

Approved April 6, 1992

**MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.**

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:08 a.m. on March 30, 1992 in Room 123-S of the Capitol.

All members were present except:

Senator Harder

Conferees appearing before the committee:

None

HB 2720 - Appropriations for FY93, homestead tax refunds, department of human resources, commission on veterans affairs, department of health and environment, department on aging.

HOMESTEAD PROPERTY TAX/CIRCUIT BREAKER REFUNDS, Attachment 1  
KANSAS COMMISSION ON VETERANS AFFAIRS, Attachment 2  
KANSAS SOLDIERS' HOME, Attachment 3

Senator Moran reviewed the above subcommittee reports. It was moved by Senator Moran and seconded by Senator Gaines that the subcommittee reports be adopted. The motion carried.

**DEPARTMENT ON AGING**

Senator Doyen reviewed the FY92 and FY93 subcommittee reports, Attachment 4. In answer to a question, he stated that the Senior Care Act would provide more care for persons prior to entering a nursing home to help reduce Medicaid expenses.

In answer to Senator Moran's question, staff noted that the Budget Committee studied the formula for the distribution of meal site money this past summer, but did not recommend changes. It was noted that the new census figures will affect the formula and that the state funding for meals will increase significantly in FY93 over the current year.

It was moved by Senator Doyen and seconded by Senator Hayden that the subcommittee reports be adopted. The motion carried.

**DEPARTMENT OF HUMAN RESOURCES**

Senator Winter reviewed the FY92 and FY93 subcommittee reports, Attachment 5. It was pointed out by Senator Feleciano that the discussion of the proposed sale of the Kansas City Human Resources Office was tabled because of insufficient attendance at the meeting of the Joint Committee on State Building Construction. The Chairman noted that this item (item 1 of Attachment 5-4) would be considered by the capital improvements subcommittee.

In discussing the request to increase the expenditure limitation on the Workers Compensation Fee fund (item 7, Attachment 5-10), it was noted that if the fee schedule is not implemented, the money for the positions will not be needed. Senator Feleciano, a member of the subcommittee, reiterated the subcommittee's reluctance to recommend any of the components of item 7 without additional justification.

The Committee discussed using the salary monies saved from the vacant assistant director's position to pay a settlement with a former employee. Senator Winter noted that the issue could be reviewed in conference committee. It was moved by Senator Winter and seconded by Senator Salisbury that the salary for and position of the assistant director be deleted from the FY93 subcommittee report. Senator Parrish expressed concern that the agency may have been forced to leave the position open. The motion failed, five voting for and five against, on a show of hands.

The Chairman announced **HB 2674** authorizing the establishment of a fund for retirement payments would be heard by the full Committee on Friday. He indicated that action should be taken on the bill before conference committees are started.

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

It was moved by Senator Feleciano and seconded by Senator Winter that the subcommittee report be adopted. The motion carried.

#### DEPARTMENT OF HEALTH AND ENVIRONMENT

Senator Brady reviewed the subcommittee report, Attachment 6. In answer to Senator Hayden, he stated that the intent of the agency is to develop a regional mechanism to serve counties that do not have a county health department.

In answer to Senator Feleciano's concern regarding adequate funding for the primary health care projects, Senator Brady noted that the FY93 appropriation is sufficient to continue the existing programs with \$114,000 available carryover monies from FY92.

There was lengthy discussion regarding the Infant Toddler Program, item 19, Attachment 6-9. Staff explained that the agency is in the fourth year of a five year program, the federal funding for which would increase from \$910,520 to \$1.6 million if state funds were approved for FY93. It was noted that, although the goals of the program are good, the cost per child is expensive. Senator Kerr noted that the goal of the program is to identify needs and provide services at an early stage to minimize future expenditures of special education.

Senator Gaines expressed concern over the House subcommittee's recommendation that KDHE develop a health plan in concert with SRS, the Kansas Commission on the future of Health Care, and local health departments (item 18, Attachment 6-9) and the Senate subcommittee's recommendation to delete \$50,000 SGF for the Kansas Commission on the Future of Health Care. It was noted that the Governor had recommended \$75,000 and felt it was adequate to fund the agency. Senator Kerr noted that this agency has \$20 million from the SGF which should allow for the maneuvering of funds.

In answer to Senator Winter's concern, Senator Brady explained that the subcommittee recommended the deletion of \$100,000 SGF (recommended by the House subcommittee) for family planning services because it would have been the first SGF monies appropriated for the program which has had available \$8 million in federal funds, (item 7, Attachment 6-12).

It was moved by Senator Rock and seconded by Senator Winter that the subcommittee report be amended by recommending \$560,000 from the disproportionate windfall for a WIC contingency fund to minimize caseload fluctuations. Concern was expressed that spending of the disproportionate windfall would be premature at this time and that this proposed recommendation would build \$560,000 into an ongoing program. Senator Kerr noted that the Department had determined that contingency funds in other states were not used for this purpose. He stated that the agency has a system for prioritization of caseloads that works well. In answer to a question, Senator Rock said that the purpose of the motion would be to maintain the same caseloads as the agency had in FY92. Senator Kerr stated that the subcommittee had not heard testimony that the agency would deal with fewer total numbers although the monthly caseload numbers fluctuate.

The motion carried on a show of hands.

Senator Hayden moved, Senator Winter seconded, that the FY93 subcommittee report be conceptually amended by recommending \$100,000 from the disproportionate share windfall for family planning services. The motion failed on a voice vote.

In answer to Senator Feleciano, Secretary Young stated that she has not heard of any cases of tuberculosis and that the Department obtains the vaccine from the Center for Disease Control.

It was moved by Senator Kerr and seconded by Senator Brady that the subcommittee reports as amended be adopted. The motion carried.

Senator Feleciano moved, Senator Winter seconded, that HB 2720 as amended be recommended favorable for passage. The motion carried on a roll call vote..

Senator Gaines moved, Senator Hayden seconded, that the minutes from the

March 23 and 24, 1992 meetings be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:20 p.m.



## SUBCOMMITTEE REPORT

**Agency:** Homestead Property Tax/  
Circuit Breaker Refunds

**Bill No.** 2720

**Bill Sec.** 2

**Analyst:** Efird

**Analysis Pg. No.** 353

**Budget Page No.** 500

<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 filed.
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.

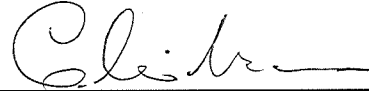
*SWAM  
March 30, 1992  
Attachment 1*

**House Committee Recommendation**

The Committee concurs with its Subcommittee.

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the House for both FY 1992 and FY 1993 estimated refunds and suggests that the Senate Tax Committee should examine whether the upper income limit of \$15,000 and the cap on refunds of \$500 ought to be increased.



---

Senator Jerry Moran, Chairperson



---

Senator Frank Gaines

## 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	<u>\$ 1,527,394</u>	<u>\$ 1,518,540</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 1,436,772	\$ 1,427,919	\$ --
Other Assistance	--	--	--
TOTAL	<u>\$ 1,436,772</u>	<u>\$ 1,427,919</u>	<u>\$ --</u>
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.

### House Committee Recommendation

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

*SWAM*  
*March 30, 1992*  
*Attachment 2*

### 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.

### House Committee Recommendation

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

### House Committee of the Whole Recommendation

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


### Senate Subcommittee Recommendation

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




---

Senator Jerry Moran  
Subcommittee Chair




---

Senator Frank D. Gaines



**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>
<b>All Funds:</b>			
State Operations	\$ 1,564,924	\$ 1,549,583	\$ --
Other Assistance	--	--	--
<b>TOTAL</b>	<u><u>\$ 1,564,924</u></u>	<u><u>\$ 1,549,583</u></u>	<u><u>\$ --</u></u>
<b>State General Fund:</b>			
State Operations	\$ 1,483,924	\$ 1,468,583	\$ --
Other Assistance	--	--	--
<b>TOTAL</b>	<u><u>\$ 1,483,924</u></u>	<u><u>\$ 1,468,583</u></u>	<u><u>\$ --</u></u>
<b>FTE Positions</b>	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).

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.

**House Committee Recommendation**

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

**House Committee of the Whole Recommendation**

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

**Senate Subcommittee Recommendation**

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



\_\_\_\_\_  
Senator Jerry Moran  
Subcommittee Chair



\_\_\_\_\_  
Senator Frank D. Gaines

## SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 377

Budget Page No. 590

Expenditure Summary	Agency Est. FY 92	Governor's Rec. FY 92	Subcommittee Adjustments
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	--
<b>GRAND TOTAL</b>	<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

*SWAM  
March 30, 1992  
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.

#### House Committee Recommendation

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

#### House Committee of the Whole Recommendation

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


#### Senate Subcommittee Recommendation

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




---

Senator Jerry Moran  
Subcommittee Chair




---

Senator Frank D. Gaines

**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	130.8	130.8	--
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 income

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.

#### **House Committee Recommendation**

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

#### **House Committee of the Whole Recommendation**

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

#### **Senate Subcommittee Recommendation**

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


1. The Subcommittee received testimony regarding the ongoing ground contamination clean-up project at the Soldiers' Home. During replacement of the Home's underground fuel storage tank in FY 1991, it was discovered that fuel had leaked and had contaminated the surrounding ground. During FY 1991, \$19,124 was expended for core sampling studies to determine the extent of the fuel leak. The Governor recommended FY 1992 SIBF funding of \$22,622 for the installation of a free product recovery system recommended by the Kansas Department of Health and Environment. The Home has recently learned that additional FY 1992 expenditures of approximately \$9,000 may be necessary to continue with the clean-up.

The Subcommittee recommends that this issue be reviewed as an Omnibus item to determine if additional funding is needed for the project. Kansas Commission on Veterans Affairs officials are following the progress of H.B.3153, which decreases the initial liability amounts for corrective action costs before access to moneys in the Petroleum Storage Tank Release Trust Fund is allowed. Dependent upon the progress of H.B. 3153, the agency may request a Governor's Budget Amendment for this item.



---

Senator Jerry Moran  
Subcommittee Chair



---

Senator Frank D. Gaines



**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>
<b>All Funds:</b>			
State Operations	\$ 1,375,470	\$ 1,328,525	\$ 31,099
Local Aid and Other Assist.	13,392,072	13,392,072	11,357
<b>Total</b>	<u>\$ 14,767,542</u>	<u>\$ 14,720,597</u>	<u>\$ 42,456</u>
<b>State General Fund:</b>			
State Operations	\$ 736,560	\$ 692,789	\$ 18,000
Local Aid and Other Assist.	1,579,932	1,579,932	--
<b>Total</b>	<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 \$24,456. 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 themselves to be no longer involved in farming

*SWAM  
March 30, 1992  
Attachment 4*

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

### House Committee Recommendation

Concur.

### House Committee of the Whole Recommendation

Concur.

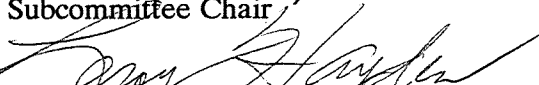
<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ 31,099	\$ 1,359,624	\$ 8,860
Local Aid and Other Assist.	11,357	13,403,429	--
Total	<u>\$ 42,456</u>	<u>\$ 14,763,053</u>	<u>\$ 8,860</u>
State General Fund:			
State Operations	\$ 18,000	\$ 710,789	\$ --
Local Aid and Other Assist.	--	1,579,932	--
Total	<u>\$ 18,000</u>	<u>\$ 2,290,721</u>	<u>\$ --</u>
FTE Positions	--	29.5	--

### Senate Subcommittee Recommendation

1. Add \$8,860 in additional federal funding for administrative expenditures.
2. Adjust expenditure limitation on federal funds as a technical adjustment to accurately reflect the recommendation of the House.



\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chair



\_\_\_\_\_  
Senator Leroy Hayden

**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	\$ 71,498
Local Aid and Other Assist.	14,018,206	13,384,291	1,472,131
Total	<u>\$ 15,451,491</u>	<u>\$ 14,746,142</u>	<u>\$ 1,543,629</u>
State General Fund:			
State Operations	\$ 790,581	\$ 740,217	\$ 46,506
Local Aid and Other Assist.	2,752,566	2,118,651	1,189,876
Total	<u>\$ 3,543,147</u>	<u>\$ 2,858,868</u>	<u>\$ 1,236,382</u>
FTE Positions	31.0	29.5	1.5

**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 signed a declaration that they are no longer involved in farming.
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. 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.
15. 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.

16. Add \$30,729 from the State General Fund for the Older Kansans Employment Program (OKEP) to restore funding to the current year level.

#### House Committee Recommendation

The House Committee concurs.

#### House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

Expenditure Summary	House Adj. FY 93	House Rec. FY 93	Senate Sub. Adjustments
<b>All Funds:</b>			
State Operations	\$ 71,498	\$ 1,433,349	\$ (29,112)
Local Aid and Other Assist.	1,472,131	14,856,422	--
Total	<u>\$ 1,543,629</u>	<u>\$ 16,289,771</u>	<u>\$ (29,112)</u>
<b>State General Fund:</b>			
State Operations	\$ 46,506	\$ 786,723	\$ (15,051)
Local Aid and Other Assist.	1,189,876	3,308,527	--
Total	<u>\$ 1,236,382</u>	<u>\$ 4,095,250</u>	<u>\$ (15,051)</u>
FTE Positions	1.5	31.0	--


#### Senate Subcommittee Recommendation

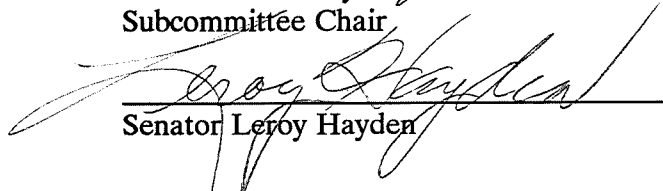
The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions and comments:

1. Eliminate expenditure limitation on federal funds for administrative expenses of the Department on Aging. The Subcommittee notes that federal regulations limit the amount the Department may spend on administrative expenses and therefore a limit in the appropriations bill is not needed.
2. Add two no limit federal funds to allow the Department to expend two federal grants.
3. The Subcommittee encourages the Department on Aging to pursue options to decrease the cost of meals provided through the Older Americans Act Nutrition program and the state's Low-Income Nutrition program. The Subcommittee directs the Department to examine the possibility of purchasing food or ready-made meals and equipment from a single source. In addition, the Subcommittee directs the Department to examine the possibility of a standard menu for all meal sites across the state.



4. The Subcommittee notes that S.B. 674 which reduces, per Senate Public Health and Welfare amendments, the \$1 to \$1 local match requirement for the Senior Care Act to \$2 state dollars to every \$1 of local funds, was referred to Senate Ways and Means.
5. Delete \$29,112 (\$15,051, State General Fund and \$14,061, federal) for step movement, longevity, and unclassified merit.

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chair

  
\_\_\_\_\_  
Senator Leroy Hayden

**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.

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

*SWAM  
 March 30, 1992  
 Attachment 5*

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 payments 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.

#### **House Committee Recommendation**

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

1. Delete item No. 1, which concerns the sale of the Kansas City office building.
2. Delete the second paragraph of item No. 2, concerning the move of the DHR computer operations. The Committee recommends that this issue be reviewed by the Joint Committee on State Building Construction.

#### **House Committee of the Whole Recommendation**

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

Expenditure Summary	House Adj. FY 92	House Rec. FY 92	Senate Sub. Adjustments
<b>All Funds:</b>			
State Operations	\$ --	\$ 36,763,630	\$ --
Other Assistance	--	209,300,000	--
Subtotal - Operating	\$ --	\$ 246,063,630	\$ --
Capital Improvements	--	168,000	730,000
<b>TOTAL</b>	<b>\$ --</b>	<b>\$ 246,231,630</b>	<b>\$ 730,000</b>
<b>State General Fund:</b>			
State Operations	\$ --	\$ 1,045,205	\$ --
FTE Positions	--	881.5	--

### Senate Subcommittee Recommendation

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


1. As noted in the House Subcommittee report, the agency requested authority to sell its Kansas City office building if a willing buyer can be located. The Subcommittee notes that this item was included in the agency request to the Joint Committee on State Building Construction, which tabled discussion of the item. The Subcommittee recommends that this item be reviewed by the Joint Committee on State Building Construction and the Senate Subcommittee on capital improvements.
2. The Senate Subcommittee recommends that the agency be allowed to move its computer operations from the Landon State Office Building to the Employment Security Systems Institute (ESSI) building. As noted in the House Subcommittee recommendations, the U. S. Department of Labor has notified the agency that failure to move the computer operations to the ESSI building could result in future disallowed federal costs. Currently, federal funding of approximately \$242,875 is paid for rental of the computer space in the Landon Building. According to the agency, the federal government could disallow this cost and could impose additional financial penalties if the computer operations are not moved to the agency. The Subcommittee notes that the Joint Committee on State Building Construction has reviewed this request and recommends authorization for the move.

The Subcommittee notes that the agency requested that the estimated \$730,000 cost of the building modification, move, and equipment be financed from the agency Penalty and Interest fund. However, the \$500,000 transfer from the Penalty and Interest fund to the SGF recommended by the House Subcommittee in FY 1993 would leave an insufficient balance in the Penalty and Interest fund to finance the move. The Subcommittee recommends that the project be financed from available federal Reed Act funding of \$129,058 and that the remainder of the cost (\$600,942) be financed from the Penalty and Interest fund.

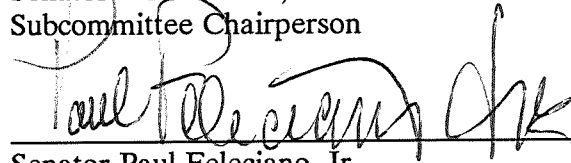
The Subcommittee report for FY 1993 will reflect a downward adjustment to the amount to be transferred from the Penalty and Interest fund to the SGF, from \$500,000 to \$200,000, so that the remainder of the move can be financed from the Penalty and Interest fund.

The agency stated that it may be possible to amortize some of the costs of the move from federal funds. The Subcommittee directs the agency to work toward amortizing as much of the cost of the move as possible. The Subcommittee further recommends that this item be reviewed by the Senate Subcommittee on capital improvements.

- 3. The Subcommittee notes that it received a request to increase the expenditure limitation on the Workers Compensation Fee fund by \$52,540 in FY 1992 for peer review fees (\$10,000), the purchase of computer data bases (\$745), and salaries and wages to fill authorized positions (\$41,705). The Subcommittee recommends that the Division request a Governor's Budget Amendment concerning this item and that this be reviewed as an Omnibus item only if recommended in a Governor's Budget Amendment.



\_\_\_\_\_  
Senator Wint Winter, Jr.  
Subcommittee Chairperson



\_\_\_\_\_  
Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency:** Department of Human Resources      **Bill No.** 2720      **Bill Sec.** 3  
**Analyst:** Porter      **Analysis Pg. No.** 354      **Budget Page No.** 296

<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	\$ 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 KDFA 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.

#### **House Committee Recommendation**

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

1. Remove the word "tentative" from the last sentence of item No. 3. The committee approves funding to replaces the roof of the Emporia office.

#### **House Committee of the Whole Recommendation**

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

1. Add a proviso to the no-limit Employment Security Administration fund stating that an additional \$4,000 from the fund shall be paid as compensation for each

of the three members of the Employment Security Board of Review beginning in FY 1993.

Expenditure Summary	House Adj. FY 93	House Rec. FY 93	Senate Sub. Adjustments
<b>All Funds:</b>			
State Operations	\$ 12,000	\$ 37,631,895	\$ 48,857
Other Assistance	--	204,300,000	--
Subtotal - Operating	\$ 12,000	\$ 241,931,895	\$ 48,857
Capital Improvements	16,500	327,100	--
<b>TOTAL</b>	<b>\$ 28,500</b>	<b>\$ 242,258,995</b>	<b>\$ 48,857</b>
<b>State General Fund:</b>			
State Operations	\$ --	\$ 1,001,405	\$ 35,552
FTE Positions	--	880.5	1.0

#### Senate Subcommittee Recommendation

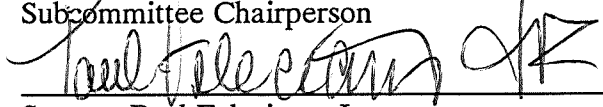
The Senate Subcommittee concurs with the recommendations of the House Committee of the Whole with the following adjustments:

1. Make a technical adjustment to the agency capital improvements bill (H.B. 2728) to reflect the recommendation of the House.
2. Decrease the amount of the transfer from the Penalty and Interest fund to the State General Fund from the \$500,000 recommended by the House to \$200,000. Because of the anticipated timing of receipts, the transfer would be made on May 1, 1993, or as soon thereafter as funds are available. Reducing the transfer to \$200,000 would allow the agency to finance \$600,942 of the cost of moving the Department's computer operations and would leave a projected FY 1993 ending balance of \$42,776 in the Penalty and Interest fund.

The Subcommittee notes that Penalty and Interest funds are used to fund several DHR programs, including the Targeted Jobs Tax Credit program (TJTC) (\$200,000 in FY 1993) and the Wheat Harvest program (\$50,000 in FY 1993). Total expenditures from the Penalty and Interest fund for DHR programs are budgeted at \$441,212 in FY 1992 and \$630,292 in FY 1993. In addition, the fund will finance Federal Indirect Cost Offset fund expenditures of \$260,413 in FY 1992 and \$265,596 in FY 1993. The Subcommittee notes that the transfer to the SGF could create program funding difficulties in FY 1994. The Subcommittee emphasizes that it is not endorsing any FY 1994 programmatic cuts and urges the FY 1993 Legislature to carefully consider the need for SGF support of DHR programs in light of diminishing available federal funding.

3. As noted by the House Subcommittee, difficulties have emerged in KanWork contractual negotiations between DHR and the Department of Social and Rehabilitation Services (SRS). SRS questions whether two vocational education counselor positions in the Wichita area should be included in the contract. The Subcommittee believes that these positions provide a valuable service to KanWork clients and urges SRS to include the positions in the contract.
4. The Subcommittee notes that the Department has received a letter from the U.S. Department of Labor in regard to H.B. 2674, which establishes the state leave payment reserve fund. The letter states that drawdowns from the U.S. Treasury are to be used only for payment of obligations that must be liquidated immediately and that accrued sick leave is not an obligation that requires immediate payment to be liquidated. The Subcommittee notes that the agency is concerned about this situation, that the Division of Budget is pursuing this issue, and that this situation should be considered before the full Committee takes action on H.B. 2674.
5. Increase the expenditure limitation of the Occupational Health and Safety -- Federal fund by \$13,305. The agency has received notification that it will receive this amount of additional federal funding and that the funds will be used to purchase scientific equipment to assist employers in identifying health and safety hazards in the work place.
6. The Subcommittee further reviewed the issues related to the Division of Employment Standards and Labor Relations noted by the House Subcommittee. The Subcommittee received further testimony indicating that the one professional and one clerical position assigned to work with the Professional Negotiations Act (PNA), the Public Employer-Employee Relations Act (PEERA), and the Public Employee Relations Board (PERB) are not sufficient to perform the required duties in a timely manner. The Subcommittee concludes that an additional labor conciliator position should be added to the Division. The Subcommittee recommends FY 1993 SGF funding of \$30,833 for salaries and wages for one Administrative Officer II position and \$4,719 for operating expenses associated with the position.
7. The Subcommittee notes that it received a request to increase the expenditure limitation on the Workers Compensation Fee fund by \$434,637 in FY 1993 for peer review fees (\$40,000), the purchase of utilization review criteria (\$200,000), and salaries and wages to fill authorized positions (\$434,637). The Subcommittee recommends that the Division request a Governor's Budget Amendment concerning this item and that this be reviewed as an Omnibus item only if recommended in a Governor's Budget Amendment.

  
 Senator Wint Winter, Jr.  
 Subcommittee Chairperson

  
 Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health and Environment

**Bill No.** 2729

**Bill Sec.** 19

**Analyst:** Rothe

**Analysis Pg. No.** 386

**Budget Page No.** 234

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 73,260,403	\$ 71,344,663	\$ 100,000
Aid to Local Units	15,710,912	15,710,912	--
Other Assistance	22,580,781	22,580,781	--
<b>TOTAL</b>	<b>\$ 111,552,096</b>	<b>\$ 109,636,356</b>	<b>\$ 100,000</b>
State General Fund:			
State Operations	\$ 19,677,850	\$ 19,571,975	\$ --
Aid to Local Units	5,724,154	5,724,154	--
Other Assistance	0	0	--
<b>TOTAL</b>	<b>\$ 25,402,004</b>	<b>\$ 25,296,129</b>	<b>\$ --</b>
FTE Positions	734.5	733.5	--

**Agency Estimate/Governor's Recommendation**

The Department estimates total FY 1992 expenditures of \$111,552,096 with 734.5 FTE positions, an increase of \$8,118,691, 1.0 FTE position and three special project positions above the amount approved. The increase includes \$5,517,932 for state operations (mostly for environmental remediation projects carried forward from FY 1991), \$2,679,433 for WIC food vouchers, and a reduction of \$78,674 from aid to local units. Although the revised estimate includes no supplemental request from the State General Fund, the estimate does reflect transfers of \$196,779 from aid to local units to state operations as a consequence of the \$256,586 across the board reduction from State General Fund expenditures ordered by the Governor with approval of the State Finance Council. The transfers were authorized by Executive Directive No. 91-176.

The Governor recommends FY 1992 expenditures of \$109,636,356, a reduction of \$1,915,740 from the agency's revised estimate. The recommendation from the State General Fund of \$25,296,129 is a reduction of \$105,875 from the agency's estimate. The Governor recommends that contamination remediation expenditures totaling \$2,011,459 from the State Water Plan Fund be carried forward to FY 1993. The federal government did not approve financing of \$121,076 from a proposed federal fund for health risk assessments at contaminated sites. The Governor recommends \$206,305 from three new federal funds which became available after KDHE submitted its budget. The Governor's FY 1992 recommendation for salaries of \$26,334,548 is a reduction of \$189,253 from the agency's estimate due mostly to a health insurance rate adjustment and the deletion of the requested 1.0 FTE position. Three new special project positions are recommended. The Governor concurs with the agency's estimate of turnover savings of 4.0 percent.

*SWAM  
March 30, 1992  
Attachment 6*

### House Subcommittee Recommendations

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

1. Concur with Governor's Budget Amendment No. 1 which increases expenditures from the State Water Plan Fund by \$100,000 in the Bureau of Environmental Remediation and adds language to reflect a \$4,827 increase in federal HIV funds. The recommendation reflects the Governor's intent.

### House Committee Recommendation

The Committee concurs with the recommendation of the Subcommittee.

### House Committee of the Whole Recommendation

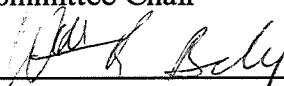
The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Sub. Adj.</u>
All Funds:			
State Operations	\$ 100,000	\$ 71,444,663	\$ --
Aid to Local Units	--	15,710,912	--
Other Assistance	--	22,580,781	--
<b>TOTAL</b>	<b>\$ 100,000</b>	<b>\$ 109,736,356</b>	<b>\$ --</b>
State General Fund:			
State Operations	\$ --	\$ 19,571,975	\$ --
Aid to Local Units	--	5,724,154	--
Other Assistance	--	0	--
<b>TOTAL</b>	<b>\$ --</b>	<b>\$ 25,296,129</b>	<b>\$ --</b>
FTE Positions	--	733.5	--

### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendation of the House for FY 1992.

  
 \_\_\_\_\_  
 Senator Dave Kerr  
 Subcommittee Chair

  
 \_\_\_\_\_  
 Senator William Brady

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health and Environment

**Bill No.** 2720

**Bill Sec.** 5

**Analyst:** Rothe

**Analysis Pg. No.** 386

**Budget Page No.** 234

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>House Adjustments</u>
All Funds:			
State Operations	\$ 81,162,499	\$ 69,798,947	\$ 653,031
Aid to Local Units	20,600,962	18,709,483	694,000
Other Assistance	23,320,000	23,320,000	--
<b>TOTAL</b>	<u>\$ 125,083,461</u>	<u>\$ 111,828,430</u>	<u>\$ 1,347,031</u>
State General Fund:			
State Operations	\$ 24,894,717	\$ 19,785,185	\$ (42,902)
Aid to Local Units	6,461,682	5,980,444	8,000
Other Assistance	0	0	--
<b>TOTAL</b>	<u>\$ 31,356,399</u>	<u>\$ 25,765,629</u>	<u>\$ (34,902)</u>
FTE Positions	847.0	754.0	(16.0)

**Agency Request/Governor's Recommendation**

The Department requests a total budget of \$125,083,461 in FY 1993, an increase of \$13,531,365 above the revised current year estimate. The increase includes \$5,954,395 from the State General Fund, \$3,104,008 from a proposed state Solid Waste Tipping Fee Fund (receipts from a \$1.50 per ton tipping fee on users of landfill facilities), \$641,490 from a proposed state Air Quality Fee Fund, \$1,169,332 from a proposed state Safe Drinking Water Fee Fund, \$462,838 from four new federal funds, \$2,121,043 from increased expenditures from the federal WIC Health Program Fund, and a net increase of \$78,259 in expenditures from other funds. The request would fund 847.0 FTE positions and 50 special project positions, an increase of 113.5 FTE and seven special project positions above the number approved for the current year.

The Governor recommends FY 1993 expenditures of \$111,828,430, a reduction of \$13,255,031 from the agency's request. The largest reductions are \$3,194,612 from a request to expand the Infant-Toddler Program, \$2,367,586 in financing from the State Water Plan Fund for environmental remediation projects and for environmental grants to local governments, \$4,914,830 from three proposed state fee funds that were not recommended, and \$2,414,594 from the amount requested for salaries. The Governor recommends salary turnover savings of \$1,323,971 (a 4.6 percent rate) compared to the agency's request of 3.0 percent.

The recommendation includes \$4,332,219 from the State Water Plan Fund for environmental contamination remediation projects (\$2.3 million), the evaluation and development of plans for local environmental needs (\$1,370,000), a household hazardous waste collection program (\$150,000), the implementation of a private well protection program (\$150,000), and technical

(\$150,000), the implementation of a private well protection program (\$150,000), and technical assistance to local governments preparing and implementing nonpoint source pollution control programs (\$362,219).

The recommendation includes funding for 754.0 FTE positions, a net increase of 20.5 FTE above the number approved for the current year. The Governor recommends \$539,071 in FY 1993 for 26.5 FTE new positions and \$333,612 for the salaries of nine special project positions. The recommendation includes \$268,967 from the State General Fund, \$469,371 from federal funds, and \$134,345 from state fees. The Governor recommends the deletion of 6.0 FTE existing positions from the Vital Statistics Program in FY 1993, all financed from the State General Fund.

### House Subcommittee Recommendations

**FY 1993.** The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Concur with Governor's Budget Amendment No. 1 which increases expenditures from the federal Child Care and Development Block Grant by \$6,453 and adds a new federal Municipal Water Pollution Prevention Fund. The recommendation reflects the Governor's intent.
2. The Subcommittee reviewed the agency's federal Clean Air Act initiative. The KDHE budget request included FY 1993 receipts of \$649,990 from a proposed fee on air emissions of between \$10 to \$25 per ton of emissions on specific sources and pollutants. Agency wide expenditures of \$641,490 and the addition of 11.0 FTE new positions for FY 1993 were requested from a new state Air Quality Fee Fund. The Governor's recommendation does not include new positions or financing from the proposed fund. S.B. 542, which would implement the federal Act in Kansas and would impose proposed fees, is currently under consideration by the Senate Committee on Energy and Natural Resources.

KDHE indicates that new federal funding of \$125,500 (not currently in the budget) may become available to finance 3.0 FTE new positions for FY 1993 to implement the program, write rules and regulations, and develop a Small Business Assistance Program. A state match of 25 percent (\$40,000 SGF) would be provided from existing KDHE revenues. Upon passage of S.B. 542, federal and state financing of the 3.0 FTE positions could be shifted to the new state Air Quality Fee Fund for FY 1994 and FY 1995. KDHE indicates that a total of 25.0 FTE new positions would be financed by the new state fee by FY 1995. KDHE proposes state fee expenditures of \$1,561,000 in FY 1994 and \$2,114,000 in FY 1995.

The Subcommittee notes that the federal government would establish and administer the federally-mandated program if the state chooses not to participate, but that a federal program would result in higher fees imposed on businesses than proposed by the KDHE. Pending passage of S.B. 542, the Subcommittee recommends consideration of the agency's revised request in the Omnibus Bill.

3. The Subcommittee reviewed the agency's request to impose a solid waste tipping fee against users of solid waste landfill facilities at a rate of \$1.50 per ton disposed. Estimated annual receipts of approximately \$3.7 million would be credited to a new Solid Waste Fee Fund. KDHE requested 24.0 FTE new positions for one-half of FY 1993 to be financed from the new fund. The Governor's recommendation does not include new positions or financing from the new fund. H.B. 2801, which would implement the program and impose proposed fees, is currently under consideration by the House Committee on Energy and Natural Resources. Pending passage of H.B. 2801, the Subcommittee recommends consideration of this initiative in the Omnibus Bill.
4. The Subcommittee reviewed the agency's request to establish a federally-mandated Safe Drinking Water Program to monitor for various compounds in drinking water supplies. The agency's budget request includes FY 1993 fee receipts of \$2.3 million credited from a proposed \$.02 per 1,000 gallon fee on municipal water users to accomplish additional monitoring. Requested FY 1993 expenditures from the new fund of \$1,169,332 include the addition of 35.0 FTE new positions. Although the Governor's recommendation does not include financing from the proposed fund, the Governor does recommend an expenditure of \$607,902 from the State General Fund and 16.0 FTE new positions (5.0 in the Bureau of Water and 11.0 in the Chemistry Lab).

The Subcommittee notes that the federal government would establish and administer the federally-mandated program if the state chooses not to participate. Pending passage of legislation and further information from KDHE on its authority to increase fees by rules and regulations to "reimburse" the State General Fund, the Subcommittee deletes \$607,902 (salaries and all related OOE) from the State General Fund and 16.0 FTE positions, and recommends consideration of the agency's request in the Omnibus Bill.

5. The Subcommittee notes that the Governor's FY 1993 recommendation for Environmental Remediation Program financing from the State Water Plan Fund of \$2.3 million includes \$2,011,459 deleted from the FY 1992 estimate of remediation projects and transferred to FY 1993. KDHE explained that when expenditures from the Petroleum Storage Tank Trust Fund increased from \$4.0 million to \$20.0 million between FY 1991 and FY 1992 without a corresponding increase in new positions, the agency was unable to complete all of the FY 1992 remediation projects financed from the Water Plan Fund. The Subcommittee understands the reason for the backlog of projects, and notes that the four new special project positions added by the Governor in FY 1993 for tank remediation activities should relieve the backlog on other critical remediation projects.
6. The Subcommittee learned that the focus of the Division of the Environment for the next few years will be on four problem areas linked to federal requirements, including remediation of leaking petroleum storage tanks and initiatives on clean air, solid waste, and safe drinking water. The Subcommittee understands that additional expenditures will be requested by the Division during the next few years, but that they will be mostly from new or existing fees.



7. During the 1991 Session the Subcommittee recommended that the agency increase fees deposited in the State General Fund by rules and regulations or legislation whenever possible to at least cover program costs. Most of the fee increases have been completed or are pending and KDHE assures the Subcommittee that when final, the increases will meet or exceed related program costs. The following table displays the status of the recommended fee increases and summarizes three requested environmental fee increases for FY 1993:

Fee	FY 1990 Receipts	Est. FY 1993 Receipts		Status
Vital Statistics	\$ 1,427,910	\$ 1,633,195	(\$1/copy)	done
Nursing Home Fees	264,546	453,484	(\$15/bed)	done
Food and Lodging				
Existing Fee	500,000	525,000	(\$30 incr.)	done
New Grocery Fee	--	125,000	(\$50 - H.B. 2652)	pending
Radioactive License and X-Ray Registr.	117,051	307,048	(various)	done
Right-to-Know Fees	126,202	456,268	(Inc. Fees & Volume)	pending
Underground Tank Fee	46,020	140,000	(\$10)	done
<b>Proposed FY 1993 Fees</b>				
Clean Air Act Fees	--	649,990	(fee per ton) (S.B. 542-pending)	
Solid Waste Tipping Fee	--	3,700,000	(\$1.50 per ton) (H.B. 2801-pending)	
Safe Drinking Water	--	1,169,332	(\$0.02 per 1,000 gal.) (legislation intr.)	

8. The Subcommittee concurs with the Governor's recommendation of \$1.0 million from the State General Fund in FY 1993 for primary health care projects. The same amount was approved for FY 1992 by the 1991 Legislature, but was reduced to \$886,415 by an Executive Directive as a result of a one percent budget reduction and because no provider from a medium-sized community came forward to participate in one of the three demonstration projects (defined in H.B. 2019). KDHE informed the Subcommittee that the FY 1993 appropriation is enough to ensure the establishment of a third pilot project. The Subcommittee heard abundant testimony from representatives of the clinics currently receiving state primary care funds. Those clinics are providing a combined in-kind or cash match of \$1,690,465 for FY 1992 and estimate that 34,462 persons will receive medical services in FY 1992. The Subcommittee became increasingly aware of the large unmet need for the provision of primary medical care for individuals with nowhere else to turn for services. The Subcommittee will revisit this issue during its review of MediKan services in the SRS budget.
9. The Subcommittee learned that frequent fluctuations in federal WIC voucher estimates causes fluctuations in monthly caseloads that WIC administrators are able to serve. The prospect of creating a contingency fund of some kind to decrease the fluctuations was explored. The Subcommittee directs KDHE to

examine its options and if legislative action is needed, to submit a request to the Subcommittee for consideration in the Omnibus Bill. The agency should also consider asking federal WIC administrators to grant an exemption from a requirement that funds be spent over a one-year period rather than a two-year period, which would also help alleviate caseload fluctuations.

10. Delete \$147,000 SGF from the new HIV/AIDS Rural Health Center initiative recommended by the Governor and add \$55,000 SGF to the ongoing AIDS Testing and Counseling program for a net SGF reduction in aid to local units of \$92,000. The recommendation would restore financing for testing and counseling performed by local health departments to the FY 1992 level.
11. KDHE learned that additional federal funds of approximately \$67,000 may soon become available for chlamydia testing supplies. The number of chlamydia cases increased by 62 percent from 1989 to 1990. The Subcommittee recommends that if purported new federal funds do not become available by April, KDHE should submit a request for Omnibus consideration.
12. Add \$300,000 from newly available federal funds for the Healthy Start/Home Visitor program (aid to local units). The Governor's recommendation of \$750,588 (\$514,829 SGF and \$235,759 federal) in FY 1993 finances services in 72 counties. The Subcommittee's recommendation would permit the expansion of services to the remaining 33 unserved counties. Program services for pregnant women and families with newborns include education, support, and referral services through home and hospital visits by lay visitors under public health nurse supervision.
13. Add \$334,000 from newly available federal funds for the Maternal and Infant (M & I) program (aid to local units). The Governor's recommendation of \$2,268,356 (\$1,417,300 SGF and \$851,056 federal) in FY 1993 finances services in 71 counties. The Subcommittee's recommendation would permit the expansion of services to the remaining 34 counties. M & I services to pregnant women and their infants include prenatal and post-natal care, nutrition assessments, social work services, and parenting education to prevent infant mortality, child abuse and neglect.
14. The Subcommittee recommends that the Teenage Pregnancy Reduction account of the State General Fund be merged with the Adolescent Health Promotion account as requested by the agency (the Governor recommended two line items). The Subcommittee further recommends that the agency be authorized to reallocate funds from the Adolescent Health Promotion program to teenage pregnancy reduction projects as requested by the agency. The Subcommittee learned that some existing adolescent health projects emphasize health risk appraisals rather than the current program focus of primary health care. Additional financing for two new teenage pregnancy project would include any funds shifted from Adolescent Health Promotion and \$52,000 from newly available federal funds. The Governor's recommendation of \$100,000 SGF for teenage pregnancy reduction services is the same as the amount approved for FY 1992. KDHE chose teen pregnancy projects in Shawnee and Cowley counties for FY 1992 to receive \$50,000 each.

15. Add \$100,000 from the State General Fund (operating expenditures account) to expand family planning services in Kansas. The Governor's recommendation includes \$1,139,487 from federal funds for family planning services, including \$890,566 for aid to local units. FY 1991 federal funding provided funds to 67 local agencies which in turn provide physical exams, pap smears, screenings for sexually transmitted diseases, family planning education, and contraceptive supplies. Family planning is often the sole source of Health care for most low-income women, according to KDHE. The current level of federal funding does not allow development of services in the remaining Kansas counties.
16. The Subcommittee recommends the expenditure of \$125,000 in FY 1993 for the Kansas Commission on the Future of Health Care. The amount includes an additional appropriation of \$50,000 to the operating expenditures account of the State General Fund, a shift of \$50,000 from an existing KDHE appropriation, and a transfer of \$25,000 from SRS. The Subcommittee recommends proviso language on the KDHE operating expenditures account setting forth expenditures for the Commission of no more than \$125,000 in FY 1993.

The purpose of the Commission (1991 S.B. 403) "is to develop a long-range health care policy plan, including both short-and long-term strategies, to identify social values of Kansans and to provide a forum for Kansans to participate in the development of health policy." The Commission is to present a final report to the Governor and to the Joint Committee on Health Care Decision no later than June 30, 1994. The Subcommittee notes that the Governor vetoed the \$50,000 appropriated for FY 1992. For FY 1992 KDHE has transferred \$25,000 from salary savings to the Commission for the half-year salary of an Executive Director and SRS has transferred \$11,000 for the salary of a clerical position. KDHE has also provided office facilities to the Commission. The Commission submitted an FY 1993 budget estimate to the Subcommittee totaling approximately \$330,000, including \$129,200 for salaries, start-up costs and OOE. The remainder of the estimate is for commission travel, town meetings, consultants and conference costs.

The Subcommittee strongly supports the goals of the Commission but directs the Commission to continue to aggressively seek financial support for much of the budget from foundation grants and other private sources. The Subcommittee recognizes, however, that private financing is unlikely to materialize until the state indicates a financial commitment to the Commission. The Subcommittee directs the Commission to submit a report by January 1, 1993, indicating a private sector financial commitment for the remainder of the Commission's budget in FY 1993. If such commitment is not made, the Subcommittee anticipates eliminating state Commission financing for FY 1994.

17. The Subcommittee reviewed the Executive Reorganization Order No. 25 which splits KDHE into the Kansas Department of Health and the Kansas Department of Environment. Information was presented on both sides of the issue. The Subcommittee makes no recommendation on ERO 25, and notes that further study may be in order.

- 18. The Subcommittee recommends KDHE develop a strategic health plan in concert with SRS, the Kansas Commission on the Future of Health Care, and local health departments.
- 19. The Subcommittee recommends the expansion of the early identification and intervention program for infants and toddlers, and adds \$750,000 SGF and \$689,480 from federal funds. Kansas has been participating in the phased-in implementation of the Infant-Toddler federal grant pilot program since 1986. Once fully implemented, the community-based program is intended to make available early identification and intervention screenings for all children under two years of age (approximately 115,800 in Kansas) to discover developmental delays and disabilities. Screenings are provided in five areas, including physical, cognitive communication and speech-language, psychosocial, and self-help skills. Kansas was the 12th state to receive Year IV federal funding (for FY 1992). To qualify for Year IV funding, the following services must be provided: Child Find screening; a comprehensive evaluation at no cost to the parents; an Individualized Family Services Plan (IFSP) must be written; and a family services coordinator must be assigned to children determined to have a developmental delay or disability. FY 1992 statewide program expenditures are estimated to be \$5.5 million from all federal, state, local, and private sources.

Although the target date for implementing Year V in Kansas has been July 1, 1992, federal legislative action will permit Kansas to request two one-year extensions of the Year IV planning program (FY 1993 and FY 1994). During the Subcommittee's review, KDHE learned that total federal funds would be increased from the approved \$910,520 to \$1.6 million if state funds were approved for FY 1993 to indicate an interest by the state in proceeding to a full service program. Year V services (in addition to Child Find, evaluations, a written IFSP, and the assignment of a coordinator to children) would include any of the following services listed on the IFSP:

- |                    |                        |                             |
|--------------------|------------------------|-----------------------------|
| audiology          | case management        | family training             |
| health services    | nursing services       | diagnostic medical services |
| nutrition services | occupational therapy   | speech-language pathology   |
| physical therapy   | psychological services | special instruction         |
| transportation     | social work            |                             |

Year IV pilot services are currently available in 65 Kansas counties. In FY 1991, 918 children under two years of age were identified as evaluated and receiving early intervention services (less than one percent of the 115,800 children in this age group). KDHE estimates that under a fully-funded Year V program, three percent, or 3,474, of the children in this age group would be eligible for services.

The agency had requested \$3.2 million SGF for FY 1993 and estimated that FY 1995 and future year funding from the State General Fund would exceed \$9.6 million. The Governor's FY 1993 recommendation includes \$910,520 from the federal early intervention fund (Title I -- P.L. 99-457). The Subcommittee recommends the addition of \$750,000 from the State General Fund and an increase in federal funds of \$689,480 as the first step towards statewide (Year V)

coverage. The recommendation would provide full services to approximately 1.25 percent (1,448) of children 0-2 years of age.

20. Add \$15,000 from the State General Fund to finance a partial retrospective study to determine the immunization rate in Kansas. The Subcommittee learned that numerous studies have clearly shown that every \$1.00 spent on immunizations results in savings of \$10.00.
21. While the Subcommittee is supportive of most of the agency's health programs, KDHE should develop a standardized methodology for analysis of program benefits to clients and financial benefits to the state. Such analyses could be performed by a university in concert with local health departments or some other independent firm.

### House Committee Recommendation

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

1. The Committee adopted a minority report deleting the additional money added for the Infant-Toddler initiative (\$750,000 SGF and \$689,400 federal). The Committee then adopted an amendment adding \$500,000 SGF and \$689,400 federal for the Infant-Toddler initiative.

### House Committee of the Whole Recommendation

The House concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Sub. Adjustments</u>
All Funds:			
State Operations	\$ 653,031	\$ 70,451,978	\$ (50,000)
Aid to Local Units	694,000	19,403,483	(58,622)
Other Assistance	--	23,320,000	--
TOTAL	<u>\$ 1,347,031</u>	<u>\$ 113,175,461</u>	<u>\$ (108,622)</u>
State General Fund:			
State Operations	\$ (42,902)	\$ 19,742,283	\$ (50,000)
Aid to Local Units	8,000	5,988,444	(75,000)
Other Assistance	--	0	--
TOTAL	<u>\$ (34,902)</u>	<u>\$ 25,730,727</u>	<u>\$ (125,000)</u>
FTE Positions	(16.0)	738.0	4.0

## Senate Subcommittee Recommendations

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

1. The Subcommittee concurs with the \$1.0 million SGF appropriation for primary health care projects recommended by the Governor and House for FY 1993 and notes that the first quarterly report on existing projects will be available on April 15. The Subcommittee was informed that the \$1.0 million appropriation for FY 1992 was reduced to \$886,415 by Executive Directive because the new program was in the planning stage on July 1, 1991 and the grants were not made until the Fall of 1991. The excess funds were redistributed to other aid to local grants and administrative programs which had been reduced by a one percent budget reduction. Now that the program is fully operational, the Subcommittee strongly urges the agency not to use primary health care funds to support other areas of the KDHE budget in future years. The program has solid legislative support and will likely be expanded if well-documented data indicates successful outcomes.
2. The Subcommittee reviewed a new agency request for an appropriation of \$560,000 SGF for a WIC contingency fund to minimize caseload fluctuations by maintaining a caseload number equal to the previous year's average monthly participation number. Considering that federally-funded WIC food vouchers are estimated to total \$23,320,000 in FY 1993, the Subcommittee believes that State General Fund appropriations can be better utilized elsewhere.
3. KDHE asked the Senate Subcommittee to redirect the new federal block grant funds in a different manner than had been suggested to the House Subcommittee (House Subcommittee Items 12 - 14). Upon further study KDHE believes that the expansion of Healthy Start services to the remaining 33 unserved counties and the expansion of M & I services to the remaining 34 counties cannot all be accomplished in FY 1993. The agency suggests a three-year phase-in for statewide expansion of the two programs, including 18 new Healthy Start counties and 13 new M & I counties in FY 1993. The following table compares the recommendations of the House Committee of the Whole and the Senate Subcommittee for the use of the newly available federal funds:

	<u>House Rec.</u>	<u>Senate Sub. Rec.</u>
<b>Maternal and Child Health Block Grant</b>		
M & I Expansion	\$ 334,000	\$ 157,800
Improve Immunization Rates	--	100,000
Child Health Assessments	--	76,578
Total	<u>\$ 334,000</u>	<u>\$ 334,378</u>
<b>Preventive Health Block Grant</b>		
Healthy Start Expansion	\$ 300,000	\$ 100,000
Teen Pregnancy Expansion	52,000	52,000
Chronic Disease Program	--	150,000
Child Health Assessments	--	66,000
Total	<u>\$ 352,000</u>	<u>\$ 368,000</u>

While the Senate Subcommittee agrees with the expansion of the Teen Pregnancy Reduction Program for FY 1993, it notes that future financing should be contingent on a well-documented demonstration of success.

The Senate Subcommittee recommends an expenditure of \$142,578 from the new federal funds for local health departments to provide general health screenings for children before entering school for the first time. H.B. 2695 (pending in Senate Committee) requires such assessments.

The Senate Subcommittee also recommends an expenditure of \$150,000 from new federal funds to expand the agency's Office of Chronic Disease Control which emphasizes cancer, tobacco and injury control, as well as chronic disease nutrition.

Finally, the Senate Subcommittee recommends an expenditure of \$100,000 from new federal funds as an "incentive pool" of \$5 for each immunization for KDHE to distribute to those local health departments whose average immunization rates are increasing for children 0 through 4 years of age. The funds are not to be used to supplant existing efforts.

4. The Subcommittee recommends that the four technical positions added by the Governor for FY 1993 from the Petroleum Storage Tank Trust Fund be changed from special project positions to limited term FTE positions. While both types of positions can be eliminated upon the depletion of funding, the limited term position has a better opportunity to seek permanent status in a vacant position because time served is counted in the hiring process. The Subcommittee believes the agency will have an easier time recruiting limited term positions.
5. The Subcommittee notes that increased Right-to-Know Program fees, recommended by the 1991 Legislature, are on hold in the rules and regulations process. Upon a recommendation of the Senate Subcommittee on the Adjutant General's Department, KDHE has agreed to delay the increase while both agencies review their Right-to-Know programs to ensure consistency and avoid overlap of fees charged.
6. The Subcommittee reviewed the agency's Safe Drinking Water initiative and concurs with the recommendation of the House to defer consideration of new agency expenditures pending passage of legislation. The Subcommittee recommends that any new FTE positions requested for consideration in the Omnibus Bill be kept to a minimum level, ensuring program primacy but also prudence. In addition, the Subcommittee strongly prefers that any fee raised in H.B. 3167 be credited to a dedicated fee fund rather than to the State General Fund.
7. Delete \$100,000 added by the House from the State General Fund for family planning services.
8. The Senate Subcommittee strongly supports an expansion of the agency's efforts to develop a standardized methodology for analysis of program benefits to clients

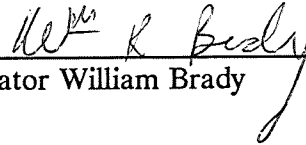
and financial benefits to the state. The Subcommittee further recommends the coordination of state-supported children's programs to ensure that services do not overlap. The Subcommittee also encourages the administrators of local health departments to ensure that clients who come in for one service are encouraged to participate in other services, such as children's immunizations and prenatal care programs.

9. Add \$25,000 from the State General Fund to finance a pilot study in local health departments to discover whether immunization rate improvements can be made by instituting innovative outreach programs.
10. Delete \$50,000 from the State General Fund added by the House for the Kansas Commission on the Future of Health Care.



---

Senator Dave Kerr  
Subcommittee Chair



---

Senator William Brady