

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 23, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Patricia Pierron, Legislative Research Department
Tim Colton, Legislative Research Department
Norman Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

SB 343: Appropriations for FY 96, the department of social and rehabilitation services and state mental health and mental retardation institutions

Senator Morris reviewed the FY 95 and FY 96 subcommittee reports on Kansas Neurological Institute, Parsons State Hospital and Training Center, and Winfield State Hospital and Training Center (Attachment 1). It was noted that the total number of bed reductions in all three institutions is 91 in FY 96; 22 at KNI, 44 at Winfield, and 25 at Parsons.

Senator Morris reviewed the FY 95 and FY 96 subcommittee reports on the Community Mental Retardation Services (Attachment 2). It was noted that the subcommittee studying the Department of SRS had recommended that the \$395,326 SGF deleted in item 5 (Attachment 2-5) was appropriated to serve 2,000-2,500 clients in vocational rehabilitation within the Department of SRS.

In discussing item 6 of the report (Attachment 2-6), Senator Karr noted that he signed the subcommittee report in an effort to keep the process moving, but stated his opinion that the decision regarding closure could not be made without the Governor's involvement. It was moved by Senator Brady and seconded by Senator Lawrence that item 6 of the FY 96 subcommittee report be amended by deleting the fifth and sixth paragraphs which delegated authority to the Senate Ways and Means Committee to decide which mental retardation institutions should be closed. Though members concurred with the recommendation to close one institution, there was lengthy discussion regarding which entity should have the responsibility of making the decision, how soon the decision should be made, and how closure impacts the clients, the communities, and other state agencies. It was noted that, above all, the clients who are served by the system should be considered first.

The Chairman observed that one aspect of the overall program which has not been discussed and needs to be addressed is the recruitment, training, and monitoring of caregivers in the community.

Senator Brady, with the permission of Senator Lawrence, withdrew his motion.

It was moved by Senator Rock and seconded by Senator Brady that the subcommittee report be amended by stating that the Senate Ways and Means Committee have an active part in making the decision as to which institution is closed. Senator Rock, with the permission of Senator Brady, withdrew the motion.

Senator Rock moved that the subcommittee report be amended by stating that the Senate Ways and Means Committee make a recommendation as to which institution to close. The motion died for lack of a second.

Senator Salisbury moved, Senator Vancrum seconded, that the FY 96 subcommittee report be amended by stating that the Governor appoint an advisory committee to consider the "bullets" in the Community Mental

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 23, 1995.

Health Services and Community Mental Retardation Services subcommittee reports, that the advisory committee report back to the Legislature by April 20, 1995, and that the Senate Ways and Means Committee make the decision as to which institution to close. There was some concern that the timeframe was unrealistic. Senator Salisbury defended the date in the motion by stating that if members agree with the closure recommendation, the process has to be set in motion or it will not be possible to move clients from the institution recommended for closure. In discussing what the advisory committee would study, Chairman Bogina stated that he would request that the committee study which institution to close and a schedule of client movement.

The motion carried on a show of hands, 5-4.

Senator Morris moved, Senator Salisbury seconded, that the subcommittee report on Community Mental Retardation Services be adopted as amended. The motion carried on a voice vote, with Senator Petty requesting that she be recorded as a "no" vote.

Senator Morris moved, Senator Rock seconded that the subcommittee reports on the Mental Retardation Institutions be adopted. The motion carried on a voice vote.

Senator Vancrum moved, Senator Rock seconded that the FY 96 Community Mental Health Services subcommittee report be amended in the same manner as the Community Mental Retardation Services subcommittee report. The motion carried on a voice vote with Senator Petty recorded as having voted "no."

It was moved by Senator Kerr and seconded by Senator Rock that the FY 95 subcommittee report and the FY 96 report as amended on Community Mental Health Services be adopted. The motion carried on a show of hands with Senators Petty and Moran recorded as having voted "no."

The Chairman told members that the subcommittee report on the Department of Social and Rehabilitation Services would be reviewed on February 24, 1995. He adjourned the meeting at 12:30 P.M.

The next meeting is scheduled for February 24, 1995.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: FEBRUARY 23, 1995

NAME	REPRESENTING
LINDA McGill	PMA
Robert F. Chase	Southeast Kansas M.H. Center
Lynne Lanning	KDHR
Roger Traut	Ks Gov. Consulting
Bruce Linkes	Ks Assoc of Lic. Private Child Care
Andy Strand	KINH
Alpa Aldrich	RCIL
Gina McDonald	KACIL
Shannon Jones	SICK
Josie Torres	Families Together, Inc.
Mary Ellen Reinhardt	assis. Tech. for Kansas Project
Alec Jamilton Adair	KDOT
Dub Rakostrom	Family Service and Guidance Center
Dwight Young	The Center for Counseling & Consult. Great Plains, KS
Marty Kennedy	DAB
Judy Rinard	Ks. Mental Health Coalition
Canda Byrne	Manningir
Hermit George	High Plains MHC
Christy Young	Topeka Chamber of Commerce

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: FEBRUARY 23, 1995

NAME	REPRESENTING
Jeda	Keep you Networking
Dave Topp	Topp Consulting
Dodie Lacey	KCSL
TK Shively	KLS
Janet Schalansky	SRS
Tim Hoyt	"
Joan Strubbe	KAPS
JB Scott	SRS
Pam Scott	Ks Funeral Directors Assn
Jim Kaup	City of Topeka
Mami Lee	CSH
Greg Tugman	DOB
De Joda	SRS-MHRS
Martha Hagensmith	KARF
T. Laing	KARF
Judy Seefeldt	Harrison MHC
David Wiebe	Johnson Co. MHC
Judy Wiebe	Waukegan Only Care

SUBCOMMITTEE REPORT

FY 1995 and FY 1996

STATE MENTAL RETARDATION INSTITUTIONS


Kansas Neurological Institute

Parsons State Hospital and Training Center

Winfield State Hospital and Training Center



Senator Stephen Morris
Subcommittee Chair



Senator Jerry Moran



Senator Jerry Kart

SWAM
February 23, 1995
Attachment 1

State Mental Retardation Institutions
FY 1995 Systemwide Overview and Recommendations

Expenditure	Agency Est. FY 95	Gov. Rec. FY 95	Subcommittee Adjustments
State Operations:			
Kansas Neurological Institute			
State General Fund	\$ 11,760,963	\$ 11,672,352	\$ 0
Title XIX	11,947,972	11,947,972	0
General Fees Fund	769,556	769,556	0
Other Funds	333,154	333,154	0
Subtotal--KNI	<u>\$ 24,811,645</u>	<u>\$ 24,723,034</u>	<u>\$ 0</u>
Parsons State Hospital			
State General Fund	\$ 8,069,900	\$ 8,010,518	\$ 0
Title XIX	9,797,362	9,797,362	0
General Fees Fund	610,076	610,076	0
Other Funds	79,808	79,808	0
Subtotal--PSH&TC	<u>\$ 18,557,146</u>	<u>\$ 18,497,764</u>	<u>\$ 0</u>
Winfield State Hospital			
State General Fund	\$ 13,398,730	\$ 13,303,772	\$ 0
Title XIX	13,280,201	13,280,201	0
General Fees Fund	994,850	994,850	0
Other Funds	133,560	133,560	0
Subtotal--WSH&TC	<u>\$ 27,807,341</u>	<u>\$ 27,712,383</u>	<u>\$ 0</u>
Total Operating SGF--All Hospitals	\$ 33,229,593	\$ 32,984,142	\$ 0
Total Operating Funds--All Hospitals	\$ 71,176,132	\$ 70,930,681	\$ 0
Capital Improvements:			
KNI	\$ 82,387	\$ 82,387	\$ 0
Parsons	24,116	24,116	0
Winfield	81,953	81,953	0
Total Cap. Imps.--All Hospitals	<u>\$ 188,456</u>	<u>\$ 188,456</u>	<u>\$ 0</u>
GRAND TOTAL--ALL HOSPITALS	\$ 71,364,588	\$ 71,119,137	\$ 0
FTE Positions:			
KNI	764.5	764.5	--
Parsons	525.0	525.0	--
Winfield	822.5	822.5	--
Total FTE--All Hospitals	<u>2,112.0</u>	<u>2,112.0</u>	<u>--</u>
Average Daily Census			
KNI	269	247	--
Parsons	230	225	--
Winfield	279	269	--
Total ADC--All Hospitals	<u>778</u>	<u>741</u>	<u>--</u>

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 1029

Budget Page No. 357

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 operating expenditures of \$24,811,645, the current amount approved by the 1994 Legislature, as adjusted for State Finance Council action. The Governor recommends \$24,723,034 for total operating expenditures in the current year. This is a reduction of \$88,611 from the agency estimate of \$24,811,645.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 1040

Budget Page No. 419

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 operating expenditures of \$18,559,646. This is an overall reduction of \$7,884 from the amount that was approved by the 1994 Legislature, as adjusted for State Finance Council action.

The Governor recommends FY 1995 operating expenditures of \$18,497,764, a reduction of \$61,882 from the agency request of \$18,559,646. The Governor concurs with the agency estimate of 525.0 FTE positions for the current year. The Governor also concurs with the agency's turnover rate of 4.6 percent for both fiscal years.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 1051

Budget Page No. 569

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 operating expenditures of \$27,807,341. This is the amount approved by the 1994 Legislature, as adjusted by the State Finance Council. It is an increase of \$399,099 over operating expenditures in FY 1994. The FY 1995 operating expenditures request represents an increase of \$2,136,121 from the State General Fund, and includes a \$113,473 base salary adjustment increase from the State Budget Stabilization Fund. Title XIX funds are estimated to decrease by \$1,509,076 in FY 1995. Winfield's General Fees Fund and Winfield's Elementary and Secondary Elementary Education (Chapter I) funds are estimated to decrease by \$297,086 and \$3,790, respectively, in FY 1995.

The Governor recommends FY 1995 operating expenditures of \$27,712,383, a decrease of \$13,005 from the agency's estimate of \$27,807,341. The Governor recommends funding of \$13,303,772 from the State General Fund, a reduction of \$94,958 from the agency estimate of \$13,398,730. The Governor concurs with the agency estimate of 822.5 FTE positions.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

1995 Senate Bill No. 343
State Mental Retardation Institutions
FY 1996 Systemwide Overview and Recommendations

Expenditure	Agency Req. FY 96	Gov. Rec. FY 96	Subcommittee Adjustments
State Operations:			
Kansas Neurological Institute			
State General Fund	\$ 13,630,404	\$ 12,987,061	\$ (356,684)
Title XIX	11,255,934	11,081,857	0
General Fees Fund	741,487	741,487	(337,823)
Other Funds	233,706	233,706	0
Subtotal--KNI	<u>\$ 25,861,531</u>	<u>\$ 25,044,111</u>	<u>\$ (694,507)</u>
Parsons State Hospital			
State General Fund	\$ 9,029,680	\$ 7,913,728	\$ (191,790)
Title XIX	9,653,068	9,732,279	0
General Fees Fund	686,270	686,270	(333,004)
Other Funds	0	0	0
Subtotal--PSH&TC	<u>\$ 19,369,018</u>	<u>\$ 18,332,277</u>	<u>\$ (524,794)</u>
Winfield State Hospital			
State General Fund	\$ 14,421,865	\$ 12,990,415	\$ (454,651)
Title XIX	13,277,200	13,241,060	0
General Fees Fund	1,170,534	1,170,534	(514,179)
Other Funds	20,087	20,087	0
Subtotal--WSH&TC	<u>\$ 28,889,686</u>	<u>\$ 27,422,096</u>	<u>\$ (968,830)</u>
Total Operating SGF--All Hospitals	\$ 37,079,449	\$ 33,888,704	\$ (1,003,125)
Total Operating Funds--All Hospitals	\$ 74,117,735	\$ 70,825,984	\$ (2,188,131)
Capital Improvements:			
KNI	\$ 0	\$ 0	\$ 0
Parsons	0	0	0
Winfield	0	0	0
Total Cap. Imps.--All Hospitals	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
GRAND TOTAL--ALL HOSPITALS	\$ 74,117,735	\$ 70,825,984	\$ (2,188,131)
FTE Positions:			
KNI	766.5	743.5	23.0
Parsons	525.0	515.0	10.0
Winfield	822.5	790.5	32.0
Total FTE--All Hospitals	<u>2,114.0</u>	<u>2,049.0</u>	<u>65.0</u>
Average Daily Census			
KNI	247	236	--
Parsons	225	213	--
Winfield	269	247	--
Total ADC--All Hospitals	<u>741</u>	<u>696</u>	<u>--</u>
End-of-Year Census			
KNI	225	225	--
Parsons	200	200	--
Winfield	269	225	--
Total -- All Hospitals	<u>694</u>	<u>650</u>	<u>--</u>

SUBCOMMITTEE REPORT

Agency: Kansas Neurological Institute

Bill No. 343

Bill Sec. 3

Analyst: Pierron

Analysis Pg. No. 1029

Budget Page No. 357

Agency Request/Governor's Recommendation

The agency proposes FY 1996 spending of \$25,861,531. This is an increase of 4.2 percent from the agency's revised current year spending proposal. Funding from the State General Fund of \$13,630,404 is requested for FY 1996. This is an increase of 15.9 percent over the FY 1995 estimate. The agency apparently seeks, with its increased request, to offset an expected decrease in available Title XIX funding and to provide for program enhancements. (Staff Note: The revised FY 1995 estimate for Title XIX receipts at KNI is \$11,947,972; for FY 1996, receipts of \$11,255,934 are projected. This is a decrease of \$692,038.) The agency request would fund 766.5 FTE positions. This is an increase of 2.0 FTE positions from the agency's FY 1995 estimate. Since FY 1992, the agency has lost 115.0 FTE positions; 105.0 of those positions have been direct-care positions (*i. e.*, 91 percent of the positions deleted.)

The agency requests FY 1996 nonsalary operating expenditures of \$4,214,811. This is an increase of 7.7 percent over the FY 1995 estimate of \$3,915,083.

The Governor recommends FY 1996 spending of \$25,044,111, a reduction of \$817,420, or 3.0 percent, from the agency request. Funding from the State General Fund is recommended at \$12,987,061 for FY 1996. This is a reduction of \$643,343, or 4.7 percent, from the agency request. The recommendation would fund 743.5 FTE positions. This is a decrease of 23 positions from the agency's request and a reduction of 21.0 FTE from the FY 1995 agency estimate.

The Governor recommends FY 1996 nonsalary operating expenditures of \$3,760,596. This is a reduction of \$454,215, or 12.1 percent, from the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following notations:

1. Restore 23.0 FTE to the agency budget. The Subcommittee recommends reducing the FTE positions to that recommended by the Governor but at a rate that will allow the agency to downsize as clients are placed into the community rather than at the commencement of the fiscal year. The full FTE reduction would take place by the end of FY 1996 once the recommended placement of 91 individuals from the state institutions into the community has been accomplished.
2. Delete \$694,507 for longevity pay, unclassified merit, classified base salary, and classified step movement adjustments (\$356,684 from the State General Fund and \$337,823 from other funds).

SUBCOMMITTEE REPORT

Agency: Parsons State Hospital
and Training Center

Bill No. 343

Bill Sec. 6

Analyst: Pierron

Analysis Pg. No. 1040

Budget Page No. 419

Agency Request/Governor's Recommendation

Parsons State Hospital and Training Center requests FY 1996 operating expenditures of \$19,369,018. Of the requested expenditures, \$9,029,680 is from the State General Fund, \$686,270 is from Parsons' General Fee Fund and \$9,653,068 is from Title XIX funds. Requested expenditures from the State General Fund are up 11.9 percent from the revised current year estimate. The increase in estimated State General Fund expenditures reflects a decrease in Title XIX fund expenditures and General Fee Fund expenditures from FY 1995.

There are several enhancements included in the agency's FY 1996 request:

- ▼ \$142,000 for a new telecommunications switch and software;
- ▼ \$55,000 for a new 54-passenger bus;
- ▼ \$35,000 for replacement furniture for eleven resident cottages (\$3,000 each) and for replacement appliances (\$2,000 total);
- ▼ \$3,000 to promote cultural diversity among agency employees; and
- ▼ \$3,000 for tuition assistance for agency employees.

The agency's request would fund 525.0 FTE positions, or 10.0 FTE less than in FY 1994. (Staff Note: In FY 1994, the agency lost 28.0 FTE positions, of which 23.0 FTE were direct-care positions. All ten of the FTE positions that the agency will lose in FY 1995 are direct-care positions.) The request includes funding for step movement for classified employees and unclassified-merit increases, as well as longevity bonuses for eligible employees.

The agency requests FY 1996 funding for other operating expenditures in the amount of \$3,196,314. This is an increase of 15.5 percent over the agency's revised current year estimate.

The Governor recommends FY 1996 operating expenditures of \$18,332,277, a reduction of \$1,036,741 or 5.3 percent from the agency request. The Governor recommends \$7,913,728 from the State General Fund, a reduction of \$1,115,952 from the agency request. The Governor's recommendation would fund 515.0 FTE positions and include funding for 2.5 percent step movement and a 1.0 percent base salary adjustment for all classified employees as well as a 3.5 percent salary merit pool for unclassified employees. The Governor does not recommend the enhancement requested by the agency but concurs with the agency's plan to include the school special education contract in its daily cost rate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following notations:

1. Restore 10.0 FTE to the agency's budget. The Subcommittee recommends reducing the FTE positions to that recommended by the Governor but at a rate that will allow the agency to downsize as clients are placed into the community rather than at the commencement of the fiscal year. The full FTE reduction would take place by the end of FY 1996 once the recommended placement of 91 individuals from the state institutions into the community has been accomplished.
2. Delete \$524,794 for longevity pay, unclassified merit, classified base salary, and classified step movement adjustments (\$191,790 from the State General Fund and \$333,004 from all other funds).

SUBCOMMITTEE REPORT

Agency: Winfield State Hospital
and Training Center

Bill No. 343

Bill Sec. 9

Analyst: Pierron

Analysis Pg. No. 1051

Budget Page No. 569

Agency Request/Governor's Recommendation

The agency requests FY 1996 operating expenditures of \$28,889,686. This is an increase of 3.9 percent over the agency's revised current fiscal year estimate.

In the agency's request, funding from the State General Fund is 7.6 percent greater than in the revised current year estimate. The revised FY 1995 estimate for Title XIX receipts at Winfield State Hospital is \$13,280,201. The FY 1996 receipts projection is \$13,277,200. This is a difference of \$3,001. Winfield State Hospital is requesting \$1,170,534 for operating expenditures in FY 1996 from its General Fees Fund. This is an increase of \$175,684, or 17.7 percent, over the current fiscal year's revised estimate. The agency's FY 1996 request would fund 822.5 FTE positions, maintaining the level of FTE positions in the agency's revised current year estimate.

(Staff Note: The agency has gone from 1,002.5 FTE positions in FY 1991 to 822.5 FTE positions in its FY 1996 request. This is a reduction of 180.0 FTE positions. Of the positions given up, 142, or 80.2 percent of the positions, have been direct-care positions.)

The agency requests FY 1996 non-salary and wage operating expenditures of \$4,961,189. This is an increase of 9.5 percent from the agency's revised current fiscal year estimate.

The Governor recommends \$27,422,096 for operating expenditures in FY 1996. This is a reduction of \$1,467,590 or 5.0 percent from the agency request. Of the difference, \$938,982 is in salaries and wages and is due to the downsizing of FTE positions and to health insurance rate adjustments. Contractual services accounts for \$127,577 of the decrease. The Governor recommends \$74,383 less for the special education contract than has been requested by the agency and reduces the number of meals proportionally to a census reduction of 23 clients below the requested 269.

The Governor recommends a reduction of 32.0 FTE positions in FY 1996 from the agency request of 822.5 FTE positions. The Governor concurs with the agency's turnover rate for the current year (7.0 percent) and for FY 1996 (7.2 percent).

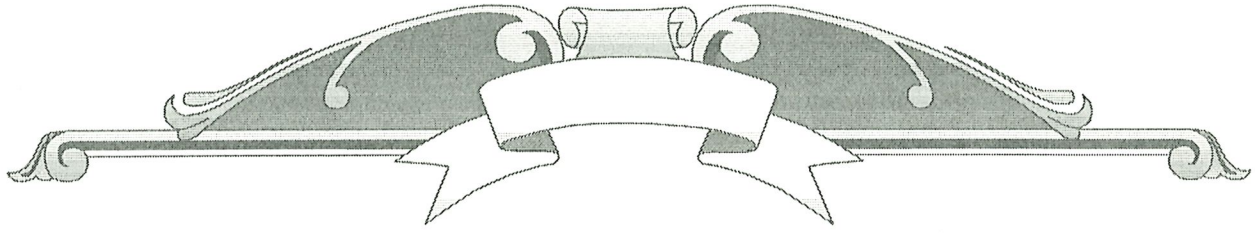
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following notations:

1. Restore 32.0 FTE to the agency's budget. The Subcommittee recommends reducing the FTE positions to that recommended by the Governor but at a rate that will allow the agency to downsize as clients are placed into the community rather than at the commencement of the fiscal year. The full FTE reduction would take place by the

end of FY 1996 once the recommended placement of 91 individuals from the state institutions into the community has been accomplished.

2. Delete \$968,830 for longevity pay, unclassified merit, classified base salary, and classified step movement adjustments (\$454,651 from the State General Fund and \$514,179 from other funds).



Subcommittee Report

1995 Senate Bill 343

§1

*Department of Social and Rehabilitation
Services*

Community Mental Retardation Services

Stephen R Morris

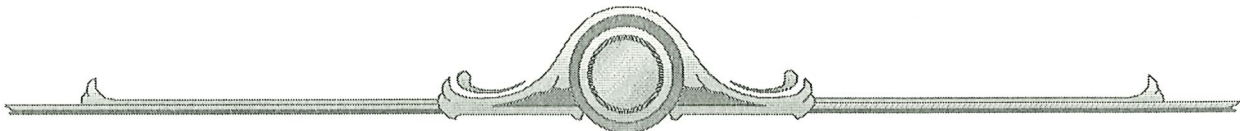
Senator Stephen Morris, Chairman

Gerald Karr

Senator Gerald Karr

Jerry Moran

Senator Jerry Moran



*SWAM
February 23, 1995
Attachment 2*

SUBCOMMITTEE REPORT

Agency: SRS Community on Mental Retardation Services

Bill No. 236

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 899

Budget Page No. 485

Mental Retardation Services	Agency Estimate FY 95	Governor's Recommendation FY 95	Senate Subcommittee Adjustments
MHRS			
MR/DD Administration	\$ 534,269	\$ 529,760	\$ 0
State Aid	5,963,174	5,963,174	0
Mental Retardation Grants	12,999,656	12,999,656	0
Community and Day Living	10,073,396	10,073,396	0
Family Subsidy	1,150,000	1,150,000	0
Family Support	1,583,052	1,583,052	0
Special Projects	200,000	200,000	0
Parent Assistance Network	100,000	100,000	0
HCBS-MR Waiver			
Field Staff	581,111	578,357	0
Total	<u>\$ 33,184,658</u>	<u>\$ 33,177,395</u>	<u>\$ 0</u>
SGF	\$ 23,390,406	\$ 23,385,261	\$ 0
Medical Assistance			
ICFs/MR	\$ 38,504,368	\$ 37,989,581	\$ 0
HCBS-MR Program	41,962,734	41,939,996	0
Total	<u>\$ 80,467,102</u>	<u>\$ 79,929,577</u>	<u>\$ 0</u>
State Funds	\$ 32,943,232	\$ 32,723,169	\$ 0
TOTAL -- All Funds	\$ 113,651,760	\$ 113,106,972	\$ 0
State Funds	\$ 56,333,638	\$ 56,108,430	0
FTE Positions	24.0	24.0	0.0

Agency Estimate/Governor's Recommendation

The agency requests FY 1995 expenditures in the amount of \$113.6 million. Of this amount, \$56.3 million is from the State General Fund. The estimate includes funding for the HCBS/MR program and for ICF/MR services in the medical services budget. For FY 1995, the Governor recommends \$113.1 million (\$56.1 million SGF) for mental retardation services. This includes spending for the ICF/MR program and for the HCBS-MR waiver program.

Senate Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: SRS -- Community Mental Retardation Services

Bill No. 343

Bill Sec. 1

Analyst: Colton

Analysis Pg. No. 899

Budget Page No. 485

<u>Mental Retardation Services</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
MHRS			
MR/DD Administration	\$ 552,137	\$ 556,100	\$ 0
State Aid	5,963,174	5,963,174	0
Mental Retardation Grants	14,645,021	12,448,511	54,674
Community and Day Living	10,073,396	10,073,396	0
Family Subsidy	1,600,000	1,150,000	150,000
Family Support	1,983,052	1,583,052	0
Special Projects	200,000	200,000	0
Parent Assistance Network	100,000	0	100,000
HCBS-MR Waiver Field Staff	602,197	604,351	0
Total	<u>\$ 35,718,977</u>	<u>\$ 32,578,584</u>	<u>\$ 304,674</u>
 SGF	 \$ 25,923,757	 \$ 22,784,618	 \$ 0
Medical Assistance			
ICFs/MR	\$ 39,850,000	\$ 39,737,102	\$ 0
HCBS-MR Program	48,733,387	50,825,932	0
Total	<u>\$ 88,583,387</u>	<u>\$ 90,563,034</u>	<u>\$ 0</u>
 State Funds	 \$ 36,788,681	 \$ 37,610,828	 \$ 0
 TOTAL -- All Funds	 \$ 124,302,364	 \$ 123,141,618	 \$ 304,674
State Funds	\$ 62,712,438	\$ 60,395,446	304,674
 FTE Positions	 24.0	 24.0	 0.0

Agency Request/Governor's Recommendation

The agency requests \$35.7 million (\$22.7 million) in FY 1996. This is an increase of \$2.5 million dollars over the agency's revised current year estimate. The request includes a \$1.6 million increase in mental retardation grants, a \$450,000 increase in requested funding for the family subsidy, a \$400,000 increase in funding for family support services, and continued funding for the Parent Assistance Network.

The Governor recommends FY 1996 funding of \$32.6 million, which is a decrease of \$600,000 from the revised current year recommendation. The Governor continues most services at the FY 1995 level, but decreases base funding base for mental retardation grants, and does away with funding for the Parent Assistance Network.

Senate Subcommittee Recommendation (Community Mental Retardation Services)

1. Funding for the Governor's recommended salary plan was moved to another bill in the subcommittee report on community mental health services.
2. Restore \$450,000 SGF in base funding for special purpose grants in FY 1996. These grants serve clients whose funding from vocational rehabilitation grants has expired. The Governor, in his recommendations, did not restore funding that had been removed from the budget in FY 1995 because of one-time audit exceptions (\$228,500), and made a further reduction of \$221,500 to the funding base. Because of the decreased services that these reductions would signify for clients receiving services through special purpose grants, the Subcommittee recommends the restoration of funds deleted from the funding base.
3. Add \$150,000 SGF to annualize family subsidy services for 125 families who received services for six months in FY 1995. The funding necessary to serve those families in FY 1995 was added by the 1994 Legislature. The Subcommittee does not think it is appropriate to begin services for these families only to cut off services after six months, and, therefore, recommends the restoration of this funding.
4. Add \$100,000 SGF for the Parent Assistance Network (PAN). Funding for the PAN was begun in FY 1995 by the Legislature. The Subcommittee has heard compelling testimony from family members and advocates that the PAN has provided valuable guidance and direction to families of children with MR/DD on how to find services for these children. The Subcommittee believes that the PAN is a successful program, and deserving of continued state support.
5. Delete \$395,326 SGF which would have provided the state match for federal vocational rehabilitation (VR) grants. These grants are time-limited, and clients served with these grants usually require special purpose grants in order to continue services. Although it might be tempting to provide the state match in order to receive the federal money in FY 1996, the federal funding is, in reality, a financial Trojan Horse, since it will cost a million dollars SGF in FY 1997 to provide services for FY 1996 VR clients.

The Governor did not fund continued services in FY 1996 for FY 1995 VR clients. This would suggest to the Subcommittee that this program is not a high priority for the Governor. Instead, the Governor expanded services under the HCBS waiver in order to place 91 clients from the state institutions in community settings. (He did this with money taken out of hospital budgets, and not with new money.)

The Subcommittee regrets the reduction in services that this reduction will cause. However, if the money for the state match were to remain in the budget, it would

only be fair to add \$1 million for those currently being served on VR grants. In light of the state's financial crisis, the Subcommittee was unwilling to do this. Instead, the Subcommittee made restorations of funds according to priorities indicated by the agency to the Subcommittee.

6. The difficult choices that the Subcommittee was required to make with regard to funding illustrate the conundrum that the State is facing in the provision of services people with mental retardation. Demands for services in the community continue to increase, but cannot be met as long as the state continues to invest about \$70 million in the state hospitals. Confounding the situation further is the fact that the closure of a hospital will not, in the short run, decrease costs for either institutional care or community services.

The Subcommittee believes that, in the long run, in order to provide adequate funding for community mental retardation services, and generally to reduce the strain on the state budget of maintaining three state mental retardation institutions, the time has come to consolidate services among the three institutions, and to develop a process to close one of those institutions.

If continued downsizing at our state mental retardation institutions takes place, it should be possible to support the remaining population at two, rather than three, institutions. If there is a reduction of 91 clients by 1 July 1996, as called for in the Governor's recommendations, the combined end-of-year census for all three institutions will be 650. It is anticipated that these 650 clients could be housed in two hospitals with a continued downsizing to an SRS-determined optimal size of 250 clients per hospital.

The Subcommittee notes that a further reduction of 150 clients will be necessary during FY 1997 and 1998 in order to reach the ideal population of 250 clients per institution. The Subcommittee recommends that SRS continue to plan placements of hospital clients in order to reach this goal.

With regard to which of the state's mental retardation institutions should be closed, the Subcommittee recommends that this decision be made by the Senate Committee on Ways and Means.

In the alternative, the Senate Committee on Ways and Means could designate a method for this decision to be made.

Factors to be considered in the process of making the decision on which institution to close could include:

- The savings to the state of an institutional closing and its impact on funding for community services for the mentally retarded and developmentally disabled.
- The impact of an institutional closure on the quality of services provided to clients.

- ▣ The economic impact that institutional closure would have upon the institution's host community.
- ▣ The possibility that the institution's physical plant might be able to house other state services or programs.
- ▣ The impact of closure upon the institutions staff, and the possibility of staff members finding employment, either with the state, service providers for people with MR/DD, or other private-sector employment.

In the opinion of the Subcommittee, planning for the closure process should begin immediately. The consolidation of services among the institutions and the closure of the chosen institution should begin in FY 1996.