are provided to individuals and families experiencing alcohol and/or other drug abuse problems, and to insure that effective prevention services are provided to reduce alcohol and drug abuse problems.

The State's criteria for distribution of funds will be prioritized based on demonstrated need for financial assistance and directed to areas of the State that are underserved.

Further information on this program is available if required. Contact SRS/ Alcohol and Drug Abuse Services, Topeka, Kansas.

Department of Social and
Rehabilitation Services
Office of the Secretary
March 26, 1990

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Report on Proposed use of
Mental Health Block Grant Funds
State Fiscal Year 1991

For the Federal fiscal year beginning October 1, 1989, and ending September 30, 1990, the State of Kansas expects to receive approximately \$2 million for mental health services. This is a reduction of approximately \$265,000 from fiscal year 1989.

The Department of SRS/Mental Health and Retardation Services proposes to continue the use of Mental Health Block Grant Funds to provide comprehensive mental health services to specially targeted populations with the intent of preventing unnecessary institutionalization. The majority of funding is targeted to community services for adults with severe and persistent mental illness. Approximately 18% of Block grant funding is directed to services for severely emotionally disturbed children and adolescents. In accordance with federal guidelines, the administrative portion of the Block Grant has been reduced from 10% to 5%.

Mental Health Block Grant funds are distributed to licensed community mental health centers and their affiliates for the provision of services in the least restrictive environment. Services must be offered regardless of the client's ability to pay. They must be readily accessible and must assure continuity of care in a manner which preserves human dignity.

Proposed distribution of funds for FY 91 would be as follows:

1. Community Support Services (for adults with severe and persistent mental illness) \$1,400,000
2. Community-Based Services (for children and adolescents with severe emotional disturbance) \$375,000
3. 24-Hour Emergency Services \$136,000
4. Administration \$100,000

Additional information regarding the Mental Health Block Grant is available through SRS/Mental Health and Retardation Services, Docking State Office Building, Topeka, Kansas, 66612.

Department of Social and
Rehabilitation Services
Office of the Secretary
March 26, 1990

Report on Proposed use of
Mental Health Services for the Homeless (MHSB)
Block Grant Funds
State Fiscal Year 1991

For the Federal fiscal year beginning October 1, 1989, and ending September 30, 1990, the State of Kansas received \$275,000 from the Mental Health Services for the Homeless Block Grant. We anticipate receiving approximately the same amount for state fiscal year 1991.

The Department of SRS/Mental Health and Retardation Services proposes to continue the use of these funds to provide outreach, crisis assistance, case management, housing assistance and other community support services to homeless individuals with severe and persistent mental illness. The services are designed to assist homeless individuals to control the symptoms of their mental illness and to develop the skills and acquire the supports necessary to help them live as independently and productively in the community as possible.

MHSB recipients for FY 90 were licensed community mental health centers in the three urban areas of Kansas City, Topeka and Wichita. Proposed distribution of funds for FY 91 would continue the existing programs as follows:

1. Outreach, case management and crisis services for Sedgwick County - Approximately \$ 86,800
2. Outreach, case management, and crisis services for Shawnee County - Approximately \$101,980
3. Case management and housing assistance for Wyandotte County - Approximately \$86,200

Additional information regarding the MHSB is available through SRS/Mental Health and Retardation Services, Docking State Office Building, Topeka, Kansas, 66612.

Department of Social and
Rehabilitation Services
Office of the Secretary
March 26, 1990

Summary

COMMUNITY SERVICE BLOCK GRANT 1991 STATE PLAN

March 26, 1990

The basic purpose of the Community Service Block Grant (CSBG) is to enable local community action agencies to administer and operate a wide array of social service programs. CSBG funds tend to pay administrative and personnel costs for operating programs such as Head Start, Weatherization Assistance, Community Food and Nutrition, Women, Infants and Children Nutrition, Section VIII Housing, housing rehabilitation, job clubs, Christmas Bureaus, local discretionary programs, etc. In addition, CSBG funds provide direct funding when local needs cannot be met by referrals to other existing direct service providers.

The 1991 CSBG State Plan includes (1) a standard section of assurances, as defined by Title VI, Subtitle B of the Omnibus Budget Reconciliation Act of 1981, Section 138 of the House Joint Resolution Number 599, and the Human Services Reauthorization Acts of 1984 and 1986; (2) a standard section, updated as necessary, describing how the State plans to meet specific federal assurances; (3) a standard section, updated as necessary, describing how the State plans to meet assurances specific to expenditure of funds; and (4) a new section, required after legislative review last year, describing program aspects of the grants.

The State Plan differs from previous plans submitted for legislative review, in that the State does not plan to fund discretionary agencies in 1991. The State is allowed to use 5% of CSBG funding "for discretionary purposes which meet the requirements" of the legislation. For the past several years, discretionary funding has been granted to two agencies in Wichita (Hunter Health Clinic, Inc., and Senior Services, Inc.) on a noncompetitive basis. As other funds to operate social service programs have decreased, however, State staff determined that the 5% allowed for discretionary funding would be needed to maintain existing programs in eligible entities. In 1991 the 5% discretionary funds will be granted, according to need, among the eight eligible entities.

VERNOR'S BUDGET RECOMMENDATION

	FY 90	FY 91
SOCIAL SERV. BLOCK GRANT	27,176,322	27,331,334
COMMUNITY SERV. BLOCK GRANT	2,739,051	2,578,469
ALCOHOL/DRUG	4,003,689	5,782,422 *
LOW INCOME ENERGY ASST	10,153,613	8,181,405
WEATHERIZATION	1,775,076	1,781,004
MENTAL HEALTH	2,014,441	2,415,000 **

* Actual amount available is \$452,977 more.
House voted to switch these extra funds to MH block grant.

** Actual amount available is \$298,777 less.



State of Kansas

Mike Hayden, Governor

Department of Health and Environment

Office of the Secretary

Landon State Office Bldg., Topeka, KS 66612-1290

(913) 296-1522

FAX (913) 296-6231

Stanley C. Grant, Ph.D., Secretary

Testimony presented to

SENATE WAYS AND MEANS COMMITTEE LEGISLATIVE HEARING

PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

by

The Kansas Department of Health and Environment

MARCH 26, 1990

The federal block grant concept was implemented to enable states to provide more administrative authority over federal funding received with only broad general control exercised from the federal level. The Department of Health and Environment has been awarded two federal block grants - Preventive Health and Health Services Block Grant (PH) and Maternal and Child Health Services Block Grant (MCH).

By federal regulation, a legislative hearing is required for the Preventive Health and Health Services Block Grant to insure that the funding will be utilized to meet the State's priorities. Since programs that may be funded by either of the two block grants overlap to some extent, the Maternal and Child Health Services Block Grant is also included for this hearing even though not federally mandated.

The Preventive Health and Health Services Block Grant provides funding for preventive health services for individuals and families, especially those of limited means, and for a variety of public health services designed to reduce preventable morbidity and mortality and improve quality of life. These funds may be used to support public health programs such as:

Supporting comprehensive public health services.

Providing for community-based programs to assist in reducing health risks.

Supporting programs to deter smoking and use of alcoholic beverages among children and adolescents.

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SWAM
MARCH 26, 1990
Attachment 3

Establishing and maintaining preventive health programs to detect and prevent hypertension (high blood pressure).

Supporting community and school based fluoridation programs.

Providing for services to rape victims and for rape prevention programs.

The Health Omnibus Programs Extension Act of 1988 expanded preventive health activities to include:

Immunization services, including immunization of emergency workers against preventable occupational exposure to diseases such as Hepatitis B

Programs designed to reduce the incidence of chronic diseases

Serum cholesterol control projects

Control programs for breast and uterine cancer

The Maternal and Child Health Services Block Grant was effected by the 1981 Title V amendments of the Reconciliation Act. The act represented a major effort to restructure the federal-state responsibility for maternal and child health programs, with states assuming a larger role in establishing their own priorities and programs. According to the federal act, funding is to enable states to:

Assure mothers and children, and particularly those with low income or with limited availability of health services, access to quality maternal and child health services.

Reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children, with emphasis on providing preventive services such as immunizations and primary care services, for low income children and prenatal, delivery, and postpartum care for low income mothers.

Provide rehabilitation services for blind and disabled children under the age of 16 who are currently receiving benefits under the Title XVI provisions of the Social Security Act (Supplemental Security Income Program).

Provide services for locating, and for medical, surgical, corrective and other services, and care for, and facilities for diagnosis, hospitalization, and aftercare for children who are crippled or who have conditions leading to crippling.

The law further provides that states must submit annually a plan for intended expenditures, certain statements of assurance and an annual performance report to the federal government in order to receive funding.

New Title V Amendments for FFY 91

In 1989, Congress adopted the Omnibus Budget Reconciliation Act (OBRA '89) which resulted in some major amendments to title V (MCH). In general, the MCH Block grant is shifting back toward the categorical concept that existed prior to 1981. Sixty percent of the funds are earmarked for health services for children and thirty percent of the funds are available to provide all other MCH populations and services. The remaining ten percent of the grant is discretionary.

Some of the 1989 amendment highlights are as follows:

- Ties state programs to Year 2000 PHS Health Objectives for the nation.
- Establishes specific requirements for data and information to be included in the application.
- Delineates information states must collect to complete the state annual report to the secretary, requires a standardized format, and requires relevance to year 2000 objectives.
- States must dedicate at least 30% for preventive and primary care for children.
- States must dedicate at least 30% for services for children with special health care needs.
- States must maintain same level of state support as in 1989.
- States must establish a toll free number and other methods to assist parents to access providers under V and XIX and other relevant providers.
- Delineates role of state MCH agency in EPSDT, XIX, Education, WIC, etc.

Kansas has taken a leadership role in providing services for mothers and infants and in providing services for children with special health care needs. KDHE will give additional study to the new Federal rules as they are interpreted but, at this time, we believe immediate major changes in programs will not be necessary.

Attached to this material are three tables exhibiting actual expenditures for State FY's 1988 and 1989, and projected expenditures for State FY's 1990 and 1991.

The first page of tables (third from last page of hand out) exhibits expenditures for the two block grants on a combined basis. This includes payment for services purchased from local medical providers in the Services for Children with Special Health Care Needs Program (formerly Crippled and Chronically Ill Children's Program). Since either source of funding may be used for the Healthy Start/Home Visitor Program and the mix is determined by funding availability, a combined analysis is the most meaningful. The table of combined expenditures shows the following:

Approximately 55 percent of expenditures are for State Operations with funding for the Children with Special Health Care Needs Program being the major expenditure item.

Between 36 and 37 percent of expenditures are for Aid to County (local health department) grants.

Between 2 and 3 percent of expenditures are for grants to Local Units other than Local Health Departments.

Between 5 and 6 percent of expenditures are for grants to another State agency.

The second page of tables (next to last page of hand out) shows data for each of the block grants separately.

The third table, or last page of the hand out, exhibits PH and MCH funding for Aid to County (Local Health Department) programs and for Other Aid and Assistance Programs by grant program.

Following is a brief description of individual program items funded by MCH and Ph block grant funding for FY 91:

State Operations expenditures includes the following:

MCH - Data processing costs for recording and producing reports from Children with Special Health Care Needs Program data.

MCH - Operating expenditures for Child Care Facilities Licensure Program.

MCH - Minor part of Operating expenditures, for Epidemiology.

PH - Partial funding for vaccine to be distributed to Local Health Departments.

MCH and PH - A part of the operating expenditures for Health and Environmental Education within the Division of Information Services.

MCH - Minor part of Operating expenditures for Vital Statistics Program for health statistics.

MCH - Major part of Operating expenditures for Services for Children with Special Health Care Needs.

MCH - Minor part of Operating expenditures for Nutrition and WIC Services for developing nutrition resources and services that contribute to the prevention and correction of health problems related to nutrition for women, infants and children.

MCH - A part of Operating expenditures for Maternal, Infant and Child Health Program.

MCH - PH - A part of operating expenditures of Local Health Services for consultation, education and support services for community health programs with an emphasis on preventive and risk reducing health promotion.

PH - Minor part of Operating Expenditures for the Office of Comptroller for financial and administrative process to distribute and monitor funds to county health agencies and other nonprofit providers.

PH - Operating expenditures for Office of Chronic Disease and Health Promotion, and dental health programs

Aid To Local Unit expenditures includes the following:

MCH - The Maternal and Infants Program provides funding to approximately 46 counties to conduct Maternal and Infant Projects. Each county provides services for pregnant women of all ages and their infants, specifically those uninsured or with other access barriers. Such services include physician and nursing prenatal and post-natal supervision; nutrition assessment; consultation and intervention; social work services; health maintenance; perinatal and parenting education; family planning referrals; and follow-up of the mother and infant for the first year post delivery.

For FY 90, a portion of the MCH Block grant allotted to all states is earmarked for primary health services, community-based service networks and case management services for children with special health care needs. The earmarked funds available for Kansas for FFY 90 was \$181,884. This earmark has been eliminated for FFY 91. New earmarks will be implemented including the allocation of at least 30% of the funds for preventive and primary care services for children and at least 30% for services for children with special health care needs.

MCH and PH - Healthy Start/Lay Home Visitor services include

home visits by trained lay persons to prenatal clients and to families with a newborn infant to provide family support, to promote the use of preventive health resources and to prevent family stress leading to abuse and neglect of children.

MCH - In FY 90, Maternal and Child Health Program provides three basic services. 1) A dental health project for the Wichita-Sedgwick County Health Department to assist parents in obtaining dental support for their children. 2) Outpatient medical services to provide a comprehensive program in Shawnee and Wyandotte counties to assist children on an outpatient hospital basis to receive screening, diagnosis and limited treatment or referral to the University of Kansas Medical Center if warranted. 3) Maternal and child health services are provided through demonstration projects in 46 counties which provide accident prevention and immunization education programs, immunization program, well-child clinics, women's health care services and EPSDT screening.

PH - Hypertension - LIVELY (Life, Interest and Vigor Entering Later Years) grants are awarded annually for health promotion programming for older adults and coordination of local health services for the elderly.

MCH and PH - Health Prevention Projects target funding to specific identified needs. FY 1991 funding is projected to provide \$50,000 to the Kansas Children's Service League to focus on family preservation and to implement a teenage pregnancy prevention/intervention service delivery and evaluation model in Wyandotte County. Funds will be used to assist Governor's Council on Fitness, a Black Hypertension project, the Heartland Health Conference, and the Coalition on Aging Conference.

Transfers of MCH and PH funding to other State agencies:

MCH - Level III Centers (centers providing care for normal patients, but especially for all serious maternal, fetal and neonatal illnesses and abnormalities) are partially funded at KUMC, Kansas City, and UKSM-Wichita/Wesley Medical Center, to provide consultation to physicians and hospitals statewide for care of high-risk mothers and newborns, outreach education activities, and leadership in planning and coordination for statewide perinatal care services.

MCH - PKU and hypothyroidism diagnostic and control clinic is funded at the University of Kansas School of Medicine. State statutes require KDHE to provide PKU and Hypothyroidism diagnostic control services.

PH - A part of the PH funding to Kansas is designated for rape prevention programs. The rape prevention funding is granted to the Crime Victims Compensation Board to conduct the rape prevention programs.

Maternal and Child Health and Preventive Health Block Grants

	FY & %-	St. Opr.	Aid Co	* O Asst.	Subtotal Aid/OA	** Non Rept	Total

Actual							
1988-MCH		2,222,119	1,364,125	86,047	1,450,172	194,107	3,866,398
PH		445,116	408,971	34,816	443,787	75,083	963,986
		2,667,235	1,773,096	120,863	1,893,959	269,190	4,830,384
		55.2	36.7	2.5	39.2	5.6	100.0

Actual							
1989-MCH		2,249,655	1,594,867	80,042	1,674,909	204,000	4,128,564
MCH-VAC		144,000					144,000
PH		463,313	329,714	11,000	340,714	73,065	877,092
		2,856,968	1,924,581	91,042	2,015,623	277,065	5,149,656
		55.5	37.4	1.8	39.1	5.4	100.0

Projected							
1990-MCH		2,224,265	1,541,969	157,888	1,699,857	204,000	4,128,122
MCH-VAC		34,000					34,000
PH		444,189	264,563	42,113	306,676	35,953	786,818
		2,702,454	1,806,532	200,001	2,006,533	239,953	4,948,940
		54.6	36.5	4.0	40.5	4.8	100.0

Projected							
1991-MCH		2,356,816	1,583,521	132,462	1,715,983	204,000	4,276,799
PH		439,295	251,356	42,113	293,469	35,953	768,717
		2,796,111	1,834,877	174,575	2,009,452	239,953	5,045,516
		55.4	36.4	3.5	39.8	4.8	100.0

* Grants to Local Units other than Local Health Departments

** Transfers to Another State Agency for Expenditure

Maternal and Child Health Block Grant

FY & %	St. Opr.	Aid Co	* O Asst.	Subtotal Aid/OA	** Non Rept	Total

Actual						
1988	2,222,119	1,364,125	86,047	1,450,172	194,107	3,866,398
Vaccine						
	2,222,119	1,364,125	86,047	1,450,172	194,107	3,866,398
	57.5	35.3	2.2	37.5	5.0	100.0
Actual						
1989	2,249,655	1,594,867	80,042	1,674,909	204,000	4,128,564
Vaccine	144,000					144,000
	2,393,655	1,594,867	80,042	1,674,909	204,000	4,272,564
	56.0	37.3	1.9	39.2	4.8	100.0
Projected						
1990	2,224,265	1,541,969	157,888	1,699,857	204,000	4,128,122
Vaccine	34,000					34,000
	2,258,265	1,541,969	157,888	1,699,857	204,000	4,162,122
	54.3	37.0	3.8	40.8	4.9	100.0
Projected						
1991	2,356,816	1,583,521	132,462	1,715,983	204,000	4,276,799
Vaccine						
	2,356,816	1,583,521	132,462	1,715,983	204,000	4,276,799
	55.1	37.0	3.1	40.1	4.8	100.0

Preventive Health Block Grant

FY & %	St. Opr.	Aid Co	* O Asst.	Subtotal Aid/OA	** Non Rept	Total

Actual						
1988	445,116	408,971	34,816	443,787	75,083	963,986
	46.2	42.4	3.6	46.0	7.8	100.0
Actual						
1989	463,313	329,714	11,000	340,714	73,065	877,092
	52.8	37.6	1.3	38.8	8.3	100.0
Projected						
1990	444,189	264,563	42,113	306,676	35,953	786,818
	56.5	33.6	5.4	39.0	4.6	100.0
Projected						
1991	439,295	251,356	42,113	293,469	35,953	768,717
	57.1	32.7	5.5	38.2	4.7	100.0

* Grants to Local Units other than Local Health Departments

** Transfers to Another State Agency for Expenditure

3000 AID TO COUNTIES	FY 88				FY 89				FY 90				FY 91			
	ACTUAL	SGF	MCH	PH	ACTUAL	SGF	MCH	PH	PROJECTED	SGF	MCH	PH	PROJECTED	SGF	MCH	PH
3013 MOTHERS & INFANTS	1,029,967	400,000	629,967		1,137,056	500,000	637,056		1,282,056	700,000	582,056		1,289,064	700,000	589,064	
3016 GENERAL HEALTH SERVICES	1,488,045	1,354,506		133,539	1,635,095	1,614,737		80,358	2,024,130	2,024,130			1,926,779	1,926,779		
3017 HOME VISITOR/HEALTHY START	282,063	104,926	29,630	147,507	351,351	104,326	125,869	100,556	463,584	236,505	126,523	100,556	456,348	236,505	113,287	100,556
3018 MATERNAL AND CHILD HEALTH	704,528		704,528		704,161		704,161		705,607		705,607		705,607		705,607	
3026 HYPERTENSION - LIVELY	127,925			127,925	148,800			148,800	164,007			164,007	150,800			150,800
3015 ADOLESCENT HEALTH PROGRAMS	0				100,000		100,000		200,000	100,000	100,000		0			150,800
TOTAL	3,632,528	1,859,432	1,364,125	408,971	4,116,463	2,219,663	1,567,086	329,714	4,839,364	3,060,635	1,514,106	264,563	4,529,598	2,863,284	1,413,958	251,356
=====																
3100 OTHER AID AND ASSISTANCE	FY 89				FY 89				FY 90				FY 91			
	ACTUAL	SGF	MCH	PH	ACTUAL	SGF	MCH	PH	PROJECTED	SGF	MCH	PH	PROJECTED	SGF	MCH	PH
3112 HEALTH & PREVENTION PROJECTS	109,081		69,840	39,241	55,000		50,000	5,000	92,113		50,000	42,113	90,667		48,554	42,113
3115 HOME VISITOR/HEALTHY START	16,207		16,207		10,042		10,042		8,680		8,680		15,916		15,916	
3116 LIVELY	29,816			29,816	6,000			6,000	0			0	0			
3117 MOTHERS & INFANTS	0				20,000		20,000		99,208		99,208		67,992		67,992	
TOTAL	155,104	0	86,047	69,057	91,042	0	80,042	11,000	200,001	0	157,888	42,113	174,575	0	132,462	42,113
=====																
GRAND TOTAL	3,787,632	1,859,432	1,450,172	478,028	4,207,505	2,219,663	1,647,128	340,714	5,039,365	3,060,635	1,672,074	306,676	4,703,173	2,863,284	1,546,420	293,
=====																

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute Bill No. 2729

Bill Sec. 25

Analyst: Duncan

Analysis Pg. No. 605

Budget Pg. No. 372

<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	\$ 11,634,020	\$ 11,608,608	\$ 187,124
General Fee Fund	593,616	597,157	--
Medicaid	11,756,873	10,932,582	--
Foster Grandparent	188,231 ^a	188,231	--
Other Funds	<u>44,984</u>	<u>44,984</u>	<u>--</u>
Subtotal	<u>\$ 24,217,724</u>	<u>\$ 23,371,562</u>	<u>\$ 187,124</u>
Capital Improvements:			
State Institutions Building Fund	\$ --	\$ 91,172	\$ --
TOTAL	<u>\$ 24,217,724</u>	<u>\$ 23,462,734</u>	<u>\$ 187,124</u>
FTE Positions	879.5 ^b	879.5	--
Average Daily Census	385	385	--

a) Includes \$6,220 supplemental request for FY 1990.

b) Budgeted positions are one-half position below the FTE allocated by the 1989 Legislature.

Agency Request/Governor's Recommendation

For FY 1990, the Kansas Neurological Institute (KNI) requests \$24,217,724 for operating expenditures. KNI's request includes a supplemental request allowing a \$6,200 increase in the agency's expenditure limitation for the Foster Grandparent Program. This will enable the agency to expend additional funds received from the federal ACTION program during the current year, and to utilize funds carried forward from FY 1989. KNI has a client population of 385 retarded persons who range in age from 18 months to 54 years. In 1988, the average age was 25 years old. Seventy-six percent of KNI's population is profoundly retarded, 15 percent severely retarded, and 9 percent mildly to moderately retarded. Many have additional handicaps. For instance, 34 percent have sensory impairment, 65 percent have seizure disorders, 43 percent psychiatric impairments in addition to retardation, and 43 percent are nonambulatory.

On September 28, 1988 KNI was certified as out of compliance with active treatment by the Kansas Department of Health and Environment. This designation gave the agency 11 months to comply with federal standards. During this time period, KNI continued to receive federal Medicaid funding for current residents, however, funding was not available for new clients. KNI was found to be in compliance with federal regulations and recertified on September 29, 1989.

*SWAM
March 26, 1990
Attachment 4*

The Governor recommends \$23,371,562 for state operating expenditures in FY 1990, a decrease of \$846,162 from the agency estimate. Recommended reductions occur in salaries and wages (\$67,0153), repairing and servicing (\$1,425); fees -- other services (\$6,239); food (\$123,153); maintenance materials (\$26,192); and office supplies (\$19,000).

House Subcommittee Recommendation

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

1. The Subcommittee notes that the Governor's FY 1990 budget recommendation was \$840,334 below the level approved by the 1989 Legislature. Based on this recommendation, after implementation of cost containment measures, KNI projects current year shortfalls of \$97,775 for salaries and wages; \$13,499 for contractual services; \$408,327 for commodities and \$1,118 for aid to local units. The agency anticipates savings of \$85,000 for capital outlay, bringing the total projected shortfall to \$435,719. The Subcommittee heard testimony indicating that the agency is prepared to lay off 65 probationary employees if it is obligated to live within the FY 1990 Governor's budget recommendation and that the agency believes that these positions affect certification.
2. Decrease shrinkage from the recommended 7.3 percent to 7.0 percent, an increase of \$60,221 for salaries and wages, to partially compensate for an estimated salary shortfall of \$97,775. The agency projects actual turnover to be 6.66 percent for FY 1990.
3. Add \$14,673 in salaries and wages to increase shift differential to the level requested by the agency during its appeal. On September 25, 1989, the Governor signed an executive directive increasing the shift differential from .20 to .25 for direct care workers and establishing a shift differential for RNs and LPNs at 10 percent of base salaries. The revised shift differentials were retroactive to June 18, 1989.
4. Add \$90,000 for food. The Subcommittee learned that the agency's cost per meal has increased by 12.09 percent from 1989 to 1990. Additionally, the agency no longer receives free commodities through the federal Charitable Institutions Commodity program, resulting in a projected loss of \$50,000 to \$60,000 worth of food. The Subcommittee recommends that the Senate Subcommittee investigate whether any other type of federal commodities are available to the state institutions.
5. Add \$22,230 for other commodities to partially alleviate the estimated shortfall.
6. The Subcommittee notes with concern that the Governor's recommendation reduced state operating expenditures for FY 1990 but did not reduce corresponding Title XIX receipts. The Subcommittee directs Mental Health and Retardation Services to reevaluate projected FY 1990 Medicaid receipts for KNI and to provide this information to the Senate Subcommittee.

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 House Committee.

<u>Expenditure Summary</u>	<u>House Subcommittee Adjustments</u>	<u>House FY 90 Rec.</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 187,124	\$ 11,795,732	\$ 133,574
General Fee Fund	--	597,157	--
Medicaid	--	10,932,582	--
Foster Grandparent	--	188,231	--
Other Funds	--	44,984	--
Subtotal	<u>\$ 187,124</u>	<u>\$ 23,558,686</u>	<u>\$ 133,574</u>
Capital Improvements:			
State Institutions Building Fund	\$ --	\$ 91,172	\$ --
TOTAL	<u>\$ 187,124</u>	<u>\$ 23,649,858</u>	<u>\$ 133,574</u>
FTE Positions	--	879.5	--
Average Daily Census	--	385	--

Senate Subcommittee Recommendations

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

1. Add \$70,000 in food to compensate for the loss of surplus commodities and a projected shortfall.
2. Add \$32,500 for maintenance materials, supplies, and parts to enable the agency to continue to renovate buildings which were cited as a quality of care issue by the Health Care Finance Administration (HCFA) as appearing in need of refurbishing.
3. Add \$31,074 for other supplies and materials to compensate for a projected shortfall in this area.
4. The Subcommittee notes that the additional funding recommended by the Subcommittee is \$519,636 below the budget appropriated by the

1989 Legislature. The Subcommittee commends the agency for its ongoing effort throughout the legislative process to reduce current year expenditures.

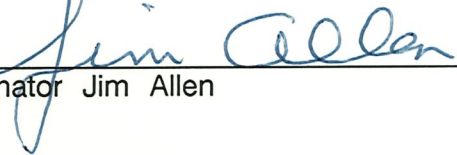
5. As directed by the House, the Subcommittee reviewed Title XIX receipts for FY 1990. The Subcommittee was advised by Mental Health and Retardation Services that the Governor's estimate of Title XIX receipts is sufficient.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. 2618

Bill Sec. 2

Analyst: Duncan

Analysis Pg. No. 605

Budget Pg. No. 372

<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	\$ 12,091,837	\$ 10,628,167	\$ 195,909
General Fee Fund	883,279	883,279	--
Medicaid	12,330,522	12,750,025	--
Foster Grandparent	188,231	188,231	--
Other Funds	<u>61,890</u>	<u>61,890</u>	<u>--</u>
Subtotal	<u>\$ 25,555,759</u>	<u>\$ 24,511,592</u>	<u>\$ 195,909</u>
Capital Improvements:			
State Institutions			
Building Fund	<u>\$ 635,000</u>	<u>\$ --</u>	<u>\$ --</u>
TOTAL	<u>\$ 26,190,759</u>	<u>\$ 24,511,592</u>	<u>\$ 195,909</u>
Average Daily Census	385	385	--
FTE Positions	881.5	879.5	--

Agency Request/Governor's Recommendation

KNI requests \$25,555,759 for state operations expenditures for FY 1991. Requested capital improvements funded from the State Institutions Building Fund total \$635,000. The total request includes approximately \$30,202 (including fringe benefits) for the addition of two new positions.

The Governor recommends \$24,511,592 for state operations in FY 1991, a decrease of \$1,044,167 from the agency request. Recommended reductions occur in salaries and wages (\$503,032); communications (\$8,559); printing and advertising (\$2,255); repairing and servicing (\$4,871); fees -- other services (\$6,513); professional services (\$38,017); food (\$59,670); maintenance materials (\$27,344); motor vehicle parts (\$1,826); professional and scientific supplies (\$20,212); office supplies (\$27,893); and housekeeping supplies (\$25,998). The Governor does not recommend an increase in the agency's FTE.

House Subcommittee Recommendation

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

1. The Subcommittee notes that the Governor's FY 1991 budget recommendation for state operations was \$838,057 below the agency's B level request. After implementation of cost containment measures, the agency has revised their FY 1991 request downward by \$540,368 below

their original B level request. Based on the Governor's recommendation (as compared to the revised agency estimate) KNI still projects additional needs of \$273,128 for salaries and wages; \$32,520 for contractual services; \$126,865 for commodities; and \$71,286 for capital outlay, for a total of \$503,799. The Subcommittee commends the agency for its efforts to lower state operating costs.

2. Decrease shrinkage from the recommended 7.3 percent to 6.68 percent, an increase of \$140,633 in salaries and wages, to partially restore the agency's revised request of an additional \$273,128.
3. Add \$20,642 in salaries and wages to increase shift differential to the level requested by the agency during its appeal. On September 25, 1989, the Governor signed an executive directive increasing the shift differential from .20 to .25 for direct care workers and establishing a shift differential for RNS and LPNs at 10 percent of base salaries. The revised shift differentials were retroactive to June 18, 1989.
4. Add \$34,634 in state operating expenditures to bring expenditures for commodities up to the FY 1990 level.
5. The Subcommittee concurs with the Governor's recommendation which upgrades nurse salaries from range 15 to range 18 and establishes a senior class of LPNs at range 20. The Subcommittee notes that funding totaling \$465,000 was originally included in the Department of Administration's budget for LPN salary increases, however, this appropriation was deleted by the full Committee. The Subcommittee did not receive any information concerning distribution of funds for the mental health and mental retardation institutions, and recommends this issue be reviewed by the Second House.
6. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for the hospital. The Subcommittee was informed that the U.S. Department of Energy is administering a "second stage" oil overcharge refund program, and that funds are available to the state for energy conservation-related projects and equipment purchases. The Subcommittee notes that the hospital has applied for second-stage oil overcharge funds to purchase vehicles to be utilized for patient transportation.
7. Make technical adjustments as needed to add the appropriate transfer language from the canteen fund to the patient benefit fund and restore the line item and proviso for the patient activity therapy fund.
8. The Subcommittee notes that the three mental retardation agencies are incorporated into H.B. 2618, the SRS bill. The bill allocates 8,049 FTE positions to SRS and does not itemize individual FTE positions for the three hospitals. The Subcommittee recommends that the FY 1990 bill format be used for these three agencies.

House Committee Recommendation

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

1. Expenditures from the oil overcharge-second stage refund program fund shall not exceed the amount requested for vehicles in the agency's C level budget.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Subcommittee Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 195,909	\$ 10,824,076	\$ 56,056
General Fee Fund	--	883,279	--
Medicaid	--	12,750,025	251,963
Foster Grandparent	--	188,231	--
Other Funds	--	61,890	--
Subtotal	<u>\$ 195,909</u>	<u>\$ 24,707,501</u>	<u>\$ 308,019</u>
Capital Improvements:			
State Institutions			
Building Fund	\$ --	\$ --	\$ --
TOTAL	<u>\$ 195,909</u>	<u>\$ 24,707,501</u>	<u>\$ 308,019</u>
Average Daily Census	--		
FTE Positions	--		

Senate Subcommittee Recommendation

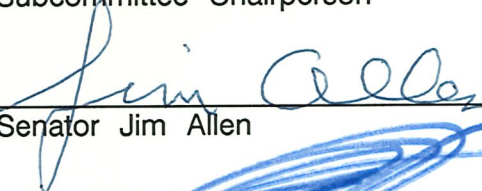
The Senate Subcommittee concurs with the House with the following adjustments:

1. Decrease shrinkage from the 6.68 percent recommended by the House to 6.39 percent an increase of \$56,181 (one-half Title XIX, one-half State General Fund), in salaries and wages. The agency's FY 1991 budget request was based on a 4.4 percent turnover rate. The Subcommittee notes that current year shrinkage is 6.8 percent because the agency has implemented a hiring freeze. The agency informed the Subcommittee that 6.39 percent should not jeopardize certification but will require artificial, managed, shrinkage.
2. Add \$39,671 (one-half Title XIX, one-half State General Fund) in salaries and wages to upgrade 36 LPNs to range 18 and ten Senior LPNs to range 20, as recommended by the Governor.

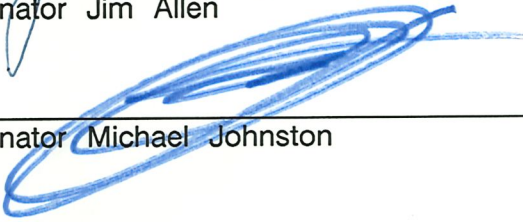
3. Add \$132,120 (one-half Title XIX one-half State General Fund) for food to address projected shortfalls in this area. The Subcommittee notes that this would provide a total of \$1,201,927 for food in FY 1991, which is a 4 percent increase over the Subcommittee's FY 1990 recommendation.
4. Add \$27,344 (one-half Title XIX, one-half State General Fund) for maintenance materials, supplies, and parts. This recommendation would allow the agency to perform general upkeep of the facility.
5. Add \$52,703 (one-half Title XIX, one-half State General Fund) for capital outlay. The Subcommittee notes that the agency intends to expend \$18,400 of the recommended amount to replace two bathing slabs with hydrotubs; a tactic that will significantly reduce the amount of lifting performed by employees while bathing clients. The Subcommittee appreciates the agency's goal to examine the institution's environment to eliminate those items that are potential hazards for employees.
6. The Subcommittee recommends establishment of the federal education aid fund at KNI and at the other SRS institutions as no-limit funds. The utilization of these funds is very narrow, per federal restrictions, and can only be expended for the most severely disadvantaged students. A no-limit expenditure limitation would provide the most efficient use of the funds for the maximum benefit of the students systemwide.
7. Delete the proviso for the oil overcharge funds which limits the agency to only those vehicles requested in its FY 1991 C level budget. The Subcommittee learned that in an effort to keep expenditures down, the agency did not request several replacement vehicles which it considers necessary.
8. Make a technical correction to indicate that one-half of all money recommended by the House be funded through Title XIX funds.
9. The Subcommittee has learned that the regional office of the Health Care Finance Administration (HCFA) has submitted KNI's name to the HCFA head office in Baltimore, recommending that KNI be used as a model site to train HCFA surveyors. The Subcommittee congratulates KNI management and staff on this achievement.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Jim Allen



Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. 2729

Bill Sec. 28

Analyst: Duncan

Analysis Pg. No. 638

Budget Pg. No. 442

<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	\$ 7,892,214	\$ 7,844,245	\$ 350,906
General Fees Fund	596,634	599,598	--
Medicaid	7,830,846	7,418,892	--
Other Funds	<u>30,000</u>	<u>30,000</u>	--
Subtotal	\$ 16,349,694	\$ 15,892,735	\$ 350,906
Capital Improvements:			
State Institutions			
Building Fund	<u>536,863</u>	<u>43,384</u>	--
Total	<u>\$ 16,886,557</u>	<u>\$ 15,936,119</u>	<u>\$ 350,906</u>
 Average Daily Census	 285	 285	 --
FTE Positions	526.5	526.5	--

Agency Request/Governor's Recommendation

The FY 1990 budget estimate for state operations totals \$16,349,694, an amount unchanged from the budget approved by the 1989 Legislature. Major expenditures include \$13,494,686 for salaries and wages, \$578,322 for utilities, \$868,593 for special education services, \$90,300 for clothing, \$268,574 for food, and \$151,213 for drugs, pharmaceuticals, and other professional and scientific supplies.

On January 12, 1990, Parsons was surveyed by the Kansas Department of Health and Environment (KDHE) and was found to be out of compliance with four conditions of participation established by the Health Care Finance Association (HCFA). The center is out of compliance with active treatment, staff and staff training, governing body and management, and client rights. Parsons will be resurveyed in 60 days by KDHE. If the conditions are not corrected at that time, the center may be decertified, resulting in a substantial loss of federal Medicaid money.

The Governor recommends state operating expenditures of \$15,892,735 for FY 1990, a decrease of \$456,959 from the agency estimate. Recommended adjustments include reductions in salaries and wages (\$385,219); utilities (\$67,328); travel and subsistence (\$1); fees -- other services (\$1); other contractual services (\$1); and motor vehicle parts (\$4,412); and increases in repairing and servicing (\$2) and housekeeping supplies (\$1).

House Subcommittee Recommendation

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

*SWAM
March 26, 1990
Attachment 5*

1. The Subcommittee notes that the Governor's FY 1990 budget recommendation was \$456,959 below the level approved by the 1989 Legislature. Based on this recommendation (after implementing cost containment measures) the agency projects current year shortfalls of \$181,770 for salaries and wages; \$17,441 for contractual services; and \$142,660 for commodities. The agency originally anticipated savings of \$38,000 for capital outlay, bringing the total projected shortfall to \$303,871. This shortfall is based solely on the Governor's recommendation and does not take into consideration the fact that on January 12, 1990 Parsons was certified as out of compliance with active treatment. Staff and staff training, general government, client rights, and poor furnishings and living environment were also cited deficiencies. To meet certification issues, the agency is requesting an additional \$175,611 for salaries and wages for 5.5 temporary Custodians for 4.5 months and 29 temporary Mental Retardation Technician trainees for four months; \$4,000 for professional supplies; \$3,000 for office supplies; \$26,800 for housekeeping supplies; and \$79,655 for capital outlay. Certification issues alone total \$289,606, advancing the agency's total FY 1990 shortfall to \$592,937. The Subcommittee notes that after addressing certification issues, the shortfall is \$135,978 over the amount approved by the FY 1989 Legislature.
2. Add \$28,871 for 5.5 temporary custodian positions to address certification issues for the remaining 4.5 months of FY 1990.
3. Add \$122,646 for 29 temporary Mental Retardation Technician I trainees for 3.5 months of FY 1990.
4. Shift \$38,000 from state operating expenditures to salaries and wages.
5. Add \$79,655 for capital outlay for new furniture to address cited deficiencies for poor and inadequate furnishings in some of the cottages.
6. Add \$119,734 in salaries and wages to fund two-thirds of an estimated salary shortfall of \$181,770.
7. The Subcommittee notes with concern that the Governor's recommendation reduced state operating expenditures for FY 1990 but did not reduce corresponding Title XIX receipts. The Subcommittee directs Mental Health and Retardation Services to reevaluate projected FY 1990 Medicaid receipts for Parsons and to provide this information to the Senate Subcommittee.

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 House Committee.

<u>Expenditure Summary</u>	<u>House Subcommittee Adjustments</u>	<u>House Rec. FY 90</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 350,906	\$ 8,195,151	\$ 276,154
General Fees Fund	--	599,598	--
Medicaid	--	7,418,892	--
Other Funds	--	30,000	--
Subtotal	<u>\$ 350,906</u>	<u>\$ 16,243,641</u>	<u>\$ 276,154</u>
Capital Improvements:			
State Institutions			
Building Fund	--	--	--
Total	<u>\$ 350,906</u>	<u>\$ 16,243,641</u>	<u>\$ 276,154</u>
Average Daily Census	--	285	--
FTE Positions	--	526.5	--

Senate Subcommittee Recommendation

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

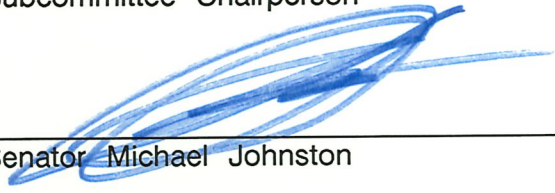
1. Decrease shrinkage from the recommended 6.85 percent to 6.32 percent, an increase of \$74,621 in salaries and wages, to compensate for a projected salary shortfall. The Subcommittee understands that the agency has implemented a hiring freeze to achieve the recommended salary and wage reductions. Although mindful of the reasons for this action the Subcommittee is disturbed that the agency is obliged to resort to such measures, particularly in light of the recent certification dilemma. The Subcommittee additionally notes that this practice results in an artificially high shrinkage rate.
2. Add \$25,073 in contractual services to address projected shortfalls, particularly in the area of utilities. The Subcommittee heard testimony indicating that agency utility costs were higher than anticipated due to an asbestos removal project which left steam lines uninsulated. The agency advises that this has now been corrected.
3. Add \$176,460 for commodities to address projected shortfalls. The Subcommittee notes that this increase would allow the agency to expend a total of \$1,028,321 for commodities in FY 1990, an increase of \$24,319 (2.4 percent) over actual FY 1989 expenditures.
4. The Subcommittee notes that after addressing certification issues, the agency's revised request is \$170,101 over the amount approved by the

FY 1989 Legislature. The Subcommittee commends Parsons State Hospital for its effort to minimize expenditures while struggling with certification issues.


5. As directed by the House, the Subcommittee reviewed Title XIX receipts for FY 1990. The Subcommittee was advised by Mental Health and Retardation Services that the Governor's estimate for Title XIX receipts is sufficient.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. 2618

Bill Sec. 5

Analyst: Duncan

Analysis Pg. No. 638

Budget Pg. No. 442

<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	\$ 8,524,877	\$ 7,495,706	\$ 408,128
General Fees Fund	546,634	546,634	--
Medicaid	8,204,174	8,420,854	408,128
Other Funds	<u>58,815</u>	<u>58,815</u>	<u>--</u>
Subtotal	\$ 17,334,500	\$ 16,522,009	\$ 816,256
Capital Improvements:			
State Institutions			
Building Fund	<u>995,700</u>	<u>--</u>	<u>--</u>
Total	<u>\$ 18,330,200</u>	<u>\$ 16,522,009</u>	<u>\$ 816,256</u>
Average Daily Census	270	270	--
FTE Positions	531.5	526.5	36.5

Agency Request/Governor's Recommendation

The agency's FY 1991 request for operating expenditures is \$17,334,500, of which \$8,524,877 is from the State General Fund. The FY 1991 request is a \$984,806 (6 percent) increase over the FY 1990 estimate. The FY 1991 request maintains current operating levels and includes the addition of 5 new FTE positions: three Mental Retardation Technicians I, one Psychologist II, and one Utility Worker.

The Governor recommends state operating expenditures of \$16,522,009 in FY 1991, a decrease of \$812,491 from the agency estimate. Adjustments include increases in professional services (\$23,896) and repairing and servicing (\$1); and decreases in salaries (\$399,965); communications (\$8,916); utilities (\$3,871); contractual services (\$1); clothing (\$6,543); maintenance materials (\$23,142); motor vehicle parts (\$4,598); office supplies (\$4,830); housekeeping supplies (\$42,604); and capital outlay (\$341,918).

House Subcommittee Recommendation

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

1. The Subcommittee notes that the Governor's FY 1991 budget recommendation was \$538,609 below the agency's B level request. After reevaluating its needs and implementing cost containment measures, the agency revised its budget request to include an additional \$5,267 over level B. Based on the Governor's recommendation (as compared to the revised agency request) Parsons projects additional needs of \$257,079 for salaries and wages; \$107,577 for

commodities; and \$195,304 for capital outlay. The agency identified savings of \$16,084 for contractual services, bringing the total request to an additional \$543,876 above the Governor's recommendation. This request is based solely on the Governor's recommendation and does not take into consideration the fact that on January 12, 1990, Parsons was certified as out of compliance with active treatment, staff and staff training, general government, and client rights. Poor living environment and furnishings were also cited deficiencies. To meet certification issues, the agency is requesting an additional \$835,436 for 37.5 new FTE positions (5.5 Custodians, 29 Mental Retardation Technicians I, one Ombudsman, one LPN, and one Utility Worker); \$25,000 for other operating expenditures; and \$11,000 for capital outlay; advancing the agency's total FY 1991 request for additional funds to \$1,410,345.

2. Add \$90,109 (one-half Title XIX, one-half State General Fund) for 5.5 FTE custodian positions, bringing the total number of custodial positions for Parsons to 17.0 FTE. The Subcommittee learned that the agency received numerous deficiencies relating to sanitation. Upon review of staffing levels at the three mental retardation hospitals, the Subcommittee notes that Parsons currently has 11.5 custodial workers, while KNI has 29 and Winfield has 42.
3. Add \$527,003 (one-half Title XIX, one-half State General Fund) and 29.0 FTE Mental Retardation Technicians I. The Subcommittee understands that the agency was deemed out of compliance due, in part, to inadequate staffing levels. Parsons staff to client ratio is the lowest of the three mental retardation hospitals. The Subcommittee's recommendation would fund these new direct care positions at trainee levels for the first two months of the fiscal year, then raise the trainees to full MRT I status for the remainder of the year.
4. Add \$29,075 (one-half Title XIX, one-half State General Fund) and 1.0 FTE Ombudsman position. The Subcommittee notes that the agency is out of compliance with client rights for a variety of reasons, among which is the lack of an advocacy system for clients rights issues.
5. Add \$22,235 (one-half Title XIX, one-half State General Fund) and 1.0 FTE LPN position to address certification issues related to nurse staffing.
6. Add \$17,100 (one-half Title XIX, one-half State General Fund) and 1.0 FTE Utility Worker position. The Subcommittee notes that many of the agency's certification deficiencies involved the physical surroundings of the residents. Utility workers are general handymen. The Subcommittee compared the number of utility workers at the three institutions and discovered that Parsons currently has two utility workers, KNI has four, and Winfield has eight.
7. Add \$11,000 (one-half Title XIX, one-half State General Fund) in capital outlay to address certification issues and to partially offset the \$206,304 identified by the agency as needed for FY 1991.

8. Add \$119,734 (one-half Title XIX, one-half State General Fund) for salaries and wages to partially restore the agency's revised request (pre-certification) of an additional \$257,079.
9. Delete 1.0 FTE cosmetologist position and shift \$18,612 from salaries and wages to contractual services. The Subcommittee notes that the cosmetologist position has been vacant since July, 1988. Since that time, the agency has used salary savings from this position to contract with local hairdressers for services.
10. The Subcommittee concurs with the Governor's recommendation which upgrades nurse salaries from range 15 to range 18 and establishes a senior class of LPNs at range 20. The Subcommittee notes that funding totaling \$465,000 was originally included in the Department of Administration's budget for LPN salary increases, however, this appropriation was deleted by the full Committee. The Subcommittee did not receive any information concerning distribution of funds for the mental health and mental retardation institutions, and recommends this issue be reviewed by the Second House.
11. Establish a no-limit appropriation for special oil overcharge funds to purchase vehicles for the hospital. The Subcommittee was informed that the U.S. Department of Energy is administering a "second stage" oil overcharge refund program, and that funds are available to the state for energy conservation-related projects and equipment purchases. The Subcommittee notes that the hospital has applied for second-stage oil overcharge funds to purchase vehicles to be utilized for patient transportation.
12. Make technical adjustments as needed to add the appropriate transfer language from the canteen fund to the patient benefit fund and restore the line item and proviso for the patient activity therapy fund.
13. The Subcommittee notes that the three mental retardation agencies are incorporated into H.B. 2618, the SRS bill. The bill allocates 8,049 FTE positions to SRS and does not itemize individual FTE positions for the three hospitals. The Subcommittee recommends that the FY 1990 bill format be used for these three agencies.
14. The Title XIX estimate, based on the Subcommittee's recommendations, is as follows:

Expenditure	Actual FY 89	Agency Estimate FY 90	Gov. Rec. FY 90	Agency Request FY 91	Gov. Rec. FY 91	Subcomm. Adjust.
Beginning Balance	\$ 52,157	\$ 83,037	\$ 83,037	\$ 0	\$ 411,954	\$ --
Proj. Receipts	<u>6,324,308</u>	<u>7,747,809</u>	<u>7,747,809</u>	<u>8,204,174</u>	<u>8,008,900</u>	<u>408,133</u>
Total Funds Avail.	\$ 6,376,465	\$ 7,830,846	\$ 7,830,846	\$ 8,204,174	\$ 8,420,854	\$ 408,133
Less: Expenditures	6,292,089	7,830,846	7,418,892	8,204,174	8,420,854	408,133
Nonexpense Items	<u>1,337</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Ending Balance	<u>\$ 83,039</u>	<u>\$ 0</u>	<u>\$ 411,954</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

House Committee Recommendation

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

1. Expenditures from the oil overcharge-second stage refund program fund shall not exceed the amount requested for vehicles in the agency's C level budget.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Subcommittee Adjustments</u>	<u>House Rec. FY 91</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 408,128	\$ 7,903,834	\$ 234,345
General Fees Fund	--	546,634	--
Medicaid	408,128	8,828,982	234,345
Other Funds	--	58,815	--
Subtotal	<u>\$ 816,256</u>	<u>\$ 17,338,265</u>	<u>\$ 468,690</u>
Capital Improvements:			
State Institutions Building Fund	--	--	--
Total	<u>\$ 816,256</u>	<u>\$ 17,338,265</u>	<u>\$ 468,690</u>
Average Daily Census	--	285	--
FTE Positions	36.5	563	--

Senate Subcommittee Recommendation

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

1. Decrease shrinkage from the recommended 6.82 percent to 5.77, resulting in an increase of \$155,957 (one-half Title XIX and one-half State General Fund) in salaries and wages. The agency's FY 1991 budget request includes a projected shrinkage rate of 5.3 percent.
2. Add \$12,941 (one-half Title XIX and one-half State General Fund) in salaries and wages to upgrade 16 LPNs to range 18 and two senior LPNs to range 20, as recommended by the Governor.
3. Add \$6,608 (one-half Title XIX and one-half State General Fund) in salaries and wages to allow the agency to hire an additional RN II rather than an LPN as recommended by the House. The Subcommittee learned that the RN would monitor infection control and LPNs are

not licensed to perform the types of inspections and treatments necessary for this position.

4. Add \$97,881 (one-half Title XIX and one-half State General Fund) for commodities to address a projected shortfall in this area. The Subcommittee learned that additional reductions were made by the agency in contractual services resulting in a net savings of \$34,696. The Subcommittee understands that the agency intends to shift this savings to commodities which, combined with the Subcommittee's recommendation, would provide a total of \$1,025,272 for commodities in FY 1991; a reduction of \$3,049 from the Subcommittee's FY 1990 recommendation.
5. Add \$195,304 (one-half Title XIX and one-half State General Fund) for capital outlay items to allow the agency to meet certification needs and to complete the final phase of the agency's computer network. The Subcommittee notes that the 1988 Legislature designated Parsons and Osawatomie as computer network development sites. The agency estimates that additional expenditures of \$49,000 will allow them to complete a hospital-wide computer network which will enable the agency to update and access client records from each of the resident cottages. The agency plans to transfer all client records to electronic medium which will allow it to be much more responsive to federal regulations.
6. The Subcommittee recommends establishment of the federal education aid fund at Parsons State Hospital and at the other SRS institutions as no-limit funds. The utilization of these funds is very narrow, per federal restrictions, and can only be expended for the most severely disadvantaged students. A no-limit expenditure limitation would provide the most efficient use of the funds for the maximum benefit of the students systemwide.
7. Delete the proviso for the oil overcharge funds which limits the agency to only those vehicles requested in its FY 1991 C level budget. The Subcommittee learned that in an effort to keep expenditures down, the agency did not request several replacement vehicles which it considers necessary.



Senator Alicia Salisbury
Subcommittee Chairperson



Senator Michael Johnston



Senator Jim Allen