

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:07 a.m. on February 26, 1992 in Room 123-S of the Capitol.

All members were present except:

No one was absent

Conferees appearing before the committee:

None

SB 507 - Appropriations for FY93, for department of social and rehabilitation services and state mental health and mental retardation institutions.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Chairman Bogina reviewed the FY92 subcommittee report, Attachment 1. In regard to item 4, he said that the current match rate of federal funds is at 66% federal/34% state. There being no questions, Senator Winter moved, Senator Gaines seconded, the adoption of the FY92 subcommittee report.

Senator Gaines reviewed items 1-4 of the FY93 subcommittee report, Attachment 2. In response to Senator Salisbury's question, staff stated that information regarding statutory mandates pertaining to insurance coverage for inpatient services for mental health and alcohol and drug abuse would be provided.

There was lengthy discussion regarding the subcommittee's recommendation to reduce the appropriation for inpatient hospital services for the disabled in the MediKan program. Concern was expressed that this recommendation would result in hospitals having to absorb expenses or pass them on. Senator Doyen noted that the subcommittee tried to prioritize programs, keeping its focus on maintaining the family structure and providing cash assistance. Senator Winter pointed out that no group of persons is left unserved, although a group of providers is adversely impacted by this recommendation. The Chairman explained that the Governor has proposed an increase of \$137 million over two fiscal years for SRS expenditures and has recommended using disproportionate share monies to fund new programs. He continued to say that with the Governor's recommendations, a \$21 million deficit will be built into the SRS budget for FY94. Senator Parrish noted that, as a member of the subcommittee, she voted against the reduction in inpatient hospital services.

Senator Parrish reviewed items 5-19 of the FY93 subcommittee report. In discussing the LIEAP program, Chairman Bogina stated that the oil overcharge fund would be depleted after this year's appropriation.

It was moved by Senator Rock and seconded by Senator Feleciano that the FY93 subcommittee report be amended by recommending an interim study of asset forfeiture. The motion carried.

Senator Gaines reviewed items 20-29 of the report. Senator Doyen stated that he had been made aware that some rent payments made to clients were diverted to non essential purposes and never reached the landlord, thereby impacting upon the homeless problems. He stated that this issue should be further considered before the end of the session.

In answer to Senator Hayden's question, Chairman Bogina stated that the subcommittee had heard no testimony regarding possible longterm savings through the use of therapeutic beds, but was reassured by the Secretary that each case would be heard on a medical needs basis.

Senator Winter reminded members that there's a \$110 million increase in this budget over FY92 and most of that is in health care costs. He emphasized the subcommittee's intentional inclusion of significant improvements in the state's child welfare programs in an effort to ensure that the state is adequately serving children. He noted that these programs are multi-year.

Chairman Bogina and Senator Gaines complimented Secretary Donna Whiteman on her understanding of the intricacies of the SRS budget and thanked her and Laura Howard for their valuable assistance.

Senator Gaines moved, Senator Winter seconded, the adoption of the FY93 subcommittee report as amended. The report is further amended by previous action to delete the salary increases.) The motion carried.

WINFIELD STATE HOSPITAL AND TRAINING CENTER

Senator Kerr reviewed the FY92 and FY93 subcommittee reports, Attachment 3. Senator Feleciano moved, Senator Rock seconded, the adoption of the FY92 subcommittee report and the FY93 subcommittee report as amended by the deletion of salary increases. The motion carried.

PARSONS STATE HOSPITAL

Senator Kerr reviewed the FY92 subcommittee report, Attachment 4. In regard to turnover rate, item 2, Senator Kerr explained that the recommendation was made to concur with the Governor's intentions to fund at the 3 year average of turnover rates.

The FY93 subcommittee report, Attachment 5, was reviewed by Senator Kerr. It was moved by Senator Moran and seconded by Senator Kerr that the FY92 report and the FY93 subcommittee report as amended by previous action to delete the salary increases be adopted. The motion carried.

KANSAS NEUROLOGICAL INSTITUTE

Senator Kerr reviewed the FY92 and FY93 subcommittee report, Attachment 6. In answer to Senator Winter's question, Senator Kerr noted that the subcommittee allowed KNI to use some of the excess fees collected from a higher than anticipated patient population. He said that the subcommittee adjusted the turnover rate so that the agency should not have to lay off or fire personnel in FY92.

Senator Kerr moved, Senator Moran seconded, adoption of the FY92 subcommittee report and the FY93 subcommittee report as amended by previous action to delete the salary increases. The motion carried.

It was moved by Senator Doyen and seconded by Senator Winter that bill draft 1 RS 2792 as requested by the Chairman be introduced. The motion carried.

Chairman Bogina adjourned the meeting as 12:10 p.m.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: Dec. 26, 1992

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Bob Geers	TOPEKA	ARC/Ks
George Dugger	"	Aging
Barbara Hunt	Topeka	Group for Networking
Ya Bestgen	Topeka	KARF
Judy Bellome	413 Division St., ⁶⁶¹⁰³ KCK	Clinicare
Sydney Hardman	Lawrence	Ks Action for Children
Martha Jenkins	Topeka	AIA
Carolyn Counts	Lawrence	KMS
Doug Bowman	Topeka	Children & Youth Advisory
SHERYL SANDERS	TOPEKA	Ks AMI / KMHC
Jenny Larson	Topeka	Ks AMI / KMHC
Jan Strubler	Manhattan	KAPS
Marilyn Bratt	Lawrence	KINH
Kate Hrides	Topeka	St. Dept. of Human Resources
Linda Laming Clanton	Topeka	KDHR
LISA Getz	Wichita	WICHITA Hospitals
Mary Ellen Cordie	Wichita	Wichita Hospitals
Mike Ten	Topeka	Marie Court & Rosen
John Petersen	Topeka	Ks Hospital Assn
Sharon Huffman	"	KCDC
Lynn McDonald	Topeka	KACIC
Robert M. Day	Topeka	KNI
David Hunt	Topeka	MAHRS
Sharon Kellum	TOPEKA	KNI
Wm. Hill	Topeka	TSH
Karen De Vincy	Topeka	SRS Budget + Reports
Melissa L. Ness	Topeka	Ks. Children's Serv. League
Dodie J. Lacey	Topeka	"
Jim Peterson	"	SRS
DON POUND	"	SRS
Dick Hummel	TOPEKA	SSI

SUBCOMMITTEE REPORT

Agency: Department of Social and Rehabilitation Services

Bill No. 547

Bill Sec. 9

Analyst: Howard

Analysis Pg. No. 725

Budget Page No. 522

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 177,026,767	\$ 175,283,667	\$ 72,752
Local Aid	49,835,685	49,835,685	0
Other Assistance	832,063,058	818,937,474	502,637
Subtotal - Operating	<u>\$ 1,058,925,510</u>	<u>\$ 1,044,056,826</u>	<u>\$ 575,389</u>
Capital Improvements	6,552,224	6,536,654	0
TOTAL	<u><u>\$ 1,065,477,734</u></u>	<u><u>\$ 1,050,593,480</u></u>	<u><u>\$ 575,389</u></u>
State General Fund:			
State Operations	\$ 72,466,140	\$ 71,593,240	\$ (207,526)
Local Aid	37,084,795	37,084,795	0
Other Assistance	303,015,088	295,186,691	(80,000)
Subtotal - Operating	<u>\$ 412,566,023</u>	<u>\$ 403,864,726</u>	<u>\$ (287,526)</u>
Capital Improvements	123,625	123,625	0
TOTAL	<u><u>\$ 412,689,648</u></u>	<u><u>\$ 403,988,351</u></u>	<u><u>\$ (287,526)</u></u>
FTE Positions	3,423.7	3,373.2	10.0

Agency Estimate/Governor's Recommendation

FY 1992. SRS requests a total operating budget of \$1,058,925,510 in FY 1992 with 3,423.7 FTE positions, an increase of \$46.3 million and 50.5 FTE positions from the approved budget as adjusted by subsequent Finance Council action. Included in the revised estimate is funding of \$1,036,378 in federal funds and 14.0 FTE positions approved by the Finance Council. The request includes an increase of \$6,754 from the State General Fund from the approved amount, an increase of \$22.4 million from the SRS Fee Fund, and an increase of \$23.9 million from federal and other funds. The agency request assumes that additional disproportionate share receipts will be transferred from the Institutional Title XIX Fund to the SRS Fee Fund to provide for this supplemental request. The revised estimate includes continuation of General Assistance and MediKan without program modifications at an estimated additional cost of \$12.9 million for MediKan and \$3.0 million for General Assistance. The agency requests 50.5 new positions for the KanWork program. The 1989 Legislature originally authorized 86 FTE for KanWork expansion to seven additional counties; this expansion has since been delayed and is now scheduled to occur in May, 1992. Although the Legislature has recommended delay of the expansion, the position authority has not been reduced.

The Governor recommends FY 1992 operating expenditures of \$1,044,056,826, an increase of \$31.4 million from the approved amount. The recommendation includes a reduction of

*SWAM
February 26, 1992
Attachment 1*

\$8.7 million in State General Fund expenditures from the approved level, an increase of \$25.4 million from the SRS Fee Fund, and an increase of \$14.7 million from federal and other funds. The recommendation includes a net state funds (SGF + SRS Fee Fund) increase of \$16.7 million from the approved budget. The Governor's recommendation assumes the transfer of additional disproportionate share revenues from the Institutional Title XIX Fund to the SRS Fee Fund to finance the state portion of supplemental expenditures and offset existing State General Fund expenditures in the SRS budget. The recommendation assumes continuation of the General Assistance and MediKan programs without modification. Major components of the recommended supplemental include: \$12.9 million for MediKan; \$3.1 million for General Assistance; and \$4.9 million associated with AFDC caseload increases.

Senate Subcommittee Recommendation

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

1. Delete \$207,526 from the State General Fund and add \$207,526 in federal funds to reflect the correct match rate for the Ks Cares project.
2. In accordance with the Governor's Budget Amendment, add \$582,637 in federal vocational rehabilitation funds, including \$20,000 to improve handicapped accessibility of rehabilitation services offices and \$562,637 for expansion of services to independent living centers. The Governor's recommendation inadvertently omitted this funding.
3. Shift \$89,701 in federal youth center alcohol and drug abuse treatment funds from other operating expenditures to salaries as a technical adjustment.
4. Add \$27,175 from the SRS Fee Fund (\$52,752 All Funds) and 10.0 FTE positions in child support enforcement. The requested staffing and resources are necessary to avoid federal fiscal sanctions, achieve a certified child support enforcement system and qualify for federal matching funds at a 90 percent federal/10 percent state matching rate. Federal law requires all states to have a certifiable system by October, 1995. In addition, the Family Support Act of 1988 imposes certain child support enforcement mandates on the states.
5. The Subcommittee recommends a "No Limit" expenditures limitation on the SRS Fee Fund in FY 1992 as in past fiscal years.
6. Delete certain provisos on the Social Services Clearing Fund relating to interagency transfers and home care salaries and include such expenditures within the operating expenditures limitation.
7. Reappropriate \$80,000 in guardianship program savings for expenditure in FY 1993.
8. Make technical corrections to the bill to reflect the Governor's recommendation.



Senator August Bogina, Jr.



Senator Ross Doyen



Senator Frank Gaines



Senator Nancy Parrish



Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: Department of Social and Rehabilitation Services

Bill No. 507

Bill Sec. 2

Analyst: Howard

Analysis Pg. No. 725

Budget Page No. 522

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 214,154,061	\$ 185,643,405	\$ 3,586,562
Local Aid	58,148,461	55,010,470	0
Other Assistance	1,015,507,478	909,034,329	(8,705,128)
Subtotal - Operating	<u>\$ 1,287,810,000</u>	<u>\$ 1,149,688,204</u>	<u>\$ (5,118,566)</u>
Capital Improvements	16,557,816	6,599,700	0
TOTAL	<u><u>\$ 1,304,367,816</u></u>	<u><u>\$ 1,156,287,904</u></u>	<u><u>\$ (5,118,566)</u></u>
State General Fund:			
State Operations	\$ 92,903,619	\$ 80,744,982	\$ (259,502)
Local Aid	45,586,310	42,400,944	0
Other Assistance	335,113,557	271,047,411	(9,139,960)
Subtotal - Operating	<u>\$ 473,603,486</u>	<u>\$ 394,193,337</u>	<u>\$ (9,399,462)</u>
Capital Improvements	950,625	135,125	0
TOTAL	<u><u>\$ 474,554,111</u></u>	<u><u>\$ 394,328,462</u></u>	<u><u>\$ (9,399,462)</u></u>
FTE Positions	4,233.5	3,586.5	86.0

Agency Request/Governor's Recommendation

FY 1993. SRS requests a total operating budget of \$1,287,810,000 in FY 1993, an increase of \$228.9 million from the FY 1992 estimate. The request includes 4,233.5 FTE positions, an increase of 809.9 from the agency's FY 1992 revised request. The agency request assumes an increase in State General Fund financing of \$61.0 million from FY 1992, an increase of \$70.6 million from the SRS Fee Fund, and an increase of \$97.3 million from all other funds. The request assumes expenditure of a total of \$135.8 million from the SRS Fee Fund, reflecting the transfer of additional disproportionate share receipts from the Institutional Title XIX Fund to the SRS Fee Fund.

The Governor recommends an operating budget of \$1,149,688,204 in FY 1993, an increase of \$105.6 million from the FY 1992 recommendation. The recommendation includes funding for 3,586.5 FTE positions, a net increase of 213.3 from FY 1992. The recommendation includes funding for 225.5 FTE new positions, reflects the transfer of five positions to the Department of Commerce, and deletes 7.2 other positions. The recommendation assumes a reduction in State General Fund financing of \$9.7 million from FY 1992, an increase of \$73.3 million from the SRS Fee Fund, and an increase of \$42.1 million from all other funds. The recommendation assumes the transfer of additional disproportionate share receipts to the SRS Fee Fund.

*SWAM
February 26, 1992
Attachment 2*

State Operations. The Governor recommends \$185.6 million for state operations in FY 1993, an increase of \$10.4 million (5.9 percent) from FY 1992. The recommendation increases State General Fund financing by \$9.2 million from FY 1992 to FY 1993, and reduces SRS Fee Fund financing by \$1.2 million. The recommendation includes funding for 225.5 FTE new positions. The Governor's recommendation includes an estimated shrinkage rate of 5.3 percent for most SRS programs in FY 1993, an increase from the agency request of 4.0 percent. The recommendation includes an increase of \$11.8 million in salaries from FY 1992 to FY 1993, including \$5.9 million for new positions; and a net reduction of \$1.4 million in other operating expenditures.

Local Aid. The Governor's FY 1993 recommendation for local aid is an increase of \$5.2 million from the FY 1992 recommendation. The recommendation includes funding to implement the last phase of mental health reform in the Osawatomie catchment area and the first phase in the Topeka catchment area, as well as funding to annualize existing mental health reform and mental retardation placement activities.

Other Assistance. The Governor's FY 1993 recommendation for other assistance is an increase of \$90.1 million from FY 1992, including a net increase of \$50.3 million from state funds. The Governor's recommendation reduces SGF expenditures for other assistance by \$24.1 million, and increases expenditures from the SRS Fee Fund by \$74.4 million. The following summarizes the major areas of increase in the other assistance budget from FY 1992 to FY 1993: Medical Assistance, \$73.5 million; Employment Preparation including Daycare, \$11.1 million; AFDC and General Assistance, \$9.9 million; and all other, a net reduction of \$4.4 million.

Senate Subcommittee Recommendation

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

1. Delete \$28,868 from the State General Fund (\$75,000 All Funds) for a bar-coding inventory system.
2. Delete \$460,000 from the State General Fund and add \$460,000 from federal funds for the KanWork employment contract with the Department of Human Resources.
3. The Subcommittee makes the following recommendations regarding child support enforcement:
 - a. The Subcommittee recommends the introduction of legislation to prohibit court trustees from charging a fee in non-AFDC child support cases. Currently, SRS provides services without a fee; court trustees charge varying levels of fees. For compliance with federal standards, the state must either uniformly adopt or eliminate the fee.
 - b. As in FY 1992, add 10.0 FTE positions and \$478,867 in child support enforcement for expenses associated with achieving a certified system. The recommendation is an increase of \$516,794 in federal funds and a reduction of \$37,927 from the SRS Fee Fund from the Governor's recommendation, reflecting a higher federal match rate.

- c. Add \$1,152,049 from the SRS Fee Fund (\$3,191,015 All Funds) and 58.0 FTE positions for Child Support Enforcement. The recommendation includes \$693,049 from the SRS Fee Fund (\$1,841,015 All Funds) for 58 new collection officers and support staff. The Subcommittee was informed that the average caseload per collection officer in Kansas is 800 compared to an average caseload nationally of 350. The recommendation also includes \$459,000 from the SRS Fee Fund (\$1,350,000 All Funds) for a contract with Kansas Legal Services or another entity for certain child support enforcement legal functions such as paternity establishment, child support and medical support obligation establishment, modification of support orders, and enforcement actions. The Subcommittee recommends that the House Subcommittee review the feasibility of contracting out these services and recommends that the agency present information regarding the status of its discussions on this issue. In the event that the contractual option does not appear possible, the Subcommittee would recommend the consideration of the establishment of 51 special project legal positions within SRS to perform these functions. The Subcommittee would note that revenue to the SRS Fee Fund in FY 1993 as a result of this action is estimated to total \$1,393,780, or \$241,731 more than the state share of the cost of this staffing and contract. In subsequent fiscal years, the projected revenue would be expected to total two to two and one-half times the expense.
- d. The Subcommittee recommends that an interim study be conducted regarding the administration of the child support program, with particular emphasis on whether it is appropriate to continue the current bifurcated system whereby court trustees must perform certain child support functions in parts of the state.
4. Delete \$8,600,000 from the State General Fund (including \$3,160,000 from General Assistance, and \$5,440,000 from MediKan) and implement a modified General Assistance and MediKan program effective January 1, 1993. Annualized savings of \$18.9 million in state funds will be realized from this recommendation.

For cash assistance (General Assistance) purposes the Subcommittee recommends no modification in eligibility or benefits for General Assistance - Families. For General Assistance - Disabled, the Subcommittee recommends that cash assistance be provided only to those individuals with impairments which are classified as permanent disabilities under Section 221 (i) of the Social Security Act. The current criteria for disability is the statement of a medical professional that the applicant is physically or mentally unable to work for 30 days or more.

For medical assistance (MediKan) purposes, the Subcommittee recommends the following modifications. For General Assistance families, the pregnant women and children continue to be eligible for the Medicaid program. MediKan provides medical assistance only for non-pregnant adult family members. For both GA-families and GA-disabled the Subcommittee recommends that the program be modified to reflect a focus towards primary and preventative health

care. The Subcommittee recommends coverage for physician services, pharmacy services, community mental health centers, and other primary care services including outpatient hospital services. In addition, the Subcommittee recommends that hospital services be limited to mental health, alcohol and drug abuse and emergency injury services.

The following compares the current and modified number of persons served and expenditures on an annualized basis under the Subcommittee's recommendation:

Cash Benefits -- General Assistance

<u>GA -- Families</u>	<u>Current Status Gov. Rec. FY 1993</u>	<u>Subcommittee Recommendation</u>
Average Persons Per Month	2,800	2,800
All Persons Per Year	8,300	8,300
Average Length of Assistance	3.6 months	3.6 months
Average Cost Per Person	\$116	\$116
Total Cost	\$3.9 million	\$3.9 million

<u>GA -- Disabled</u>	<u>Current Status Gov. Rec. FY 1993</u>	<u>Subcommittee Recommendation</u>
Average Persons Per Month	5,260	1,859
All Persons Per Year	10,360	3,718
Average Length of Assistance	6.2 months	6.0 months
Average Cost Per Person	\$158	\$152
Total Cost	\$10.0 million	\$3.4 million

Medical Benefits – MediKan

	Current Status Gov. Rec. FY 1993 (Millions)	Subcommittee Recommendation (Millions)
	<hr/>	<hr/>
Inpatient Hospital	\$15.3	\$4.0
Physician	3.2	2.2
Pharmacy	1.7	1.7
Community Mental Health	1.7	1.7
All Else	2.9	2.9
Total Annual Expenditures	<hr/> <hr/> \$24.8	<hr/> <hr/> \$12.5

Total Expenditures – State Funds(In Millions)

	<u>GA</u>	<u>MediKan</u>	<u>Total</u>
FY 1993 Gov. Rec.	\$13.9	\$24.8	\$38.7
FY 1993 Sub. Rec.	10.7	19.4	30.1
Annualized Cost of Modified Program	7.3	12.5	19.8

The Subcommittee believes that this proposal targets resources towards the most needy and supports families.

The Subcommittee was informed that current litigation will likely be resolved in time to allow this modification. In the event that program modification is possible prior to January 1, 1993, the Subcommittee authorizes the Secretary to initiate this modification at an earlier date.

- The Subcommittee reviewed the Governor's recommendations for the LIEAP program and notes that the recommendation in FY 1993 will require that payments under the program be reduced. The FY 1993 recommendation is a reduction of \$3.2 million from FY 1992, and \$5.9 million from actual FY 1991 expenditures. In the current year, in response to budget constraints the agency has reduced eligibility from 150 percent of poverty to 110 percent of poverty, the lowest allowed level. The major reason for the decline relates to the state's expenditure of oil overcharge funds which have been funded a significant proportion of LIEAP expenditures in past fiscal years. The Subcommittee notes

that federal LIEAP regulations allow the transfer of up to ten percent of LIEAP block grant funds to the Social Services Block Grant and 15 percent to Weatherization.

The Subcommittee considered reducing or eliminating these transfers. However, the Weatherization program in the Department of Commerce reflects a reduction of \$1.8 million from FY 1992 to FY 1993. Social Service Block grant funds are dedicated to other areas of the SRS budget including foster care, mental retardation services grants and day care.

The Subcommittee does recommend that the Secretary consider modification of the income standard to include adjusted gross income so that certain expenses, such as medical costs, could be reduced from the applicant's income to determine eligibility. The Subcommittee directs that the agency present a proposal regarding this modification to the House Subcommittee for further review.

6. Delete \$590,724 from the State General Fund (\$1,421,377 All Funds) in regular medical assistance caseloads to concur with the agency's November estimate.
7. The Subcommittee endorses the passage of Sub. for H.B. 2566 which would provide information and assistance to persons in obtaining appropriate long-term care services and would require assessment and referral services prior to admission to an adult care home. The Subcommittee believes that prescreening and referral services are an effective means to encourage the utilization of community-based services and divert clients from nursing facilities. After full implementation of the provisions of Sub. for H.B. 2566, SRS estimates a nursing home cost avoidance of \$3.5 million (\$1.5 million SGF); offset by operational costs the net annual cost avoidance totals \$1.8 million (\$478,376 SGF).
8. The Subcommittee heard testimony regarding Medicaid coverage for therapeutic specialty beds in Kansas nursing facilities. The Subcommittee notes that the Secretary has stated that requests for coverage of specialty beds are reviewed on a case by case basis to determine medical necessity. The Subcommittee notes that the use of such beds should not substitute for appropriate medical and nursing practices and urges the Department to base its decisions on medical necessity.
9. Add \$75,552 from the State General Fund (\$107,135 All Funds) and 6.0 FTE positions to fund three Attorney II and three Secretary II positions for one-half of the fiscal year. This provides a total of 9 Attorneys and nine clerical staff for youth services in the area offices.
10. Add \$186,173 from the State General Fund (\$264,000 All Funds) and 12.0 FTE program technicians for foster care staffing support. These paraprofessional positions are intended to increase the efficiency of professional field staff by relieving professional staff of reporting, clerical and transportation duties. The Subcommittee also recommends that the agency seek to maximize volunteerism in its area offices to fulfill some of these functions.

11. Delete \$290,000 from the State General Fund in flexible funding recommended by the Governor for the purchase of flexible services for children and families. This recommendation leaves \$460,000 for the purchase of services necessary for children to remain in their homes. Included in the Subcommittee recommendation is \$85,000 for the grant to Keys for Networking.
12. The Subcommittee is encouraged that the Secretary intends to exercise greater control over funds granted out by SRS, particularly in the youth services area. The Subcommittee recommends that the agency establish criteria in awarding grants for services that includes a requirement that grantees provide information regarding the cost-benefit of the services and client centered outcome measures in order that the effective use of granted funds can be assured.
13. Reappropriate \$80,000 from the State General Fund for guardianship from FY 1992 to FY 1993 to be used for additional services in FY 1993.
14. The Subcommittee recommends that the agency pursue the use of empty beds in small community hospitals for community alcohol and drug abuse treatment. The Subcommittee believes this would be a cost-effective use of space and would allow for treatment in one's community.
15. The Subcommittee discussed the statutory asset forfeiture provisions whereby local law enforcement agencies and the KBI and Highway Patrol retain certain recoveries. The Subcommittee was informed that receipts vary widely from year to year and by geographic location and that there is no central source of information on the amounts collected at the local level. The Subcommittee believes there may be merit in the future to dedicating a portion of collected revenues to substance abuse treatment.
16. The Subcommittee recommends the introduction of legislation to reduce the share of local alcohol liquor fund receipts credit to parks and recreation programs from one-third to one-sixth with the remainder dedicated to alcohol and drug abuse programs.
17. Add \$300,000 from the State General Fund for the establishment of three new independent living centers. The recommendation would establish independent living centers in southeast Kansas, southwest Kansas, and the Kansas City metropolitan area to provide statewide coverage.
18. Add \$130,764 from the State General Fund (\$373,612 All Funds) to increase child care rates. The recommendation increases the maximum reimbursement rate for infants and toddlers from the 60th to the 65th percentile, and the maximum reimbursement rate for older children from the 55th to the 60th percentile. The Subcommittee believes this is the first step in modifying the current rate structure. The Subcommittee further recommends that the Department develop and conduct a validated survey of rates to determine the impact of such rate increases.
19. The Subcommittee recommends that SRS consider contracting with or working cooperatively with certain community programs that assist public assistance

clients. The Subcommittee was informed that certain community programs assist clients in identifying barriers to self-sufficiency and in developing plans to overcome such barriers. These programs assist clients in taking responsibility for themselves and attaining self-sufficiency. The Subcommittee believes this approach holds promise, particularly for KanWork and JOBS clients, and may be an alternative to the addition of SRS staff.

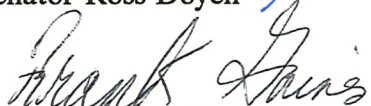
20. Delete certain provisos on the Social Services Clearing Fund relating to interagency transfers and home care salaries and include such expenditures within the operating expenditures limitation.
21. The Subcommittee recommends a "No Limit" expenditure limitation for the SRS Fee Fund in FY 1993 as in past fiscal years.
22. The Subcommittee recommends that shrinkage not be applied to federally funded salaries. The net effect of this recommendation is an increase of \$ 60,326 in federal funds in salaries.
23. Delete \$112,191 from the State General Fund and add \$102,851 from federal funds to reflect the correct match rate and funding level for the Ks Cares project. The net effect of this recommendation is a reduction of \$9,340 in All Funds from the Governor's recommendation.
24. In accordance with the Governor's Budget Amendment, add \$562,637 in federal rehabilitation funds to continue federal funding for independent living center service expansion begun in FY 1992. The Governor's recommendation inadvertently omitted this funding.
25. In accordance with the Governor's Budget Amendment, add \$18,606 from the State General Fund (\$32,359 All Funds) to restore funding for administrative hearings temporary salaries inadvertently omitted in the Governor's recommendation.
26. In accordance with the Governor's Budget Amendment, delete \$109,274 from the State General Fund (\$172,800 All Funds) in rents. The Governor's recommendation inadvertently provided double funding for certain building modifications necessary to bring SRS area offices into compliance with requirements of the Americans with Disabilities Act.
27. Shift \$124,384 in federal youth center alcohol and drug abuse treatment funds from other operating expenditures to salaries as a technical adjustment.
28. Delete \$500 from the Department of Energy training and technical assistance fund and add \$500 from the State General Fund as a technical adjustment.
29. Make technical corrections to the bill to reflect the Governor's recommendation.



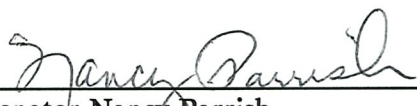
Senator August Bogina, Jr.
Subcommittee Chair



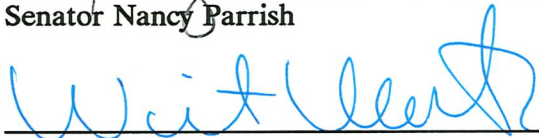
Senator Ross Doyen



Senator Frank Gaines



Senator Nancy Parrish



Senator Wint Winter, Jr.

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital and Training Center

Bill No. 547

Bill Sec. New

Analyst: Colton

Analysis Pg. No. 865

Budget Page No. 622

<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	\$ 13,534,858	\$ 13,484,179	\$ --
General Fees Fund	1,312,288	1,312,288	56,398
Medicaid	15,086,467	15,030,162	99,102
Foster Grandparents	190,844	190,844	--
Other Funds	41,304	41,304	--
Subtotal - Operating	<u>\$ 30,165,761</u>	<u>\$ 30,058,777</u>	<u>\$ 155,500</u>
Capital Improvements:			
State Inst. Bldg. Fund	236,627	236,627	--
TOTAL	<u><u>\$ 30,402,388</u></u>	<u><u>\$ 30,295,404</u></u>	<u><u>\$ 155,500</u></u>
Average Daily Census	336	336	--
FTE Positions	992.5	992.5	--

Agency Estimate/Governor's Recommendation

Winfield State Hospital and Training Center estimates FY 1992 operating expenditures of \$30,165,761. Of the FY 1992 estimate, \$13,534,858 is from the State General Fund; the estimate is equal to the amount authorized by the 1991 Legislature as adjusted by subsequent actions of the State Finance Council. The agency estimates \$15,086,467 in Title XIX expenditures; this exceeds the limitation placed upon such expenditures by the 1991 Legislature by \$15,112. The estimate also includes \$1,312,288 from the agency's General Fees Fund; this exceeds the 1991 Legislature's limitation on expenditures from this fund by \$121,604. Finally, the estimate includes \$190,844 in federal Foster Grandparents program funding and \$41,304 in other funds. Of the FY 1992 estimate, \$24,900,029 is for salaries and wages; \$3,282,583 is for contractual services; \$1,813,350 is for commodities; and \$169,529 is for capital outlay.

The Governor recommends an FY 1992 operating budget of \$30,058,777 for the Hospital, a decrease of \$106,984 from the agency estimate. The decrease is attributable solely to State General Fund salary expenditures.

SWAM
February 26, 1992
Attachment 3

Senate Subcommittee Recommendations

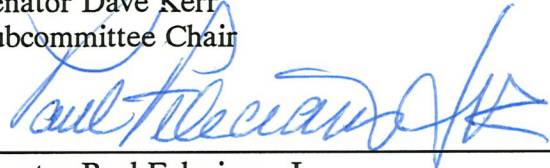
The Subcommittee concurs with the Governor's recommendation, with the following adjustments and comments.

1. Raise the expenditure limitation on the agency's General Fees Fund by \$56,398, and add \$99,102 in Title XIX at the current matching rate of 59.23%. This action is taken in order to ease the hospital's general financial situation as it works to move clients into community settings and make concomitant staffing adjustments. The Subcommittee notes that this measure provides the hospital with \$155,500 in additional revenue, or \$48,516 more than the agency's original FY 1992 estimate.

2. The Subcommittee wishes to commend the hospital for the job it is doing in moving clients into the community, and in making the staff adjustments that were mandated by the Legislature in 1990 and 1991. The Subcommittee feels that the hospitals are making every effort to keep the process of deinstitutionalization a client-centered one, and that they are only undertaking transitions when they are indeed in the best interest of clients. The Subcommittee recognizes the difficulties that are inherent in this transition process, and that, in order to succeed, the hospitals must be adequately staffed and funded. The hospitals need to have flexibility, both in terms of money and adherence to client-movement plans, in this time of change. Problems that arise in the process of moving clients into the community must be brought to the attention of the Legislature.



Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital and Training Center

Bill No. 507

Bill Sec. 9

Analyst: Colton

Analysis Pg. No. 865

Budget Page No. 622

<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	\$ 14,481,593	\$ 13,535,210	\$ --
General Fees Fund	944,275	944,275	--
Medicaid	15,898,134	14,972,598	--
Foster Grandparents	--	--	--
Other Funds	39,100	33,568	--
Subtotal - Operating	<u>\$ 31,363,102</u>	<u>\$ 29,485,651</u>	<u>\$ --</u>
Capital Improvements:			
State Inst. Bldg. Fund	781,900	581,700	--
TOTAL	<u><u>\$ 32,145,002</u></u>	<u><u>\$ 30,067,351</u></u>	<u><u>\$ --</u></u>
Average Daily Census	318	318	--
FTE Positions	879.5	872.5	--

Agency Request/Governor's Recommendation

The agency requests FY 1993 operating expenditures in the amount of \$31,363,102. The request is predicated upon a reduction in staff from 992.5 FTE positions in FY 1992 to 879.5 FTE in FY 1993. The 1991 Legislature reduced the agency's FTE limitation to 872.5 as of June 30, 1992. The agency's request makes the mandated reductions, but also includes 7.0 new FTE positions. Along with the reduction in staffing, the agency indicates that its average daily census of clients will be reduced from 336 in FY 1992 to 318 in FY 1993.

The Governor recommends FY 1993 operating expenditures of \$29,485,651; this is a decrease of \$1,877,451 from the agency request, and a reduction of \$573,126 from the recommendation for FY 1992. State General Fund expenditures are decreased by \$946,383, relative to the agency request; and Title XIX expenditures are decreased by \$925,536. The Governor concurs with the agency's request for fee fund expenditures, while spending from all other funds is reduced by \$5,532. The Governor's recommendation reduces the agency's FTE position limitation to 872.5, the number approved by the 1991 Legislature.

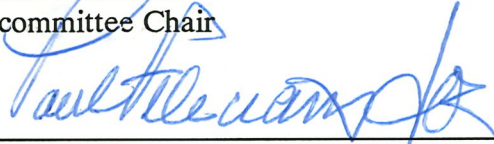
Senate Subcommittee Recommendations

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

1. The Subcommittee reiterates its commendation of the hospital's work in moving clients into the community and for dealing successfully with the transitional period that the state's mental retardation institutions find themselves in.
2. The Subcommittee recommends that the Department of Social and Rehabilitation Services, Division of Mental Health and Retardation Services undertake a study to see whether the facility at Winfield could serve as a correctional facility for inmates with mental retardation and developmental disabilities. The study should focus on other states' efforts in this area, and a preliminary finding should be made to the Legislature by the middle of March.



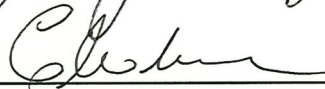
Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital

Bill No. 547

Bill Sec. New

Analyst: Colton

Analysis Pg. No. 833

Budget Page No. 454

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,618,514	\$ 7,517,484	\$ --
General Fees Fund	699,504	670,123	140,670
Medicaid	9,636,831	9,491,442	98,913
Other Funds	34,844	34,844	--
Subtotal	<u>\$ 17,989,693</u>	<u>\$ 17,713,893</u>	<u>\$ 239,583</u>
Other Assistance:			
State General Fund	1,000	1,000	--
Subtotal - Operating	<u>\$ 17,990,693</u>	<u>\$ 17,714,893</u>	<u>\$ 239,583</u>
Capital Improvements:			
State Institutions Bldg. Fund	0	0	--
TOTAL	<u><u>\$ 17,990,693</u></u>	<u><u>\$ 17,714,893</u></u>	<u><u>\$ 239,583</u></u>
Average Daily Census	270	270	--
FTE Positions	563	563	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1992 expenditures of \$17,990,693. This is \$52,401 more than was appropriated by the 1991 Legislature. The agency's State General Fund expenditure estimate is \$599 less than the amount appropriated by the 1991 Legislature (as adjusted by subsequent actions of the State Finance Council); the difference can be attributed to spending in FY 1991 of moneys reappropriated for FY 1992. Its estimate for expenditures from its General Fees Fund exceeds those authorized by the 1991 Legislature by \$56,727. Its estimate for Medicaid expenditures exceeds the amount authorized by the 1991 Legislature by \$20,244. Its estimate for spending from other funds, however, is \$23,971 less than the amount authorized by the 1991 Legislature. The increase in Title XIX spending is an effort to offset the effects of the 1 percent cut in SGF spending ordered by the State Finance Council on August 23, 1991. Significant expenditure items in the FY 1992 agency estimate include \$14,995,862 for salaries and wages, \$1,784,129 for contractual services, \$1,121,275 for commodities and \$88,427 for capital outlay.

The Governor recommends an FY 1992 operating budget of \$17,714,893 for Parsons State Hospital and Training Center. The recommendation is a reduction from the agency estimate of \$275,800. Funding from the State General Fund is reduced in the recommendation by \$101,030 and Medicaid funding is reduced by \$145,389. The Governor recommends spending from the agency's General Fees Fund that is \$29,381 less than that estimated by the agency; she concurs with the agency's estimate for spending from other funds.

*SWAM
February 26, 1992
Attachment 4*

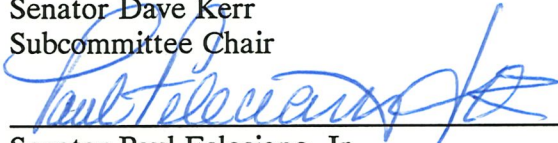
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments.

1. Raise the expenditure limitation on the agency's General Fees Fund by \$140,670. The Subcommittee learned that the agency is anticipating FY 1992 revenues to the Fund over and above those projected in its budget estimate, due to client movement that is progressing slightly more slowly than had been anticipated. The agency requested the increase in order to deal with general budgetary difficulties, particularly in the area of salaries and wages.
2. Add \$98,913 in Title XIX funding. This will enable the agency to decrease salary turnover to 5.73 percent, from the 6.4 percent that was recommended by the Governor. The figure recommended by the Subcommittee is an average of turnover rates from the past three fiscal years. The action was taken by the Subcommittee because it believes that the mental retardation institutions must be adequately staffed during this time of transition and movement of clients into community-care settings.
3. The Subcommittee commends the hospital for its good work in implementing the systemwide plan for movement of clients into community-care settings. The Subcommittee considers that the hospitals are making every effort to keep the process of client deinstitutionalization a client-centered one, and that they are undertaking transitions only when they are in the best interest of clients. The Subcommittee notes the difficulties that are inherent in this transition process, and feels that, if the plan is to succeed, the hospitals must be adequately funded and staffed. The institutions must have flexibility, both in terms of the client-movement plan and in terms of money. Problems that arise in the course of the client-movement plan must be brought to the attention of the Legislature.



Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital

Bill No. 507

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 833

Budget Page No. 454

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,695,511	\$ 7,419,257	\$ 40,494
General Fees Fund	608,635	566,760	--
Medicaid	10,080,582	9,817,044	58,830
Other Funds	34,844	34,844	--
Subtotal	<u>\$ 18,419,572</u>	<u>\$ 17,837,905</u>	<u>\$ 99,324</u>
Other Assistance:			
State General Fund	1,000	1,000	--
Subtotal - Operating	<u>\$ 18,420,572</u>	<u>\$ 17,838,905</u>	<u>\$ 99,324</u>
Capital Improvements:			
State Institutions Bldg. Fund	237,500	0	--
TOTAL	<u><u>\$ 18,658,072</u></u>	<u><u>\$ 17,838,905</u></u>	<u><u>\$ 99,324</u></u>
 Average Daily Census	 256	 256	 --
FTE Positions	565	563	--

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$18,420,572 in FY 1993. This represents a 2.3 percent increase over the agency's revised current fiscal year estimate. State General Fund expenditures are increased over the FY 1992 estimate by 1 percent. The request includes \$63,860 from the State General Fund that was not requested by the agency in its original budget document. The requested \$63,860 would finance a 1.0 FTE Children's Services Coordinator (\$30,072), a 1.0 FTE Office Assistant III (\$15,948), fringe benefits for the two requested positions (\$12,840), and other operating expenditures (\$5,000) for a program that would coordinate services for mentally disabled children from birth to age 5. The agency reports that (Federal) Public Law 99-457(h) requires both states and localities to form Interagency Coordinating Councils for this purpose. The agency reports, further, that such a council is being formed in Labette County, where the agency is located, and that it has been asked to act as a lead agency in the council. The agency reports its intention to eliminate 26 FTE positions during the last six months of FY 1993. Because the eliminations are to take place over all of FY 1993, they are not reflected in the agency's FY 1993 FTE position limitation. The eliminations are being undertaken contemporaneously with a reduction in the institution's average daily census.

The Governor recommends FY 1993 funding for agency operations in the amount of \$17,838,905, which is a reduction of \$581,667 from the agency request. Spending from the State General Fund is reduced by \$276,254; Title XIX spending is reduced by \$263,538; and spending from

*SWAM
February 26, 1992
Attachment 5*

the agency's General Fees Fund is reduced by \$41,875. The Governor concurs with the agency's request for Chapter I spending. The Governor does not recommend the two requested FTE positions for the Labette County area Interagency Coordinating Council for the coordination of services to mentally-disabled children. The Governor is in accord with the agency's intention to eliminate 26.0 FTE positions during the course of FY 1993.

The agency requests \$237,500 from the State Institutions Building Fund for three capital improvements projects. The Governor recommends no funding for the requested capital improvements projects.

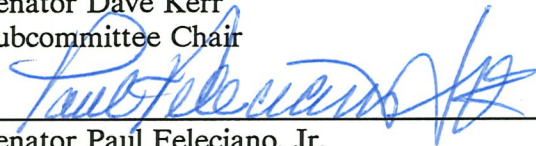
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments.

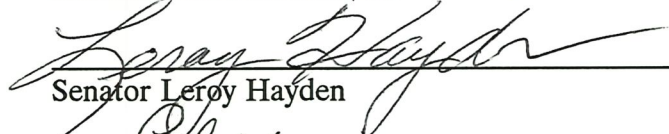
1. Add \$40,494 from the State General Fund, and \$58,830 in Title XIX funding at the current match rate of 59.23%, in order to reduce salary turnover to 5.73 percent. The Subcommittee makes this recommendation for the same reason that was mentioned in Item No. 2 of the Subcommittee's FY 1992 report.
2. The Subcommittee reiterates its commendation of the hospital's work in moving clients into community-care settings, as well as its direction to bring problems that arise in the course of such movement to the attention of the Legislature.



Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute **Bill No.** 547 **Bill Sec.** New
Analyst: Colton **Analysis Pg. No.** 796 **Budget Page No.** 376

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 11,600,023	\$ 11,416,969	\$ --
General Fees Fund	732,578	732,578	150,000
Medicaid	12,495,362	12,231,942	84,647
Foster Grandparents	188,231	188,231	--
Other Funds	61,890	61,890	--
Subtotal - Operations	<u>\$ 25,078,084</u>	<u>\$ 24,631,610</u>	<u>\$ 234,647</u>
Capital Improvements:			
State Institutions Bldg. Fund	7,467	7,467	--
TOTAL	<u><u>\$ 25,085,551</u></u>	<u><u>\$ 24,639,077</u></u>	<u><u>\$ 234,647</u></u>
 Average Daily Census	 322	 322	 --
 FTE Positions	 862.5	 862.5	 --

Agency Estimate/Governor's Recommendation

For FY 1992, the agency estimates operating expenditures in the amount of \$25,078,084. Of the estimate, \$11,600,023 is from the State General Fund and \$13,478,061 is from other funds. The agency's estimate exceeds appropriations authorized by the 1991 Legislature by \$103,783. The agency's State General Fund estimate is \$13,389 less than the amount approved by the 1991 Legislature; the difference can be attributed to spending by the agency of FY 1991 moneys reappropriated for FY 1992. The agency requests an increase of \$16,672 in the expenditure limitations on the General Fee Fund and an increase of \$100,500 in the limitation on Medicaid expenditures. The increase in Title XIX spending is meant to offset the effects of the 1 percent cut in SGF spending ordered by the State Finance Council on August 23, 1991. Of the agency's FY 1992 estimate, \$21,065,302 is for salaries and wages; \$1,813,469 is for contractual services; \$2,067,318 is for commodities; and \$131,995 is for capital outlay.

The Governor recommends FY 1992 operating expenditures of \$24,631,610 for the Kansas Neurological Institute. This is a reduction of 1.8 percent from the agency estimate. Funding from the State General Fund is reduced by 1.6 percent from the agency estimate and Title XIX funding is decreased by 2.1 percent. The Governor concurs with the agency's FY 1992 estimate for spending from other funds. The Governor recommends FY 1992 spending of \$20,645,411 for salaries and wages; \$1,813,469 for contractual services; \$2,042,714 for commodities; and \$130,016 for capital outlay.

*SWAM
February 26, 1992
Attachment 6*

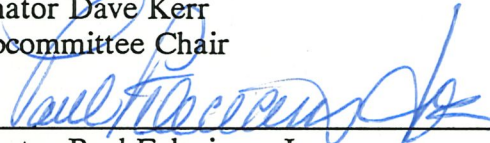
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments.

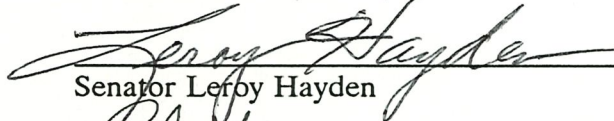
1. Raise the expenditure limitation on the agency's General Fees Fund by \$150,000. The Subcommittee learned that the agency is anticipating FY 1992 revenues to the Fund over and above those projected in its budget estimate, due to client movement that is progressing slightly more slowly than had been anticipated. The agency requested the increase in order to deal with general budgetary difficulties, particularly in the area of salaries and wages.
2. Add \$84,647 in Title XIX funding. This will enable the agency to decrease salary turnover to 7.09 percent, from the 7.5 percent that was recommended by the Governor. The figure recommended by the Subcommittee is an average of turnover rates from the past three fiscal years. The action was taken by the Subcommittee because of its feeling that the mental retardation institutions must be adequately staffed during this time of transition and movement of clients into community-care settings.
3. The Subcommittee commends the hospital for its good work in implementing the systemwide plan for movement of clients into community-care settings. The Subcommittee considers that the hospitals are making every effort to keep the process of client deinstitutionalization a client-centered one, and that they are undertaking transitions only when they are in the best interest of clients. The Subcommittee notes the difficulties that are inherent in this transition process, and feels that, if the plan is to succeed, the hospitals must be adequately funded and staffed. The institutions must have flexibility, both in terms of the client-movement plan and in terms of money. Problems that arise in the course of the client-movement plan must be brought to the attention of the Legislature.



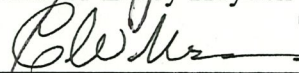
Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. 507

Bill Sec. 3

Analyst: Colton

Analysis Pg. No. 796

Budget Page No. 376

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 11,527,991	\$ 11,104,943	\$ 34,688
General Fees Fund	714,699	714,699	--
Medicaid	13,176,568	12,580,480	50,442
Foster Grandparents	188,231	188,231	--
Other Funds	59,665	46,707	--
Subtotal - Operations	<u>\$ 25,667,154</u>	<u>\$ 24,635,060</u>	<u>\$ 85,130</u>
Capital Improvements:			
State Institutions Bldg. Fund	--	--	--
TOTAL	<u><u>\$ 25,667,154</u></u>	<u><u>\$ 24,635,060</u></u>	<u><u>\$ 85,130</u></u>
 Average Daily Census	 296	 296	 --
 FTE Positions	 858.5	 852.5	 --

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$25,667,154 in FY 1993. Of the request, \$11,527,991 is from the State General Fund and \$14,139,163 is from other funds. The FY 1993 request contemplates a reduction in KNI's average daily census, from 349 to 322 clients. In tandem with the census reduction, the agency plans a reduction in staff, from 862.5 FTE positions to 858.5 FTE. A 1991 appropriation act reduces the position limitation to 852.5 at the end of FY 1992. While the agency plans an overall FTE position reduction, it does seek to add 3.0 FTE positions to its Engineering and Protection program (at a cost of \$56,778, including fringe benefits). Additionally, it requests the retention of 3.0 FTE in its Community Services program that had been scheduled for elimination in FY 1993. Of the FY 1993 request, \$21,628,499 is for salaries and wages; \$1,822,150 is for contractual services; \$1,929,206 is for commodities; and \$287,299 is for capital outlay.

The Governor recommends an FY 1993 operating budget for KNI of \$24,635,060, a reduction of four percent from the agency request. In the recommendation, State General Fund expenditures are reduced by 3.7 percent from the agency request; Medicaid expenditures by 4.5 percent; and Chapter I expenditures by 22.7 percent. The Governor concurs with the agency's request for expenditures from other funds. The Governor concurs with the agency's average daily census for FY 1993, but reduces the agency's FTE position limitation by 6.0 FTE from the agency request, to 852.5 FTE. In the recommendation, \$20,763,250 is for salaries and wages; \$1,787,570 is for contractual services; \$1,943,514 is for commodities; and \$140,726 is for capital outlay.

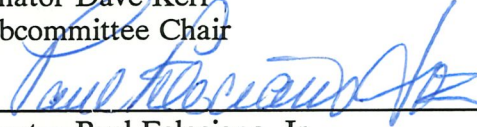
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments.

1. Add \$34,668 from the State General Fund, and \$50,442 in Title XIX funds at the current match rate of 59.23%, in order to reduce salary turnover to 7.09 percent. The Subcommittee makes this recommendation for the same reasons as were enumerated in Item No. 2 of the Subcommittee's FY 1992 report.
2. The Subcommittee reiterates its commendation of the hospital's work in moving clients into community-care settings, as well as its direction to bring problems that arise in the course of such movement to the attention of the Legislature.



Senator Dave Kerr
Subcommittee Chair



Senator Paul Feleciano, Jr.



Senator Leroy Hayden



Senator Jerry Moran