

Approved: 3-11-96  
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p.m. on February 12, 1995 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Russell Mills, Susan Wieggers, Legislative Research Department  
Jim Wilson, Revisor of Statutes; Mike Corrigan, Revisor  
Tim Kukula, Appropriations Secretary; Todd Fertig, Administrative Aide

Others attending: See attached list

Chairman Jennison recognized Representative Neufeld to give the subcommittee report for the Department of Aging. Representative Neufeld stated that the subcommittee concurs with the Governor's FY 1996 recommendations. Questions arose concerning a report about various programs. The Secretary of the Department of Aging was present and stated that the department would provide the report within a few days. Representative Neufeld stated that the subcommittee concurs with the Governor's FY 1997 recommendations with adjustments (Attachment 1).

A motion was made by Representative Helgerson, seconded by Representative Dean, to add \$101,722 from State General Fund to match the Senior Care Program with funds that were provided last year. The motion failed with a division of 8 to 12. Reps. Nichols, Helgerson, Gross, Hochhauser, Dean, Edlund voted yes.

A motion was made by Representative Helgerson, seconded by Representative Dean, to add \$361,620 for an additional 121,000 meals. The motion failed with a division of 8 to 13. Reps. Edlund, Dean, Nichols, Helgerson, Hochhauser and Gross voted yes.

A motion was made by Representative Neufeld, seconded by Representative Farmer, to adopt the subcommittee report. The motion carried. Reps. Dean, Hochhauser, Helgerson, and Nichols voted no.

Chairman Jennison recognized Representative Neufeld to give the subcommittee report on the Kansas Guardianship Program. Representative Neufeld stated that the subcommittee concurs with the Governor's FY 1996 recommendations and concurs with an observation on the Governor's FY 1997 recommendation.

A motion was made by Representative Neufeld, seconded by Representative Minor, to adopt the subcommittee report for the Kansas Guardianship Program. The motion carried.

Chairman Jennison recognized Representative Carmody to give the subcommittee report on Mental Retardation Hospitals at Parsons, Winfield, and the Kansas Neurological Institute. Representative Carmody stated that the subcommittee report concurs with the Governor's recommendation for FY 1996 (Attachment 2). Chairman Jennison then recognized Representative Nichols to give the Minority report. Representative Nichols said his report is the same for both FY 1996 and FY 1997, and for both Mental Health and Mental Retardation Institutions. The Minority report proposes that four changes be made to the Majority report (Attachments 2-6). Representative Carmody then gave the subcommittee report for FY 1997 stating that the subcommittee concurs with the Governor's recommendations and the subcommittee added language to the report recommending the re-examination of the hospital requests be either the Senate or by Governor's Budget Amendment.

A three part motion was made by Representative Nichols, seconded by Representative Helgerson, to add the language of the Minority report to the Majority report, from the minority report: Part 1. To keep 90 beds open at Osawatamie, Larned and Topeka State Hospitals (#2 in Minority Report). The motion failed with a division of 7 to 11. Representative Nichols then withdrew parts 2 and 3 of his original motion.

A motion was made by Representative Carmody, seconded by Representative Gatlin to adopt the subcommittee report on Mental Retardation Institutions. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on February 12, 1996.

Chairman Jennison recognized Representative Carmody to give the subcommittee report on Mental Health Hospitals at Larned, Osawatamie, Topeka and the Rainbow Mental Health Facility. Representative Carmody stated that the subcommittee concurs with the Governor's FY 1996 and FY 1997 recommendations and concurs with provisions and comments (Attachment 3).

Representative Nichols included for the record, the same Minority report for Mental Health as was used for Mental Retardation.

A motion was made by Representative Dean, seconded by Representative Helgerson, to amend the subcommittee report to include the Minority report. The motion failed 8 to 14.

A motion was made by Representative Carmody, seconded by Representative Lowther, to adopt the subcommittee report on Mental Health Hospitals. The motion carried.

The meeting adjourned at 3:25.

The next meeting is scheduled for February 13, 1996.

LEGISLATIVE BUDGET COMMITTEE

DATE 2-12-96

NAME	ADDRESS	REPRESENTING
Penny Sue Johnson	Ks.	The Ks Coalition, Inc / KAs Adv. Council
Helma Kintz Dardos	Topeka	KDOA
Alvin Smith	Topeka	KDOA
Don Powell	Topeka	SRS
Rosie Cooper	Topeka	Keys For Networking
Debra Duda	Osage City	Resource Center for Independent Living
Tom Hooley	Vassar Ks	AARP
Charles H. Freeman	Vassar, Ks. 66543	AARP - CCTF
Harold Pitts	Topeka	KLOA - AARP
Jan Kula	Manhattan	MS Bship Program.
Sandy Strand	Lawrence	Ks Advocates for Better Care
Harold Jones	Topeka	SILCR
Mrs. McDonald	Salina	KACIL
Meyson Light	Topeka	Kearney + Assoc.
Roger Franze	"	KSGC
Alan Holmes	Topeka	DOB
Jim Kamp	Topeka	City of Topeka
Jin Hwang	"	DOB
Shelley Krestini	Topeka	KIDD
Margie Pressgrove	Topeka	Intubak, Intern
Ken Green	Topeka	Governor's Office
Jeff Damm	Vaploa	TILRC
Jessal Johnson	Topeka	TILRC
Susan Briggs	Topeka	TILRC



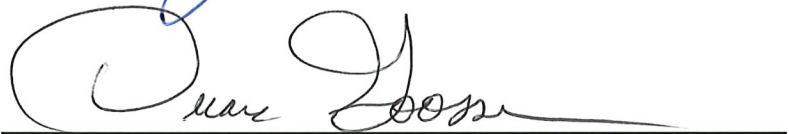
# Subcommittee Report 1996 House Bill 2724

§ 77 Department on Aging

§ 33 Kansas Guardianship Program



Representative Melvin Neufeld, Chairman



Representative Duane Goossen

Representative Sheila Hochhauser



Representative Robin Jennison



Representative Melvin Minor

# KANSAS DEPARTMENT ON AGING

## Subcommittee Report

The Kansas Act on the Aging (K.S.A. 75-5901 ff) created the Kansas Department on Aging (KDOA), and outlines the agency's responsibilities, which include: developing a comprehensive plan to meet the needs of older Kansans; keeping informed on the latest developments, research and programs concerning the needs of older people; developing programs to meet those needs; evaluating all programs, services and facilities in the state; determining the extent to which the needs of the elderly are being met; establishing policies for the administration of the Department; receiving and distributing federal funds; and soliciting, accepting and administering on behalf of the state any grants in other fields made available to Kansas for services to older Kansans.

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
<b>All Funds:</b>					
Operating Expenditures	\$ 19,358,126	\$ 21,203,503	\$ 20,300,329	\$ 20,671,995	\$ 18,413,526
Capital Improvements	0	0	0	0	0
<b>Total</b>	<b>\$ 19,358,126</b>	<b>\$ 21,203,503</b>	<b>\$ 20,300,329</b>	<b>\$ 20,671,995</b>	<b>\$ 18,413,526</b>
<b>State General Fund:</b>					
Operating Expenditures	\$ 5,840,333	\$ 6,665,110	\$ 6,459,278	\$ 6,769,442	\$ 5,843,885
Capital Improvements	0	0	0	0	0
<b>Total</b>	<b>\$ 5,840,333</b>	<b>\$ 6,665,110</b>	<b>\$ 6,459,278</b>	<b>\$ 6,769,442</b>	<b>\$ 5,843,885</b>
<b>Percentage Change:</b>					
<b>Operating Expenditures:</b>					
All Funds	9.9%	9.5%	4.9%	(2.5)%	(9.3)%
State General Fund	12.0	14.1	10.6	1.6	(9.5)
FTE Positions	40.8	40.8	40.8	40.8	40.8
Unclassified Temp. Positions	4.8	4.8	4.8	4.8	4.8
<b>Total</b>	<b>45.6</b>	<b>45.6</b>	<b>45.6</b>	<b>45.6</b>	<b>45.6</b>

## HIGHLIGHTS OF THIS BUDGET

- ▶ The agency requests \$8,821,813 in FY 1997 for nutrition grants. Of this funding, \$1,753,246 is from the State General Fund, and \$7,068,567 is from federal OAA funds. This amount of funding would allow for 3,782,777 OAA meals to be served (the same number as in FY 1996), and for the delivery of 466,298 In-Home Nutrition Program meals (10,680 less than in FY 1996). **The Governor recommends \$8,460,193 in FY 1997.** The Governor reduces funding from the State General Fund by \$361,620 (to \$1,391,626), but concurs with the agency's request for federal meal funding. Unless the agency is able to replace the deleted funding with personal contributions and other

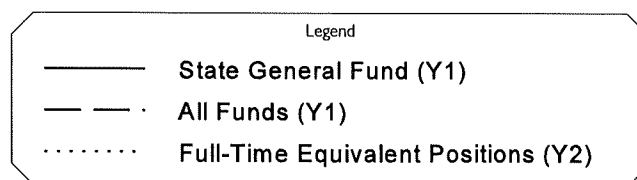
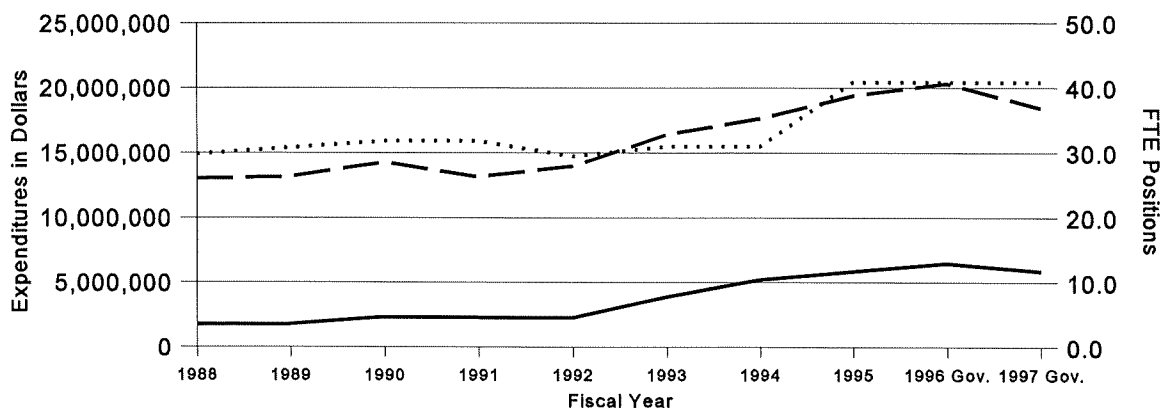


local support, the number of meals served through the OAA nutrition program will fall by 121,965, to 3,660,812 meals.

- ▶ The agency requests \$2,035,040 for Senior Care Act services. This would allow for services to 4,240 people in 100 counties. **The Governor recommends FY 1997 Senior Care Act funding of \$1,933,678.** This is \$101,722 less than requested by the agency. Persons served would be reduced to 4,030; counties covered would fall to 95.
- ▶ The agency requests \$135,000 for Custom Care in FY 1997, or enough to provide services to 136 persons. **The Governor recommends \$128,250,** reducing the number of persons receiving services to 129. For Environmental Modification, the agency requests \$163,350 in FY 1997. This amount of funding would allow for 152 people to receive services. **The Governor recommends \$155,183.** This means that only 145 people will receive the environmental modification services necessary to allow them to remain in their homes.
- ▶ The Governor also transfers the Senior Employment Program (\$1.27 million in FY 1996) to the Department of Human Resources.

FY 1996 – CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 – BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 211,230	\$ 5,398	\$ 104,332	\$ (615,393)	1.6%	(9.5)%
All Other Funds	164,719	(532,623)	(635,840)	(1,271,410)	(4.4)	(8.6)
<b>TOTAL</b>	<b>\$ 375,949</b>	<b>\$ (527,225)</b>	<b>\$ (531,508)</b>	<b>\$ (1,886,803)</b>	<b>(2.5)%</b>	<b>(9.3)%</b>
FTE Positions	0.0	0.0	0.0	0.0		

### OPERATING EXPENDITURES FY 1988-FY 1997



**House Subcommittee Recommendation**

FY 1996. Concur.

FY 1997. The Subcommittee concurs with the Governor's recommendations, with the following adjustments and observations:

1. The Subcommittee notes that the agency is currently working with the Department of Social and Rehabilitation Services on the transfer of long-term-care programs for seniors from SRS to the Department on Aging. A bill authorizing the transfer should appear within a short time of this report. The Subcommittee wants to examine the bill making the transfer (whether or not the bill is referred to the House Appropriations Committee). Financial ramifications will be addressed in the Omnibus appropriations bill. Financial ramifications should be limited to the transfer of program funding and positions, as the agencies are working to ensure that the transfer of these programs will be revenue neutral (at least with respect to the state agencies involved; area agencies on aging report that there will be financial impacts stemming from the transition).
2. Delete 1.0 FTE position in FY 1997, and \$39,774 in federal funding associated with this position. This reflects the transfer of a position (associated with senior employment programs at the Department on Aging) to the Department of Human Resources. The Subcommittee examining the FY 1997-FY 1998 budget of this agency should verify that an additional position will have been eliminated for FY 1997, *i.e.*, that the agency has met the five-percent position reduction ordered by the Governor.
3. Transfer \$100,000 in State General Fund moneys for the CARE program from the "Operating Expenditures" line item to the "Program Grants" line item, and give the agency an unlimited reappropriation in CARE program expenditures. This will give the Secretary flexibility to use any administrative savings accrued in the CARE program to match federal dollars for nutrition programs.
4. The Subcommittee calls the Committee's attention to the following performance indicators for the agency:



**Department on Aging Performance Indicators**

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>
Persons Served by Senior Care Act	2,689	4,050	4,430	4,240
Diversions from Nursing Homes by SCA Services	36% of SCA clients	42%	44%	45%
CARE Program Evaluations	N/A	8,651	14,300 *	14,300 *
OAA Nutrition Program Meals	3,887,579	3,900,632	3,782,777	3,782,777 **
In-Home Nutrition Meals	457,389	476,978	476,978	466,298

\* The number of Level I Assessments performed during the first half of calendar year 1995 was 7,500; the number performed during the second half of the year was 6,056 (about 20-24 percent less than estimated). The number of Level II Assessments performed during the first half of Calendar year 1995 (1151) was nearly twice the number of Assessments performed during the last half of the year (661). Whether this is due to a seasonal variation or other factors is not known. It is, with the limited experience the Department on Aging has with numbers of screenings, well-nigh impossible to predict trends in the number of screenings. If the number of screenings needed mirrors the last half of the calendar year 1995, the Governor's recommendations for FY 1996 (\$1,538,950, or \$832,504 less than the agency estimate) should be sufficient for the required number of screenings. However, if the number of screenings in the future mirrors the first half of the year, the agency could be required to request a supplemental appropriation. The Secretary of Aging should report to the Legislature at Omnibus time on the sufficiency of funding for CARE assessments.

\*\* This number will be sustained only if nutrition sites produce \$361,620 in new local income. This is the amount of the State General Fund cut to nutrition programs. If nutrition sites do not produce this income, either through contributions from customers or increased support from local units of government, the number of meals served could fall by as much as 121,965. The Subcommittee transferred SGF funding for the CARE program from the "Operating Expenditures" line item to the "Program Grants" line item in order to give the Secretary of Aging the flexibility to use savings to match federal nutrition program dollars. However, as the Subcommittee noted above, the amount of screenings needed for the CARE program is uncertain, and there may be little, if any savings, in this program.

The Subcommittee recommends that, if there is time to do so later in the 1996 Session, the House Appropriations Committee examine the agency's performance measures to determine the adequacy with which they allow for legislative tracking of moneys spent.

5. Transfer \$15,000 SGF from the "Agency Operations" line item to the "Program Grants" line item. The \$15,000 was to have been used for a Governor's Conference on Aging. In the Subcommittee's view, the moneys would be better used to restore FY 1997 cuts (with respect to the current year) made by the Governor in Custom Care (\$6,750) and Environmental Modification (\$8,167). These two programs allow Seniors to receive case management and home remodeling services in order to delay or avoid entry into a nursing home. Since avoiding the institutionalization of seniors, where practicable, has long been a declared goal of the state, it makes more sense to use this funding for Custom Care and Environmental Modification rather than for a conference.
6. In view of the state's goal of avoiding, when possible, the institutionalization of old people, and in view of the \$13,000,000 cut to funding for nursing homes found in the Governor's recommendations, the Subcommittee is perplexed that the Governor made cuts to the following programs, all of which enable seniors to remain independent, in their own homes, and which help the State of Kansas in avoiding the onerous costs of nursing-home care:

- ✓ **Senior Care Act.** The agency requested \$2,035,040 for Senior Care Act Services. This would allow for services to 4,240 people in 100 counties. The Governor recommends FY 1997 Senior Care Act funding of \$1,933,678. This is \$101,722 less than requested by the agency. Persons served would be reduced to 4,030; counties covered would fall to 95.
  
- ✓ **Nutrition Programs.** The agency requested \$8,821,813 in FY 1997 for nutrition grants. Of this funding, \$1,753,246 is from the State General Fund, and \$7,068,567 is from federal OAA funds. This amount of funding would allow for 3,782,777 OAA meals to be served (the same number as in FY 1996), and for the delivery of 466,298 In-Home Nutrition Program meals (10,680 less than in FY 1996). **The Governor recommends \$8.460,193 in FY 1997.** The Governor reduces funding from the State General Fund by \$361,620 (to \$1,391,626), but concurs with the agency's request for federal meal funding. Unless the agency is able to replace the deleted funding with personal contributions and other local support, the number of meals served through the OAA nutrition program will fall by 121,965, to \$3,660,812.

The Subcommittee is concerned at the effect that these reductions may have, *i.e.*, forcing some older people into nursing homes who otherwise might not have to go. In light of the great cost of institutionalizing people, as opposed to facilitating their continuing to live in their homes, we feel that the Governor's cuts may be penny-wise, but pound-foolish. We request that the Governor reconsider the reductions that he has made in these programs, and that he submit a Governor's budget amendment to restore the cuts that he has made in these areas. If no such GBA is forthcoming, the Committee may wish to reconsider these items at Omnibus time.



# KANSAS GUARDIANSHIP PROGRAM

## Subcommittee Report

The purpose of the KGP is to assure that adults who are without family or financial resources, and who are identified by SRS as in need of a court-appointed guardian or conservator (or both) will have a qualified, trained and caring volunteer to serve as their legally-appointed guardian or conservator (or both).

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
All Funds:					
Guardianship Prog. Oper.	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal - Operating	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
Capital Improvements	0	0	0	0	0
TOTAL	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
State General Fund:					
Guardianship Prog. Oper.	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
Subtotal - Operating	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
Capital Improvements	0	0	0	0	0
TOTAL	\$ 0	\$ 1,227,166	\$ 1,131,747	\$ 1,214,771	\$ 1,106,910
Percentage Change:					
Operating Expenditures:					
All Funds	N/A	N/A	N/A	(1.0)%	(2.2)%
State General Fund	N/A	N/A	N/A	(1.0)	(2.2)
FTE Positions	0.0	12.0	12.0	14.0	12.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	12.0	12.0	14.0	12.0

## HIGHLIGHTS OF THIS BUDGET

- ▶ The primary issue in the Kansas Guardianship Program's FY 1997 budget is its request for two new positions, which would cost \$41,000. One of the positions would be a Recruiter/Facilitator for Program volunteers. The other position would be a Business Assistant. According to the Program, the two new staff positions would allow the agency to phase in 150 new wards or conservatees (or both) over the course of the fiscal year. According to the agency, the expected closure of two state hospitals will in all likelihood result in an increase in the agency's caseload. The Governor does not recommend funding for the new positions. Nonetheless, according to the Governor,

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the agency should be able to begin to serve 150 new clients during the course of FY 1997.

FY 1996 -- CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 -- BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$(12,396)	\$(107,815)	\$ (12,395)	\$ (24,837)	(1.0)%	(2.2)%
All Other Funds	0	0	0	0	0.0	0.0
<b>TOTAL</b>	<b>\$(12,396)</b>	<b>\$(107,815)</b>	<b>\$ (12,395)</b>	<b>\$ (24,837)</b>	<b>(1.0)%</b>	<b>(2.2)%</b>
FTE Positions	0.0	0.0	2.0	0.0		

## BUDGET TRENDS

This entity was established in 1995. There are, therefore, no historical data with respect to the organization's operating expenditures.

## LEGISLATIVE CONSIDERATION

### House Subcommittee Recommendation

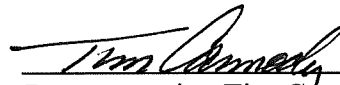
FY 1996. Concur with the Governor.

FY 1997. The Subcommittee concurs with the Governor, but feels that the performance measure in the *Governor's Budget Report* for the number of people served in FY 1997 by this organization (see below) may be unrealistic in light of the funding recommended by the Governor for the Guardianship Program. Subcommittees examining this organization's budget during the 1997 Session should revisit the issue of FY 1997 funding to see whether it is adequate in light of possible increases in the Program's caseload (e.g., due to the closure of a state hospital).

	FY 1995 Actual	FY 1996 Estimate	FY 1997 Estimate*
Number of persons identified for services	1,950	1,950	2,100
* Estimated level of performance under Governor's recommendation.			

**FY 1996 AND FY 1997  
House Subcommittee Reports for:**

**Mental Retardation Hospitals:  
Kansas Neurological Institute  
Parsons State Hospital & Training Center  
Winfield State Hospital & Training Center**



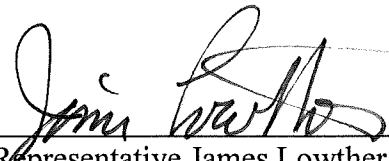
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Representative Tim Carmody  
Subcommittee Chairperson



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Representative Fred Gatlin



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Representative James Lowther

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Representative Rocky Nichols

# MENTAL RETARDATION HOSPITALS

## Subcommittee Report

The Kansas Neurological Institute, Parsons State Hospital and Training Center, and Winfield State Hospital and Training Center are the three residential treatment, training and care facilities operated by the State of Kansas to serve mentally retarded persons whose circumstances require specialized residential service provisions.

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96	Agency Req. FY 97	Gov. Rec. FY 97
<b>All Funds:</b>					
Operating Expenditures	\$ 70,188,480	\$ 70,179,193	\$ 68,682,710	\$ 69,131,491	\$ 66,694,750
Capital Improvements	1,871,900	398,651	398,651	0	0
Total	<u>\$ 72,060,380</u>	<u>\$ 70,577,844</u>	<u>\$ 69,081,361</u>	<u>\$ 69,131,491</u>	<u>\$ 66,694,750</u>
<b>State General Fund:</b>					
Operating Expenditures	\$ 32,869,962	\$ 33,220,852	\$ 31,741,937	\$ 36,636,972	\$ 34,132,141
Capital Improvements	0	0	0	0	0
Total	<u>\$ 32,869,962</u>	<u>\$ 33,220,852</u>	<u>\$ 31,741,937</u>	<u>\$ 36,636,972</u>	<u>\$ 34,132,141</u>
<b>Percentage Change:</b>					
<b>Operating Expenditures:</b>					
All Funds	(0.8)%	(1.5)%	(2.1)%	(1.5)%	(2.9)%
State General Fund	18.6	1.1	(3.4)	10.3	7.5
<b>FTE Positions</b>					
Unclassified Temp. Positions	2,156.0	2,106.5	2,089.5	2,048.5	2,031.5
Total	<u>2,156.0</u>	<u>2,106.5</u>	<u>2,089.5</u>	<u>2,048.5</u>	<u>2,031.5</u>

## HIGHLIGHTS OF THIS BUDGET

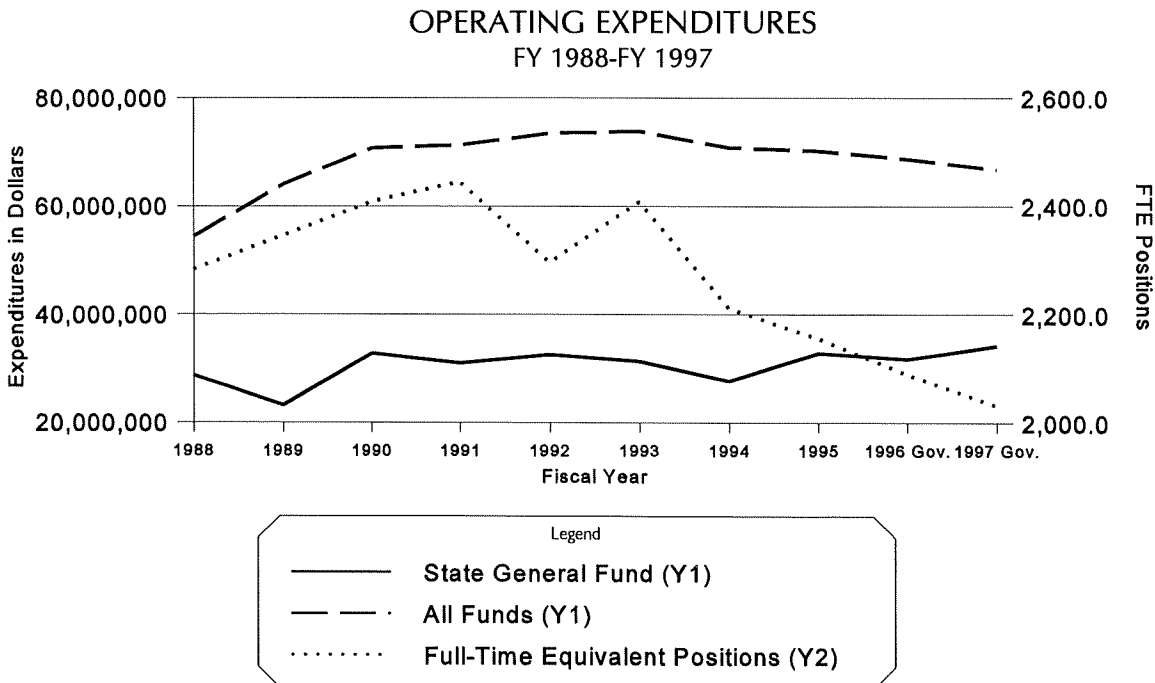
- ▶ All three institutions continue to downsize their staff as residents are placed into the community. The ending FY 1995 FTE count for the Kansas Neurological Institute (KNI) was 815.5 while the legislatively approved FTE count for the end of FY 1996 is 765.0. The requested FTE positions for FY 1997 is 742.0. The ending FY 1995 FTE count at Parsons State Hospital and Training Center (PSH&TC) was 525.0 while the legislatively approved FTE count for the end of FY 1996 is 515.0. The hospital requests 515.0 FTE positions for FY 1997. Winfield State Hospital and Training Center's (WSH&TC) ending FY 1995 FTE count was 815.5 while the legislatively approved FTE count for the end of FY 1996 is 791.5. The requested FTE positions for FY 1997 is 791.5.



- ▶ **The Governor recommends** an FY 1996 FTE count for KNI of 765.0. This figure is equal to the approved FTE count for the end of FY 1996. **The Governor recommends** 742.0 FTE in FY 1997 for KNI which is equal to the agency request. **The Governor's recommendation** for FTE at PSH&TC is 525.0 in FY 1996 and 515.0 in FY 1997. These figures are equal to the legislatively approved FTE counts for PSH&TC. **The Governor recommends** 799.5 FTE and 774.5 FTE for WSH&TC for FYs 1996 and 1997, respectively. The recommendation for FY 1996 is 8.0 FTE higher than the approved FY 1996 FTE count, and the recommendation for FY 1997 is 5.0 FTE lower than the requested FY 1997 FTE count.
- ▶ The agencies' requests for capital outlay are as follows: KNI – \$75,000; PSH&TC – \$69,535; and WSH&TC – \$92,230. **The Governor recommends** no capital outlay funding for KNI and WSH&TC, and \$23,235 for PSH&TC. The Governor gave the possible closure of an MR hospital as a reason for the limited funding.

FY 1996 – CURRENT YEAR CHANGE FROM APPROVED BUDGET			FY 1997 – BUDGET YEAR CHANGE FROM FY 1996			
	Agency Est.	Gov. Rec.	Dollar Change		Percent Change	
			Agency Req.	Gov. Rec.	Agency Req.	Gov. Rec.
State General Fund	\$ 1,478,915	\$ 0	\$ 3,416,120	\$ 2,390,204	10.3%	7.5%
All Other Funds	(1,757,212)	(1,772,780)	(4,463,822)	(4,378,164)	(12.1)	(11.9)
<b>TOTAL</b>	<b>\$ (278,297)</b>	<b>\$ (1,772,780)</b>	<b>\$ (1,047,702)</b>	<b>\$ (1,987,960)</b>	<b>(1.5)%</b>	<b>(2.9)%</b>
FTE Positions	(7.0)	(24.0)	(58.0)	(58.0)		

## BUDGET TRENDS



**MENTAL RETARDATION HOSPITALS  
Operating Expenditures**

Hospital	State General Fund			All Funds			FTE FY 97
	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	
KNI	\$ 12,324,656	\$ 13,472,982	9.3%	\$ 24,337,426	\$ 24,149,356	(0.8)%	742.0
Parsons	7,578,583	7,880,774	4.0	18,025,597	17,275,924	(4.2)	515.0
Winfield	11,838,698	12,778,385	7.9	26,319,687	25,269,470	(4.0)	774.5
	<u>\$ 31,741,937</u>	<u>\$ 34,132,141</u>	<u>7.5%</u>	<u>\$ 68,682,710</u>	<u>\$ 66,694,750</u>	<u>(2.9)%</u>	<u>2,031.5</u>

**Average Daily Census**

	Agency Request FY 1996	Gov. Rec. FY 1996	Agency Request FY 1997	Gov. Rec. FY 1996
KNI	236	236	225	225
Parsons	213	213	200	200
Winfield	244	244	225	225

**LEGISLATIVE CONSIDERATION**

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FY 1996. The House Subcommittee concurs with the Governor's recommendations.

FY 1997. The House Subcommittee notes that the requests made by the mental retardation hospitals were not fully recommended by the Governor pending a decision to close one of the hospitals. The Subcommittee recommends the reexamination of the hospital requests by either the Senate or by a Governor's Budget Amendment.

The House Subcommittee calls attention to the following table that reflects the progress of community client placement.

**COMMUNITY INTEGRATION PROJECT: A SUMMARY OF  
THE NUMBER OF PERSONS IN EACH STEP OF THE PLACEMENT PROCESS**

One hundred sixty-four (164) persons are currently referred by State Mental Retardation Hospitals (SMRHs) for placement into community service settings. Four (4) of these persons are ready to be placed immediately. Each of the persons referred is in one of the following steps of the CIP placement process:

- Step 1:** The person, and/or the person's guardian, has requested community placement. The SMRH is developing an essential lifestyle plan (ELP) documenting the services the person desires. Once completed, the ELP will be sent to Community Developmental Disability Organizations (CDDOs).
- Step 2:** The ELP has been sent to CDDOs. The CDDOs are developing community support plans to serve the person and funding requests to pay for the services which will be sent to the SMRH and MH&DD for review.
- Step 3:** The CDDOs proposed support plan and funding request have been submitted to the SMRH and MH&DD for review. Following their analysis, notification of the status of acceptance and funding is provided for the CDDO.
- Step 4:** The CDDO has been informed the support plan has been approved by the SMRH and the funding request has been approved by MH&DD. The CDDO is completing final arrangements for placing the person in the community setting such as renting housing, training and hiring staff, and making any other special arrangements needed by the person.

The SMRHs have reported the following number of persons in each of the steps of the placement process as of January 12, 1996.

<u>Facility</u>	<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Total Referred</u>
KNI	3	48	0	0	51
Parsons	2	16	0	3	21
Winfield	12	79	0	1	92
<b>TOTAL</b>	<u>17</u>	<u>143</u>	<u>0</u>	<u>4</u>	<u>164</u>

## Minority Report on Mental Health and Mental Retardation Institutions

I disagree with the Majority Subcommittee Report in the following areas, and would make the following changes:

1. The Subcommittee heard testimony from numerous advocates, providers, and users of mental health and developmental disability services that were very concerned with the cuts and current funding levels in the Governor's Budget Report (GBR). These cuts include, but are not limited to, the failure of the GBR to fund the final payment of Mental Health Reform (\$891,297), the reduction of 90 adult psychiatric beds at Osawatomie, Larned and Topeka State Hospitals without corresponding increases to community mental health funding, \$3 million reduction in state aid to Community Developmental Disability Organizations (CDDOs), and the elimination of \$100,000 in funding for the Parent Assistance Network. There are many other shortcomings involving the GBR, which will be explained in the Subcommittee Report on community funding.
2. The Subcommittee recommendation requests a Governor's Budget Amendment (GBA) to keep the 90 beds at Osawatomie, Larned and Topeka State open. Social and Rehabilitation Services (SRS) and Mental Health and Developmental Disabilities Services (MH&DD) have stated to the Subcommittee that they can keep these beds open with no new money because of "new efficiencies" discovered in the system. That being the case, I would change the Subcommittee Report to specifically keep open the 90 beds, rather than simply calling for a GBA. This would hold SRS to its promise to keep the 90 beds open. Without this change, the budget that we pass out of the full Appropriations Committee will not keep these beds open. This change will not cost any additional resources, because SRS has stated that they have the resources available
3. The Administration has agreed to follow-through with the recommendations of the Hospital Closure Commission, and thus has agreed that Winfield and Topeka State Hospitals should be closed. However, the Subcommittee and the people of Kansas have yet to see and detailed strategic plan for the implementation of closure. Although the Governor's Budget Amendment does include additional money for unspecified "closure" expenses, there are no long-ranged financial plans detailing how we are going to pay for the closure of two state hospitals. MH&DD told the Subcommittee that the strategic plan for closure is at least six months to a year away.

I disagree with the Subcommittee that the time lines of closure should be maintained. It is foolish to talk about closure of any state hospitals without a plan for closure and without a long-ranged financial plan which makes commitments to the patients and employees of the hospitals. Therefore, I believe that we should change the Subcommittee Report to prevent the closure of the two hospitals until we have strategic and financial plans from the Administration on closure.

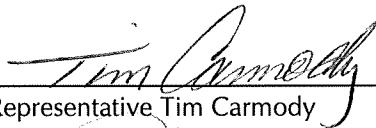
If we adjourn this legislative session and agree to close two state hospitals without strategic and financial plans, we are creating a nightmare next legislative session. The current slated date for closure is December 31, 1997. An appropriation next legislative session, and thus next fiscal year, would give the community only six months to set up the unique services necessary for those former patients of the state hospitals. Many of these needed services are currently not in place. In the case of mental health, these services included regional and mobile crisis stabilization services, crisis houses and other housing programs. Under the current gatekeeper model of Mental Health Reform, the Community Mental Health Centers are the "screeners" for admittance to a state mental hospital. The patients currently in Topeka State Hospital are those for whom there are not adequate community services in place. That is why they are being served at Topeka State.

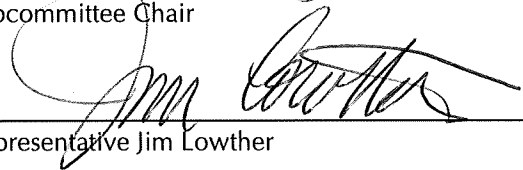
4. Additionally, the Administration has put forth no comprehensive plan for the employees of the state hospitals affected by closure. The report of the Governor's Commission on Hospital Closure called for: "specific initiatives and comprehensive procedures must be implemented ASAP to assist hospital employees to find other state jobs or other employment." This has not happened.

  
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Representative Rocky Nichols

**FY 1996 and FY 1997  
House Subcommittee Report for:  
State Mental Health Hospitals**

**Larned State Hospital  
Osawatomie State Hospital  
Rainbow Mental Health Facility  
Topeka State Hospital**

  
\_\_\_\_\_  
Representative Tim Carmody  
Subcommittee Chair

  
\_\_\_\_\_  
Representative Jim Lowther

  
\_\_\_\_\_  
Representative Fred Gatlin

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Representative Rocky Nichols

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2-12-96

House Appropriations

Attachment  
3

# MENTAL HEALTH INSTITUTIONS -- SYSTEMWIDE

## Subcommittee Report

The four state mental health institutions provide inpatient psychiatric services to adults, adolescents and children. The State Security Hospital at Larned State Hospital serves the entire state. The Substance abuse unit at Osawatomie State Hospital serves the eastern half of the state and the unit at Larned serves the western half.

Expenditure	Actual FY 95	Agency Est. FY 96	Gov. Rec. FY 96*	Agency Req. FY 97	Gov. Rec. FY 97*
All Funds:					
Operating Expenditures	\$ 79,155,969	\$ 79,628,688	\$ 78,309,322	\$ 80,078,060	\$ 74,346,568
Capital Improvements	3,400,014	156,125	156,125	0	0
TOTAL	<u>\$ 82,555,983</u>	<u>\$ 79,784,813</u>	<u>\$ 78,465,447</u>	<u>\$ 80,078,060</u>	<u>\$ 74,346,568</u>
State General Fund:					
Operating Expenditures	\$ 35,408,581	\$ 32,198,397	\$ 30,646,218	\$ 34,492,826	\$ 29,101,620
Capital Improvements	0	0	0	0	0
TOTAL	<u>\$ 35,408,581</u>	<u>\$ 32,198,397</u>	<u>\$ 30,646,218</u>	<u>\$ 34,492,826</u>	<u>\$ 29,101,620</u>
Percentage Change:					
Operating Expenditures:					
All Funds	(3.2)%	0.6%	(1.1)%	0.6%	(5.1)%
State General Fund	(2.4)	(9.1)	(13.4)	7.1	(5.0)
FTE Positions					
FTE Positions	2,159.1	2,086.1	2,086.6	2,094.6	1,938.8
Unclassified Temp. Positions	4.0	4.0	4.0	4.0	4.0
TOTAL	<u>2,163.1</u>	<u>2,090.1</u>	<u>2,090.6</u>	<u>2,098.6</u>	<u>1,942.8</u>

\* Includes Governor's Budget Amendment No. 1, Items 8 and 9.

## HIGHLIGHTS OF THIS BUDGET

### Systemwide

- ▶ For FY 1997, the Governor recommends that monies to finance operation of the Department of Social and Rehabilitation Services and its institutions be approved in a way that will allow the agency to make the adjustments in financing institutional and community budgets to accomplish the effective transfer of clients.
- ▶ The Governor recommends that the Secretary of the Department of Social and Rehabilitation Services (SRS) be allowed to move FTE positions between SRS and the hospitals without requiring the Governor's approval.
- ▶ The Governor recommends no capital outlay funding for Larned State Hospital, Osawatomie State Hospital or Topeka State Hospital for FY 1997.



- ▶ The Governor adjusts FY 1996 expenditures to reflect decreased health insurance rates, modified shrinkage rates and a 1.5 percent State General Fund reduction. For FY 1997, the Governor adjusts expenditures for classified step movement, unclassified merit increases of 2.5 percent for six months and modified longevity payments as well as adjusted shrinkage rates.

### **Larned State Hospital**

- ▶ The agency will complete required Mental Health Reform downsizing in FY 1996 by closing one 30-bed adult ward during FY 1996 and reducing FTE by 21.8 positions in FY 1997.
- ▶ For FY 1997, the agency proposes a 34-bed expansion of the Special Security Program. The expansion would require staffing of 29.8 FTE positions. The agency requests the retention of the 21.8 FTE due to be eliminated because of Mental Health Reform downsizing in FY 1996 and the addition of 8.0 new FTE positions. The Governor does not recommend the expansion of the program at this time. The Governor does not recommend the retention of the 21.8 FTE positions or the new 8.0 FTE positions.
- ▶ The agency proposes closing the hospital's 20-bed inpatient Substance Abuse unit in the first three months of FY 1997 and transferring 2.0 FTE Chemical Dependency Counselors to the Adult Psychiatric program at the beginning of FY 1997. Salaries and wages for the remaining 20.5 FTE are funded for three months. The Governor recommends closing the program during the first three months of FY 1997 but eliminates the 2.0 FTE Chemical Dependency Counselor positions.
- ▶ The Governor recommends closing one 30-bed adult unit at the beginning of FY 1997 and eliminates 33.0 FTE from the Adult Psychiatric program because of the closure.
- ▶ The Governor recommends eliminating a total of 11.0 FTE positions in the following programs and sub-programs: General Administration (4.0), Adolescent Psychiatric (1.0), Staff Education and Research (1.0), Engineering and Protection (4.0) and Dietary (1.0).

### **Osawatomie State Hospital**

- ▶ The agency proposes closing the hospital's 45-bed inpatient Substance Abuse unit in the first three months of FY 1997 and transferring 5.0 FTE Chemical Dependency Counselors to the Adult Psychiatric program at the beginning of FY 1997. Salaries and wages for the remaining 32.0 FTE are funded for three months. The Governor recommends closing the program during the first three months of FY 1997 but eliminates the 5.0 FTE Chemical Dependency Counselor positions.
- ▶ The Governor recommends closing one 30-bed adult unit at the beginning of FY 1997 and eliminates 21.0 FTE positions from the Adult Psychiatric program because of the closure.
- ▶ The Governor recommends eliminating 13.0 FTE positions from the General Administration program in FY 1997.

### **Rainbow Mental Health Facility**

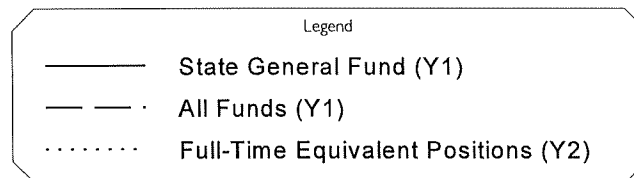
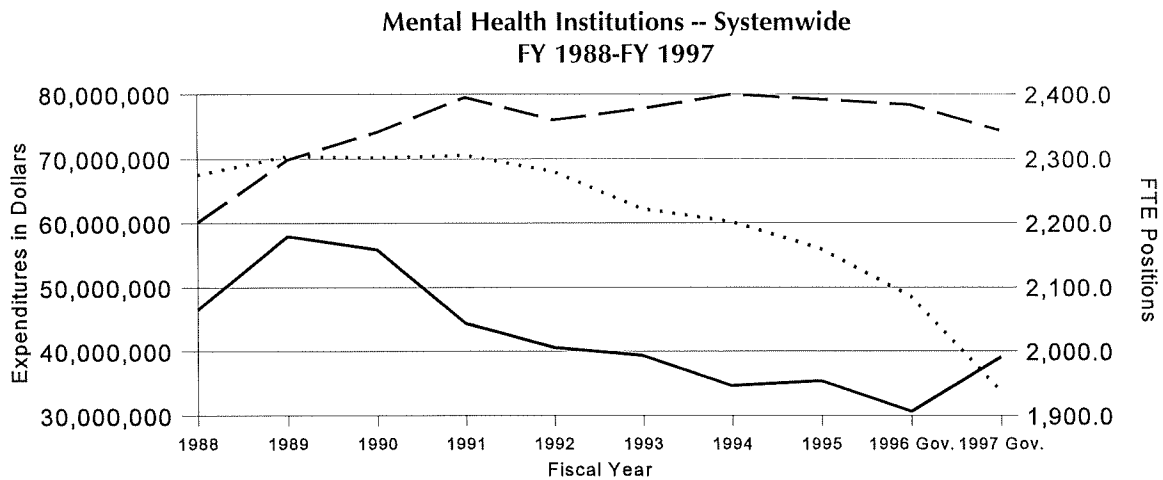
- ▶ In FY 1997, the Governor adjusts the shrinkage rate from the 7.1 percent requested by the agency to 6.7 percent. The average daily census is expected to begin increasing closer to capacity due to the completion of cottage remodeling and 6.7 percent shrinkage is seen as more realistic.

- ▶ Agency operations for FY 1997 are recommended to continue at current levels.

## Topeka State Hospital

- ▶ In FY 1996, Topeka State Hospital entered into two separate contracts for medical and custodial services. The comprehensive medical contract with Liberty Healthcare will provide service to the on-grounds clinics, off-site medical services, pharmacy services, and physician of the day coverage. The custodial services contract will provide janitorial coverage in the Red Brick buildings occupied by the Department of Social and Rehabilitation Services. The Governor supports both of these contracts for FY 1996 and FY 1997.
- ▶ The Governor recommends the closure of one 30-bed adult psychiatric ward in FY 1997 and eliminates 36.0 FTE positions due to this closure.
- ▶ The Governor recommends the elimination of 4.0 FTE positions from the Ancillary Services and Physical Plant and Central services programs.

## BUDGET TRENDS



	State General Fund			All Funds			FTE FY 97
	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	Gov. Rec. FY 96	Gov. Rec. FY 97	% Change	
	Larned	\$ 15,123,500	\$ 14,872,586	(1.7)%	\$ 30,033,645	\$ 27,992,115	
Osawatomie	7,224,423	6,248,772	(13.5)	21,385,306	19,796,432	(7.4)	532.5
Rainbow	2,507,975	2,901,017	15.7	5,765,096	5,858,434	1.6	136.4
Topeka	5,790,320	5,079,245	(12.3)	21,125,275	20,699,587	(2.0)	530.1

## LEGISLATIVE CONSIDERATION

### House Subcommittee Recommendation

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

1. The Subcommittee's approval is based on the expectation that one or more Governor's Budget Amendments (GBA) will be made which begins to move the system toward the closure of an institution. The Subcommittee recommends that the amended budget should be considered by the Senate or in the Omnibus session. The Subcommittee requests that a GBA include the reinstatement of the 90 adult beds recommended for elimination at Topeka, Larned and Osawatomie State Hospitals in the Governor's original budget and the GBA should also include a plan to provide some dual diagnosis beds (mental illness/chemical dependency) at Osawatomie and Larned to offset the closure of the Substance Abuse units at both of those hospitals. The Subcommittee has been informed by SRS that efficiencies and other budget reorganization has made money available to accomplish both of these items and the Subcommittee supports the effort.
2. The Subcommittee notes that the original staff budget analysis differs from later budget information offered by Social and Rehabilitation Services. This is due primarily to the rapidly developing nature of the closure decision and the budgetary readjustments that it requires.
3. The Subcommittee urges the Governor to submit an amended budget for consideration by the full House of Representatives during February.
4. The Subcommittee is concerned the substance abuse units at Osawatomie and Larned will be closed before adequate services are available in the community. The Subcommittee urges the House Subcommittee reviewing the main SRS budget to study the funding for community substance abuse services carefully and to take that funding level into consideration in making final budget decisions.
5. The Subcommittee encourages the agency to maintain their timelines regarding the closure process and offer support and aid to the agency for this purpose. The Subcommittee feels it would be very helpful to have more specific information regarding closure before the end of the legislative session.
6. The Subcommittee concurs with Governor's Budget Amendment No. 1, Item 8, which increases the FTE position limitation at Osawatomie State Hospital by 0.5 FTE position in FY 1996 and FY 1997. The Subcommittee also concurs with Item 9, which adds 4.0 Unclassified Temporary positions to the Topeka State Hospital budget for FY 1996 and

FY 1997. All these FTE positions are existing positions and were inadvertently left out of the Governor's recommendations.

7. The Subcommittee concurs with the new SRS policy of treating all budgets together as one system. The Subcommittee believes this provides maximum flexibility in managing resources between institutions and between institutional and community services.
8. The Subcommittee encourages the Department of Administration and the Department of Social and Rehabilitation Services to submit to the legislature a package of proposed assistance to workers displaced by the closure of Topeka State Hospital.
9. The Subcommittee notes the issue of the security program expansion in the Larned State Hospital budget analysis. The Subcommittee notes the Governor did not recommend the expansion and recommends the Senate look into this issue.

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