

Approved: 3-18-91  
Date

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 1:30 p.m. on February 28, 1991 in room 514-S of the Capitol.

All members were present except: All present.

### Committee staff present:

Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: see attached list.

HB 2045 - Appropriations for FY92, Human Resources.

### DEPARTMENT ON AGING

Representative Hochhauser presented the subcommittee reports on the Department on Aging (Attachment 1). Representative Helgerson moved adoption of the FY91 subcommittee report. Representative Hochhauser seconded. Motion carried.

In response to a question regarding item #14 in the FY92 subcommittee report, Representative Helgerson stated the reason for shifting \$20,116 into state operations to reduce the turnover rate is that the Subcommittee had deleted all funding for unfilled positions and felt additional funds would be needed to cover the possibility that no shrinkage would occur. The Subcommittee recommended that any turnover savings that does occur be spent on assistance.

Representative Dean moved to delete \$18,000 State General Fund from other operating expenditures in the budget of the Department on Aging. Representative Patrick seconded. Representative Blumenthal noted that 3 percent was cut from this agency's budget over both fiscal years, FY91 and FY92, and he felt this motion would unfairly penalize this agency. Representative Dean withdrew his motion with the permission of his second, Representative Patrick.

Representative Hochhauser moved adoption of the FY92 subcommittee report on the Department on Aging. Representative Helgerson seconded. Motion carried.

### HOMESTEAD PROPERTY TAX

Representative Goossen presented the subcommittee reports on the Homestead Property Tax/Circuit Breaker Refunds (Attachment 2). Representative Goossen moved adoption of the FY 91 subcommittee report. Representative Helgerson seconded. Motion carried. Representative Goossen moved adoption of the FY92 subcommittee report on Homestead Property Tax. Representative Helgerson seconded. Motion carried.

### DEPARTMENT OF HEALTH AND ENVIRONMENT

Representative Helgerson presented the FY91 and FY92 subcommittee reports on the Department of Health and Environment (KDHE) (Attachment 3). Representative Helgerson moved adoption of the FY91 subcommittee report on KDHE. Representative Goossen seconded. Motion carried.

In the FY92 subcommittee report, a member questioned including in the subcommittee report \$1,151,400 in fees in item #14 which require enacting legislation, as the policy of the Committee has been to not include savings that require a law change. Representative Helgerson stated that a 3 percent cut in State General Fund over FY91 and 92 has been achieved in this budget exclusive of the additional fees which require legislation. Representative Goossen explained that the funds referred to in item #15, i.e. deletion of \$422, 981 for review of nursing homes, are all federal funds and the Subcommittee will make a decision on this funding during consideration of the SRS budget.

Representative Vancrum moved to delete items #9, #12, and #13 from the FY92 subcommittee report on KDHE. Representative Hamm seconded. Representative Helgerson requested that the motion be divided and

## CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at  
1:30 p.m. on February 28, 1991.

the Chair ruled the motion divisible. On a vote on item #9, which adds \$150,000 from the State Water Plan Fund for assistance to Public Water Supply System Personnel, the motion failed. Staff distributed a summary of revenue and expenditures of the State Water Plan Fund for FY91 and FY92 (Attachment 4). On a show of hands on deletion of item #12 from the FY92 subcommittee report, which adds \$100,000 State General Fund for family planning services, the motion failed. Several members suggested perhaps a report should be given to the Legislature or subcommittee on the success of the program to be funded in item #12. On the deletion of item #13 which adds \$228,963 State General Fund for the Healthy Start/Home Visitor Program, the motion failed.

Representative Patrick moved that the reference to approximately \$1.1 million in fees requiring a change in statute, be deleted from the FY92 subcommittee report on KDHE. Representative Helgerson seconded. Motion carried.

Representative Patrick moved that all the GIS monies and the computer hardware equipment associated with it be deleted from the budget of KDHE and that GIS be taken up at one time by the Committee. Representative Chronister seconded. Motion carried. Representative Helgerson moved to delete all lap-top computer acquisitions and associated software from the FY92 KDHE budget. Representative Goossen seconded. Motion carried.

Representative Dean stated computer usage at DISC went up 40 percent this year and oversight of these increased costs must be at the agency level. Representative Dean pointed out that each subcommittee should be asking its agencies how much computer usage they are generating. Representative Patrick moved to delete \$556,064 for computer equipment and software in the KDHE budget. Representative Dean seconded. It was noted that much of this amount is budgeted for installment purchases. Representative Patrick made a substitute motion to delete \$46,310 for other new computer and software acquisitions in the KDHE budget. Representative Kline seconded. Substitute motion carried.

Representative Fuller moved to delete the first sentence in item #7 of the FY92 KDHE subcommittee report which, in effect, restores \$75,000 State General Fund for payment to Nebraska for the low level waste disposal site. Representative Helgerson seconded. Motion carried. Representative Helgerson moved adoption of the FY92 KDHE subcommittee report, as amended. Representative Goossen seconded. Motion carried.

The meeting was recessed at 4:00 p.m. Chairman Teagarden announced the meeting would reconvene at 5:00 p.m. to complete consideration of subcommittee reports on HB 2045.

The meeting was reconvened at 5:10 p.m.

### DEPARTMENT OF HUMAN RESOURCES

Representative Helgerson reviewed the subcommittee reports on the Department of Human Resources (Attachment 5). Representative Helgerson moved adoption of the FY91 and FY92 subcommittee reports on the Department of Human Resources. Representative Hochhauser seconded. Motion carried.

### KANSAS COMMISSION ON VETERANS AFFAIRS/KANSAS SOLDIERS' HOME

Representative Pottorff presented the subcommittee reports on the Commission on Veterans Affairs (Attachment 6). Representative Hochhauser submitted minority reports on FY91 and FY92. Representative Helgerson moved adoption of the FY91 subcommittee report on the Commission on Veterans Affairs. Representative Pottorff seconded. Representative Hochhauser made a substitute motion to adopt the minority report on FY91. Representative Solbach seconded. Substitute motion failed. On a vote on the majority report, the motion carried.

Representative Pottorff moved adoption of the FY92 subcommittee report on the Kansas Commission on Veterans Affairs. Representative Helgerson seconded. Representative Hochhauser made a substitute motion to adopt the FY92 minority report. Representative Solbach seconded. The substitute motion failed. Representative Vancrum noted that the shift of funding on the Soldiers' Home to fee funds is a temporary solution and funding problems for the Home will still exist next year. On the original motion to adopt the FY92 majority report, the motion carried. Representative Chronister moved that HB 2045, as amended, be recommended favorably for passage. Representative Wisdom seconded. Motion carried.

The meeting was adjourned at 5:45 p.m. The next meeting is scheduled for Friday, March 1 at 8:00 a.m. in 514-S.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-28-91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
SUSAN DUFFY	TOPEKA	DEPT OF REVENUE
Cindy Gulpin	Topeka	Budget
Mike Bohnkoff	Topeka	Budget
Marty Kennedy	Topeka	" "
Melissa Ness	Topeka	Ks Children's Service League
ELIZABETH E TAYLOR	"	DEPT'S K's ASSO OF LOCAL HEALTH
LARA ELLER	TOPEKA	DEPT Health + Environ.
Richard Marrissey	"	KDHE
Arthur Schuman	Topeka	KDHE
Estrella Ilevin	Haysville	Campus High
DAVID M TRASTER	Topeka	KDHE
David Kee	Wichita	CHS
Kevin Siek	Topeka	KCDC
ANNICE D. WHITE	DLATHE	JO AAA
Jan Bonine		SWKAAA
SYDNEY KARR	LAWRENCE	KS ACTION / CHILDREN
Gerald Schneider	Topeka	KDHR
Elizabeth Maxwell	Ottawa	MID-AMERICA NUTRITION
Marilyn Augur	Mound City	Linn Co. Nutrition Proj
BEATRICE L. SHISLER	OTTAWA	East Central Kansas Area Agency on Aging
Jeff Montague		Budget
Alicia Knatt	Topeka	KDOA
Esther V Wolf	Topeka	KDOA
Ric Sylber	"	"
JA Ladd	Wichita	RS77A

Doug Bowman  
Ron Hammerschmidt  
JERRY D. Williams  
Bill Cutler  
Russell Leveille  
Arthur W. Solis  
Marilyn Bradt  
Cheryl Shores  
Michelle Moore  
Alice D. Nyson  
STAN TEASLEY

Topeka  
Topeka  
Chanute  
Topeka  
St. Mary,  
Olathe  
Lawrence  
Topeka  
Topeka  
K.C.  
Topeka

Children & Youth Advisory  
KDHE  
SEK-AAA, INC.  
EDDA  
AGIF  
KINH  
KCSL  
KS Action for Children  
w/yn / Rev. AAA - chair  
KCUA



**SUBCOMMITTEE REPORT**

**Agency:** Department on Aging

**Bill No.** 2456

**Bill Sec.** 40

**Analyst:** Howard

**Analysis Pg. No.** 416

**Budget Page No.** 48

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 1,325,292	\$ 1,317,595	\$ 21,662
Other Assistance	12,452,625	12,893,702	(72,402)
<b>TOTAL</b>	<u>\$ 13,777,917</u>	<u>\$ 14,211,297</u>	<u>\$ (50,740)</u>
<b>State General Fund:</b>			
State Operations	\$ 738,038	\$ 730,341	\$ (10,000)
Other Assistance	1,605,248	1,605,248	(12,738)
<b>TOTAL</b>	<u>\$ 2,343,286</u>	<u>\$ 2,335,589</u>	<u>\$ (22,738)</u>
<b>FTE Positions</b>	31.8	31.8	--

**Agency Request/Governor's Recommendation**

The agency's estimate of current year expenditures is an increase of \$280,013 from the amount approved by the 1990 Legislature. The estimate reflects a reduction of \$5,276 from the State General Fund and an increase of \$285,289 from federal funds. The estimate reflects higher than anticipated receipts from federal funds. The following summarizes changes in expenditures from the approved budget: Nutrition Program (\$201,234), General Community Grants (\$71,432), All Other Programs (\$7,347), for total changes from the approved budget of \$280,013.

The Governor's recommendation for expenditures in FY 1991 is an increase of \$433,380 from the agency estimate, including an increase of \$441,077 from federal funds in other assistance and a reduction of \$7,697 from the State General Fund in state operations. The recommendation reflects revised estimates of Older Americans Act Funds for FY 1991. Expenditures in addition to the agency's request are included from federal funds in the following assistance areas: General Community Grants (\$256,945), Nutrition Program (\$184,132), for total additions to the agency's request of \$441,077.

**House Subcommittee Recommendation**

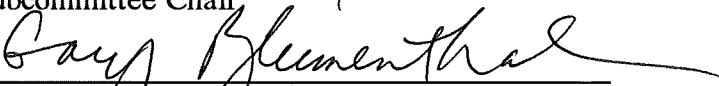
The House Subcommittee concurs with the recommendations of the Governor with the following exceptions:

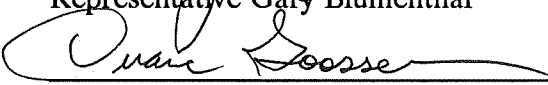
1. Delete \$10,000 from the State General Fund in operating expenditures based on year-to-date expenditures.

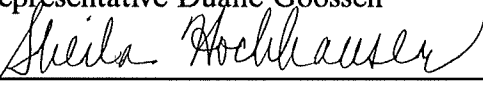
HA  
2-28-91  
Attachment 1

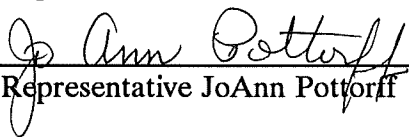
- 2. Delete \$12,738 from the State General Fund in other assistance for the Senior Care Act. The Subcommittee was informed that one Senior Care project did not expend its entire allotment in FY 1990. A total of \$25,355 was not expended. The Subcommittee recommends that these unexpended funds from FY 1990 be applied to fund a portion of the Senior Care Act for that area in FY 1991 and FY 1992 and recommends the deletion of \$25,355 from the Senior Care Act appropriation (\$12,738 in FY 1991, \$12,617 in FY 1992).
- 3. The Subcommittee concurs with the Department's proposed expenditure plan for nutrition programs. The Governor's recommendation did not specifically allocate new federal funds for meals in FY 1991. Under the agency's plan, a portion of additional federal funds recommended by the Governor in FY 1991 would be shifted to FY 1992. The agency's plan would increase the number of meals in both fiscal years. The Subcommittee recommends that meals funding for FY 1991 be reduced by \$28,002 in federal funds and that meals funding in FY 1992 be increased by \$65,092 in federal funds from the Governor's recommendation. The net effect of this recommendation is to increase the number of meals in both fiscal years by 33,154 meals from the Governor's recommendation.
- 4. Shift \$3,675 in federal funds from assistance to state operations to permit the agency to fill a vacant trainer position for the remainder of the fiscal year. The 1990 Legislature deleted funding for this position and directed the agency to hold the position vacant. The Subcommittee feels that this position provides vital technical assistance as a direct service to area agencies. The Subcommittee recommends a 0.5 FTE trainer. The current vacant position is a 0.8 FTE position.
- 5. Shift \$27,987 in FY 1992 from other assistance to state operations as a technical adjustment to allow the agency to expend the new Older Americans Act allotment for the Ombudsman program.

  
 Representative Henry Helgerson  
 Subcommittee Chair

  
 Representative Gary Blumenthal

  
 Representative Duane Goossen

  
 Representative Sheila Hochhauser

  
 Representative JoAnn Pottorff

## SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2045

Bill Sec. 6

Analyst: Howard

Analysis Pg. No. 416

Budget Page No. 48

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,448,982	\$ 1,349,840	\$ 581
Other Assistance	14,543,944	13,247,212	11,984
<b>TOTAL</b>	<b><u>\$ 15,992,926</u></b>	<b><u>\$ 14,597,052</u></b>	<b><u>\$ 12,565</u></b>
State General Fund:			
State Operations	\$ 900,615	\$ 808,556	\$ (58,218)
Other Assistance	2,781,520	1,549,377	5,691
	<b><u>\$ 3,682,135</u></b>	<b><u>\$ 2,357,933</u></b>	<b><u>\$ (52,527)</u></b>
FTE Positions	32.8	31.8	(1.8)

\* Excludes amounts reserved for employee compensation.

### Agency Request/Governor's Recommendation

The Department on Aging's request for FY 1992 is an increase of \$2.2 million from the FY 1991 estimate, and includes an increase of \$1.3 million from the State General Fund. The request would fund 32.8 FTE positions, including one new position, a Personnel Management Specialist. The request includes funding to expand the Senior Care Act and Older Kansans Employment programs statewide, as well as additional oil overcharge funds to purchase 42 vehicles for area agencies on aging. The request for nutrition programs assumes that the cost per meal will increase by 3.5 percent in FY 1992 and includes \$150,000 for capital equipment at the nutrition sites.

The Governor's recommendation for FY 1992 is a reduction of \$1.4 million from the agency request, including \$1.3 million from the State General Fund. The recommendation maintains current agency operations and does not include funding for the requested new position. Funding to expand the Senior Care Act and Older Kansans Employment programs statewide is not recommended. The Governor's recommendation includes \$457,000 from oil overcharge funds for the purchase of vehicles for area agencies on aging. The recommendation for nutrition programs assumes that the cost per meal will increase by 1.9 percent in FY 1992. No funding is recommended for capital equipment at the meal sites.

### House Subcommittee Recommendation

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

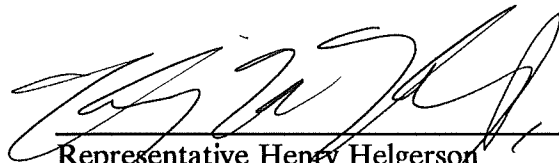
1. Delete 1.8 FTE positions and \$62,000 from the State General Fund. The Subcommittee recommends the deletion of the 1.0 FTE Undersecretary/legal position, the deletion of a 0.5 FTE employment accountant and the reduction of a trainer position from 0.8 FTE to 0.5 FTE. The recommendation deletes the funding associated with all three positions from the State General Fund.
2. Shift \$14,700 in federal funds from other assistance to state operations to allow the agency to maintain the 0.5 FTE trainer position. The Subcommittee feels that this position provides vital technical assistance as a direct service to area agencies. This recommendation reduces the current position from 0.8 FTE to 0.5 FTE.
3. Add \$18,308 from the State General Fund for the Retired Senior Volunteer Program (RSVP). This recommendation continues funding for the RSVP program in FY 1992 at the FY 1991 level of \$18,308.
4. Delete \$12,617 from the State General Fund in other assistance for the Senior Care Act. The Subcommittee was informed that one Senior Care project did not expend its entire allotment in FY 1990. A total of \$25,355 was not expended. The Subcommittee recommends that these unexpended funds from FY 1990 be applied to fund a portion of the Senior Care Act services for that area in FY 1991 and FY 1992 and recommends the deletion of \$25,355 from the Senior Care Act appropriation (\$12,738 in FY 1991, \$12,617 in FY 1992).
5. The Subcommittee concurs with the Department's proposed expenditure plan for nutrition programs. The Governor's recommendation did not specifically allocate new federal funds for meals in FY 1991. Under the agency's plan, a portion of additional federal funds recommended by the Governor in FY 1991 would be shifted to FY 1992. The agency's plan would increase the number of meals in both fiscal years. The Subcommittee recommends that meals funding for FY 1991 be reduced by \$28,002 in federal funds and that meals funding in FY 1992 be increased by \$65,092 in federal funds from the Governor's recommendation. The net effect of this recommendation is to increase the number of meals in both fiscal years by 33,154 meals from the Governor's recommendation.
6. The Subcommittee concurs with the Governor's recommendation for \$457,000 in oil overcharge funds for the purchase of vehicles for area agencies on aging. However, the Subcommittee discussed the possibility of using a portion of these funds for the purchase of replacement kitchen equipment. The Subcommittee has requested the Department on Aging to investigate this possibility and to prepare a summary of local equipment needs. The Subcommittee will also review oil overcharge funding again during consideration of the SRS budget and may make additional modifications at that time.
7. Shift \$23,983 in FY 1992 from other assistance to state operations as a technical adjustment to allow the agency to expend the new federal Older Americans Act allotment for the ombudsman program.
8. Add \$3,461 from the State General Fund in state operations as a technical adjustment. Funds in the Governor's recommendation relating to certain




employment programs were inadvertently reduced from the State General Fund rather than from federal funds.

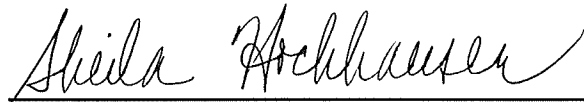
9. Add \$321 from the State General Fund as a technical adjustment to provide the required State match for the ombudsman program.
10. Make several technical adjustments to the bill to reflect the Governor's recommendation.
11. The Subcommittee would also note that testimony was received concerning the five meal sites in Western Kansas that were opened in FY 1990 with targeted State General Fund start-up dollars outside the regular funding formula. The 1990 Legislature approved additional targeted funding of \$35,000 towards these five sites. The Subcommittee report on the Department on Aging during the 1990 Session clearly stated that FY 1991 should be the last year in which these sites would be funded in an exceptional way and that in subsequent fiscal years these sites would be expected to continue with the support of the regular nutrition funding formula and local resources. For FY 1992, the Southwest Area Agency on Aging has indicated that its two new sites (LaCrosse, Ulysses) can be maintained without additional targeted State General Fund appropriations. However, the Northwest Area Agency on Aging has indicated that it needs \$24,864 to support its three new sites (Atwood, Oberlin, Osborne) and that without such funding the sites will close. The Subcommittee heard a plan from the Department on Aging to fund these projects in FY 1992 through requiring the Northwest Area Agency on Aging to target its increased federal funds allotment to these sites. The Subcommittee does not recommend an additional targeted State General Fund appropriation for these sites but does note that the local agency has the authority and discretion to allocate the funding it receives under the federal funding formula. The Subcommittee further stresses that no additional targeted funding outside the regular funding formula should be available to these sites in subsequent fiscal years.
12. The Subcommittee reviewed in-home care services funded in the Department on Aging budget including federal funds targeted for in-home care services and State General Funds under the Senior Care Act. The Subcommittee would stress that in-home services are a high priority and will be reviewed further during Subcommittee consideration of the SRS budget. Recommendations made at that time could further impact this budget. The Subcommittee would also note S.B. 54 which would transfer certain in-home care services from SRS to the Department on Aging. The Subcommittee will further review this bill and appropriate agency roles during consideration of the SRS budget. The Subcommittee reviewed aging population trends and notes that from 1980 to 1990 the population in Kansas over age 65 grew from 305,000 to 346,000 and is expected to increase to 358,000 by the year 2000. The fastest growing segment of this population is the 85 years and older group with an increase from 33,000 in 1980 to 45,000 in 1990 and 56,000 in the year 2000. At the same time that the population is increasing and federal dollars have increased, state funding for community services in the Department on Aging budget has declined. The Subcommittee again emphasizes that particularly in light of the population trends, in-home services must be a priority.

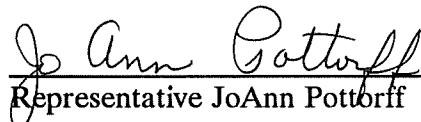
- 13. The Subcommittee also believes that it is essential that a continuum of care for in-home services be developed in order to provide alternatives to nursing home care for older individuals. The Subcommittee believes that the first priority in long-term care must be to allow individuals to remain at home or in a community setting as an alternative to institutional services. In order to implement this policy priority, this continuum of services must be developed. The Subcommittee would note that the SRS Task Force has recommended the introduction of legislation to create a long-term care planning commission to be charged with identifying the most effective alternatives to institutional care and with identifying direction for the development of an effective statewide alternative services program including service delivery and funding.
  
- 14. Shift \$20,116 in federal funds from assistance to state operations to reduce the budgeted turnover rate from 5 percent to 3.2 percent. The Subcommittee further recommends that if positions become open that will allow the agency to meet the budgeted turnover, these dollars should instead be used in direct services. The Subcommittee recognizes that the agency needs flexibility to manage its budgeted shrinkage without holding open essential staff positions or unduly reducing funding for services.

  
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Representative Henry Helgersen  
Subcommittee Chair

  
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Representative Gary Blumenthal

  
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Representative Duane Goossen

  
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Representative Sheila Hochhauser

  
\_\_\_\_\_  
Representative JoAnn Pottorff

## SUBCOMMITTEE REPORT

Agency: Homestead Property Tax/  
Circuit Breaker Refunds

Bill No. 2456

Bill Sec. 36

Analyst: Efird

Analysis Pg. No. 362

Budget Page No. 500

<u>Expenditure Summary</u>	<u>Revised FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
Circuit Breaker	\$ 739,984	\$ 679,105	\$ --
Regular Program	9,510,070	9,510,070	(500,000)
Total -- Other Asst.	<u>\$ 10,250,054</u>	<u>\$ 10,189,175</u>	<u>\$ (500,000)</u>
State General Fund:			
Circuit Breaker	\$ 0	\$ 0	\$ --
Regular Program	9,510,070	9,510,070	(500,000)
Total -- Other Asst.	<u>\$ 9,510,070</u>	<u>\$ 9,510,070</u>	<u>\$ (500,000)</u>

### Agency Request/Governor's Recommendation

For FY 1991, the agency estimates lower expenditures for both the regular homestead property tax assistance program and the residential circuit breaker program than amounts approved by the 1990 Legislature. The new estimates reflect a revision downward in the number of people filing claims. The maximum amount of the circuit breaker refund will drop from \$500 to \$250 for calendar year 1991 taxes. The agency estimates a reduction of almost \$2.6 million for the two programs, or approximately \$1.3 million for the regular homestead refund program and \$1.3 million for the residential circuit breaker program.

For FY 1991, the Governor generally concurs with estimates for both programs, with a minor reduction in the circuit breaker program. The Governor recommends State General Fund estimated savings of \$1.3 million, of which \$653,634 in the regular homestead program be lapsed in FY 1991, with additional savings of \$650,000 to be reappropriated to FY 1992. An additional \$1.3 million savings of special revenue funds estimated for the circuit breaker program would carry over to FY 1992 by the Governor's recommendation.

### House Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1991 recommendations, with the following adjustments:

1. Based on fewer claims being filed to date than in the same period last fiscal year (14,251 compared with 18,111 through February 22), reduce an additional \$500,000 in estimated regular homestead refund payments this fiscal year.

NA  
2-28-91  
Attachment 2

2. Allow any State General Fund savings from FY 1991 to reappropriate to FY 1992 in order to reduce new FY 1992 financing required for the regular homestead program. This financing estimated at \$1,803,634 (\$1,303,634 based on the Governor's recommended reduction and \$500,000 based on the Subcommittee's reduction) will be available in FY 1991 if unexpected claims occur, which would not be the case if funds were lapsed.




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Representative Henry Helgerson  
Subcommittee Chair




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Representative Gary Blumenthal



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Representative Duane Goossen



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Representative Sheila Hochhauser



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Representative Jo Ann Pottorff

**SUBCOMMITTEE REPORT**

Agency: Homestead Property Tax/Circuit Breaker Refunds Bill No. 99

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 362

Budget Page No. 500

<u>Expenditure Summary</u>	<u>Estimated FY 1992</u>	<u>Gov. Rec. FY 1992</u>	<u>Subcommittee Adjustment</u>
All Funds:			
Circuit Breaker	64,165	32,338	--
Regular Program	9,906,648	9,906,648	(896,578)
Total -- Other Assistance	<u>9,970,813</u>	<u>9,938,986</u>	<u>(896,578)</u>
State General Fund:			
Circuit Breaker	0	0	32,338
Regular Program	9,906,648	9,906,648	(896,578)
Total -- Other Assistance	<u>9,906,648</u>	<u>9,906,648</u>	<u>(864,240)</u>

**Agency Request/Governor's Recommendation**

For FY 1992, the agency estimates increased claims for regular homestead refunds and reduced expenditures for the circuit breaker program since the program will end prior to the 1992 tax year. A net reduction in total expenditures is estimated next fiscal year due to the expiration date of October 15, 1991, for the circuit breaker program's filing period.

For FY 1992, the Governor generally concurs with the agency's expenditure estimates for both programs, with a minor reduction in the circuit breaker program. The Governor recommends that accrued FY 1991 savings estimated to be \$1,288,557 be transferred from the special revenue fund for the circuit breaker program to the State General Fund in early FY 1992.

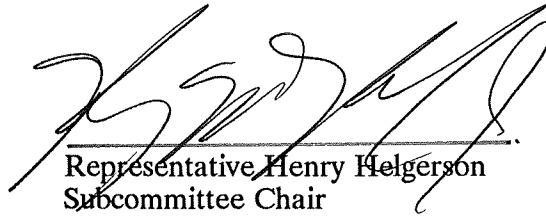
**House Subcommittee Recommendation**


The Subcommittee concurs with the Governor's FY 1992 recommendations, with the following adjustments:

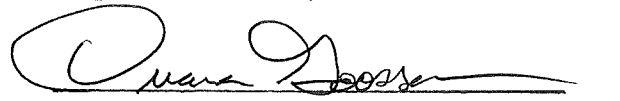
1. Shift \$32,338 of expenditures for circuit breaker refunds from special revenue fund financing to the State General Fund.
2. Increase the estimated amount of special revenue funds to be transferred to the State General Fund by \$32,338.
3. Reduce estimated expenditures for the regular homestead refund program by \$896,578 financed by the State General Fund by assuming the same level of payments in FY 1992 as the Subcommittee estimated for FY 1991 expenditures. This adjustment reflects a reduction of 9.1 percent in the Governor's recommended State General Fund expenditures for the regular homestead program in FY

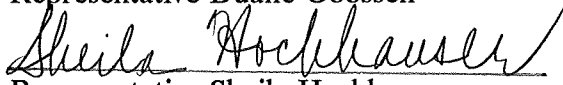



1992. The net reduction to the Governor's recommended State General Fund financing would be 8.7 percent due to shifting the circuit breaker funding.

  
Representative Henry Helgerson  
Subcommittee Chair

  
Representative Gary Blumenthal

  
Representative Duane Goossen

  
Representative Sheila Hochhauser

  
Representative Jo Ann Pottorff

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health and Environment

**Bill No.** 2456

**Bill Sec.** 39

**Analyst:** Rothe

**Analysis Pg. No.** 393

**Budget Page No.** 240

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 62,789,334	\$ 62,348,334	\$ (221,415)
Aid to Local Units	14,631,356	14,048,981	--
Other Assistance	21,477,000	19,066,000	--
<b>TOTAL</b>	<u>\$ 98,897,690</u>	<u>\$ 95,463,315</u>	<u>\$ (221,415)</u>
<b>State General Fund:</b>			
State Operations	\$ 20,334,140	\$ 20,066,652	\$ (210,924)
Aid to Local Units	4,904,896	4,904,896	--
Other Assistance	0	0	--
<b>TOTAL</b>	<u>\$ 25,239,036</u>	<u>\$ 24,971,548</u>	<u>\$ (210,924)</u>
<b>FTE Positions</b>	729.2	723.2	--

**Agency Request/Governor's Recommendation**

The Department requests a total budget of \$98,897,690 in FY 1991 with 729.2 FTE positions, an increase of \$13,112,541 and 6.0 FTE positions above the amount approved. The agency's revised estimate includes funding of \$62,789,334 for state operations (an increase of \$13,154,306) and \$36,108,356 for aid to local units and other assistance (a reduction of \$41,765). Most of the increase includes \$9,916,474 from the Petroleum Storage Tank Release Trust Fund and \$2,568,745 from the unexpended balance of the Remediation Projects Fund. A requested supplemental appropriation from the State General Fund totaling \$82,106 includes \$32,106 for costs associated with the Governors Commission on Health Care and \$50,000 for medication for certain persons with AIDS/HIV.

The Governor recommends FY 1991 expenditures of \$95,463,315, a reduction of \$3,434,375 from the agency's revised estimate. The recommendation includes \$24,971,548 from the State General Fund and \$70,491,767 from other funds. The recommendation includes a supplemental appropriation from the State General Fund of \$18,824 for OOE. The Governor recommends \$50,000 from the State General Fund for AIDS/HIV medication and \$9,614 for salaries associated with the Governor's Commission on Health Care. Recommended reductions include \$2,411,000 from the federal WIC food voucher program due to a revision in the availability of federal receipts, \$396,854 from salaries and wages due mostly to salary benefit and shrinkage adjustments, \$582,375 from environmental grants to local governments financed from the Water Plan Fund, \$39,928 from contractual services, and \$4,218 from commodities. The Governor recommends salary shrinkage savings of \$1,173,518 (a 4.7 percent rate) compared to the agency's estimate of \$1,032,043 (4.1

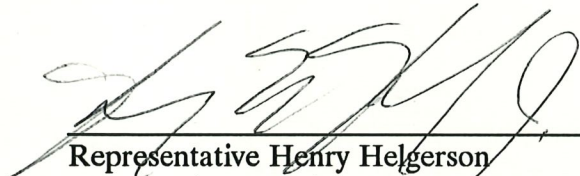
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percent). Six new special project positions are recommended for the Environmental Remediation Program beginning in January, 1991 (\$65,429).


### House Subcommittee Recommendations

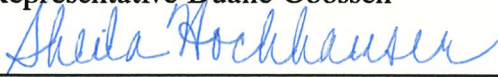
**FY 1991.** The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$150,000 from vaccine expenditures from the State General Fund. The 1990 Legislature appropriated \$1,424,048 for vaccine supplies in FY 1991, including \$1,344,792 from the State General Fund and \$79,256 from federal funds, compared to actual FY 1990 expenditures of \$768,535. The Subcommittee notes that the federal contract for vaccine is renegotiated each May and the price was reduced in the contract that commenced in May, 1990. For example, 110,000 doses of DTP vaccine were approved for FY 1991 at approximately \$8.00 per dose compared to the renegotiated price of approximately \$7.00 per dose.
2. Delete \$44,758 from the State General Fund which represents the salaries of 3.0 FTE vacant positions, including a Legal Assistant, an Attorney, and an Executive Manager in the Bureau of Environmental Remediation.
3. Delete \$26,657 from the salaries of two vacant positions in the Air Quality Program, including \$16,166 from the State General Fund and \$10,491 from federal funds. The Subcommittee recommends the positions (each of which has been vacant for at least six months) remain vacant for the remainder of FY 1991 and for all of FY 1992.
4. Make technical adjustments in the agency's FY 1991 supplemental appropriation bill (H.B. 2456) to conform with the Governor's intent.

  
 Representative Henry Helgerson  
 Subcommittee Chair

  
 Representative Gary Blumenthal

  
 Representative Duane Goossen

  
 Representative Sheila Hochhauser

  
 Representative Jo Ann Pottorff

**SUBCOMMITTEE REPORT**

Agency: Department of Health and Environment

Bill No. 2045

Bill Sec. 5

Analyst: Rothe

Analysis Pg. No. 393

Budget Page No. 240

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 74,058,483	\$ 67,042,968	\$ (466,116)
Aid to Local Units	15,211,452	14,385,603	846,676
Other Assistance	19,901,347	19,901,348	--
<b>TOTAL</b>	<b><u>\$ 109,171,282</u></b>	<b><u>\$ 101,329,919</u></b>	<b><u>\$ 380,560</u></b>
<b>State General Fund:</b>			
State Operations	\$ 22,038,517	\$ 19,734,904	\$ (1,676,523)
Aid to Local Units	5,328,275	4,909,638	(79,699)
Other Assistance	0	0	--
<b>TOTAL</b>	<b><u>\$ 27,366,792</u></b>	<b><u>\$ 24,644,542</u></b>	<b><u>\$ (1,756,222)</u></b>
<b>FTE Positions</b>	<b>777.2</b>	<b>730.5</b>	<b>(12.0)</b>

**Agency Request/Governor's Recommendation**

The Department requests a total budget of \$109,171,282 in FY 1992, an increase of \$10,273,592 above the revised current year estimate. The request would fund 777.2 FTE positions, an increase of 54.0 FTE above the number approved for the current year. The request includes \$74,058,483 for state operations and \$35,112,799 for aid to local units and other assistance. The agency's request includes \$27,366,792 from the State General Fund, including \$22,038,517 for state operations (an increase of \$1,704,377) and \$5,328,275 for aid to local units (an increase of \$423,379).

The Governor recommends FY 1992 expenditures of \$101,329,919, a reduction of \$7,841,363 from the agency's request. The recommendation includes funding for 730.5 FTE positions, an increase of 7.3 FTE above the number approved for the current year. The Governor recommends 10.0 FTE new positions (\$310,310), the deletion of 2.7 FTE existing positions, and the addition of 23 special project worker positions (\$669,614). The recommendation includes \$24,644,542 from the State General Fund (a reduction of \$2,722,250) and \$76,685,377 from other funds. The largest reduction is \$4,923,044 in financing from the State Water Plan Fund for environmental remediation projects (\$3.8 million), and for environmental grants to local governments (\$1,123,044). The Governor's recommendation for FY 1992 includes a reserve of funds for step movement, longevity bonuses, unclassified merit pool, and a cost-of-living increase; but these items are excluded from the detailed expenditure estimates for each agency. The Governor recommends salary shrinkage savings of \$1,068,083 (a 4.0 percent rate) compared to the agency's request of 2.5 percent.

The recommendation includes \$3,882,424 from the State Water Plan Fund for environmental contamination remediation projects (\$2.0 million), the evaluation and development of plans for local environmental needs (\$1,216,137), a household hazardous waste collection program (\$150,000), the implementation of a private well protection program (\$86,226), and technical assistance to local governments preparing and implementing nonpoint source pollution control programs (\$430,061).

The Governor recommends \$310,310 in FY 1992 for the salaries of 10.0 FTE health Facility Surveyors and \$669,614 for the salaries of 23 full-time special project positions. The recommendation for special project positions includes \$151,922 from the Petroleum Storage Tank Release Trust Fund for six positions continued from January, 1991, \$38,959 from the state Waste Tire Management Fund for one position, and \$478,733 from federal funds for 16 positions associated with: OSHA projects (one position, \$23,720); Galena Subsite studies (two positions, \$65,854); air quality (one position, \$42,733); nonpoint source pollution (six positions, \$181,139); and a laboratory improvement program (six positions, \$165,287).

### House Subcommittee Recommendations

FY 1992. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Make technical adjustments in the FY 1992 appropriations bill (H.B. 2045) to conform with the Governor's intent.
2. Discontinue the perinatal contractual arrangement with the University of Kansas Medical Center. The Subcommittee recommends that discontinued expenditures of \$194,000 from the federal Maternal and Child Health Services Block Grant Fund be shifted to replace existing State General Fund financing of the Maternal and Infant (M & I) program (aid to local units). The purpose of the perinatal program is to reduce infant and neonatal mortality and the incidence of developmental handicaps in children through a coordinated regional medical and hospital system. Program activities include developing a mobile and airborne referral transportation system, and planning follow-up services by perinatal centers and public health departments.
3. Delete \$100,000 from the State General Fund and 2.0 FTE positions from activities associated with the state feedlot regulation program in the Bureau of Water Quality.
4. Delete \$63,862 from the State General Fund (aid to local units) for nursing home visits provided by local health departments. The Subcommittee notes that the KDHE will be making additional visits to nursing homes due to the addition of 10 FTE Health Facility Surveyor positions added for FY 1991. The Subcommittee will study nursing home reform in its review of the SRS budget.
5. Discontinue the LIVELY (Life, Interest and Vigor Entering Later Years) program. The Subcommittee recommends that discontinued funding of \$150,800 from the federal Preventive Health and Health Services Block Grant Fund be



shifted to replace existing State General Fund financing for the Home Visitor/Healthy Start Program (aid to local units). The LIVELY program was developed in 1982 as a case management health promotion program to coordinate local health services for the aging to promote healthy lifestyles and preserve independence of clients aged 50 and over. In response to the fact that cardiovascular disease is the number one cause of death in Kansas, the risk factors most commonly addressed in this grants program (28 local projects are funded for FY 1991) are those that contribute to cardiovascular disease. The Subcommittee notes the need for this program and may revisit the issue later in the Session.

6. Delete \$25,000 from the State General Fund for educational films requested for the Office of Education and Public Information. The Governor recommends \$33,620 for new and replacement films and videotapes for FY 1992.
7. The Subcommittee recommends the deletion of \$75,000 from the State General Fund, which is the payment to the State of Nebraska as part of the start-up costs associated with the development of a low-level waste disposal site. The Subcommittee recommends the introduction of legislation to require the state's low-level waste compact contribution to the State of Nebraska be funded by Kansas utilities rather than from the State General Fund.
8. The Subcommittee concurs with the Governor's FY 1992 recommendation of \$2,000,000 from the State Water Plan Fund for contamination remediation projects. The Subcommittee notes that the latest report issued by the Bureau of Environmental Remediation indicates that 386 sites are in varying stages of remediation activities. Sites chosen by the Bureau typically involve the contamination of groundwater by saltwater from salt mining or oil field activities or pesticides from fumigation of grain elevators. The Governor's current resources budget included a total of \$500,000 from the State Water Plan Fund for contamination remediation projects. This was the only current resource budget item in the KDHE budget. In addition, the Subcommittee recommends the addition of \$582,375 from the State Water Plan Fund to increase the grant to local environmental aid to \$1,948,512 as requested by the agency. The Subcommittee further recommends that a discussion on State Water Plan Fund priorities is needed in Committee.
9. The Subcommittee recommends the addition of \$150,000 from the State Water Plan Fund for On-site Assistance to Public Water Supply System Personnel. The Subcommittee learned that the Governor intended to add this item to the agency's budget. A Kansas Water Office document explains that a five-year, \$750,000 state program of on-site assistance is needed so that rural water districts, small communities, and others responsible for the day-to-day operation of public water supply systems can have access to, and receive hands-on training to deal with the full spectrum of water problems that are confronting them.
10. Delete \$20,110 from the State General Fund in the Laboratory Division for return-postage costs. KDHE currently sends postage-paid containers to local governments which are returned to the KDHE laboratory with water samples.

The Subcommittee recommends that the postage costs be borne by public water suppliers.

11. Add \$400,000 from the State General Fund to finance the second dose of Measles, Mumps and Rubella (MMR) vaccine to a second group of students. Currently, a first dose of MMR is being administered to 15-month old children. Beginning in FY 1991, a second dose is being administered to children upon first entrance to school (upon the recommendation of the Centers for Disease Control in Atlanta). The Subcommittee notes that while the second dose policy will provide the recommended immunization to persons born prior to approximately 1985, the systematic second-dose immunization will not have been available to those born after 1985. The Subcommittee recommends that a second dose be administered to older groups of students until those born in 1985 reach that age group.
12. Add \$100,000 from the State General Fund (aid to local units) to expand the family planning services in Kansas. The Governor's recommendation includes \$1,076,654 from federal funds for family planning services, including \$816,566 for aid to local units. For FY 1991, the same level of federal funding provides grants to 32 Kansas counties. Family planning assures, along with maternal and child health programs, provision of basic preventive and primary care to low-income and high-risk women. Family planning is often the sole source of Health care for most low-income women, according to KDHE. The current level of federal funding does not allow development of services in most Kansas counties. The Subcommittee recommends that the funds be targeted to teenage pregnancy prevention.
13. Add \$228,963 from the State General Fund for the Healthy Start/Home Visitor program (aid to local units). Program services for pregnant women and families with newborns include education, support, and referral services through home and hospital visits by lay visitors under public health nurse supervision. In FY 1990, services were available in 44 counties. The 1990 Legislature added \$200,000 to the program, financing services in a total of 62 counties. The Subcommittee's recommendation would permit the expansion of services to an additional 16 counties which have expressed an interest in offering the services.
14. The Subcommittee recommends the introduction of legislation or the adoption of rules and regulations to increase the limit on seven fees to offset expenditures from the State General Fund by \$1,666,314 for FY 1992. The Subcommittee recommends the following fee increases and encourages the agency to increase other fees by rules and regulations whenever possible to at least cover program costs. The Subcommittee notes that the latter four fee increases (totaling \$514,914) can be raised by rules and regulation. The Subcommittee further notes that the \$110,000 increase in the Underground Tank Fee has already taken place, but is not reflected in the Governor's budget for FY 1992. The Subcommittee will monitor the progress of the recommended legislation and rules and regulations, and may revisit this item in the Omnibus Bill if the proposed revenues are not raised.

Fee	FY 1990 Receipts	Increase	Statute or Rules
Vital Statistics	\$ 1,427,910	\$ 300,000	(\$1/copy) S&R
Nursing Home Fees	264,546	708,400	(\$33/bed) S&R
Food and Lodging	457,016	143,000	(New \$45/food store and increase food service fee) S&R
Radioactive License	28,110	64,731	(inc. renewal) Rules
X-ray Registration	88,941	41,041	(\$27.5/machine) Rules
Right-to-Know Fees	126,202	299,142	(Inc. Fees & Volume) Rules
Underground Tank Fee	46,020	<u>110,000</u>	(\$7 – already increased but not reflected in the Gov. Rec.)
		<u>\$ 1,666,314</u>	

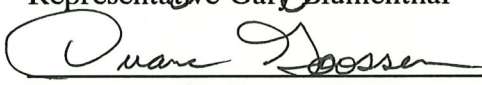
With regard to the recommendation for fee increases, the Subcommittee recognizes the need for a requested Accountant II (\$35,716) and a requested electronic billing system (\$50,000) to enhance the agency's ability to track state and federal fees and federal mandates, to recommend increases, reductions or consolidation of fees where possible, and to electronically match receipts with billings at the time of receipt for deposit. If the requested position and billing system are priorities of the agency, the Subcommittee recommends that existing financial resources or proceeds from proposed fee increases be utilized to finance the request.


15. Delete the \$422,981 in salaries and OOE and 10.0 FTE new Health Facility Surveyors recommended by the Governor for FY 1992. The Subcommittee intends to review nursing home regulation in its review of the Department of Social and Rehabilitation Services, and may address these new positions in the Omnibus Bill. The Subcommittee notes that the Federal Omnibus Budget Reconciliation Act of 1987 (OBRA) required major changes in the process of surveying and certifying long term care facilities resulting in a 60 percent increase in the survey workload. The workload increase results primarily from an increased emphasis on resident interview as the center of the survey process and a requirement that the surveyors, in evaluating resident care, essentially follow the same resident assessment process that the facility is required to develop and improvement to meet federal regulation. The facilities must be certified to receive Medicare (Title XVIII) and Medicaid (XIX) funds. As a result of OBRA, the 1990 Legislature increased the number of Health Facilities Surveyors from 38 FTE to 48 FTE for FY 1991. The \$422,981 recommended by the Governor for an additional 10 FTE includes \$91,787 from the federal Medicare Fund and \$331,194 from Medicaid Funds. For the purposes of the Health Facilities Licensure program, the Subcommittee notes that the State General Fund match within the Medicaid Fund is 10 percent in FFY 1991, 15 percent in FFY 1992, 20 percent in FFY 1993, and 25 percent thereafter.


- 16. Delete \$139,268 and 3.0 FTE vacant positions financed entirely from the State General Fund, including a Legal Assistant, an Attorney, and an Executive Manager in the Bureau of Environmental Remediation (the Governor deleted the "FTE count" for the Executive Manager, but not the financing).
- 17. Delete \$83,757 from the salaries of two vacant positions in the Bureau of Air Quality, including \$50,831 from the State General Fund and \$32,926 from federal funds. The Subcommittee recommends the positions (each of which has been vacant for at least six months) remain vacant for the remainder of FY 1991 and for all of FY 1992. The positions include an Environmental Engineer II (\$38,027) and a Chief of Services (\$45,730).

  
 Representative Henry Helgerson  
 Subcommittee Chair

  
 Representative Gary Blumenthal

  
 Representative Duane Goossen

  
 Representative Sheila Hochhauser

  
 Representative Jo Ann Pottorff

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**STATE WATER PLAN FUND  
FY 1991**

Bill No.	Available Resources	Approved FY 1991	Gov. Rec. FY 1991	Senate* Rec. FY 1991	House* Rec. FY 1991
	Beginning Balance	\$ 131,905	\$ 264,789	\$ 264,789	\$ 264,789
	State General Fund	5,895,000	5,895,000	5,895,000	5,895,000
	Economic Development Fund	2,000,000	2,000,000	2,000,000	2,000,000
	Municipal Water Fees	3,100,000	3,100,000	3,100,000	3,100,000
	Industrial Water Fees	1,400,000	1,341,147	1,341,147	1,341,147
	Stock Water Fees	200,000	226,800	226,800	226,800
	Pesticide Registration Fees	600,800	621,600	621,600	621,600
	Fertilizer Registration Fees	1,722,477	1,937,950	1,937,950	1,937,950
	Fines	70,000	94,875	94,875	94,875
	<b>TOTAL AVAILABLE</b>	<b>\$ 15,120,182</b>	<b>\$ 15,482,161</b>	<b>\$ 15,482,161</b>	<b>\$ 15,482,161</b>
	<b>Transfers and Expenditures**</b>				
	Kansas Water Office	\$ 552,250	\$ 552,250	\$	\$
	State Conservation Commission	8,048,038	8,048,038		
	Kansas State University	100,000	100,000		
	Department of Wildlife and Parks	1,915,730	1,915,730		
H.B. 2456	Department of Health and Environment	4,090,178	2,146,596		
	University of Kansas	200,000	200,000		
	Board of Agriculture	150,000	150,000		
	<b>Total Demands</b>	<b>\$ 15,056,196</b>	<b>\$ 13,112,614</b>	<b>\$</b>	<b>\$</b>
	<b>Ending Balance</b>	<b>\$ 63,986</b>	<b>\$ 2,369,547</b>	<b>\$ 15,482,161</b>	<b>\$ 15,482,161</b>

\* Reflects Committee action as of February 25, 1991.

\*\* Does not include reappropriations in the budgets for the Department of Health and Environment (\$1,367,191) and the State Conservation Commission (\$962,764) from prior year State Water Plan Fund transfers.

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**STATE WATER PLAN FUND  
FY 1992**

Bill No.	Available Resources	Current Res. FY 1992	Gov. Rec. FY 1992	Senate* Rec. FY 1992	House* Rec. FY 1992
	Beginning Balance**	\$ 2,369,547	\$ 2,369,547	\$ 425,965	\$ 425,965
H.B. 2445	State General Fund	-	3,000,000	6,000,000	6,000,000
H.B. 2455	Economic Development Fund	-	-	2,000,000	2,000,000
	Municipal Water Fees	3,100,000	3,100,000	3,100,000	3,100,000
	Industrial Water Fees	1,600,000	1,600,000	1,600,000	1,600,000
	Stock Water Fees	237,000	237,000	237,000	237,000
	Pesticide Registration Fees	590,500	590,500	590,500	590,500
	Fertilizer Registration Fees	1,937,950	1,937,950	1,937,950	1,937,950
	Fines	94,875	94,875	94,875	94,875
	<b>TOTAL AVAILABLE</b>	<b>\$ 9,929,872</b>	<b>\$ 12,929,872</b>	<b>\$ 15,986,290</b>	<b>\$ 15,986,290</b>
<b>Transfers and Expenditures</b>					
S.B. 113	Kansas Water Office	\$ 856,880	\$ 856,880	\$	\$
S.B. 113	State Conservation Commission	5,200,000	6,674,223		
S.B. 113	Board of Agriculture	150,000	150,000		
H.B. 2045	Department of Health and Environment	2,382,424	3,882,424		
H.B. 2086	University of Kansas	200,000	200,000		
	<b>Total Demands</b>	<b>\$ 8,789,304</b>	<b>\$ 11,763,527</b>	<b>\$</b>	<b>\$</b>
	<b>Ending Balance</b>	<b>\$ 1,140,568</b>	<b>\$ 1,166,345</b>	<b>\$ 15,986,290</b>	<b>\$ 15,986,290</b>

\* Reflects Committee action as of February 25, 1991.

\*\* The amounts listed for the Senate and the House reflect the revised current year estimate of receipts less currently authorized demands.

4-2

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources

Bill No. 2456

Bill Sec. 37

Analyst: Porter

Analysis Pg. No. 364

Budget Page No. 300

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 37,438,356	\$ 36,511,826	\$ --
Other Assistance	195,464,000	195,464,000	--
Subtotal -- Operating	<u>\$ 232,902,356</u>	<u>\$ 231,975,826</u>	<u>\$ --</u>
Capital Improvements	236,860	236,860	--
TOTAL	<u><u>\$ 233,139,216</u></u>	<u><u>\$ 232,212,686</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 1,078,156	\$ 1,058,855	\$ --
FTE Positions	892.0	892.0	--

**Agency Request/Governor's Recommendation**

A. **FY 1991.** The agency's revised estimate for FY 1991 operating expenditures is \$232,902,356, a reduction of \$20,523,427 from the budget authorized by the 1990 Legislature. Of the decrease, \$772,427 is from the amount approved for state operations and \$19,751,000 is from the amount approved for other assistance. Included in the FY 1991 estimate are expenditures of \$200,000 from the Federal Indirect Cost Offset Fund, which was established by the 1990 Legislature so that federal programs could be charged for the costs of indirect state services, such as personnel services.

The Governor's recommendation for FY 1991 is \$231,975,826, a reduction of \$926,530 from the agency's revised estimate. Major components of the recommended decrease from the agency's request for the current year include reductions of \$556,570 from salaries and wages, \$51,167 from contractual services, \$3,793 from commodities, and \$315,000 from capital outlay. The Governor concurs with the agency's estimate of \$195,464,000 for other assistance, including unemployment security benefits and other grants. The Governor recommends expenditures of \$193,062 from the Federal Indirect Cost Offset Fund.

1. **State General Fund.** The Department's current year estimate for State General Fund expenditures totals \$1,078,156, as authorized by the 1990 Legislature. Included in this amount are operating expenditures and contingencies for court reporting and for fact finding and mediation.

The Governor recommends total FY 1991 State General Fund expenditures of \$1,058,855, a reduction of \$19,301 from the agency estimate.

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2. **Other Funds.** The Department estimates that FY 1991 operating expenditures from non-State General Fund sources will total \$231,824,200, a reduction of \$20,523,427 from the budget approved by the 1990 Legislature.

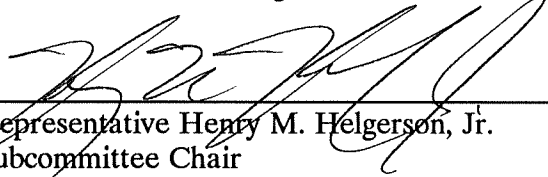
The Governor recommends FY 1991 operating expenditures from non-State General Fund sources of \$230,916,971, a reduction of \$907,229 from the agency estimate. The FY 1991 recommendation includes expenditures of \$184,000,000 for unemployment security benefits, as estimated by the agency. Other expenditures include \$25,389,096 from the Employment Security Administration Fund, \$15,160,752 from federal Job Training Partnership Act (JTPA) funds, \$3,223,708 from the Workers Compensation Fee Fund, and \$3,143,415 from other funds.

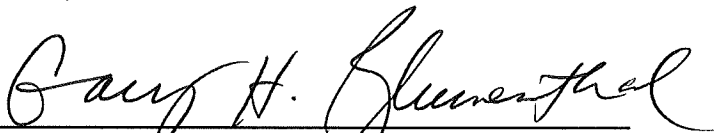
3. **Capital Improvements.** The agency estimates expenditures of \$236,860 from federal Reed Act funds for capital improvement projects in FY 1991. Included in the FY 1991 total are funds approved for projects in FY 1990 which were not completed in FY 1990. The projects are to be funded from federal Reed Act funds.

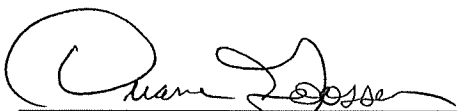
The Governor concurs with the agency's estimate for capital improvement projects.

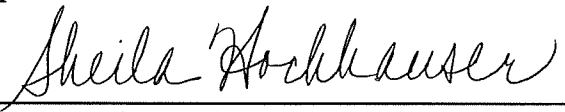
#### House Subcommittee Recommendation


The House Subcommittee concurs with the Governor's budget recommendation.

  
 Representative Henry M. Helgerson, Jr.  
 Subcommittee Chair

  
 Representative Gary H. Blumenthal

  
 Representative Duane Goossen

  
 Representative Sheila Hochhauser

  
 Representative Jo Ann Pottorff

**SUBCOMMITTEE REPORT**

Agency: Department of Human Resources

Bill No. 2045

Bill Sec. 3

Analyst: Porter

Analysis Pg. No. 364

Budget Page No. 300

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 38,881,454	\$ 36,940,336	\$ (32,351)
Other Assistance	213,800,000	213,800,000	--
Subtotal -- Operating	<u>\$ 252,681,454</u>	<u>\$ 250,740,336</u>	<u>\$ (32,351)</u>
Capital Improvements	168,000	168,000	--
<b>TOTAL</b>	<u><u>\$ 252,849,454</u></u>	<u><u>\$ 250,908,336</u></u>	<u><u>\$ (32,351)</u></u>
State General Fund:			
State Operations	\$ 1,387,771	\$ 1,078,364	\$ (32,351)
FTE Positions	898.0	892.0	--

\* Excludes amounts reserved for employee compensation.

**Agency Request/Governor's Recommendation**

B. **FY 1992.** The agency requests FY 1992 operating expenditures of \$252,681,454, an increase of \$19,779,098 above the FY 1991 revised estimate. The amount requested for unemployment insurance benefits is an increase of \$18,500,000 above the FY 1991 estimate.

The Governor's recommendation for the FY 1992 operating budget is \$250,740,336, a reduction of \$1,941,118 from the agency request and an increase of \$18,764,510 above the FY 1991 recommendation. The Governor's recommendation for FY 1992 includes a reserve of funds for step movement, longevity bonuses, unclassified merit pool, and a cost-of-living increase; but these items are excluded from the detailed expenditure estimates for each agency.

1. **State General Fund.** The Department requests \$1,387,771 from the State General Fund in FY 1992, an increase of \$309,615 from the current year estimate of \$1,078,156. Of the requested increase, the majority would fund a portion of the salaries and wages and related operating expenses of the 5.0 FTE positions requested for the Industrial Safety and Health Program.

The Governor recommends \$1,078,364 from the State General Fund in FY 1992, a reduction of \$309,407 from the agency request and an increase of \$19,509 from the current year recommendation of \$1,058,855. The Governor recommends one appropriation from the State General Fund for both salaries and wages and other operating expenses, as in FY 1991.

2. **Other Funds.** All other expenditures for the operating budget requested by the agency in FY 1992 total \$251,293,683, a net increase of \$19,469,483 from the current year estimate. Unemployment insurance benefits are expected to increase by \$18,500,000. Expenditures from all

other grants (excluding fee funds) will have a net increase of \$256,638. The agency requests expenditures of \$204,000 from the Federal Indirect Cost Offset Fund.

The Governor recommends expenditures of \$249,661,972 from non-State General Fund sources for all other operating expenses of the agency in FY 1992, a reduction of \$1,631,711 from the agency request. The Governor recommends expenditures of \$198,341 from the Federal Indirect Cost Offset Fund and does not recommend a transfer from the Penalty and Interest Fund to the State General Fund.

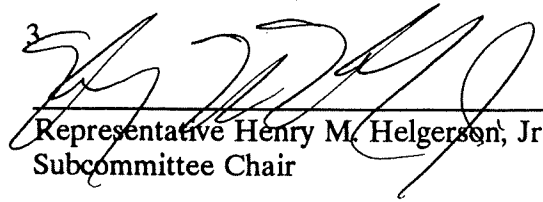
**3. Capital Improvements.** The agency requests \$168,000 for eight capital improvement projects in FY 1991. The projects would be financed with federal Reed Act funds and federal Employment Security Administration funds.

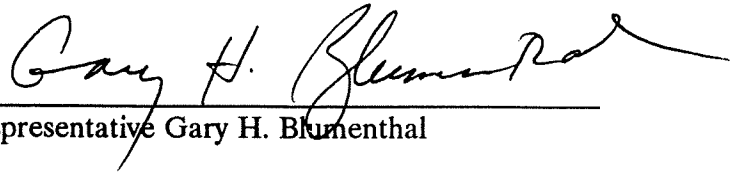
The Governor concurs with the agency's capital improvement request.

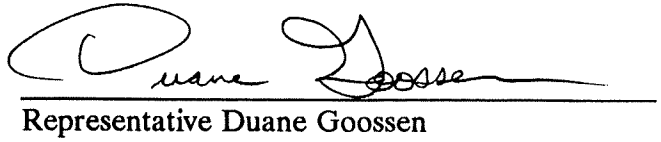
### House Subcommittee Recommendation

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


1. Transfer \$500,000 from the Special Employment Security Fund (Penalty and Interest Fund) to the State General Fund for the purpose of financing operating expenditures of the Department of Human Resources for which appropriations are made from the State General Fund. Transfers of \$500,000 and \$450,000 were made for this purpose in fiscal years 1990 and 1991, respectively. The Subcommittee recommends that this transfer be reviewed during the Omnibus session in light of legislation pending to finance \$198,341 required for the Federal Indirect Cost Offset Fund from the Penalty and Interest Fund.
2. Reduce State General Fund financing by \$32,351, or 3.0 percent. The Subcommittee recommends that \$10,797 of the total reduction be made from the amount budgeted for support services. This would provide FY 1992 funding for support services at the FY 1991 level of funding. The Subcommittee recommends that the remaining \$21,554 of the reduction be generated from turnover savings. Total turnover savings for the agency would be increased from \$1,240,544, or 4.0 percent, to \$1,262,098, or 4.07 percent.
3. The Subcommittee recommends that, as soon as financially possible, the agency fill the Administrative Officer I position in the Commission on Disability Concerns Program and the Intergroup Education Specialist position in the Hispanic Affairs Program. These positions, which are funded from the State General Fund, are currently unfilled and are being held open to generate turnover savings of State General Fund money. The Subcommittee recommends that, as other position openings occur within the agency, the Secretary give priority to filling these positions.
4. The Subcommittee recommends technical adjustments to the appropriations bill to reflect the Governor's recommendations.

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Representative Henry M. Helgeson, Jr.  
Subcommittee Chair

  
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Representative Gary H. Blumenthal

  
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Representative Duane Goossen

  
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Representative Sheila Hochhauser

  
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Representative Jo Ann Pottorff

296-92

**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on Veterans Affairs/Bill No. 2456  
 Kansas Soldiers' Home

Bill Sec. 38

Analyst: Porter

Analysis Pg. No. 380

Budget Page No. 587

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,514,740	\$ 2,442,973	\$ --
Special Revenue Funds	2,444,671	2,444,671	--
Subtotal	<u>\$ 4,959,411</u>	<u>\$ 4,887,644</u>	<u>\$ --</u>
Capital Improvements			
State Institutions Bldg. Fund	\$ 253,898	\$ 253,898	\$ --
GRAND TOTAL	<u>\$ 5,213,309</u>	<u>\$ 5,141,542</u>	<u>\$ --</u>
FTE Positions	188.8	188.8	--

**Agency Request/Governor's Recommendation**

A. **Kansas Soldiers' Home.** The agency's FY 1991 total estimate for operating expenditures of \$3,441,425 is \$65,388 less than the amount approved by the 1990 Legislature for the Soldiers' Home. The FY 1991 estimate for the Kansas Commission on Veterans Affairs, however, is \$65,388 above the amount appropriated by the 1990 Legislature, so that the total estimate for the agency is the amount approved by the 1990 Legislature. Of the total estimate for FY 1991 operating expenditures, \$1,081,834 is from the State General Fund and \$2,359,591 is from the fee fund. The FY 1991 total is an increase of \$65,231 or 1.9 percent, over FY 1990 actual expenditures of \$3,376,194.

The Governor recommends FY 1991 operating expenditures of \$3,389,887, a reduction of \$51,538 from the agency estimate. The recommendation includes a downward adjustment for the cost of employee health insurance, a reduction of \$576 from the amount requested for member help, and an increase in the turnover rate for salaries and wages, from 4.0 percent to 4.1 percent. Funding includes \$1,030,296 from the State General Fund and \$2,359,591 from the fee fund.

B. **Kansas Commission on Veterans Affairs.** The agency estimates total expenditures from all funds of \$1,517,896, an increase of \$65,388 over the amount approved by the 1990 Legislature for the KCVA. The total estimate for both the KCVA and the Soldiers' Home is the amount approved by the 1990 Legislature. The FY 1991 estimate is an increase of \$62,750 or 4.3 percent, over actual FY 1990 expenditures of \$1,455,236. Of the total requested for FY 1991, \$1,432,906 is from the State General Fund and \$85,080 is from the federal fee fund. The State General Fund portion includes a \$1,965 grant to the Veterans of World War I.

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 Attachment 6



The Governor recommends FY 1991 expenditures of \$1,497,757, a reduction of \$20,229 from the agency estimate. The recommended reduction is from the amount requested from the State General Fund. The recommendation includes an increase of \$5,667 for fees for professional services, a downward adjustment for the cost of employee health insurance, and an increase in the agency salaries and wages turnover rate, from 4.0 percent to 4.4 percent.

#### House Subcommittee Recommendation

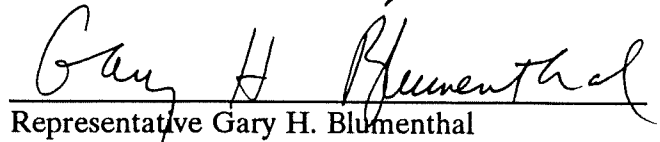
The House Subcommittee concurs with the Governor's recommendation, with the following adjustment:

1. The Subcommittee was informed that, during replacement of the Home's underground fuel storage tank, it was discovered that fuel had leaked from the tank and has contaminated the surrounding ground. Home officials have consulted the Kansas Department of Health and Environment to determine what measures must be taken as a result of the fuel leak, but Health and Environment officials have not yet had an opportunity to inspect the site. The agency requested funds for an inspection and core sampling studies to determine the extent of the leakage and whether clean-up efforts are necessary. If subsurface clean-up is necessary, the Home could be liable for up to \$100,000 of the clean-up costs, including the cost of the core sampling studies, before federal clean-up funds are available. The Subcommittee does not recommend funding for this purpose until the Department of Health and Environment has assessed the situation. The Subcommittee suggests that the agency report the recommendations of the Department of Health and Environment to the Senate Subcommittee.
2. The Subcommittee received a report on the first phase of a consultant's study which was to determine the needs of aging Kansas veterans. The 1989 Legislature appropriated \$20,000 for the first phase of the study. The Subcommittee notes with disappointment that the study did not address the issue of whether the Soldiers' Home should be kept open, whether an additional facility could be utilized, or whether other alternatives would better serve the needs of Kansas veterans. The study also did not address the issue of the Home's licensure. The Subcommittee was informed that the Home's nursing facility, Halsey Hall, is currently licensed as a recuperative care center. The Subcommittee was informed that the recuperative care classification was created for the nursing facility and that it might be more appropriately licensed as an intermediate care facility. To ensure that the nursing facility is providing adequate care for its residents and that it is appropriately licensed for the level of care provided, the Kansas Commission on Veterans Affairs has requested that the Department of Health and Environment conduct an informal medical and environmental survey.



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Representative Henry M. Helgerson, Jr.  
Subcommittee Chair



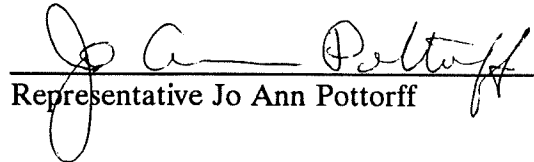
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Representative Gary H. Blumenthal



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Representative Duane Goossen



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Representative Jo Ann Pottorff

### Minority Report

I concur with the recommendations of the House Subcommittee with the following addition:

1. Add \$30,227 from the State General Fund to allow the Kansas Commission on Veterans Affairs to fill a Veterans Service Representative position and four Office Assistant II positions currently being held open in regional and field offices to generate turnover savings. The Subcommittee was informed that the agency currently has a backlog of claims filed by veterans and that the number of unprocessed claims is escalating because these positions are unfilled. We can only expect additional claims for benefits to be filed by veterans returning from service in the Persian Gulf. I believe that the state owes returning veterans the services which can be provided by fully staffed field offices.



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Representative Sheila Hochhauser

**SUBCOMMITTEE REPORT**

Agency: Kansas Commission on Veterans  
Affairs/Kansas Soldiers' Home

Bill No. 2045

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 380

Budget Page No. 587

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,917,034	\$ 2,560,338	\$ (93,817)
Special Revenue Funds	2,470,255	2,404,633	91,852
Subtotal	<u>\$ 5,387,289</u>	<u>\$ 4,964,971</u>	<u>\$ (1,965)</u>
Capital Improvements			
State Institutions Bldg. Fund	\$ 100,000	\$ 100,000	\$ --
Gift and Benefit Fund	79,300	79,300	--
GRAND TOTAL	<u>\$ 5,566,589</u>	<u>\$ 5,144,271</u>	<u>\$ (1,965)</u>
FTE Positions	188.8	187.3	--

\* Excludes amounts reserved for employee compensation.

**Agency Request/Governor's Recommendation**

A. **Kansas Soldiers' Home.** The agency requests a total of \$3,817,612 for operating expenditures in FY 1992, an increase of \$376,187, or 10.9 percent, over the FY 1991 estimate. Of the total requested for state operations, \$1,947,244 is from the State General Fund (51 percent of the total) and \$1,870,368 is from the fee fund. For FY 1992, the agency's Operating Expenditures - Soldiers' Home account has been combined with the Operating Expenditures -- Veterans Services Account to form a single agency operating expenditures account. The Soldiers' Home Fee Fund and the Veterans Affairs Fund are combined into a single KCVA Fee Fund.

The Governor recommends a total of \$3,489,208 for operating expenditures in FY 1992, a reduction of \$328,404 from the agency request. Reductions are recommended from the requests for temporary help (\$23,708), member help (\$4,116), contractual services (\$29,027), commodities (\$27,400), and capital outlay (\$113,325). The recommendation also includes an increase in turnover savings, from the 4.5 percent requested to 5.7 percent. Funding includes \$1,184,575 from the State General Fund and \$2,304,633 from the KCVA Fee Fund. The Governor does not recommend combining the Soldiers' Home Fee Fund and the Veterans Affairs Fund into a single KCVA Fee Fund.

B. **Kansas Commission on Veterans Affairs.** The agency requests a total of \$1,569,677 from all funds for expenditures in FY 1992, an increase of \$51,691, or 3.4 percent, over the FY 1991 estimate. Of the total, \$969,790 is from the State General Fund (61.7 percent of the total) and \$599,887 is from the agency fee fund. State General Fund expenditures include \$2,000 for the

6-4

Veterans of World War I grant. For FY 1992, the agency has combined its Salaries and Wages -- Veterans Services account, the Operating Expenditures -- Veterans Services account, and the Operating Expenditures -- Soldiers' Home account, all of which are State General Fund accounts, into a single agency operating expenditures account. The Veterans Affairs Fund and the Soldiers' Home Fee Fund are combined into a single KCVA Fee Fund.

For FY 1992 the Governor recommends expenditures of \$1,475,763, a reduction of \$93,914 from the agency request. The recommendation includes the deletion of 1.5 FTE, reductions of \$2,100 from the amount requested for contractual services, \$2,351 from the request for capital outlay, a downward adjustment for the cost of employee health insurance, and an increase in the salaries and wages turnover rate, from 5.0 percent to 6.0 percent. The Governor does not recommend combining the Soldiers' Home Fee Fund and the Veterans Affairs Fund into a single KCVA Fee Fund.

### House Subcommittee Recommendation

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

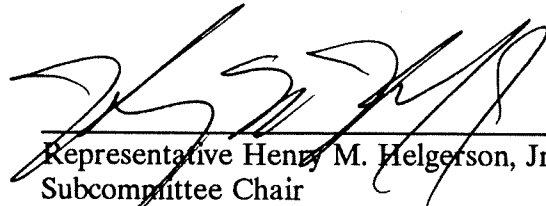
1. Reduce the State General Fund appropriation by \$91,852.
2. Increase the Soldier's Home fee fund expenditure limitation by \$91,852. The recommendation would result in an FY 1992 ending balance of the Soldiers' Home fee fund of \$98,933. The Subcommittee notes that this revised ending balance is the same as the balance recommended for FY 1991 and is consistent with the FY 1990 ending balance of \$98,436.
3. The Subcommittee was informed that the Veterans of World War I will not apply for its annual grant in FY 1992. According to the organization, the average age of its members is approximately 95 years, and total membership is expected not to exceed 200 in 1991. The Subcommittee recommends that the \$1,965 recommended by the Governor for this grant be lapsed. The Subcommittee commends the organization for its long history of promoting the interests of World War I veterans.
4. The Subcommittee recommends adjustments to the appropriations bill to reflect the recommendations of the Governor, as follows:
  - a. Change the State General Fund operating expenditures account from a single account to two accounts (operating expenditures -- veterans affairs and operating expenditures -- Kansas soldiers' home), as has been the practice in the past.
  - b. The bill currently combines the agency's two fee funds, the Kansas Commission on Veterans Affairs fund and the Soldiers' Home fee fund. The Subcommittee concurs with the Governor's recommendation that these funds not be combined and recommends that appropriations be made separately from the


Kansas Commission on Veterans Affairs fund and the Kansas Soldiers' Home fund.

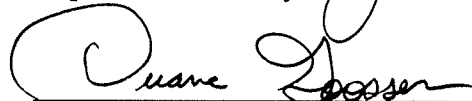
- c. Remove the expenditure limitation from the Soldiers' Home Benefit and Gift fund. The fund has been a no-limit fund in the past, allowing the Home to expend funds donated to the Home for projects or items which benefit the Home's residents.

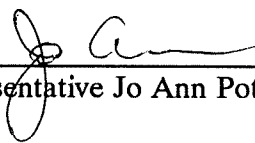
The Subcommittee also recommends that the amount reappropriated from the State General Fund be specified in the appropriations bill, rather than allowing the agency an unlimited reappropriation.

- 5. The Subcommittee was informed that a Governor's Budget Amendment correcting the base pay for agency employees in FY 1992 is pending.

  
 Representative Henry M. Helgerson, Jr.  
 Subcommittee Chair

  
 Representative Gary H. Blumenthal

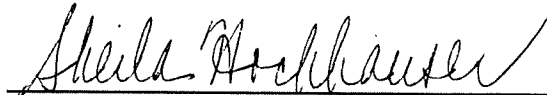
  
 Representative Duane Goossen

  
 Representative Jo Ann Pottorff

**MINORITY REPORT**

I concur with the recommendations of the House Subcommittee, with the following addition:

1. Add \$29,225 from the State General Fund to allow the Kansas Commission on Veterans Affairs to staff its field and regional offices at a level comparable to FY 1991. The recommended funding would reduce the agency turnover rate from the 6.0 percent recommended by the Governor to 4.0 percent. In light of FY 1990 actual turnover savings of 3.6 percent and FY 1989 actual turnover savings of 1.5 percent, the 4.0 percent figure appears to be a more realistic level of savings. It appears that the agency can expect to process additional claims and offer services to veterans returning from service in the Persian Gulf and that adequate staffing of the regional and field offices is necessary to serve Kansas veterans.

  
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Representative Sheila Hochhauser