

Approved: 3-6-92
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 1:45 p.m. on February 20, 1992 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
Sue Krische, Administrative Aide
Rose Baker, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Michael L. Johnston, Secretary of Transportation, distributed to committee the requested information at the February 17 meeting of the House Appropriations Committee regarding the estimated debt service costs. This handout will become part of the KDOT subcommittee report. (Attachment 0)

HB 2720 - Appropriations for FY93, homestead tax refunds, commission on veterans affairs, Kansas soldiers' home, department of human resources, department of aging.

HOMESTEAD PROPERTY TAX REFUND

Representative Goossen presented the subcommittee report on Homestead Property Tax Refund FY 92 and FY93 (Attachment 1). The subcommittee recommended monitoring of the FY92 expenditures through April to determine if any unexpected changes occur in the pattern of homestead refund payments. The subcommittee also recommends to committee to consider during omnibus any legislative changes to the current homestead law if bills currently pending should pass this Session. Representative Goossen moved adoption of the FY92 and FY93 subcommittee report on the Homestead Property Tax Refund. Seconded by Representative Helgerson. Motion carried.

KANSAS COMMISSION ON VETERANS AFFAIRS

Representative Pottorff presented the FY92 and FY93 subcommittee report on the Kansas Commission on Veterans Affairs (Attachment 2). The subcommittee concurred with the Governor's budget recommendation for FY92. The subcommittee recommends for FY93 that the agency continue to standardize data collection and reporting. Representative Pottorff moved adoption of the FY92 and FY93 subcommittee report on the Kansas Commission on Veterans Affairs. Seconded by Representative Helgerson. Motion carried.

KANSAS SOLDIER'S HOME

Representative Blumenthal presented the FY92 and FY93 subcommittee report on the Kansas Soldier's Home (Attachment 3). The subcommittee concurred with the Governor's budget recommendation for FY92. The subcommittee recommends for FY93 that the agency add four additional FTE positions recommended by the Governor. These positions are necessary both to provide services to the Home's residents and to maintain licensure for the facility. The subcommittee expressed concern regarding the admissions process. The subcommittee recommends that the Home work with the applicants, community mental health service providers, and substance abuse service providers to assure that placements to the Home are appropriate to the needs of the applicants. Representative Blumenthal moved adoption of the FY92 and FY93 subcommittee report on the Kansas Soldier's Home. Seconded by Representative Helgerson. Motion carried.

DEPARTMENT OF HUMAN RESOURCES

Representative Hochhauser presented the FY92 and FY93 subcommittee report on the Department of Human Resources (Attachment 4). Representative Wisdom moved to delete item #1 of the subcommittee's recommendation for FY92 which in part states that the Department has been exploring the possibility of selling

its Kansas City office. Seconded by Representative Vancrum. Motion carried. Representative Patrick moved that item #2 of the subcommittee's report for FY92 be deleted and language inserted that the Joint Building Committee review the recommended computer move of the agency's mainframe computer from the Landon State Office Building to the ESSI building. Seconded by Representative Dean. Motion carried.

The subcommittee recommended for FY93 the transfer of \$500,000 from the Special Employment Security fund to the SGF. The subcommittee recommends that the Joint Committee on State Building Construction review the expenditure of \$16,500 from Federal Reed Act funds to replace a roof at the Emporia office. The subcommittee recommends that the labor relations functions within the Division of Employment Standards and Labor Relations be reviewed by the 1993 Legislature. Representative Kline moved to amend item #3 to state that the subcommittee approve the roof replacement at the Emporia office. Seconded by Representative Helgerson. Motion carried. Representative Hochhauser moved adoption of the FY92 subcommittee report, as amended, on the Department of Human Resources. Seconded by Representative Blumenthal. Motion carried. Representative Hochhauser moved adoption of the FY93 subcommittee report, as amended, on the Department of Human Resources. Seconded by Representative Blumenthal. Motion carried.

DEPARTMENT ON AGING

Representative Helgerson presented the FY92 and FY93 subcommittee report on the Department on Aging (Attachment 5). The subcommittee recommended for FY92 authorization of expenditure of additional federal funds totaling \$25,456; create a fund to allow the Department to receive federal Economic Dislocated Worker Adjustment Act funds from the KDHR to be used to assist persons aged 55 and older who have been laid off or bankrupt farmers; and to add \$18,000 from the SGF to upgrade the Senior Care Act Information System.

The subcommittee recommends for FY93 authorization of expenditure of additional federal funds totaling \$27,489; create a fund to allow the Department to receive federal Economic Dislocated Worker Adjustment Act funds from the KDHR to be used to assist persons aged 55 and older who have been laid off or bankrupt farmers; increase the expenditure limitation by \$8,860 on the amount of federal funds the Department may spend on administration; recommend an additional \$908,147 above the Governor's recommendation from the SGF to expand the SCA statewide; a service delivery in each county be established; ensure that information and referral services be provided and appropriate services and funding sources be found for senior citizens seeking alternatives to nursing home care; recommends that the KDOA conduct an analysis of the evaluation of the cost effectiveness of the SCA; add \$34,506 from the SGF for 1.0 FTE and an additional \$12,000 for a part-time position; delete \$104,000 from the SGF and replace with federal funds for the OAA nutrition program; delete \$104,000 from the SGF and replace with federal funds for the OAA nutrition program; delete an additional \$85,000 from the SGF from the OAA nutrition program; delete \$217,455 from the SGF and \$49,061 in federal funds from the Governor's recommendation for the in-home nutrition program; and add \$30,729 from the SGF for the Older Kansans Employment Program.

A minority report was presented by Representative Hochhauser concurring with the Governor's recommendation for the Low-Income In-Home Nutrition program. Representative Hochhauser moved adoption of the minority report on the FY93 Department on Aging. Seconded by Representative Blumenthal. A substitute motion was made by Representative Kline to accept the amount in item #4 of \$908,147 and that the subcommittee report give the Department flexibility to use a portion of said amount for additional payments. Seconded by Representative Heinemann. Substitute motion withdrawn. Motion for adoption of minority report failed.

Representative Patrick moved that \$1.35 million be cut from the medicaid program. Motion died due to lack of a second. Representative Solbach moved to give the Department flexibility to use \$217,450 for extra meals. Seconded by Representative Kline. A substitute motion was made by Representative Wisdom to add \$217,450 from the SGF and \$49,060 from federal funds. Motion carried.

Representative Hamm moved to change the wording in item #2 from farmers who have declared bankruptcy to farmers forced off their land for economic reasons. Seconded by Representative Chronister. Motion withdrawn. Staff agreed to make a technical amendment to that specific line item.

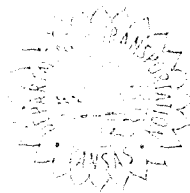
Representative Patrick moved that \$908,147 be a single line item in item #4. Seconded by Representative Mead. Motion failed. Representative Helgerson moved adoption of FY92 and FY93 subcommittee report, as amended, on the Department on Aging. Seconded by Representative Hochhauser. Motion carried. Representative Patrick is recorded as voting "no".

INTRODUCTION OF BILLS

Representative Helgerson moved to introduce two bills: 1) concerning adult care homes; and 2) concerning the public water supply regulatory program of the department of health and environment. Seconded by Representative Kline. Motion carried.

Meeting adjourned at 3:30 p.m. The next scheduled meeting will be February 24, 1992 at 1:30 p.m. in room 514-S.

STATE OF KANSAS



Michael L. Johnston
Secretary of Transportation

KANSAS DEPARTMENT OF TRANSPORTATION

Docking State Office Building
Topeka 66612-1568
(913) 296-3566
FAX - (913) 296-1095

Joan Finney
Governor of Kansas

February 19, 1992

The Honorable George Teagarden, Chairperson
House Appropriations Committee
Room 514 South, Statehouse
Topeka, Kansas 66612

Dear Representative Teagarden:

I am enclosing the information about estimated debt service costs that was requested at the February 17 meeting of the House Appropriations Committee. The table includes several explanatory notes, and it is important that those notes accompany the table whenever it is reproduced.

One caution I would like to emphasize is that this information was provided for a specific ad hoc purpose. It should not be used to draw any general conclusions about the Comprehensive Highway Program, because a number of other interrelated factors also affect the integrity of the Program.

I hope this information is helpful to you. Please let me know if you have any other questions or need any additional information.

Sincerely,

Michael L. Johnston
Secretary of Transportation

attachment

Attachment 0

Kansas Department of Transportation

ESTIMATED DEBT SERVICE						
(000's)						
Fiscal Year	AT TIME OF HB 2014	CURRENT ESTIMATES	Debt Service Difference	Total Debt Service Difference to FY 2000	Change in Interest Earnings	Total Change in Interest Earnings to FY 2000
1992					\$2,229	
1993		\$19,900	(\$19,900)		26,064	
1994		39,174	(39,174)		45,289	
1995	\$7,669	58,757	(51,088)		49,854	
1996	29,491	74,533	(45,042)		28,572	
1997	67,576	82,907	(15,331)		(2,851)	
1998	91,509	85,067	6,442		480	
1999	91,509	85,015	6,494		0	
2000	91,509	84,961	6,548	(\$151,050)	0	\$149,637
2001	91,509	84,902	6,607			
2002	91,509	84,839	6,670			
2003	91,509	84,772	6,737			
2004	91,509	84,700	6,809			
2005	91,509	84,623	6,886			
2006	91,509	84,541	6,968			
2007	91,509	84,452	7,057			
2008	91,509	84,358	7,151			
2009	91,509	84,257	7,252			
2010	91,509	84,148	7,361			
2011	91,509	84,032	7,477			
2012	91,509	83,908	7,601			
2013	91,509	65,001	26,508			
2014	91,509	46,575	44,934			
2015	83,840	27,792	56,048			
2016	62,018	8,722	53,296			
2017	23,933	0	23,933			
TOTAL	\$1,830,180	\$1,691,936	\$138,244			

Explanatory Notes to Estimated Debt Service Table

- (a) This table has been provided for a specific ad hoc purpose. The information it contains should not be used to draw any general conclusions about the Comprehensive Highway Program. The information contained is limited to the specific request and does not provide a complete identification of the numerous interrelated factors which can affect the integrity of the Comprehensive Highway Program. The current projections are based on our best estimate of future conditions, given all of the interrelated factors as we know them today.
- (b) The change in estimated debt service reflects differences in estimated interest rates and in the timing of bond sales. Such estimates are subject to revision as market conditions change.

- (c) These estimates are based on the following interest rates:

ESTIMATED INTEREST RATES		
Fiscal Year	AT TIME OF HB 2014	CURRENT ESTIMATES
1992	8.25%	6.60%
1993	8.25%	6.70%
1994	8.25%	7.00%
1995	8.25%	7.25%
1996	8.25%	7.50%
1997	8.25%	7.50%

- (d) The change in interest earnings reflects differences in estimated interest rates, the timing of bond sales, changes made in the program, and adjustments in the estimates of available revenues.
- (e) Although this comparison shows an estimated savings of \$138 million over the life of the bonds based on current conditions, it is not known what conditions will prevail at the time of subsequent bond sales. The \$138 million reflects unrealized future savings which have the potential to offset possible future increases in interest rates to levels that exceed original estimates. The unrealized savings would decline as bond interest rates increase.

SUBCOMMITTEE REPORT

Agency: Homestead Property Tax Refund Bill No. 2720 Bill Sec. 2

Analyst: Efird Analysis Pg. No. 353 Budget Page No. 600

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State General Fund: Other Assistance	\$ 8,345,895	\$ 8,345,895	\$ --

Agency Request/Governor's Recommendation

The Governor concurs with the agency's revised FY 1992 estimate of \$8.57 million and the FY 1993 estimate of \$8.35 million for homestead property tax refund payments. The FY 1992 funding is \$93,483 less than the amount approved by the 1991 Legislature, and the FY 1993 funding is \$214,503 less than this fiscal year's revised estimate. These reductions are based on a projection which assumes a decreasing number of claims from the number paid in FY 1991 and corresponding decreases in payments amounting to 2.7 percent in FY 1992 and 2.5 percent in FY 1993.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations for funding in both FY 1992 and FY 1993, and further recommends the following:

1. Monitor the FY 1992 expenditures through April to determine if any unexpected changes occur in the pattern of homestead refund payments, and make any adjustments, if necessary, to funding during omnibus. The Subcommittee notes an increase in claims paid through the first week of February (8,908 in CY 1991 and 11,459 in CY 1992), resulting in payments of \$1.8 million last year increasing to almost \$2.4 million this year. The agency indicates that this trend is the result of more rapid processing of claims, with refunds being paid more quickly this year, rather than an increase in the number of total claims being filled.
2. Consider during omnibus any legislative changes to the current homestead law if bills currently pending should pass this Session. The Subcommittee notes that it has been several years since the 1989 Legislature statutorily fixed the income cap (\$15,000) and the maximum payment (\$500), and that any changes in these levels would affect the eligibility of claimants, many of whom historically have ceased to be eligible since the program is not indexed to provide annual adjustments in eligibility.

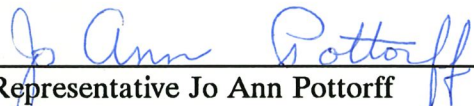
*HA
2-20-92
Attachment 1*


Representative Henry Helgerson
Subcommittee Chairperson


Representative Gary Blumenthal


Representative Duane Goossen


Representative Sheila Hochhauser


Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs

Bill No.--

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 372

Budget Page No. 590

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Governor's Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,527,394	\$ 1,518,540	\$ --
Other Assistance	--	--	--
TOTAL	\$ 1,527,394	\$ 1,518,540	\$ --
State General Fund:			
State Operations	\$ 1,436,772	\$ 1,427,919	\$ --
Other Assistance	--	--	--
TOTAL	\$ 1,436,772	\$ 1,427,919	\$ --
FTE Positions	56.5	56.5	--

Agency Estimate/Governor's Recommendation

The agency estimates total expenditures from all funds of \$1,527,394, the amount currently approved. The FY 1992 estimate is an increase of \$4,228, or 0.3 percent, above actual FY 1991 expenditures of \$1,523,166. Of the total requested for FY 1992, \$1,436,773 is from the State General Fund and \$90,621 is from the federal fee fund.

The Governor recommends FY 1992 expenditures of \$1,518,540, a reduction of \$8,854 from the agency estimate. The reduction is from the State General Fund estimate for salaries and wages, which reflects a downward adjustment for the cost of employee health insurance and another fringe benefit adjustment. The Governor concurs with the agency estimate for all other operating expenditures.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's budget recommendation for FY 1992.

*HA
2-20-92
Attachment 2*

Representative Henry M. Helgerson, Jr.

Representative Gary H. Blumenthal

Representative Duane Goossen

Representative Sheila Hochhauser

Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs

Bill No. 2720

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 372

Budget Page No. 590

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Governor's Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,564,924	\$ 1,549,583	\$ --
Other Assistance	--	--	--
TOTAL	<u><u>\$ 1,564,924</u></u>	<u><u>\$ 1,549,583</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 1,483,924	\$ 1,468,583	\$ --
Other Assistance	--	--	--
TOTAL	<u><u>\$ 1,483,924</u></u>	<u><u>\$ 1,468,583</u></u>	<u><u>\$ --</u></u>
FTE Positions	56.5	55.5	--

Agency Request/Governor's Recommendation

The agency requests a total of \$1,564,924 from all funds for expenditures in FY 1993, an increase of \$37,530, or 2.5 percent, above the FY 1992 estimate. Of the total, \$1,483,924 is from the State General Fund and \$81,000 is from the federal fee fund. The agency proposes no major changes in its operations.

The agency assists veterans and their dependents in obtaining Veterans Administration (VA) benefits and services through its three major components: the Topeka central office, fourteen field offices located throughout the state, and the veterans service organization offices, which serve veterans at the Topeka, Leavenworth, and Wichita VA hospitals and the Wichita regional office. The central office employs 6.0 FTE who provide direct assistance to veterans, serve as the contractual state approving agency for VA educational programs, and provide supervision and assistance for the Soldiers' Home. The 14 field offices provide direct assistance to veterans. Each of the field offices is staffed with one full-time Veterans Service Representative I (VSR), ten of the offices have a full-time Office Assistant II, and four offices have a .75 FTE Office Assistant II. The service organization offices employ 23.5 FTE who provide assistance to inpatients and outpatients of the hospitals and monitor and file claims with the Wichita regional VA office.


The Governor recommends FY 1993 expenditures of \$1,549,583 and 55.5 FTE positions, a reduction of \$15,341 from the agency State General Fund request and a reduction of 1.0 FTE position. Reductions are recommended from the requests for salaries and wages (\$9,111), stationery and office supplies (\$2,000), and capital outlay (\$4,230).

House Subcommittee Recommendation

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


1. The Subcommittee reviewed the performance measures submitted in the agency budget, which include the number of personal, field, and nursing home contacts made by field office personnel assisting veterans, the number of veterans' claims filed, the amounts of new veterans' awards filed with assistance from the agency, and the amounts of maintained awards. The Subcommittee was informed that methods of data collection and reporting standards vary among individual field office personnel. The Subcommittee notes that the agency has made some effort to standardize data collection and reporting and urges the agency to continue in this effort so that the data presented will be meaningful and subject to comparison on an annual basis.


 Representative Henry M. Helgerson, Jr.


 Representative Gary H. Blumenthal


 Representative Duane Goossen


 Representative Sheila Hochhauser


 Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 377

Budget Page No. 590

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Governor's Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,326,167	\$ 1,217,056	\$ --
General Fees Fund	2,297,556	2,378,343	--
Subtotal	<u>\$ 3,623,723</u>	<u>\$ 3,595,399</u>	<u>\$ --</u>
Federal Oil Overcharge			--
Funds	44,124	44,124	
Subtotal	<u>\$ 3,667,847</u>	<u>\$ 3,639,523</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions Bldg. Fund	167,343	158,543	--
GRAND TOTAL	<u><u>\$ 3,835,190</u></u>	<u><u>\$ 3,798,066</u></u>	<u><u>\$ --</u></u>
 FTE Positions	 130.8	 130.8	 --
Average Census	221	221	--

Agency Estimate/Governor's Recommendation

The agency's FY 1992 total estimate for state operations is \$3,623,723, a reduction of \$193 from the amount approved. Because of a revenue shortfall to the Kansas Soldiers' Home Fee fund, however, the agency requests a State General Fund Supplemental of \$108,736 and requests reduction of the approved expenditure limitation for the agency fee fund by \$108,736. Fee fund receipts are discussed in more detail in the fee fund analysis below. Subsequent to its budget submission, the agency learned that VA reimbursement for nursing care was increased from \$22.44 to \$25.35 per day and reimbursement for dormitory care was increased from \$9.59 to \$10.83 effective October 1, 1991. The agency estimates that FY 1992 receipts would be increased by \$33,000. The agency will present a revised receipts estimate to the 1992 Legislature.

Of the total estimate for FY 1992 operating expenditures, \$1,326,167 is from the State General Fund and \$2,297,556 is from the fee fund. In addition to the amount noted for state operations, the agency requests expenditure authority to purchase vehicles totaling \$44,124 from federal Second Stage Oil Overcharge funds. The FY 1992 total for state operations is an increase of \$182,154, or 5.3 percent, above FY 1991 actual expenditures for state operations of \$3,441,569. In addition to expenditures for state operations, the agency expended \$34,972 from federal Second Stage Oil Overcharge funds for vehicles.

The Governor recommends FY 1992 expenditures of \$3,595,399 for state operations, a reduction of \$28,324 from the agency estimate. The recommended funding is from the State

*HA
2-20-92
Attachment 3*

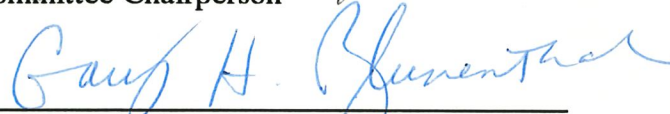
General Fund (\$1,217,056, a reduction of \$109,111 from the agency estimate), and the Soldiers' Home Fee fund (\$2,378,343, an increase of \$80,787 above the agency estimate). In addition, the Governor concurs with the agency estimate for expenditures of \$44,124 from federal oil overcharge funds. The Governor's recommendation includes increased fee fund receipts from Veterans Administration (VA) payments (an increase of \$40,000) and from care and hospitalization payments (an increase of \$49,645). Reductions from the agency estimate are recommended for salaries and wages (\$26,688), contractual services (\$507), and commodities (\$1,129).

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor for FY 1992.




Representative Henry M. Helgerson, Jr.
Subcommittee Chairperson



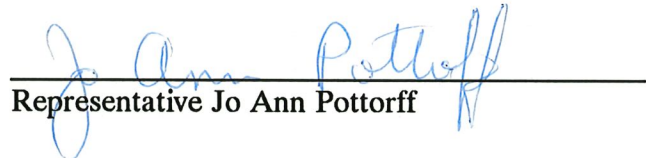
Representative Gary H. Blumenthal



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2720

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 377

Budget Page No. 590

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Governor's Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,705,745	\$ 1,473,013	\$ --
General Fees Fund	2,305,694	2,391,711	--
Subtotal	<u>\$ 4,011,439</u>	<u>\$ 3,864,724</u>	<u>\$ --</u>
Federal Oil Overcharge Funds	--	--	--
Subtotal	<u>\$ 4,011,439</u>	<u>\$ 3,864,724</u>	<u>\$ --</u>
Capital Improvements:			
State Institutions Bldg. Fund	633,140	633,140	--
GRAND TOTAL	<u><u>\$ 4,644,579</u></u>	<u><u>\$ 4,497,864</u></u>	<u><u>\$ --</u></u>
 FTE Positions	 134.8	 134.8	 --
Average Census	221	221	--

Agency Request/Governor's Recommendation

The agency requests a total of \$4,011,439 for operating expenditures in FY 1993, an increase of \$387,716, or 10.7 percent, above the FY 1992 estimate for state operations, excluding federal Second Stage Oil Overcharge funds. Of the increase, \$292,650, or 75.5 percent, is for salaries and wages, including 4.0 new positions. Of the total FY 1993 request, \$1,705,745 is from the State General Fund (42.5 percent of the total) and \$2,305,694 is from the fee fund.

The Governor recommends expenditures of \$3,864,724 for state operations in FY 1993, a reduction of \$146,715 from the agency request. Funding is from the State General Fund (\$1,473,013, a reduction of \$232,732 from the agency request) and the fee fund (\$2,391,711, an increase of \$86,017 above the agency request). The Governor's recommendation again includes increased fee fund receipts from VA payments (an increase of \$28,300) and care and hospitalization payments (an increase of \$34,781). The Governor recommends funding for the additional 4.0 FTE requested by the agency. Reductions are recommended from the agency requests for salaries and wages (\$97,487), contractual services (a net reduction of \$10,008), commodities (\$8,400), and capital outlay (\$30,820).

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor with the following adjustment and observations:

1. Make a technical adjustment to the appropriations bill to reflect the intent of the Governor.
2. The Subcommittee reviewed the agency's need for the four additional FTE positions requested by the agency and recommended by the Governor. The positions include an RN III, who would serve as the Assistant Director of Nursing, a Licensed Practical Nurse (LPN), who would provide coverage on night and weekend shifts, an Activity Therapist Technician, who would assist the Home's one Activity Therapist, and a Social Worker Aide, who would assist the Home's one Social Worker II.

The Subcommittee reviewed licensure surveys from the Kansas Department of Health and Environment (KDHE) concerning surveys conducted in 1991. A report dated June 27, 1991, noted "a persistent and ongoing lack of adequate nursing personnel" and found "the staffing ratios for the type of care demanded to be significantly low." The survey noted other deficiencies and concerns and stated that KDHE would consider taking formal action against the medical facility license if the situation did not improve with the next survey. An August 8, 1991, survey noted improvements in the overall care of the residents and stated that the staff "should be commended for their efforts in making improvements in the quality of care provided," but also stated that the Home was understaffed with nursing personnel on the third floor of Halsey Hall and that the residents had "unmet psychosocial needs exhibited by withdrawal and depression and a general passiveness and apathy" A statement of deficiencies and plan of correction dated October 22, 1991, again addressed the issues of inadequate nursing, social work, and activity therapy personnel. The Home's plan of correction noted the FY 1993 budget request for new positions.

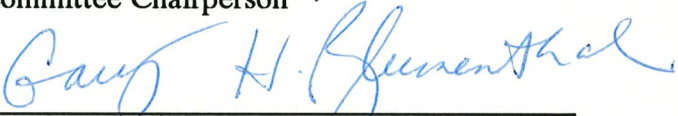
The Subcommittee concludes that the additional positions recommended by the Governor are necessary both to provide services to the Home's residents and to maintain licensure for the facility. The Subcommittee notes, however, that KDHE has some additional concerns pertaining to the appropriateness of the Home's current licensure as a recuperative care facility, suggesting that licensure as an adult care home might be more appropriate. The Subcommittee notes that the staffing levels of the Home may be subjected to further examination. The Subcommittee further recommends that the Home, the Kansas Commission on Veterans Affairs, and KDHE continue to work together to address this issue.


3. The Subcommittee was informed that, although the average age of the Home's residents is 75, five admissions within the past few years have been veterans below the age of 50. Testimony further indicated that substance abuse and mental health concerns are present in some recent admissions to the Home. Although Soldier's Home officials state that admissions to the Home are screened both in terms of meeting eligibility criteria (service and residency


requirements) and whether the Home can meet the applicant's needs, the Subcommittee expresses its concern regarding the admissions process. The Subcommittee recommends that the Home work with the applicants, community mental health service providers, and substance abuse service providers to assure that placements to the Home are appropriate to the needs of the applicants.


4. The Subcommittee notes that the Home receives federal Veterans Administration (VA) reimbursement for veteran residents of the Home's dormitories and nursing facility and that all residents are charged for care and hospitalization based upon financial ability to pay. This VA reimbursement is not available for veterans residing in nursing or care facilities other than the Soldiers' Home. The Subcommittee received testimony estimating that a facility limited to nursing care beds for veterans could generate VA and care and hospitalization reimbursement equivalent to approximately 80 percent of the facility's budget after initial capital expenditures, assuming no change in current reimbursement from all sources. The Subcommittee recommends that the Soldiers' Home, the Kansas Commission on Veterans Affairs, and the Department of Social and Rehabilitation Services (SRS) work together to determine how many medical assistance eligible veterans statewide could be served by such a facility and what fiscal ramifications would result.


 Representative Henry M. Helgerson, Jr.
 Subcommittee Chairperson


 Representative Gary H. Blumenthal


 Representative Duane Goossen


 Representative Sheila Hochhauser


 Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Department of Human Resources **Bill No.** **Bill Sec.**

Analyst: Porter **Analysis Pg. No.** 354 **Budget Page No.** 296

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Governor's Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 36,763,630	\$ 36,415,935	\$ --
Other Assistance	204,300,000	209,300,000	--
Subtotal - Operating	<u>\$ 241,063,630</u>	<u>\$ 245,715,935</u>	<u>\$ --</u>
Capital Improvements	168,000	168,000	730,000
TOTAL	<u><u>\$ 241,231,630</u></u>	<u><u>\$ 245,883,935</u></u>	<u><u>\$ 730,000</u></u>
State General Fund:			
State Operations	\$ 1,045,205	\$ 1,027,018	\$ --
FTE Positions	881.5	881.5	--

Agency Estimate/Governor's Recommendation

The agency's revised estimate for FY 1992 operating expenditures is \$241,063,630, a reduction of \$10,099,473 from expenditures as estimated at the close of the 1991 Legislature. Of the decrease, \$599,473 is from the amount approved for state operations and \$9,500,000 is from the amount estimated for other assistance. The agency estimates expenditures of \$36,763,630 for state operations and \$204,300,000 for other assistance, grants, and benefits. As provided in the 1991 appropriation bill, transfers of \$500,000 from the Penalty and Interest fund to the State General Fund and \$260,413 from the Penalty and Interest fund to the Federal Indirect Cost Offset fund were made. The Federal Indirect Cost Offset fund 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 Penalty and Interest fund is also estimated to finance \$502,000 of state operations.

The Governor's recommendation for FY 1992 is \$245,883,935, a net increase of \$4,652,305 above the agency's revised estimate. The recommendation includes an increase of \$5,000,000 in other assistance, grants, and benefits due to recent changes in federal law extending unemployment benefits. The Governor's recommendation of \$36,415,935 for state operations is a reduction of \$347,695 from the agency estimate. Included in this reduction is a downward adjustment of \$199,836 for the cost of employee health insurance. The Governor concurs with the transfer of \$500,000 from the Penalty and Interest fund to the State General Fund and with the transfer of \$260,413 from the Penalty and Interest fund to the Federal Indirect Cost Offset fund. The Governor recommends additional expenditures of \$441,212 from the Penalty and Interest fund for state operations and an FY 1992 Penalty and Interest fund ending balance of \$1,055,723.

*HA
2-20-92
Attachment 4*

1. **State General Fund.** The Department's current year estimate for State General Fund expenditures totals \$1,045,205, an increase of \$3 above the amount authorized by the 1991 Legislature. Included in this amount are operating expenditures and contingencies for court reporting and for fact finding and mediation. The Governor recommends total FY 1992 State General Fund expenditures of \$1,027,018, a reduction of \$18,187 from the agency estimate.

2. **Other Funds.** The Department estimates that FY 1992 operating expenditures from non-State General Fund sources will total \$240,018,425, a reduction of \$10,099,477 from the budget approved by the 1991 Legislature.

The Governor recommends FY 1992 operating expenditures from non-State General Fund sources of \$244,688,917, an increase of \$4,670,492 above the agency estimate. Included in the FY 1992 recommendation is an increase of \$5,000,000 for unemployment insurance benefits, from the \$193,000,000 estimated by the agency to \$198,000,000. Other expenditures include \$25,133,623 from the Employment Security Administration fund, \$15,103,241 from federal Job Training Partnership Act (JTPA) funds, \$3,058,400 from the Workers Compensation Fee fund, and \$3,393,653 from other funds.

3. **Capital Improvements.** The agency estimates expenditures of \$168,000 from federal Reed Act funds for capital improvement projects in FY 1992, an amount unchanged from the budget approved by the 1991 Legislature.

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

House Subcommittee Recommendations

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

1. The Subcommittee was informed that the Department has been exploring the possibility of selling its Kansas City office, which houses its Job Service and Unemployment Insurance programs. The building was built in 1953 with federal funds. Recent studies have indicated that the population base served by the office is located farther west in the Kansas City metropolitan area than the present building location. Parking has recently become more of a problem in the present location because of the construction of a new federal courthouse adjacent to the building.


The Department has obtained an appraisal of the building and has met federal requirements for sale of the building. Although no buyer has yet been located, the Department requests legislative approval for sale of the building. Any proceeds from the sale could be utilized by the Department for agency capital improvement projects at any location in the state. The Subcommittee approves the Department's request for sale of the building, but notes that any plans for expenditure of the sale proceeds should be subject to review by the Joint Committee on State Building Construction.

2. The Subcommittee received testimony regarding the Department's proposed move of the agency mainframe computer from the Landon State Office Building

to the Employment Security Systems Institute (ESSI) building at 1309 S.W. Topeka Boulevard in Topeka. The agency was notified that the U.S. Department of Labor is performing a Real Property Pilot Review project to determine how much federal and state funding has been contributed to construct, acquire, remodel, or improve real properties owned by the state employment security agencies. The use and condition of each property was reviewed. The agency was notified that its computer operations would have to be moved to the ESSI building. The Department of Labor noted that, in FY 1977, federal funding of \$565,013 was provided to build an addition to the ESSI building, which included a 3,400 square foot computer room. The Department's FY 1992 rental payment for the Landon building space is estimated to be \$242,875. The agency states that failure to move the computer to the ESSI building would result in future federal disallowed costs.


DHR has received permission from the Department of Administration to move the computer operations to the ESSI building. DHR has consulted with the Division of Architectural Services to determine what modifications would be necessary to prepare the ESSI building for the computer equipment. Total costs of the ESSI building modifications are estimated to be \$448,423. The costs of the move, purchase of a power distribution system, and related project costs are \$281,577, for a total project cost of \$730,000. The Department requests authority to utilize Penalty and Interest funds for the total project costs. The Subcommittee recommends that the agency proceed with the project only if project costs can eventually be amortized from federal funds. The Subcommittee recommends that the agency utilize available federal Reed Act funds (estimated to be \$129,058) and available Penalty and Interest funds up to a combined total of \$730,000. The Subcommittee acknowledges that current agency estimates of Penalty and Interest fund receipts would not be sufficient to fund the remainder of the project costs, but could provide interim funding until amortization of the costs begins. The Subcommittee also requests review of the project by the Joint Committee on State Building Construction.


 Representative Henry M. Helgerson, Jr.
 Subcommittee Chairperson


 Representative Gary H. Blumenthal


 Representative Duane Goossen


 Representative Sheila Hochhauser


 Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Department of Human Resources Bill No. 2720

Bill Sec. 3

Analyst: Porter

Analysis Pg. No. 354

Budget Page No. 296

Expenditure Summary	Agency Req. FY 93	Governor's Rec. FY 93	Subcommittee Adjustments
All Funds:			
State Operations	\$ 37,945,072	\$ 37,619,895	\$ --
Other Assistance	204,300,000	204,300,000	--
Subtotal - Operating	<u>\$ 242,245,072</u>	<u>\$ 241,919,895</u>	<u>\$ --</u>
Capital Improvements	680,600	310,600	16,500
TOTAL	<u><u>\$ 242,925,672</u></u>	<u><u>\$ 242,230,495</u></u>	<u><u>\$ 16,500</u></u>
State General Fund:			
State Operations	\$ 1,136,101	\$ 1,001,405	\$ --
FTE Positions	883.5	880.5	--

Agency Request/Governor's Recommendation

The agency requests FY 1993 operating expenditures of \$242,245,072, an increase of \$1,181,442, or 0.5 percent, above the FY 1992 revised estimate. The agency request for unemployment insurance benefits remains unchanged from the FY 1992 estimate of \$193,000,000.

The Governor's recommendation for the FY 1993 operating budget is \$241,919,895, a reduction of \$1,181,442 from the agency request and a reduction of \$3,796,040 from the FY 1992 recommendation. The FY 1993 recommendation for state operations of \$37,619,895 is an increase of \$1,203,960, or 3.3 percent, above the FY 1992 recommendation. The Governor concurs with the agency request for other assistance, grants, and benefits.

1. **State General Fund.** The Department requests \$1,136,101 from the State General Fund in FY 1993, an increase of \$90,896 above the current year estimate of \$1,045,205. The majority of the increase (\$62,544) is attributable to the request for the Commission on Disabilities Concerns.

The Governor recommends \$1,001,405 from the State General Fund in FY 1993, a decrease of \$134,696 from the agency request. The Governor continues the trend in recent years of recommending one appropriation from the State General Fund for both salaries and wages and other operating expenses.

2. **Other Funds.** All other expenditures for the operating budget requested by the agency in FY 1993 total \$241,108,971, an increase of \$13,670,949 above the current year estimate. The agency requests a transfer of \$265,621 from the Penalty and Interest fund to the Federal Indirect Cost Offset fund and requests expenditures from the Penalty and Interest fund of \$658,600.

The Governor recommends FY 1993 expenditures from non-State General Fund sources of \$240,918,490, a reduction of 190,481 from the agency request. The Governor recommends a transfer of \$265,600 from the Penalty and Interest fund to the Federal Direct Cost Offset fund and does not recommend a transfer from the Penalty and Interest fund to the State General Fund. The Governor recommends expenditures of \$630,292 from the Penalty and Interest fund for state operations.

3. **Capital Improvements.** The agency requests a total of \$680,600 for seven capital improvement projects in FY 1993.

The Governor concurs with the agency's request for the six projects totaling \$310,600 to be financed with federal Reed Act funds of \$76,000, Penalty and Interest funds of \$204,000, and Employment Security Administration funds of \$30,000, but does not recommend the project which the agency requested from KDFFA bond financing of \$370,000.

House Subcommittee Recommendations

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


1. Make a technical adjustment to the appropriations bill to reflect the intent of the Governor.
2. Transfer \$500,000 from the Special Employment Security fund (Penalty and Interest fund) to the State General Fund. The Subcommittee notes that transfers from the Penalty and Interest fund to the State General Fund have been made in the following amounts since FY 1990: \$500,000 in FY 1990; \$450,000 in FY 1991; and \$500,000 in FY 1992.
3. The Subcommittee reviewed the agency request for expenditure authority of \$16,500 from federal Reed Act funds to replace a leaking roof at the Emporia office. The Subcommittee notes that sufficient Reed Act funds would be available for this project. The Subcommittee notes, however, that this project was not included in the agency's original capital improvements request and the Joint Committee on State Building Construction has not yet had an opportunity to review this project. The Subcommittee recommends tentative approval of this project, but would recommend that the Joint Committee on State Building Construction review this matter.
4. The Subcommittee was informed that difficulties have emerged in KanWork contractual negotiations between the Department and the Department of Social and Rehabilitation Services. The Subcommittee was distressed to learn that legal staffs of the two agencies have met concerning the contract negotiations. The Subcommittee urges the agencies to settle the contract issues in the most cost efficient manner possible.

The Subcommittee received testimony regarding the services provided by the Department to KanWork participants and the agency measures of outcome and program success. The Subcommittee recommends that the quality of KanWork


services be continually monitored and that future subcommittees review this issue.

- 5. The Subcommittee notes that the Department has formed a committee to review the mission of the Job Service program in light of decreasing federal resources for the program. The agency states that federal funds available to the state have not kept pace with the rise in the consumer price index. The study, which is to review methods of providing more effective and cost efficient services, is scheduled for completion by July 1, 1992.
- 6. The Subcommittee received testimony regarding labor relations functions within the Division of Employment Standards and Labor Relations. Specific complaints related to the length of time taken by the Division before issuing a decision or determination and the handling of a representation election in Wichita. According to testimony presented to the Subcommittee, election ballots were mailed two days early to bargaining unit members, some election packets contained no return envelopes, some contained more than one return envelope, some contained no ballots, and some contained no instruction sheet stating how to fill out and return the ballots.

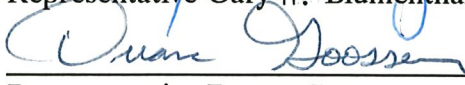
The Subcommittee notes that the Division of Employment Standards and Labor Relations lost two FTE positions in FY 1987, one position in FY 1990, two positions in FY 1991, and will lose an additional Labor Conciliator position in FY 1993. Of the 11.0 FTE positions available to the Division in FY 1992, only one professional and one clerical position are assigned to work with the Professional Negotiations Act (PNA), the Public Employer-Employee Relations Act (PEERA), and the Public Employee Relations Board (PERB). Those persons also have additional duties. The Subcommittee further notes that agency is adjusting staffing and duties within the Division in attempt to allow those employees to concentrate on labor negotiations duties. The Subcommittee recommends that this issue be reviewed by the 1993 Legislature to determine if the Division's efforts have been successful.



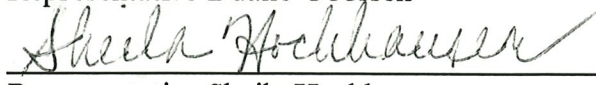
 Representative Henry M. Helgerson, Jr.
 Subcommittee Chairperson



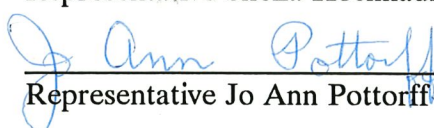
 Representative Gary H. Blumenthal



 Representative Duane Goossen



 Representative Sheila Hochhauser



 Representative Jo Ann Pottorff

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2729

Bill Sec. New

Analyst: Piekalkiewicz

Analysis Pg. No. 415

Budget Page No. 48

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,375,470	\$ 1,328,525	\$ 32,099
Local Aid and Other Assist.	13,392,072	13,392,072	11,357
Total	<u>\$ 14,767,542</u>	<u>\$ 14,720,597</u>	<u>\$ 43,456</u>
State General Fund:			
State Operations	\$ 736,560	\$ 692,789	\$ 18,000
Local Aid and Other Assist.	1,579,932	1,579,932	--
Total	<u>\$ 2,316,492</u>	<u>\$ 2,272,721</u>	<u>\$ 18,000</u>
FTE Positions	30.0	29.5	--

Agency Estimate/Governor's Recommendation

The agency's estimate of current year expenditures is an increase of \$144,182 from the amount approved by the 1991 Legislature. The estimate reflects higher than anticipated receipts from federal funds.

The Governor's recommendation for expenditures in FY 1992 is a reduction of \$46,945 from the State General Fund the agency estimate for state operations. Recommended reductions include \$34,715 for salaries and wages, and \$7,607 for travel and subsistence. The Governor concurs with the agency's revised federal fund estimate.

House Subcommittee Recommendation

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

1. Authorize the expenditure of additional federal funds totaling \$25,456. A portion of this funding will be used for an additional three-quarter time Ombudsman for additional coverage for northeast Kansas. These federal funds for Ombudsman require a 15 percent state match which the Subcommittee recommends come from existing State General Fund appropriations for the Department.
2. Create a fund to allow the Department to receive federal Economic Dislocated Worker Adjustment Act (EDWAA) funds from the Kansas Department of Human Resources which can be used specifically to assist persons aged 55 and older who have been laid off or are farmers who have declared bankruptcy.

*HA
2-20-92
Attachment 5*

- 3. Add \$18,000 from the State General Fund to upgrade the Senior Care Act Information System (see FY 1993 report for additional details).



Representative Henry Helgeson
Subcommittee Chairperson



Representative Sheila Hochhauser



Representative Gary Blumenthal



Representative Jo Ann Pottorff



Representative Duane Goossen

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2720

Bill Sec. 6

Analyst: Piekalkiewicz

Analysis Pg. No. 415

Budget Page No. 48

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,433,285	\$ 1,361,851	\$ 102,227
Local Aid and Other Assist.	14,018,206	13,384,291	1,174,886
Total	<u>\$ 15,451,491</u>	<u>\$ 14,746,142</u>	<u>\$ 1,277,113</u>
State General Fund:			
State Operations	\$ 790,581	\$ 740,217	\$ 77,235
Local Aid and Other Assist.	2,752,566	2,118,651	941,692
Total	<u>\$ 3,543,147</u>	<u>\$ 2,858,868</u>	<u>\$ 1,018,927</u>
FTE Positions	31.0	29.5	1.0

Agency Request/Governor's Recommendation

The Department on Aging's request for FY 1993 is an increase of \$683,949 from the FY 1992 estimate, including an increase of \$1.2 million from the State General Fund and a decrease of \$542,706 from federal and other funds. The request would fund 31.0 FTE positions, including one new position, a Long Term Care Ombudsman I. The request includes funding to expand the Senior Care Act statewide. The request for nutrition programs assumes that the cost per meal will increase by 2.6 percent in FY 1993 and includes \$150,000 from the State General Fund for capital equipment for nutrition sites.

The Governor's recommendation for FY 1993 represents a net increase of \$586,147 in state funding for the Department. Of the increase, \$47,428 is for state operations, \$198,377 is for an expansion of the Senior Care Act into three additional project areas, and \$389,376 is for an increase in state support for nutrition programs. The recommendation for nutrition programs assumes that the cost per meal will increase by 2.6 percent in FY 1993, as requested by KDOA. The recommendation includes a reductions in the Older Kansans Employment program (\$30,726) and for the Retired Senior Volunteer Program (\$18,308).

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following exceptions and comments:

1. Authorize the expenditure of additional federal funds totaling \$27,489. A portion of these funds will be available for an additional three-quarter time Ombudsman for additional services for the Northeast Kansas area. These federal funds for

Ombudsman program require a 15 percent state match which the Subcommittee recommends come from existing State General Fund appropriations for the Department.

2. Create a fund to allow the Department to receive federal Economic Dislocated Worker Adjustment Act (EDWAA) funds from the Kansas Department of Human Resources which can be used specifically to assist persons aged 55 and older who have been laid off or are farmers who have declared bankruptcy.
3. Increase the expenditure limitation by \$8,860 on the amount of federal funds the Department may spend on administration.
4. Recommend an additional \$908,147 above the Governor's recommendation from the State General Fund to expand the Senior Care Act (SCA) statewide from three projects areas which are currently funded. The Governor's recommendation provided additional funding over the current year of \$198,377 to expand SCA to three additional project areas. The Subcommittee recommends a reduction of the \$1 for \$1 local match requirement to \$2 state dollars to every \$1 of local funds and that S.B. 674, which reduces the match to \$1 local to \$3 state be amended to reflect this recommendation.

The Secretary on Aging presented the Subcommittee a document entitled, "Recommendations to the 1992 Kansas Legislature Related to Long-Term Care Issues" which was developed jointly by the Kansas Department on Aging (KDOA), the Department Health and Environment (KDHE) and the Department of Social and Rehabilitation Services (SRS); and document outlining the Department on Aging's three-year plan. The Secretary discussed the concern that there is an institutional bias in Kansas toward nursing home care which has resulted in an over utilization of long-term care facilities by elderly able, and for the most part desiring, to receive less confining levels of care. For the eligible senior citizen, such care would be less restrictive, affording the individual greater freedom. National studies have shown that between 10 and 18 percent of the elderly admitted to nursing homes could live in their home if the appropriate community based and home support services were available.

Demographic trends were also discussed. In Kansas, as in the rest of the country, the age 60 and older population has been increasing. In Kansas, since 1970 the number of persons age 60 and older has increased by 21.8 percent; the number age 75 and older by 41.2 percent; and the number age 85 and older by 76.8 percent. Presently in Kansas, almost one half of nursing home patients and costs are borne by Medicaid. This has been translated into a substantial increase in the medical budget of SRS. The adult home care expenditures have doubled since FY 1987 (in FY 1992 state expenditures are estimated will total \$92.4 million). Based on demographic data from the 1990 Census the age 65 and older population is the fastest growing age group and within that population the age 85 and older group is growing at the fastest rate.

Kansas has the seventh highest rate of institutionalization for people over age 85 in the nation. In addition, Kansas ranks 46th among the 50 states and the District of Columbia on per capita state spending for community based long-term

care services. Unless action is taken to divert eligible elderly away from nursing homes into community based long-term care, which is for many elderly the desired placement, institutional care will continue to require an ever increasing share of state resources. Current projections indicate that without alternatives to nursing home care, adult care home expenditures will again double within five years.

The Subcommittee also heard testimony from representatives of several area agencies on aging who reiterated the importance of making available community based long-term care services.

The Subcommittee believes that given the current number of elderly in Kansas, the expected demographic increases, the current costs and projected costs that one of the primary tasks that is now before the state is to lay the foundation for a system that will meet the elderly's long-term care needs, without appreciably draining Kansas's revenue base. A comprehensive framework is needed to fully integrate community based services for long-term care and reduce the over-utilization of medically-intensive long-term care services.

The above mentioned documents include the recommendation that the ultimate long term goal of the state should be the expansion statewide of the Senior Care Act, which is presently provided in three areas of the state. SCA was designed to provide supportive services to help older Kansans who have difficulty in performing tasks of daily living to stay in their homes. At present, homemaker services and attendant care are provided through the program. Other services which may be provided under the act include minor home repair, transportation for care services, chore services and respite care.

The Subcommittee received testimony from Professor Richard Miller, Kansas State University, who was the principal investigator on an evaluation of the Senior Care Act for FY 1991. The evaluation revealed that the program has been successful in diverting individuals away from nursing homes and therefore is cost effective. According to the evaluation, the primary economic benefit to the state comes from savings in Medicaid that would have to be paid by the state if SCA clients were in nursing homes. The evaluation stated that for every dollar spent by the state on SCA programs, \$1.14 is saved in the state's portion of potential Medicaid costs.

An analysis of the impact of a statewide home care program was provided by the Department on Aging which indicated that based on the experience of Oregon, \$36,381,180 (All Funds) annually could have been saved in Kansas if a comprehensive program had been implemented by the state in 1982.

Regarding the specifics of the Subcommittee's recommendation for the Senior Care Act the following table summarizes the funding components of the recommendation, which include funding recommended for the program by the Governor (a total of \$371,520):

	<u>State</u>	<u>Local</u>
Basic Program Cost	\$ 1,045,000	\$ 522,500
Discretionary Services*	234,667	117,333
Total	<u>\$ 1,279,667</u>	<u>\$ 639,833</u>

* Each area would have available a pool of funds for other discretionary services beyond attendant care and homemaker services.

5. The Subcommittee recommends that a focal point, a designated point of access, for comprehensive service delivery in each county be established which would provide senior citizens access to information and referral about community based long-term care. It is anticipated that these focal points will most likely be located in senior centers.
6. To ensure that information and referral services will be provided and that appropriate services and funding sources will be found for senior citizens seeking alternatives to nursing home care, the Subcommittee recommends that each area agency on aging, of which there are 11, hire case managers. The Subcommittee recommends \$440,000 from the State General Fund and \$166,898 from federal funds for this purpose as a line item in the Department on Aging's budget. The Subcommittee recommends that local area agencies on aging apply for these funds to the Department and that Department evaluate the requests and make grants for the case managers.
7. The Subcommittee emphatically asserts that for the Senior Care Act to be a success there must be strong cooperation between KDOA, SRS, and KDHE. The type of coordination the Subcommittee believes is vital is mandated by the Senior Care Act. K.S.A. 75-5928(b) states:

The plan must be developed with support of a local or regional coordinating committee comprised of representatives of senior organizations, home health agencies, and health departments, the department of social and rehabilitation services offices and other interested groups.

In addition, K.S.A. 75-5935(a) requires the Secretary on Aging to establish and appoint an interagency coordinating committee "to advise the secretary on implementation of the program developed under [the senior care] act."

8. From the analysis reviewed above, the Subcommittee believes it will be able to reduce state support for nursing home care in FY 1993 and in future years and it is the intent of this Subcommittee to reduce the SRS budget to reflect the shifting of funds to community based long-term care from nursing home care. The intended result of the Subcommittee's recommendation for expansion of the

Senior Care Act is to achieve a substantial reduction in the rate of entry into nursing homes. The Subcommittee believes that the result of its recommendation will lead to no growth in the increase of entry into nursing homes but understands that this rate of increase will be partially driven by demographics. Since the program's effectiveness will be judged essentially on the effectiveness of the program to divert persons from nursing homes, the Subcommittee anticipates that KDOA will provide to future Legislatures statistical information on the program's effectiveness in achieving the objective of reducing the rate of entry into nursing homes.

9. The Subcommittee believes that in a years time there will need to be a expanded evaluation of the cost effectiveness of the Senior Care Act and the services provided. The Subcommittee therefore recommends that the KDOA make arrangements for such an analysis to be conducted.
10. Regarding the impact of expanding the Senior Care Act statewide on the state operations budget of the Department on Aging, the Subcommittee recommends \$34,506 from the State General Fund for 1.0 FTE position to help administer the program. In addition, the Subcommittee recommends \$12,000 for a part-time position to assist in data entry on the Senior Care Act Information System (\$18,000 was recommended in FY 1992 for a system upgrade).
11. Delete \$104,000 from the State General Fund and replace with federal funds for the Older American Act (OAA) nutrition program.
12. Delete an additional \$85,000 from the State General Fund from the OAA nutrition program, assuming there will be an increase of a like amount in participant donations. The Governor's recommendation for FY 1993 assumes that participant donations for the OAA nutrition program will remain at the same level as in the current year, however, historically the participant donations have increased from year to year.
13. Regarding nutrition programs, the Subcommittee notes that the Department is working towards developing consistency in the assessment of an accurate meal cost. A preliminary analysis has shown that local area agencies on aging have not reported all the costs involved in providing meals. Costs that are not reported by area agencies often are in-kind and off-budget items such as free rent, and transportation. KDOA has concluded that the true cost per meal is much higher than the reported statewide average of \$2.98 for the OAA program.
14. Delete \$217,455 from the State General Fund and \$49,061 in federal funds from the Governor's recommendation for the in-home nutrition program. The Subcommittee notes that in KDOA's three year long-range plan, the in-home nutrition program is cited as being a vital component of a comprehensive community based long-term care system. The Subcommittee, however, does not concur with the Governor's recommendation to increase the number of meals provided in the in-home nutrition program by 96,000 but to hold the number of meals to 352,677, which number provided in current year. However, the Subcommittee does concur with the Governor's recommendation to increase the cost per meal to \$3.11.

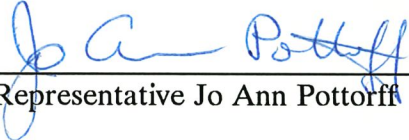
- 15. The Subcommittee wishes to express its thanks to the Secretary and staff of the Department on Aging for their tireless work in accommodating the Subcommittee's requests for information. The Subcommittee also notes that the cooperation in evidence between the Secretaries of KDOA, SRS and KDHE is commendable. The Subcommittee believes this cooperation will strengthen the availability of services for seniors seeking alternatives to nursing home care.
- 16. The Subcommittee commends the Department for its development of a long-range plan of services. The Subcommittee encourages the Department to continue to review this plan and update it when appropriate.
- 17. Add \$30,729 from the State General Fund for the Older Kansans Employment Program (OKEP) to restore funding to the current year level.



Representative Henry Helgersen
Subcommittee Chairperson



Representative Duane Goossen



Representative Jo Ann Pottorff

MINORITY REPORT

We concur with the recommendations contained in the majority report, with the following exception:

1. Concur with the Governor's recommendation for the Low-Income In-Home Nutrition program which provides 96,000 additional meals in FY 1993 over the current year level. We note that in KDOA's three year long-range plan, the in-home nutrition program is cited as being a vital component of a comprehensive community based long-term care system. We are in agreement with KDOA that in-home nutrition is an essential service needed in order to divert individuals away from nursing homes and therefore do not concur with the majority's report to delete \$217,455 from the State General Fund and \$49,061 from federal funds from the Governor's recommendation for the nutrition program. As stated above, the Governor's recommendation contains funding for 96,000 additional meals which will provide meals to those currently on waiting lists. We believe the Governor's recommendation provides an adequate level of funding for the purchase of an appropriate number of meals so that all low-income individuals, including those who are currently on waiting lists, will receive needed nutrition.



Representative Sheila Hochhauser



Representative Gary Blumenthal