

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 22, 1996 in Room 123-S of the Capitol.

All members were present except: Senator Moran, who was excused

Committee staff present: Legislative Research Department staff assigned to budgets within SB 465  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

**SB 465: Appropriations for FY 97, homestead tax refunds, department of human resources, commission on veteran affairs, department of health and environment, department on aging and corporation for change**

**Corporation for Change**

Senator Rock reviewed the FY 96 and FY 97 subcommittee reports (Attachment 1). A motion was offered by Senator Rock and seconded by Senator Vancrum that the reports be adopted. The motion carried on a voice vote.

**Department of Revenue--Homestead Property Tax Refunds**

The FY 96 and FY 97 subcommittee reports were presented by Senator Morris (Attachment 2). It was moved by Senator Morris and seconded by Senator Petty that the reports be adopted. The motion carried on a voice vote.

**Department of Human Resources**

The subcommittee reports for the Department of Human Resources in FY 96 and FY 97 were reviewed by Senator Salisbury (Attachment 3). Commenting in response to item 2 of the FY 97 report, Senator Rock stated that it was his belief that information regarding all residential options in regard to institutional closure has been mailed to clients.

Senator Karr inquired whether the Governor's recommended transfer of a program for older Kansans from the Department of Aging to the Department of Human Resources involved the loss of FTE positions and funds. Mr. Roger Aeschliman, Deputy Secretary of the Department of Human Resources, stated that the Department did not receive an additional FTE position but did receive the transfer of an employee who receives the federal grant monies and contracts the program out as it was done in the past. Senator Brady pointed out that the subcommittee did not take any testimony on Executive Reorganization Orders which will require a statutory change to implement. Mr. Aeschliman stated that the Governor's office intends to introduce a trailer bill on the statutory changes, but is waiting to see the results of current bills that recommend nonadoption the EROs. Senator Salisbury clarified that the \$165,000 recommended by the Governor prior to the ERO is in the budget of the Department of Human Resources.

Senator Brady, addressing the closure of eight Job Service Centers (item 4 of the FY 97 report), expressed concern that when federal dollars are lost, the first reaction is to reduce services.

Senator Vancrum pointed out that 11% of job seekers obtain employment according to the agency's performance measures (Attachment 3-11). Members concurred that this item should be flagged in the report for further study next legislative session.

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 22, 1996.

There was some discussion regarding the JPTA Council and the potential for jeopardizing federal monies. Members concurred that the subcommittee report include language to express the Committee's concern about the JPTA Council and to urge the Department to be certain that all requirements are met so that the approximately \$8 million in JPTA funding is not endangered.

Senator Salisbury moved, Senator Brady seconded, that the FY 96 and FY 97 subcommittee reports be adopted. The motion carried on a voice vote.

### **Kansas Commission on Veterans Affairs**

Senator Morris reviewed the FY 96 and FY 97 subcommittee reports (Attachment 4). Senator Brady inquired whether the subcommittee had discussed other alternatives in terms of downsizing in lieu of closing a field office (item 1 of the FY 97 report). Mr. Stan Teasley, Director of the Commission, reviewed staffing of the offices, noting that 18 of the 21 offices have 2 FTE positions or less. He stated that it was not possible to make cuts anywhere else.

It was moved by Senator Morris and seconded by Senator Petty that the reports be adopted. The motion carried on a voice vote.

### **Kansas Soldiers Home**

The FY 96 and FY 97 subcommittee reports were reviewed by Senator Morris (Attachment 5). In answer to questions, it was stated that the census of the home is approximately 228-230. Staff noted that \$600,000 was taken from the fee fund to replace SGF funding last year. Mr. Teasley told members that clients who are being served now do not have the resources to pay the total expenses, and there is no way of knowing whether this trend will continue.

By consensus, members agreed to amend the subcommittee report to request that performance measures include costs per claim allowed.

Senator Morris moved, Senator Petty seconded, that the FY 96 report and the FY 97 subcommittee report as amended be approved. The motion carried on a voice vote.

### **Health and Environment**

Senator Rock presented the FY 96 and FY 97 subcommittee reports (Attachment 6). In discussing item 2 of the FY 97 report, Mr. Ron Hammerschmidt, Director, Division of Environment, stated that the demand on the Underground Petroleum Storage Tank Release Trust Fund has been approximately \$14 million per year and that demand will be steady for the next 5-10 years.

Staff pointed out that the Department is actually ahead of most agencies in meeting the Governor's recommendations for staffing reductions (item 3 of the FY 97 report).

Senator Petty inquired whether there was any possibility that monies for the Infant and Toddler Program would be lost at the local level because of the transfer of the program to the Department of Education. She stated that it was the assumption of some advocates that special education monies would cover costs of the program. Mr. Doug Boman, State Coordinating Council, stated that that is not the intent of the reorganization or federal law. He said that if local policymakers have the perception that the Department of Education will provide the resources for this program, they will need to be educated about the importance of local support. Senator Brady moved, Senator Karr seconded that the subcommittee report be amended to emphasize that local resources for the Infant and Toddler Program need to be maintained after the transfer of the program from the Department of Health and Environment to the Department of Education because special education dollars will not be available for this purpose. The motion carried on a voice vote.

Senator Morris inquired about the possibility of an additional FTE to handle the expanding hog population in western Kansas. A representative from the Department stated that the time spent with facilities in that area has been increased, but additional resources might not be spent there because of greater concerns elsewhere.

Senator Salisbury inquired whether the Department notifies health care facilities prior to on-site surveys (item 4 of the FY 97 report). Dr. Steven Potsic, Director, Division of Health, stated that the facilities are not notified and that the inspections are staggered. Senator Salisbury asked the Director to interpret the subcommittee sentence, "Survey staff is visiting with adult home care administrators prior to an on-site visit to see if actions taken in response to complaints of certain types of alleged abuse or neglect are all that is necessary..." Dr. Potsic stated that administrators are required to report certain instances of neglect or abuse and the Department may ask that the administration evaluate the situation and report back with findings and corrective actions to ascertain whether the Department should investigate the complaint. Based on the report, the Department reserves the right to perform their own survey. In answer to the Chairman, Dr. Potsic stated

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 22, 1996.

that the agency performs an average of 6 on-site inspections annually and said that the law allows flexibility to inspect those health care facilities that have been cited for corrective action more frequently. Members discussed the potential shortfall in funding for the inspection of health care facilities. It was noted that this could be addressed in a supplemental appropriation in FY 97.

It was moved by Senator Rock and seconded by Senator Vancrum that the FY 96 report and the FY 97 report as amended be approved. The motion carried on a voice vote.

### **Department on Aging**

Senator Karr reviewed the FY 96 and FY 97 subcommittee reports and his minority report (Attachment 7). A memorandum from the Secretary on Aging (Attachment 8) addressing funding for the nutrition program was read to members in response to the concern expressed in the minority report (item 3). A memo from the secretaries of KDOA and SRS stated that seven subcommittees are working on the plan to assure that the transfer of the long term care programs deliver more efficient services (Attachment 9).

Senator Karr moved, Senator Brady seconded, that the subcommittee report be amended by including two items from the minority report: \$250,000 for funding for the CARE program and \$500,000 subject to release by the Finance Council for costs associated with transfer of the long term care program that may be incurred by the Area Agencies on Aging.

A substitute motion was offered by Senator Salisbury to include all the items from the minority report as items for consideration before or during Omnibus. The motion carried on a voice vote

Senator Brady expressed concern about the \$13 million reduction in home health care for adults (item 3 of the minority report). The Chairman stated that he would hold the bill for a vote and would ask that a representative from the Department of Social and Rehabilitation Services appear before the Committee at the next meeting to provide additional information.

It was moved by Senator Salisbury and seconded by Senator Morris that the minutes of the February 20 meeting be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 1:20 P.M. The next meeting is scheduled for February 23, 1996.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: February 22, 1996

NAME	REPRESENTING
<i>Ken Baker</i>	<i>Ks. Governmental Consulting</i>
<i>DK Shively</i>	<i>Ks LEGAL SERVICES</i>
<i>[Signature]</i>	<i>KIDDA</i>
<i>Craig Hammer</i>	<i>Aging</i>
<i>[Signature]</i>	<i>Aging</i>
<i>Zia Matlock</i>	<i>Corporation for Change</i>
<i>[Signature]</i>	<i>Corporation for Change</i>
<i>[Signature]</i>	<i>KDHR</i>
<i>Alan Holmes</i>	<i>DOB</i>
<i>Zia Hing</i>	<i>DOB</i>
<i>[Signature]</i>	<i>KDOR</i>
<i>Brenda Barton</i>	<i>D. D. Council</i>
<i>Sherry Diehl</i>	<i>KAPS</i>
<i>[Signature]</i>	<i>KOHE</i>
<i>Chris Stanfield</i>	<i>KDHE</i>
<i>Ron Hammerschmitt</i>	<i>KDHE</i>
<i>Sandy Strand</i>	<i>Ks Advocates for Better Care</i>
<i>Daniel John Bell</i>	<i>KDHE</i>

**SUBCOMMITTEE REPORT**

**Agency:** Corporation for Change

**Bill No. –**

**Bill Sec. –**

**Analyst:** West

**Analysis Pg. No.** 956

**Budget Page No.** 125

Expenditure	Agency Est. FY 96	Gov. Rec. FY 96	Senate Subc. Adj.
All Funds:			
State Operations	\$ 497,727	\$ 458,480	\$ 0
Local Aid	793,677	793,677	0
<b>TOTAL</b>	<b>\$ 1,291,404</b>	<b>\$ 1,252,157</b>	<b>\$ 0</b>
State General Fund:			
State Operations	\$ 84,818	\$ 70,818	0
Local Aid	177,745	126,536	0
<b>TOTAL</b>	<b>\$ 262,563</b>	<b>\$ 197,354</b>	<b>\$ 0</b>
Unclassified Temp. Positions	7.5	7.5	–

**Agency Estimate/Governor's Recommendation**

The agency's current year estimate reflects a slight net increase in special revenue fund expenditures compared to the approved budget. State operations expenditures are reduced by \$106,785 while grants are increased by \$108,393. This shift is reportedly associated with the agency's current year emphasis on developing a plan to reform the social service delivery system, as directed by the 1995 Legislature. State General Fund expenditures of \$84,818 for state operations and \$177,745 for grants remain as approved.

The Governor's current year recommendation is a net decrease of \$39,247 from the agency's estimate for state operations, with a decrease of \$16,329 in salaries associated with revised fringe benefit costs and increased shrinkage savings and a decrease of \$22,918 in other operating expenditures. The Governor's current year recommendation also places a greater reliance on special revenue funds in lieu of the State General Fund. Recommended State General Fund financing of \$197,354 is a reduction of \$65,209 from the agency's estimates for state operations (\$14,000) and grants (\$51,209).

*Senate Ways & Means  
February 22, 1996  
Attachment 1*

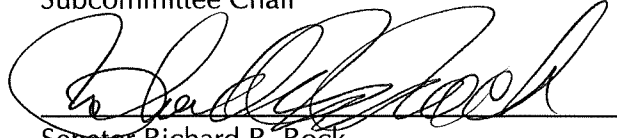
**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's FY 1996 recommendation.



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Senator Robert Vancrum  
Subcommittee Chair



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Senator Richard R. Rock

**SUBCOMMITTEE REPORT**

**Agency:** Corporation for Change

**Bill No.** 465

**Bill Sec.** 7

**Analyst:** West

**Analysis Pg. No.** 956

**Budget Page No.** 125

Expenditure	Agency Req. FY 97	Gov. Rec. FY 97	Senate Subc. Adj.
All Funds:			
State Operations	\$ 470,909	\$ 401,905	\$ (2,669)
Local Aid	793,677	800,000	0
<b>TOTAL</b>	<b>\$ 1,264,586</b>	<b>\$ 1,201,905</b>	<b>\$ (2,669)</b>
State General Fund:			
State Operations	\$ 80,739	\$ 20,166	0
Local Aid	176,573	120,938	0
<b>TOTAL</b>	<b>\$ 257,312</b>	<b>\$ 141,104</b>	<b>\$ 0</b>
Unclassified Temp. Positions	7.5	6.0	-

**Agency Request/Governor's Recommendation**

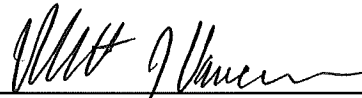
For FY 1997, the goal of the Corporation for Change is to support the implementation of the plan that will reform the social service delivery system. The state operations request reflects a decrease of \$26,818 compared to the current year, while grant funding is maintained at the current year level of \$793,677.

The Governor recommends an FY 1997 budget of \$1.2 million, a reduction of \$50,252 from the current year recommendation. State operations are decreased by \$56,575 from the current year while grants are increased slightly to \$800,000. The State Operations recommendation includes the elimination of 1.5 unclassified temporary (UT) positions as the agency's focus is shifted away from research. The FY 1997 recommendation also reflects a continuation of increased reliance on non-State General Fund sources. Special revenue funds account for 88.3 percent of the FY 1997 budget compared to the current year recommendation of 84.2 percent.

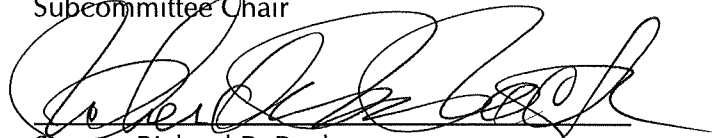
**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's FY 1997 recommendation, with the following adjustment:

1. Delete \$2,669 from special revenue funds based on the recommendation to delete funding for the six-month unclassified merit pool.
2. The Subcommittee notes that last year the Legislature charged the Corporation to develop a bold plan to reform the delivery of social services for families and children in Kansas. The result, Families First – A Plan to Reform Services for Families and Children, should assist in the ongoing discussion about system reform.



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Senator Robert Wancrum  
Subcommittee Chair



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Senator Richard R. Rock



# NARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME CORPORATION FOR C  
AGENCY NUMBER 0140  
PROGRAM TITLE AND NUMBER  
SUBPROGRAM TITLE AND NUMBER

## GOAL

For FY1997 the goal of the Corporation for Change is to support the implementation of a plan that will reform the service delivery system. That plan will guide a process that will result in a significant shift from the state to local communities of responsibility, accountability, and resources for services for children and families. The goal for FY1997 is a logical next step to the focus of the Corporation's work in FY1996, which, as directed by the Legislature, is "to develop a specific plan of service delivery system reform and present the plan to the 1996 Legislature."

### Objective #1

Help Kansas communities be prepared to assume the increased responsibilities that will result from the reform of the service delivery system.

### Strategies

1. Provide training and technical assistance that will build the capacity of community leaders to direct and manage locally controlled service delivery systems.
2. Assist communities to develop Local Planning Councils.

Outcome Measures		FY95 Actual	FY96 Estimated	FY97 Estimated
	Percent of counties receiving TA	48%	55%	63%
	Percent of counties with Local Planning Councils	35%	43%	50%
Output Measures				
	Number of counties receiving TA	50	58	66
	Number of counties with Local Planning Councils	37	45	53

# ARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME CORPORATION FOR CHANGE  
AGENCY NUMBER 0140 FI  
PROGRAM TITLE AND NUMBER  
SUBPROGRAM TITLE AND NUMBER

Objective #2

Support local pilot projects that have the potential for being good models of system reform.

Strategies

1. Provide funding for community-based resource and support programs.
2. Provide training and technical assistance to family resource and support programs.

Outcome Measures		FY95 Actual	FY96 Estimated	FY97 Estimated
	Number of family resource programs	0	3	5
Output Measures				
	Number of grants for family resource programs	0	3	5
	Number of technical assistance and training hours for family resource programs	40 hrs.	400 hrs.	600 hrs.

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# ARRATIVE INFORMATION—DA 400

DIVISION OF THE BUDGET  
STATE OF KANSAS

AGENCY NAME CORPORATION FOR CHANG  
 AGENCY NUMBER 0140  
 PROGRAM TITLE AND NUMBER  
 SUBPROGRAM TITLE AND NUMBER

Objective #3

Support the development of Citizen Review Board (CRB) and Court Appointed Special Advocates (CASA) programs.

**Strategies**

1. Provide funding to CRB and CASA programs.

Outcome Measures		FY95 Actual	FY96 Estimated	FY97 Estimated
	Percent of Judicial Districts with CRBs	26%	29%	32%
	Percent of Judicial Districts with CASA programs	71%	74%	77%
Output Measures				
	Number of CRB grants	8	9	10
	Number of CASA grants	22	23	24

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**SUBCOMMITTEE REPORT**

**Agency:** Department of Revenue –  
Homestead Property Tax Refunds

**Bill No. –**

**Bill Sec. –**

**Analyst:** Milstead

**Analysis Pg. No.** 994

**Budget Page No.** 451

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund:			
Homestead Tax Refunds	\$ 8,800,000	\$ 8,800,000	\$ 0
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	–	–	–
<b>TOTAL</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

**Agency Request/Governor's Recommendation**

The agency requests \$8,800,000 for Homestead Property Tax refunds in FY 1996, a decrease of \$100,000 from the budget approved by the 1995 Legislature. The lower than approved expenditure is a result of fewer than anticipated filers for the refund. The total number of refunds is estimated to be 46,800, with an estimated average refund of \$188.

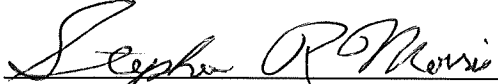
**Senate Subcommittee Recommendation**

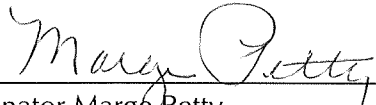
The Senate Subcommittee concurs with the Governor's FY 1996 recommendation.

The following table summarizes program activity from FY 1993 to FY 1996:

<b>Homestead Property Tax Refunds FY 1993-FY 1997</b>						
	<u>Actual FY 93</u>	<u>Actual FY 94</u>	<u>Actual FY 95</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Sub. Adj.</u>
Number of Refunds	47,405	46,623	44,210	46,800	46,800	0
Average Refund	\$ 194.49	\$ 190.03	\$ 197.00	\$ 188.00	\$ 188.00	\$ 0.00
Amount of Refunds	\$ 9,219,798	\$ 9,000,000	\$ 8,600,000	\$ 8,300,000	\$ 8,300,000	\$ 0
Receivables and Setoffs	45,787	511,683	500,000	500,000	500,000	0
Total Expenditures	<u>\$ 9,265,585</u>	<u>\$ 9,411,683</u>	<u>\$ 8,684,836</u>	<u>\$ 8,800,000</u>	<u>\$ 8,800,000</u>	<u>\$ 0</u>

*Senate Ways & Means  
February 22, 1996  
Attachment 2*

  
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Senator Stephen Morris, Subcommittee Chair

  
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Senator Marge Petty

**SUBCOMMITTEE REPORT**

**Agency:** Department of Revenue --  
Homestead Property Tax Refunds

**Bill No.** 465

**Bill Sec.** 2

**Analyst:** Milstead

**Analysis Pg. No.** 994

**Budget Page No.** 451

Expenditure Summary	Agency Request FY 97	Gov. Rec. FY 97	Senate Subcommittee Adjustments
State General Fund:			
Homestead Tax Refunds	\$ 8,600,000	\$ 8,099,700	\$ 0
FTE Positions	0.0	0.0	0.0
Unclassified Temp. Positions	--	--	--
<b>TOTAL</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

**Agency Request/Governor's Recommendation**

The agency's FY 1997 request of \$8,600,000 is a decrease of \$200,000 from the current year's estimate. The agency estimates 43,600 refunds to be filed in FY 1997. The average refund is estimated at \$191. The Governor recommends \$8,099,700 for FY 1997, a decrease of \$500,300 from the agency's request. The Governor's recommendation is apparently based on a lower number of filers for the budget year.

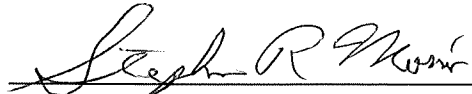
**Senate Subcommittee Recommendation**

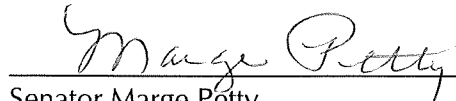
The Senate Subcommittee concurs with the Governor's FY 1997 recommendation.

The following table summarizes program activity from FY 1993 to FY 1997:

**Homestead Property Tax Refunds  
FY 1993-FY 1997**

	Actual FY 95	Agency Req. FY 97	Agency Est. FY 96	Gov. Rec. FY 96	Gov. Rec. FY 97	Senate Sub. Adj.
Number of Refunds	44,210	43,600	46,800	46,800	--	0
Average Refund	\$ 197.00	\$ 191.00	\$ 188.00	\$ 188.00	\$ --	\$ 0.00
Amount of Refunds	\$ 8,600,000	\$ 8,100,000	\$ 8,300,000	\$ 8,300,000		\$ 0
Receivables and Setoffs	500,000	500,000	500,000	500,000		0
<b>Total Expenditures</b>	<u>\$ 8,684,836</u>	<u>\$ 8,600,000</u>	<u>\$ 8,800,000</u>	<u>\$ 8,800,000</u>	<u>\$ 8,099,700</u>	<u>\$ 0</u>

  
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Senator Stephen Morris, Subcommittee Chair

  
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Senator Marge Petty

**SUBCOMMITTEE REPORT**

**Agency:** Department of Human Resources      **Bill No. –**      **Bill Sec. –**  
**Analyst:** Milstead      **Analysis Pg. No.** 1098      **Budget Page No.** 285

<u>Expenditure Summary</u>	<u>Agency Estimate FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 46,316,420	\$ 45,986,711	\$ 0
Local Aid	0	0	0
Other Assistance	215,459,545	215,440,804	0
Subtotal	<u>\$ 261,775,965</u>	<u>\$ 261,427,515</u>	<u>\$ 0</u>
Capital Improvements	91,131	91,131	0
<b>TOTAL</b>	<u><u>\$ 261,867,096</u></u>	<u><u>\$ 261,518,646</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 1,153,166	\$ 1,166,025	\$ 0
Other Assistance	95,545	76,804	0
<b>TOTAL</b>	<u><u>\$ 1,248,711</u></u>	<u><u>\$ 1,242,829</u></u>	<u><u>\$ 0</u></u>
FTE Positions	1,062.5	1,062.5	-
Unclassified Temp. Positions	14.0	14.0	-
<b>TOTAL</b>	<u><u>1,076.5</u></u>	<u><u>1,076.5</u></u>	<u><u>-</u></u>

**Agency Estimate/Governor's Recommendation**

The agency's estimate for FY 1996 operating expenditures of \$261,775,965 is a net increase of \$3,888,068 from the approved budget. The increase is attributable to an increase in unemployment insurance benefits and other assistance expenditures from federal funds (\$3.164 million). The balance of the increase is attributable to estimated additional expenditures in salaries and wages—largely due to the additional U.I. benefit claims for processing.

**The Governor's recommendation** for FY 1996 operating expenditures of \$261,427,515 is a decrease of \$348,450 from the agency's estimate largely from salaries and wages to reflect reduced health insurance rates and retirement reductions. The specific decreases include an \$80,048 reduction in salaries/wages in the Administration and Support Services Division, a \$315,045 reduction in salaries/wages in the Unemployment Services Division, a \$10,738 reduction in salaries/wages in the Industrial Safety and Health Division, and a reduction of \$216,100 in the Employment Services Division. Those reductions were offset to a degree by a recommended increase above the agency's estimate in capital outlay expenditures of \$200,000 for KQM expenses in the Workers Compensation Division.

**State General Fund.** The agency's estimate of FY 1996 State General Fund (SGF) expenditures is \$21,652 less than the approved amount of \$1,270,363.

*Senate Ways & Means  
February 22, 1996  
Attachment 3*



**The Governor's current year recommendation** of SGF expenditures is a decrease of \$5,882 from the agency's estimate and \$27,534 less than the agency's approved amount. Of the \$27,534 reduction, \$18,741 reflects the Governor's 1.5 percent SGF rescission.

**Other Funds.** The agency estimates that FY 1996 operating expenditures from federal and special revenue funding sources will be \$260,527,254, a net increase of \$3,909,720 from the approved budget. Unemployment Insurance benefits are estimated to be \$205,000,000, an increase of \$3,000,000. Additional other assistance expenditures account for \$164,000. The agency anticipates that the additional unemployment benefits will require additional expenditures for salaries and wages for processing. Those expenditures largely account for the balance of the increase. Grants under the federal Job Training Partnership Act (JTPA) are estimated at \$10,100,000.

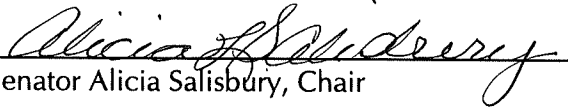
**The Governor recommends** FY 1996 operating expenditures from federal and special revenue fund financing of \$260,184,686, a net decrease of \$342,568 (largely from salary and wages to reflect reduced health insurance rates and retirement reductions) from the agency's estimate.

**FTE Positions.** The agency's estimate of 1062.5 FTE positions is 5.0 less than the approved level of staffing. The Governor concurs with the agency's estimate and recommends 1,062.5 FTE positions.

**Capital Improvements.** The agency's current year estimate is \$91,131 for capital improvements. The Governor concurs with the agency's capital improvement estimate.

#### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation for FY 1996.

  
\_\_\_\_\_  
Senator Alicia Salisbury, Chair

  
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Senator Bill Brady

**SUBCOMMITTEE REPORT**

**Agency:** Department of Human Resources      **Bill No.** 465      **Bill Sec.** 3  
**Analyst:** Milstead      **Analysis Pg. No.** 1098      **Budget Page No.** 285

<u>Expenditure Summary</u>	<u>Agency Request FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 47,378,665	\$ 46,898,846	\$ (683,526)
Local Aid	0	0	0
Other Assistance	223,305,545	224,353,027	0
Subtotal	<u>\$ 270,684,210</u>	<u>\$ 271,251,873</u>	<u>\$ (683,526)</u>
Capital Improvements	84,800	84,800	0
<b>TOTAL</b>	<u><u>\$ 270,769,010</u></u>	<u><u>\$ 271,336,673</u></u>	<u><u>\$ (683,526)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 1,251,989	\$ 1,157,769	\$ (64,571)
Other Assistance	105,545	238,217	0
<b>TOTAL</b>	<u><u>\$ 1,357,534</u></u>	<u><u>\$ 1,395,986</u></u>	<u><u>\$ (64,571)</u></u>
FTE Positions	1,063.5	1,062.5	-
Unclassified Temp. Positions	14.0	14.0	-
<b>TOTAL</b>	<u><u>1,077.5</u></u>	<u><u>1,076.5</u></u>	<u><u>-</u></u>

**Agency Request/Governor's Recommendation**

The agency requests FY 1997 for operating expenditures funding of \$270,684,210, an increase of \$8,908,245, or 3.4 percent, above the FY 1996 estimate. The majority of the increase is found in two object codes: \$7,848,563, or 88.2 percent of the increase, is comprised of other assistance (largely, unemployment insurance benefits), and \$991,183, or 11.1 percent, in salaries and wages. The balance of the increase is found in contractual services (\$88,086) and commodities (\$2,563). The agency is requesting the addition of 1.0 FTE position (Educational Information Representative II, \$30,367, including fringe benefits) for the Hispanic Affairs program.

Of the total FY 1997 request, \$1,357,534, or 0.5 percent is financed from the State General Fund, and \$269,326,676, or 99.5 percent, is financed from federal and special revenue funds.

**The Governor recommends** FY 1997 operating expenditures funding of \$271,251,873, an increase of \$567,663 above the agency's request. Of the recommended increase, \$500,000 (EDIF) is for the creation of a Kansas One-Stop Career Center System within the Division of Employment and Training Services. Other recommendations include the transfer of \$1,213,229 in grants for funding of employment programs from the Department on Aging to the Employment and Training Services Division. A portion of those increases are offset by recommended reductions in salaries and wages for FY 1997

of \$917,664. Of the recommended reduction in salaries, \$383,920 is reduced longevity expenditures, while \$541,918 reflects reduced health insurance rates. Other recommended reductions include \$118,761 from the Workers Compensation Fee Fund, \$24,974 from the Job Training Partnership Act state operations, and \$34,082 from the ESSI Computer Fund. The Governor does not recommend the additional FTE position for Hispanic Affairs.

The agency requests \$1,048,139 in classified step movement, a 2.5 percent unclassified merit increase, and longevity pay. The Governor recommends \$633,526 (including fringe benefits) for classified step movement (\$516,547), a 2.5 percent unclassified merit pool for six months (\$17,607) and longevity pay (\$99,372).

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation for FY 1997 with the following recommendations and observations:

1. Delete \$633,526, including \$14,571 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$17,607); classified step movement (\$516,547); and the longevity bonus (\$99,372) from individual agency budgets.
2. Reduce by \$50,000 for FY 1996 the agency's State General Fund appropriation. The Subcommittee notes that the Penalty and Interest Fund (the Federal Indirect Cost Offset Fund) has a balance that is approximately \$100,000 more than the agency anticipated. As a consequence and in light of the 1995 Legislature's State General Fund appropriation increase of \$215,000 to offset a shortfall in the Penalty and Interest Fund due to a moratorium on employer unemployment insurance contributions, the Subcommittee recommends reducing the current year State General Fund appropriation by \$50,000.

Of that \$50,000 State General Fund reduction, reappropriate \$1,000 to the Commission on Disability Concerns, subject to findings outlined in this paragraph. The Subcommittee requests that the Commission on Disability Concerns work in coordination and conjunction with the Department of Social and Rehabilitation Services to inform residential clients of Winfield State Hospital and Topeka State Hospital of all their residential options in light of closure. The Subcommittee envisions this coordinated effort to result in a mailing to hospital clients informing them of their options and recommends that \$1,000 State General Fund reappropriation be expended for this informational mailing. In the event such an endeavor is already being undertaken by SRS, the recommended \$1,000 reappropriation should be deleted from the agency's budget.

3. The Subcommittee recommends revisiting this budget during or before Omnibus Session in light of Executive Reorganization Order No. 28. ERO No. 28 consolidates and coordinates the existing functions of the Kansas Human Rights Commission and the Kansas Advisory Committee on Hispanic Affairs (KACHA), from the Department of Human Resources, within a newly named Kansas Commission on Diversity and Human Rights (KCDHR). The newly constituted

agency will have primary responsibility for statewide diversity and multicultural issues, and will carry out these duties through the Kansas Office of Multicultural Affairs.

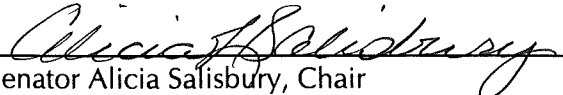
The Subcommittee underscores the critical importance of a program administered by the Department of Human Resources – the Migrant and Seasonal Farm Workers (MSFWs) Outreach program. This program's 1.0 FTE position is currently filled by a highly skilled, bilingual state employee who provides the program's services to MSFWs throughout the state. The program ensures that the Department's Job Service functions are provided to MSFWs in an equal quantity and quality as provided to non-MSFW clients. This state employee performs, among other tasks, ongoing reviews of the delivery of services and protections offered to MSFWs by regulation. Such reviews are conducted on-site and through examination of monthly program data. The program also serves to prepare the Department's Job Service Outreach plan for MSFWs and serves as an advocate to improve services with MSFWs with Job Service.

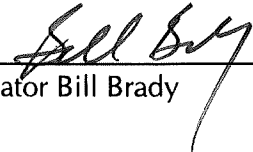
The Subcommittee reiterates that this is an important program and one which should be given greater visibility because of the unique services it provides to the state's MSFWs.

The Subcommittee notes that this program is funded through the United States Department of Labor Wagner-Peyser grant to Kansas for Job Service activities.

Because of its unique mission and how the program is funded, and because of the highly qualified state employee administering the program, the Subcommittee feels it is appropriate that this program remain at the Department of Human Resources.

4. The Subcommittee notes that due to a loss of federal funding (\$676,000), the Department was forced to close eight Job Service Centers in the state.
5. The Subcommittee notes that the Commission on Disability Concerns operates an information clearinghouse—the Disabilities Commission Bulletin Board. The Bulletin Board is a unique service providing information and referrals for individuals with all types of disabilities. The Subcommittee notes that the Commission is the lone entity in the state that operates such a service.
6. The Subcommittee notes that in an effort to maximize efficiency, the Department reorganized internally. The Division of Labor Relations and Employment was eliminated and the units within that division were transferred to appropriate remaining divisions.

  
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Senator Alicia Salisbury, Chair

  
\_\_\_\_\_  
Senator Bill Brady



# Kansas Department of Human Resources

Bill Graves, Governor  
Wayne L. Franklin, Secretary

VOICE  
(913) 296-1722  
TTY  
(913) 296-5044  
FAX  
(913) 296-1984

COMMISSION ON DISABILITY CONCERNS  
1430 S.W. Topeka Boulevard  
Topeka, Kansas 66612-1877

TOLL FREE  
OUTSIDE TOPEKA  
1-800-295-5232 (KCDC)  
ADA INFORMATION  
CENTER (BBS)  
(913) 296-6529

## SENATE SUBCOMMITTEE ON HUMAN RESOURCES BUDGET FEBRUARY 7, 1996 BY MARTHA K. GABEHART, EXECUTIVE DIRECTOR

Thank you for allowing me this time to respond to the request for further information on the implications of 830 technical assistance requests performed by the Kansas Commission on Disability Concerns (KCDC).

Requests for technical assistance cover a wide variety of subjects which relate to disability. Almost all requests deal with civil rights of people with disabilities. The simple majority of these deal with employment. The rest cover education, housing, transportation, government service access, accessibility of buildings (both government owned and privately owned), airplane access and voting. Other requests deal with where to find services and financial assistance.

Employment related questions are divided into three categories. The first are those by employers who want to know what their responsibilities are under the Americans with Disabilities Act (ADA). The second are those from employees who think they have been discriminated against and want to find out their rights and where to file a complaint. The third are those from employees who need an accommodation and don't know they have the right to for one ask or how to ask their employer for that accommodation.

Follow-up on technical assistance provided does not occur formally. We find out the success or failure of our responses in four ways. Informal inquiries to the organizations referrals are made to, are made if the person seemed desperate or in particular need. A second way is that people will call back for more information or information on another matter and we ask about the previous referrals or information.

Sometimes people give our name to other people who have similar concerns and they will mention they were referred by someone who was helped. The last way is when people tell us that we have answered their questions satisfactorily and express their appreciation while we are on the phone with them.

We realize this gives us little data to prove our effectiveness. At this time we don't have the money or staff to do much follow-up.

KCDC does not have the staff or time to perform follow-up calls. We also do not have the money to send out satisfaction surveys.

There are a few factors which would affect the effectiveness of follow-up. Many individuals who call do not give us their name and are reluctant to give us their telephone number even if we have to do some research on their question and call them back with an answer. This reduces the number of consumers we would be able to contact for follow-up. If we were to do follow-up, we would want to have a significant number of consumers to contact because they are the group we try to advocate for. Employers and service providers usually do not have a problem with giving their names.

Second, our experience with satisfaction surveys is that a self-addressed stamped envelope needs to be included in order to receive a large enough response to have significant data. At this time we don't have the money to do that.

Also to be considered is that satisfaction is a subjective matter. While the information or referral was correct and appropriate, the person may not be satisfied if the answer wasn't the one they wanted to hear.

## **KDHR STAFF SERVICES - Roger Aeschliman, division director/deputy secretary**

Staff services is predominately funded by charges against other divisions and programs. Our outcomes reflect the services we perform for the employees of KDHR. These include personnel, fiscal, facilities and supplies, mail, purchasing, computer and technology, and communications. We also have two programs, Labor Market Information and the Employment Security Systems Institute, which bring their own funding to the table.

We have 13 objectives, more than 40 strategies, more than 40 outcome measures, and more than 40 output measures. All of this is an attempt to measure our customer service to our co-workers. While this is strictly a snapshot, several examples are:

### **PERSONNEL:**

Percentage of employment actions challenged in civil service hearings. We have had one challenge this year. The department action was upheld. This is an example of thorough and detailed interest in employees before actions are taken. When employees know what is happening and why, they are more satisfied with the personnel action.

Percentage of employees trained in KQM. We have trained all employees and have recently established an ongoing program for new employees.

### **SECURITY:**

Number of training sessions conducted. Five. Number of Computer security sessions. Five. These and other security efforts are intended to reach all employees every year. The safety of our workers and the public is utmost in our minds, but we also have an agency priority on information security, due to such personal, critical data as generated in workers compensation and unemployment insurance.

### **PURCHASING:**

Process 85% of all purchase requests within three days. We have one person working to process more than 2,300 requests every year. When the divisions want something, they usually want it yesterday, but three days to process those requests is respectable.

Leasing and inspections. With 38 facilities all across the state, we are constantly leasing space to ensure that our employees have a place to go to work in the morning. We negotiate about seven leases a year. We negotiate and work through one RFP every five or six years. We inspect about 22 facilities a year - aiming at half of all our facilities. This past year, we have inspected all facilities in order to create a maintenance plan.

### **INFORMATION SERVICES:**

We try to run the mainframe 20 hours per day, six and one half days a week. There are 65 million network transactions per year. All this activity means UI checks are going out, job service is on-line all across the state, and work comp can process all its activity.



**Unemployment Insurance Performance Outcomes**  
(July 1 - December 31, 1995)

	<u>FY 96 Planned</u>	<u>Y-T-D Actual</u>
Number of Initial Claims	157,000	71,723
Number of weeks claimed	1,141,000	424,226
Amount of benefits paid	\$165,000,000	\$66,886,597
Average weekly benefit amount	\$195	\$194
Average duration of unemployment in weeks	14.7	13.2
Percent of 1st payments made timely	92.0%	91.0%
Percent of checks deposited within three days	100%	100%
Percent of Appeals decided within thirty days	75.0%	68.0%
Percent of Quality Control cases closed within 60 days	70.0%	89.5%
Percent of total established fraud overpayments	60.0%	62.0%

## EMPLOYMENT AND TRAINING PERFORMANCE OUTCOMES

### JOB SERVICE OUTCOME MEASURES

	<u>FY1996 PLANNED</u>	<u>ACTUAL YEAR-TO-DATE</u>
Number of job placements:	50,000	25,972
Percent of job openings filled:	70%	68%
Number referred to jobs:	110,000	59,130
Percent of job seekers who obtained employment:	20%	11%
Number of job seekers who obtained employment:	25,000	8,315

### JTPA OUTCOME MEASURES

Percent of adults employed at follow-up:	67%	72%
Percent of adult welfare recipients employed at follow-up:	44%	62%
Number of adults completing program:	836	424
Number in on-the-job training:	254	102
Number of youth program participants:	400	654
Number of youth completing the program:	250	303
Percent of dislocated workers entered employment:	67%	77%
Average wage at placement for dislocated workers:	\$8.24	\$9.02



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# Kansas Department of Human Resources

Bill Graves, Governor  
Wayne L. Franklin, Secretary

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**Office of the Secretary**  
401 S.W. Topeka Boulevard, Topeka, Kansas 66603-3182  
913-296-7474 --- 913-296-0179 (Fax)

## **Workers Compensation Key Performance Measures - FY 97**

To Senate Ways and Means Sub-Committee on Human Resources - February 8, 1996

	<b>FY 96</b>	<b>FY 97</b>
Percent of accident reports accurately processed	90	95
Percent of pre-trial conferences successfully resolved	40	45
Percent of rehab cases resolved with return to employment	30	35
Percent of information requests responded to in 48 hours	100	100

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Commission on Veterans Affairs

**Bill No.** 428

**Bill Sec.** 25

**Analyst:** Wiegiers

**Analysis Pg. No.** 1085

**Budget Page No.** 537

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,535,753	\$ 1,512,688	\$ 0
Fee Funds	83,867	83,867	0
<b>TOTAL</b>	<u><u>\$ 1,619,620</u></u>	<u><u>\$ 1,596,555</u></u>	<u><u>\$ 0</u></u>
FTE Positions	54.0	54.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>54.0</u></u>	<u><u>0.0</u></u>

**Agency Est./Governor's Recommendation**

The agency's revised FY 1996 estimate is \$1,619,620 which is the same amount approved for the agency by the 1995 Legislature as adjusted by State Finance Council action.

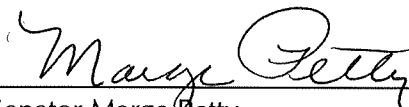
The Governor recommends \$1,596,555, a decrease of \$23,065 below the agency estimate and approved budget. All of the decrease is from the State General Fund. The recommendation includes a reduction for decreased health insurance rates and the 1.5 percent State General Fund rescission directed by the Governor for all agency's utilizing the State General Fund.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.



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 Senator Steve Morris  
 Subcommittee Chair



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 Senator Marge Petty

*Senate Ways & Means  
 February 22, 1996  
 Attachment 4*

## SUBCOMMITTEE REPORT

**Agency:** Kansas Commission on Veterans Affairs

**Bill No.** 265

**Bill Sec.** 4

**Analyst:** Wiegiers

**Analysis Pg. No.** 1085

**Budget Page No.** 537

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,609,900	\$ 1,450,401	\$(2,593)
Fee Funds	92,027	92,027	0
<b>TOTAL</b>	<u><u>\$ 1,701,927</u></u>	<u><u>\$ 1,542,428</u></u>	<u><u>\$ (2,593)</u></u>
FTE Positions	54.0	50.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>54.0</u></u>	<u><u>50.0</u></u>	<u><u>0.0</u></u>

### Agency Req./Governor's Recommendation

The agency requests FY 1997 state operation funding of \$1,692,927, an increase of \$73,307, or 4.5 percent, above the FY 1996 estimate.

The Governor recommends \$1,542,428 for FY 1997, a decrease of \$150,499, or 8.9 percent, below the agency request. The entire decrease was in State General Fund expenditures. The recommendation includes the elimination of 4.0 FTE positions including 2.0 Veterans Services Representatives I and 2.0 Office Assistants II.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment and comment:

1. The Subcommittee heard testimony from the agency that the loss of the 4.0 FTE positions will force the agency to close at least one field office and adjust staffing at remaining offices. The agency appealed for \$38,538 in State General Fund financing to restore 1.0 Veterans Service Representative I and 0.5 Office Assistant II FTE positions. According to the agency, the elimination of these positions will result in the closure of at least one field office. The Subcommittee does not recommend the restoration of the positions but does note that the result will be the closure of at least one field office.
2. The Subcommittee recommends increase State General Fund expenditures by \$6,508 in FY 1997. The Subcommittee heard testimony from the agency that there are currently no funds for training agency personnel and inadequate funds

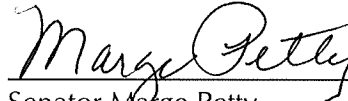
to pay for the travel required should a field office be closed due to the loss of the 4.0 FTE positions. The agency appealed for \$6,508 in State General Fund financing for travel and subsistence expenses. According to the agency, if one field office is closed, then the counties of responsibility for the other offices will be reassigned and increased. Because of the increased area to be covered if an office is closed, this \$6,508 in travel money will be even more critical if the agency is to keep its policy of visiting every county at least once per month.

3. Delete \$9,101 State General Fund based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$732); classified step movement (\$8,368); and the longevity bonus (\$0) from individual agency budgets.



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Senator Steve Morris  
Subcommittee Chair



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Senator Marge Petty

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Soldiers Home

**Bill No.** 428

**Bill Sec.** 25

**Analyst:** Wiegiers

**Analysis Pg. No.** 1091

**Budget Page No.** 537

<u>Expenditure Summary</u>	<u>Agency Est. FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,096,079	\$ 1,019,825	\$ 0
Kansas Soldiers Home Fee Fund	3,362,612	3,362,611	0
Benefit and Gift Fund	17,211	17,211	0
	<u>\$ 4,475,902</u>	<u>\$ 4,399,647</u>	<u>\$ 0</u>
FTE Positions	140.8	140.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<u>140.8</u>	<u>140.8</u>	<u>0.0</u>

**Agency Est./Governor's Recommendation**

The agency's revised FY 1996 estimate is \$4,475,902 which is \$51 above the \$4,475,851 approved by the 1995 Legislature, as adjusted by State Finance Council action. The agency estimates spending \$867,071 for capital improvements in the current fiscal year for rehabilitation and repair projects and the completion of multi-year projects begun in prior fiscal years. These projects include: cottage renovation, life safety improvements, potable water well installation, and water distribution system installation.

The Governor recommends \$4,399,647 for FY 1996, a decrease of \$76,255, or 1.7 percent, below the agency estimate. In addition to the overall decrease, there is a partial funding shift from State General Fund to other funds. The Governor concurs with the agency's capital improvements expenditure estimate. The recommendation includes reductions for decreased health insurance rates, the 1.5 percent State General Fund rescission, and a \$28,000 reduction in professional supplies expenditures.

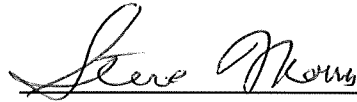
**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following comment:

1. The Subcommittee notes the loss of \$28,000 State General Fund in professional supplies which the agency will need to cover using moneys from other budget areas. The Subcommittee heard testimony from the agency that due to a shortfall in projected revenue in care and hospitalization (fees collected from patients) in the fee fund, the agency will already have to reduce expenditures by \$10,892 to avoid exceeding available funds. The agency anticipates it can accommodate this expenditure reduction as a result of the shortfall but will not be able to

*Senate Ways & Means  
February 22, 1996  
Attachment 5*

absorb the additional \$28,000 cut in other program areas. The Care and Hospitalization portion of the fee fund consists of revenues generated from fees paid by patients based on ability to pay. According to the agency, the \$123,000 shortfall is being caused by new patients coming in who do not have the resources available to pay for their care replacing patients who were able to pay for a greater portion of the services. Also, part of the shortfall is due to an increase in the number of homeless veterans being served at the Home who generally have no personal resources to pay for their care.



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Senator Steve Morris  
Subcommittee Chair



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Senator Marge Petty



**SUBCOMMITTEE REPORT**

**Agency:** Kansas Soldiers Home

**Bill No.** 265

**Bill Sec.** 4

**Analyst:** Wiegiers

**Analysis Pg. No.** 1091

**Budget Page No.** 537

<u>Expenditure Summary</u>	<u>Agency Req. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,332,477	\$ 904,962	\$ 132,461
Kansas Soldiers Home Fee Fund	3,228,275	3,439,944	(49,919)
Benefit and Gift Fund	17,211	17,211	0
	<u>\$ 4,577,963</u>	<u>\$ 4,362,117</u>	<u>\$ 82,542</u>
FTE Positions	140.8	138.8	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
<b>TOTAL</b>	<u>140.8</u>	<u>138.8</u>	<u>0.0</u>

**Agency Req./Governor's Recommendation**

The agency requests \$4,577,963 for operating expenditures in FY 1997. This request is an increase of \$102,061, or 2.3 percent, above the FY 1996 estimate. The agency shifted a portion of its financing from Fee Fund to State General Fund due to large expenditures from the fee fund for FY 1995 and FY 1996. The agency requests \$544,920 for capital improvements including rehabilitation and repair and the replacement of the power plant.

The Governor recommends expenditures of \$4,362,117 for FY 1997, a decrease of \$215,846, or 4.7 percent, below the agency request. The Governor increased Fee Fund expenditures by \$211,669 and decreased State General Fund expenditures by \$427,515. The recommendation includes funding for 138.8 FTE, a reduction of 2.0 FTE below FY 1996 and the agency request. The 2.0 FTE positions eliminated include 1.0 Clinical Chaplain and 1.0 Cook. The Governor recommends \$494,920 for capital improvements, a decrease of \$50,000 below the agency request.

**Senate Subcommittee Recommendation**

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

1. The Subcommittee concurs with the Governor's recommendation to eliminate 2.0 FTE positions in FY 1997 but recommends that the Clinical Chaplain not be eliminated at this time.
2. The Subcommittee notes that when the new power plant is put in place, the agency estimates that two or three positions now required to staff the boiler 24 hours a day may be freed up to perform other duties or to be reallocated in FY

1998. The Subcommittee suggests that when these positions are available at least one be reassigned to concentrate on grounds work at the Home and one be reallocated to a chaplain position. The Subcommittee adds the caution that the new anticipated licensure as an Intermediate Care Facility should not be jeopardized in this process.

3. The Subcommittee recommends adding \$150,000 State General Fund to help offset expected shortages in the agency fee fund. The agency had requested \$436,000 State General Fund and a commensurate decrease in fee fund expenditure authority. The Subcommittee heard testimony from the agency that the \$123,000 shortfall in FY 1996 and the reduction in expenditures of \$10,892 will leave an ending balance of \$0 in FY 1996 (this does not take into account the additional recommended reduction of \$28,000 by the Governor). Adjusting the projected revenue in care and hospitalization in FY 1997 to an amount equal to what is anticipated being generated in FY 1996 and leaving an ending balance of \$50,000 will require an additional \$436,000 of State General Fund in FY 1997 to meet the expenditure level recommended by the Governor. The Subcommittee notes that \$150,000 will not be adequate to remedy the expected shortfall and recommends this issue be looked at in the 1997 Session. The lower than projected amount of funds generated in care and hospitalization in FY 1996 is not the result of a lower census level or provided days of care, but is the result of admitting residents with less resources than previously experienced. The following tables show the original agency estimate, the Governor's recommendation, the agency's revised projections, and the assumptions in the revised projections.

**Original Agency Projections**

	FY 1995 Actual	FY 1996 Estimate	FY 1997 Estimate
Balance Forward	\$ 301,396	\$ 493,282	\$ 113,171
Receipts:			
Care & Hospitalization	1,867,767	1,860,000	1,897,200
Other Federal Grants	1,194,059	1,263,393	1,295,904
Miscellaneous	62,693	22,000	22,000
Subtotal-Receipts	<u>\$ 3,124,519</u>	<u>\$ 3,145,393</u>	<u>\$ 3,215,104</u>
Total Available	3,425,915	3,638,675	3,328,275
Expenditure Limitation	3,104,447	3,525,504	3,228,275
Expenditures	2,932,633	3,525,504	3,228,275
Balance Forward	<u><u>\$ 493,782</u></u>	<u><u>\$ 113,171</u></u>	<u><u>\$ 100,000</u></u>

**Governor's Projections**

	FY 1995 Actual	FY 1996 Estimate	FY 1997 Estimate
Balance Forward	\$ 301,396	\$ 493,282	\$ 113,171
Receipts:			
Care & Hospitalization	1,867,767	1,860,000	2,016,020
Other Federal Grants	1,194,059	1,263,393	1,377,084
Miscellaneous	62,693	22,000	22,000
Subtotal-Receipts	<u>\$ 3,124,519</u>	<u>\$ 3,145,393</u>	<u>\$ 3,415,104</u>
Total Available	3,425,915	3,638,675	3,528,275
Expenditure Limitation	3,104,447	3,525,504	3,439,944
Expenditures	2,932,633	3,525,504	3,439,944
Balance Forward	<u><u>\$ 493,782</u></u>	<u><u>\$ 113,171</u></u>	<u><u>\$ 88,331</u></u>

**Agency Revised Projections**

	FY 1995 Actual	FY 1996 Estimate	FY 1997 Estimate
Balance Forward	\$ 301,396	\$ 493,282	\$ 0
Receipts:			
Care & Hospitalization	1,867,767	1,736,000	1,736,000
Other Federal Grants	1,194,059	1,263,393	1,295,904
Miscellaneous	62,693	22,000	22,000
Subtotal-Receipts	<u>\$ 3,124,519</u>	<u>\$ 3,021,393</u>	<u>\$ 3,053,904</u>
Total Available	3,425,915	3,514,675	3,053,904
Expenditure Limitation	3,104,447	3,525,504	3,439,944
Expenditures	2,932,633	3,514,675	3,003,904
Balance Forward	<u><u>\$ 493,782</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 50,000</u></u>

**Assumptions to Agency Revised Projections:**

1. The agency will reduce expenditures from the fee fund in FY 1996 by \$10,829, as a result of lower than projected revenue, ending the year with a zero ending balance.
2. Care and Hospitalization has been projected in FY 1997 at the amount estimated in FY 1996. The FY 1996 projection is based upon actual experience for the first six months of the fiscal year.
3. To fund the Governor's FY 1997 budget and end the year with an ending balance of \$50,000, based upon the agency's revised projections, and an increase of \$436,040 of State General Fund is necessary with a commensurate decrease in the expenditure limitation. (This is calculated by taking the Governor's expenditure limitation of \$3,439,944 minus the expenditures of \$3,003,904, which is derived from taking the total available in the agency's revised projections, minus \$50,000 for the ending balance.)
4. The Subcommittee notes the agency's performance measures which are attached. The agency reports that it is currently developing more meaningful measures for the next budget cycle.
5. Delete \$67,458, including \$17,539 from the State General Fund, based on the recommendation to delete funding for the six month 2.5 percent unclassified merit pool (\$544); classified step movement (\$49,637); and the longevity bonus (\$17,276) from individual agency budgets.



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Senator Steve Morris  
Subcommittee Chair



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Senator Marge Petty

*Ks. Commission on Veterans Affairs*

*Performance Data*

*Ks. Soldiers' Home:*

	<i>FY 1995 Actual</i>	<i>FY 1996 Estimated</i>	<i>FY 1997 "A"</i>	<i>FY 1997 "B"</i>	<i>FY 1997 "C"</i>
Health and Environment Insp.	Failed	Passed	Failed	Failed	Passed
USDVA Inspection	Failed	Passed	Failed	Failed	Passed

*Veterans Service Program:*

	<i>FY 1995 Actual</i>	<i>FY 1996 Estimated</i>	<i>FY 1997 "A"</i>	<i>FY 1997 "B"</i>	<i>FY 1997 "C"</i>
Claims Submitted	6,498	6,500	6,250	6,250	6,500
Claims Allowed	4,355	4,355	4,200	4,200	4,355
Confirmed & Continued	4,120	4,120	4,000	4,000	4,120

**SUBCOMMITTEE REPORT**

**Agency:** Department of Health  
and Environment

**Bill No.** 488

**Bill Sec.** 16

**Analyst:** Mah

**Analysis Pg. No.** 577

**Budget Page No.** 221

<u>Expenditure Summary</u>	<u>Agency Estimate FY 96</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 92,131,166	\$ 91,552,985	\$ -
Aid to Local Units	33,288,170	33,342,370	-
Other Assistance	30,895,000	30,895,000	(425,000)
<b>TOTAL</b>	<u><u>\$ 156,314,336</u></u>	<u><u>\$ 155,790,355</u></u>	<u><u>\$ (425,000)</u></u>
<b>State General Fund:</b>			
State Operations	\$ 19,100,701	\$ 18,476,628	\$ -
Aid to Local Units	7,365,373	7,365,373	-
Other Assistance	0	0	-
<b>TOTAL</b>	<u><u>\$ 26,466,074</u></u>	<u><u>\$ 25,842,001</u></u>	<u><u>\$ -</u></u>
<b>Other Funds:</b>			
State Operations	\$ 73,030,465	\$ 73,076,357	\$ -
Aid to Local Units	25,922,797	25,976,997	-
Other Assistance	30,895,000	30,895,000	(425,000)
<b>TOTAL</b>	<u><u>\$ 129,848,262</u></u>	<u><u>\$ 129,948,354</u></u>	<u><u>\$ (425,000)</u></u>
FTE Positions	828.6*	824.6*	-
Unclassified Temp. Positions	158.6	158.6	-
<b>TOTAL</b>	<u><u>987.2</u></u>	<u><u>983.2</u></u>	<u><u>-</u></u>

\* Adjusted to include an additional 5.0 FTE positions that are not reflected in the position total, but for which moneys are budgeted.

**Agency Estimate/Governor's Recommendation**

The Department's revised current year estimate reflects an increase of approximately \$2.2 million over the budget approved by the 1995 Legislature and adjusted by the State Finance Council. The revised estimate includes an additional \$42,002 from the State General Fund, which is from unbudgeted reappropriated balances authorized for use by the 1995 Legislature for purposes related to the Kansas Quality program. (The law allows the Department to use for Kansas Quality program purposes up to 50 percent of any of its unbudgeted moneys from the State General Fund that are reappropriated in accounts for state operations. A total of \$58,849 is budgeted from the State General Fund for the Kansas Quality program in the Department's revised current year estimate.) Included in the revised current year estimate

*Senate Ways & Means  
February 22, 1996  
Attachment 6*

is a shift in financing \$114,000 in the Aid-to-Local Units program from the Sponsored Project Overhead Fund to the State General Fund. The \$114,000 in expenditures would instead be from already authorized State General Fund moneys so that enough receipts are available from the Sponsored Project Overhead Fund to pay for upgrading the Department's vital statistics imaging equipment, which is a project that was approved by the 1995 Legislature.

The additional \$2,119,140 included in the revised estimate from funds other than the State General Fund would be from seven fee funds and seven federal funds. The estimated additional expenditures from the 14 funds actually total \$2.8 million, but a portion is offset by budgeted reductions in expenditures from other funds. Legislative action is necessary to provide the additional expenditure authority needed for all but two of the 14 funds. Slightly less than half of the requested additional moneys would be for grants to local units (\$1.3 million) and the remaining portion would be for state operations (\$1.5 million).

**Governor's Recommendation.** The Governor recommends total expenditures of \$155.8 million for the current year, a reduction of \$523,981 from the Department's revised estimate. The Governor agrees with the Department's proposed shift in financing for two aid programs from the Sponsored Project Overhead Fund to the State General Fund. However, overall State General Fund expenditures are reduced by \$624,073. The recommendation amends the Department's budget so that it is in compliance with the Governor's direction to cabinet agencies in September, 1995, to reduce current year State General Fund expenditures by 1.5 percent. The recommendation actually provides for a 2.4 percent reduction from the Department's currently approved State General Fund appropriation. Included in the recommendation for reducing State General Fund expenditures is the following:

- A reduction of \$357,741 from salaries and wages partly due to the position changes discussed below, but mostly due to use of lower than originally anticipated health insurance rates.
- A reduction of \$266,332 from other operating expenses, including \$200,000 for vaccine purchases. (The recommendation allows for a total of \$900,940 from the State General Fund for vaccine purchases.)

The reduction in State General Fund moneys is offset some by the addition of other funds. The Governor basically concurs with the agency's request for additional expenditure authority from 14 different funds and recommends \$469,860 more in additional expenditure authority, including \$190,507 from five other funds. The additional moneys include available carryforward balances and new federal receipts for the Department's Rural Health program (\$141,500) and for contractual services related to nutrition intervention projects and burn prevention activities (\$140,678, including \$30,000 for a grant to implement a fire injury prevention program in Cloud County). The new federal moneys also would be for contracting with a laboratory for the testing of local public water systems wastewater discharges (\$68,384). In addition new federal grants that became available sooner than the Department anticipated also are included in the recommendation. The recommendation includes funds for a Clean Air Act grant for developing a training module for small business owners who are required to meet federal and state regulations (\$76,829) and for a grant for improving the state's surveillance system to monitor health events in Kansas and implement actions aimed at reducing disease (\$78,067). These moneys are in addition to the recommended \$3.0 million budgeted by the Department from federal and fee funds that was approved by the State Finance Council following last session. With regard to State Water Plan Fund expenditures, the Governor reduces expenditures for remediation projects by \$319,389.


**Position Changes.** The Department estimates a total of 828.6 FTE positions and 158.6 unclassified temporary positions in FY 1996. The revised estimate provides for a net reduction of 11.0 positions from those approved for the current year at the end of last session. The reductions are in keeping with the Governor's recent direction to cabinet secretaries to reduce FTE positions by 2.0 percent in the current year. The revised estimate deletes 10.0 FTE positions and 1.0 unclassified temporary position.

**Governor's Recommendation.** The Governor concurs with the Department's proposed plan for deleting 10.0 FTE positions and 1.0 unclassified temporary position in the current year. The Governor also recommends deleting 4.0 other FTE positions in the current year, including an Attorney, two clerical staff, and a Food and Drug Surveyor. The Governor's recommendation includes 824.6 FTE positions and 158.6 unclassified temporary positions for a total of 983.2 in FY 1996.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Delete \$425,000 from federal funds recommended by the Governor for a grant for a public utility computer workstation project in Lawrence, Kansas. The grant moneys will not be received as was originally anticipated.
2. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.



\_\_\_\_\_  
Senator Robert Vancrum, Chairperson



\_\_\_\_\_  
Senator Richard Rock



**SUBCOMMITTEE REPORT**

**Agency:** Department of Health  
and Environment

**Bill No.** 465

**Bill Sec.** 5

**Analyst:** Mah

**Analysis Pg. No.** 577

**Budget Page No.** 221

<u>Expenditure Summary</u>	<u>Agency Request FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 95,226,524	\$ 92,454,503	\$ (1,973,103)
Aid to Local Units	31,708,249	30,996,553	59,281
Other Assistance	32,700,000	32,750,000	0
<b>TOTAL</b>	<b><u>\$ 159,634,773</u></b>	<b><u>\$ 156,201,056</u></b>	<b><u>\$ (1,913,822)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 20,817,750	\$ 18,161,680	\$ (232,568)
Aid to Local Units	7,598,696	7,125,000	59,281
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 28,416,446</u></b>	<b><u>\$ 25,286,680</u></b>	<b><u>\$ (173,287)</u></b>
<b>Other Funds:</b>			
State Operations	\$ 74,408,774	\$ 74,292,823	\$ (1,740,535)
Aid to Local Units	24,109,553	23,871,553	0
Other Assistance	32,700,000	32,750,000	0
<b>TOTAL</b>	<b><u>\$ 131,218,327</u></b>	<b><u>\$ 130,914,376</u></b>	<b><u>\$ (1,740,535)</u></b>
FTE Positions	821.6	807.6	0.0
Unclassified Temp. Positions	154.1	154.1	0.0
<b>TOTAL</b>	<b><u>975.7</u></b>	<b><u>961.7</u></b>	<b><u>0.0</u></b>

**Agency Request/Governor's Recommendation**

The Department requests a total budget of \$159.6 million in FY 1997, an increase of \$3.3 million over the revised current year estimate. Of the increase, \$1,950,372 would be from the State General Fund, \$979,376 would be from federal funds, and \$390,689 would be from fee funds. Most of the requested additional State General Fund moneys are for state operations (\$1,717,049), of which over half is for salaries and wages (\$975,568). The request provides for slightly higher financing for the Department from the State General Fund for salaries and wages in FY 1997 (37.0 percent) as compared to the current year (35.3 percent). Included in the FY 1997 request also are proposed increases totaling \$233,323 in financing from the State General Fund for three existing grant programs. The largest request is for \$110,116 for grants to county health departments and private entities for carrying out the state's child care licensing and regulation program. The additional State General Fund moneys requested for the other two grant programs consist of \$61,316 for adolescent health promotion grants and \$61,891 for support of general health programs provided by local health departments. The FY 1997 request also

would continue the proposed shift in financing of \$114,000 for Aid-to-Local Units program expenditures from the Sponsored Project Overhead Fund to the State General Fund, which is reflected for the first time in the current year revised budget.

Overall, the FY 1997 budget would reduce grant expenditures for aid to local units by \$1.6 million from the current year. The reduction is in part due to the end of one-time additional federal funds approved for the current year for the Infant and Toddler program. There also are proposed reductions in fee expenditures for solid waste and waste tire grants. Capital outlay expenditures would drop by \$1.1 million, mostly due to the completion of one-time projects in the current year. These reductions are offset by a requested \$3.6 million increase for contractual expenses, which are mostly reflected in the Environment Division of the Department for remediation at contaminated sites and nonpoint source pollution control projects. Some of the additional moneys (\$400,000) would come from two new federal grants for water and solid waste projects. In addition, the Department proposes to increase State Water Plan Fund financing by \$859,292 for remediation projects as well as for local environmental grants. Also, the budget reflects expenditures from two pending federal grants. One is for \$8,500 from the federal Centers for Disease Control for activities related to reporting of infectious disease data and the other is for \$73,171 from the federal Environmental Protection Agency for activities related to clean air legislation. Finally, federal funding for WIC food vouchers is expected to increase by \$2.5 million.

**Governor's Recommendation.** The Governor recommends a total budget of \$156.2 million in FY 1997, a reduction of \$3.4 million from the agency's request. Of the \$3.4 million, the recommendation reduces \$3.1 million from the State General Fund, including:

- \$1,137,239 from salaries and wages partly due to the position changes discussed below and use of lower than originally anticipated health insurance rates. In addition, the State General Fund savings are generated by providing for an unclassified merit increase of 2.5 percent for six months instead of the full year (total costs from all funds are reduced from \$133,349 to \$66,672) and longevity pay to only those employees at the maximum step of their salary grade and employees whose salaries would be less in FY 1997 than FY 1996 if they did not receive the longevity pay (total costs from all funds are reduced from \$317,421 to \$66,074).
- \$1,518,831 from other operating expenses, including \$205,724 for vaccine purchases. Also, no moneys are included for a project the Governor initiated last year for FY 1996. The Governor asked and the Legislature supported the establishment of a \$200,000 State General Fund pool of moneys to be used to meet medical and health care needs in the rural parts of the state.
- \$473,696 from aid-to-local units expenses partly by deleting the requested additional moneys for three of the Department's existing grant programs. The recommendation allows for the Department's proposed shift beginning in the current year for financing two aid programs from the State General Fund instead of the Sponsored Project Overhead Fund. However, the recommendation also includes across-the-board cuts to the various grant programs getting the State General Fund moneys.

For all other funds, the Governor makes several adjustments. The major recommended adjustments are outlined below:

- Adds \$102,619 to continue the new federal grant recommended to begin in the current year for improving the state's surveillance system to monitor health events in Kansas and implement actions aimed at reducing disease.
- Adds \$340,000 from federal funds for contractual services related to an existing cancer registry project that the agency inadvertently left out of the budget request.
- Adds \$72,000 from moneys currently being generated through the sale of children's bicycle helmets sold at reduced cost to be credited to a new dedicated trust fund recommended by the Governor.
- Increases Medicaid and Medicare financing by shifting requested funding for salaries and wages from the State General Fund to Medicaid moneys (recommending \$181,932 more than was requested) and federal Medicare moneys (recommending \$34,326 more than was requested).
- Adds \$50,000 for an existing Medical Loan Repayment program which was not budgeted by the Department for FY 1997. However, this adjustment is offset some by a recommended reduction of \$48,000 from fee funds for food service and lodging inspection grants.
- Deletes \$433,383 from environmental response fees, which are part of the Governor's current year recommendation for a cleanup project at Clay Center where contaminants from a former agricultural products company have gotten into the public water supply system. (Because the agency was unsure as to when it would get the fees, it budgeted the amount in both FY 1997 and the current year.)
- Deletes requested State Water Plan Fund moneys totaling \$466,891, of which most is for remediation projects and local environmental grants.
- Adds \$107,894 from federal funds for continuing a new grant recommended to begin in the current year for contracting with a laboratory for the testing of wastewater discharges.

**Position Changes.** The Department requests a total of 821.6 FTE positions and 154.1 unclassified temporary positions in FY 1997. The request provides for a net reduction of 11.5 positions from the current year, of which 7.0 are FTE positions and 4.5 are unclassified temporary positions.

**Governor's Recommendation.** The Governor concurs with the Department's proposed plan for deleting positions except for one position for the Children and Families subprogram. The position is restored based on information from the Department that it was inadvertently deleted. However, the Governor recommends deleting another 15.0 FTE positions, including 9.0 professional and 6.0 clerical staff positions. When compared to the Governor's current year recommendation for FTE positions, the FY 1997 recommendation reflects a drop of 17.0 FTE positions. However, including the

recommendation to delete 4.5 unclassified temporary positions, the Governor's FY 1997 recommendation provides for a total drop of 21.5 positions from his current year recommendation. Under the Governor's recommendation, the total number of positions for the Department in FY 1997 would be 961.7, including 807.6 FTE and 154.1 unclassified temporary positions.

### **Senate Subcommittee Recommendation**

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

1. The Senate Subcommittee was told that the Department has submitted for initial review a request for proposal (RFP) to the Division of Purchasing, Department of Administration. The RFP is for privatizing the distribution and storage of vaccines. The Subcommittee understands that the Department currently has an inventory of vaccines valued at approximately \$1.0 million and that the average monthly value of vaccines on hand usually runs around \$800,000. The Department indicated that most of the inventory is stored in the basement of the Mills Building. The Subcommittee notes that the vaccines are perishable, needing special storage which adds to the substantial risk that already exists with this situation. If the Department's privatization initiative ends up not being feasible, the Subcommittee asks the Secretary of Health and Environment to seek insurance coverage that has a reasonable deductible. The Subcommittee shares the Department's concern over the state's liability for the high-valued inventory and notes that the state's self-insurance policy is structured so that in effect there is presently no coverage for the vaccines.
2. Include in the appropriations bill language to transfer all but \$1.5 million out of current cash receipts of \$6.8 million from the Department's Aboveground Petroleum Storage Tank Release Trust Fund to the Department's Underground Petroleum Storage Tank Release Trust Fund. Both funds get their receipts from an established assessment (environmental assurance fee) of \$.01 on each gallon of petroleum produced, manufactured in, or imported into Kansas. Balances have gotten unnecessary high in the Aboveground Storage Tank Fund. Also, the Subcommittee reduces the Governor's recommended expenditures of \$2,812,574 to \$1.5 million from the Aboveground Storage Tank Fund. Expenditures in past years have not been more than \$1.2 million. The Department indicated that the Governor's recommendation includes significantly more money than necessary to cover known expenditures.
3. The Subcommittee notes that this is the first time in recent years that the agency has not used its own initiative to create a significant number of unclassified temporary positions over those approved by the Legislature. The positions previously were called special projects positions. The Department's FY 1997 budget request reflects 154.1 unclassified temporary positions, which are 4.5 positions less than the current year estimate. The effort the Secretary of Health and Environment has made to address this legislative concern is appreciated. With regard to FTE positions, the Governor's recommendation reflects 819.6 FTE positions for FY 1996, which is consistent with his directive that cabinet agencies reduce staffing by 2.0 percent during FY 1996. However, the Governor reflects

807.6 FTE positions for FY 1997, which is at least 7.0 FTE positions above the number required to meet the Governor's directive to reduce FTE positions by another 3.0 percent in FY 1997. The Subcommittee anticipates that there will be a further reduction to meet the 3.0 percent reduction directive and that this reduction will be reflected by the Governor in his recommendation for FY 1998 and revised recommendation for FY 1997.

4. The Subcommittee wishes to make the full Committee aware of a potential shortfall in financing for the Department's program for surveying and inspecting various health care facilities, including adult care homes. The survey activities are funded by a blend of federal Medicare money, Medicaid moneys, and State General Fund dollars. The Department asked the federal Health Care Financing Administration (HCFA) for \$2.1 million from Medicare. At this time, it is not known whether the Department will get \$1.3 million or \$1.7 million. The latest information from HCFA indicates \$1.7 million, which the Department says may allow for some spending flexibility. The Department states that it has sought to be creative in managing resources, indicating that it is focusing on activities that are protecting patients and residents and reducing or eliminating activities that are not productive. Specifically, the Department is no longer doing surveys on one to five bed home care facilities, assisted living facilities, boarding care homes, residential health care facilities, and adult day care homes. Survey staff is visiting with adult home care administrators prior to an on-site visit to see if actions taken in response to complaints of certain types of alleged abuse or neglect are all that is necessary and reducing in number the residents personally checked when a facility is surveyed. Survey field staff also has been allowed to use its judgement with regard to meeting a 90-day time frame for an on-site inspection when there is a complaint related to the general care of a patient. Testimony from the Department also indicated that it has stopped on-site visits for anonymous complaints that are frivolous in nature and not productive to the patient or Department. The Subcommittee understands that adjustments to services have to be made to operate within available revenues. However, the Subcommittee is concerned that the changes could lead to diminished quality of care for those most in need of protection. The Subcommittee would suggest perhaps random surveys of the smaller adult home care facilities identified above. Also, the Subcommittee asks the Department to prepare a report and make it available to legislators at the beginning of the 1997 Session. The report should include information presented in a format that will allow legislators to thoroughly evaluate the Department's activities related to licensure of health care facilities, including information showing any change in quality of care provided to patients served by the facilities. Further, the Subcommittee understands that the Governor's recommendation assumes that the Department will have more Medicare and Medicaid moneys available than it requested for FY 1997 (\$34,326 more from federal Medicare moneys and \$181,932 more from Medicaid moneys). At this time, the Department indicates that it does not know if a change from the Governor's recommendation is necessary due to the lack of a federal budget. There is the possibility that some alterations to the Department's budget may be necessary either during the 1996 Omnibus Session or perhaps next session if information remains limited.

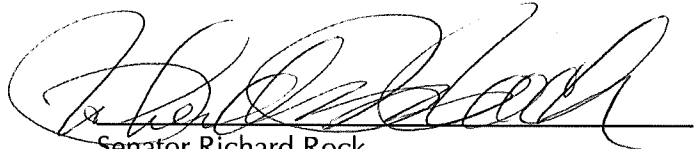
5. The full Committee may be aware that earlier in the 1996 Session there was concern because reductions recommended by the Governor included moneys (\$50,000) for activities related to blood lead screening of children in Kansas. The Secretary of Health and Environment has indicated that priorities have been shifted so that the Department can continue to provide the blood lead screening laboratory services in FY 1997. The Subcommittee believes that this change in priorities was necessary and asks the Governor to consider a budget amendment if necessary to cover any shortfall that may have been created by the shift.
6. Reduce the transfer in the appropriations bill from the Health Care Stabilization Fund to the Department's Health Facilities Review Fund by \$56,479. The transfer would be \$144,364 instead of \$200,843. The recommendation allows for taking advantage of carry forward balances in the Health Facilities Review Fund, but makes no change to the Governor's total recommended expenditures of \$200,843 from the Health Facilities Review Fund.
7. Include language in the appropriations bill to abolish the Governor's Council on Fitness and Gift and Donation Fund and transfer any remaining balances to the Department's Special Bequest Fund. The Governor issued an Executive Directive (No. 95-179) in September, 1995, which rescinds the establishment of a Governor's Council on Fitness. The Department indicated that no future revenues to the Governor's Council on Fitness and Gift and Donation Fund are expected.
8. The Subcommittee was told that the Department temporarily has stopped the distribution of educational materials from its audiovisual and pamphlet library. The Department indicates it is in the beginning stages of negotiating with the Kansas State University Cooperative Extension Services for future distribution of the materials. Cost for the service is contemplated at \$65,000 annually, which is less than half of the \$150,000 reported by the Department for doing the distribution services in-house in FY 1995. While the Subcommittee agrees that cost savings may be generated, it believes that the gap between stopping and restarting the service should be minimized and asks the Department to work toward this goal. Apparently, the service was stopped in December, 1995, and has not yet been restarted.
9. Change the appropriations bill back to the policy established last year, which would remove most of the Department's "no limit" expenditure authority recommended by the Governor and include a proviso to limit salary expenses from the Department's Insurance Statistical Plan Fund. The Governor's recommendation would allow the Department to accept federal grant moneys that have not first been reviewed by the Governor or the Legislature. The Subcommittee has the same concern expressed last year, which is that federal grant moneys need to be reviewed to ensure that the state does not start a program that is not worth state dollars if necessary. A review of the Department's budget also indicates that it still has a difficult time budgeting for all necessary expenditures. The Department included in its appeal to the Governor on-going expenditures that it simply failed to include in its prepared budget document. Also, the Subcommittee wants the full Committee to know what it learned after inquiring about the Department's Infant and Toddler Program, which the

Governor would shift to the Department of Education in his Executive Reorganization Order No. 27. The Subcommittee was told that one-time additional moneys provided for year eight of the Department's Infant and Toddler Program are being used to pay for current year expenses, which is year nine. Apparently, the Department submitted its grant request so late that year nine moneys will not be forthcoming until perhaps early Spring, 1996. The one-time additional year eight moneys should have been expended in FY 1995, after the Department came to the State Finance Council in September, 1994, and received the expenditure authority. At the same time, the Department indicated it could not wait for the 1995 Legislature to approve the additional moneys because local providers of the program needed the additional planning time.

10. Add a total of \$59,281 from the State General Fund for grant expenditures for child care licensure activities, which provides approximately half of an additional \$110,116 requested by the Department for the program's growth and restores \$8,446 deleted by the Governor in his across-the-board cut for State General Fund grant expenditures from the current year. In recent years, the Department has had to contract with private groups for inspections because local health departments have opted not to receive grants. Testimony before the Subcommittee indicated that funding has not kept pace with the rapid increase in the number of facilities requiring licensure. The testimony also indicated that facilities are not being inspected, giving as one example Cowley County where the financial situation for the local health department has required it to discontinue providing the service. The Department says it now has a private contractor for the inspections in Cowley County, but that state and federal moneys for the grant program cover on an average only 41.0 percent of the actual cost for the inspections statewide.
11. Delete \$660,529, including \$232,568 from the State General Fund, based on the recommendation to delete funding for the six-month 2.5 percent unclassified merit pool (\$66,709); classified step movement (\$527,706); and the longevity bonus (\$66,114) from individual budgets.
12. Make any technical corrections necessary to the appropriations bill.



Senator Robert Vancrum, Chairperson



Senator Richard Rock

Kansas Department of Health & Environment  
Memorandum

TO: Senator Robert VanCrum  
Senate Subcommittee Chairman

DATE: 2/22/96

FROM: James J. O'Connell  
Secretary

RE: Performance Measurements

The following list is respectfully submitted for your consideration in reviewing the K D H E  
FY 96 and FY 97 budget recommendations pertaining to the agency's top performance measurements.

It must be noted that this list does NOT truly represent the multiple state and federal activities within KDHE.

Division of General Management (0100-0200)

- 1) To evaluate long term programs to determine efficiency, continuing needs, relationships to other necessary services and the cost to Kansas citizens.
- 2) To provide the agency with all general administrative support services including but not limited to accounting, computing, legal, personnel, and research.
- 3) To implement integrated client and/or facility oriented databases for the Divisions of K D H E.

Division of Health (6000-6500)

- 1) To collect, analyze, and disseminate accurate and timely data on disease of public health importance.
- 2) To improve the health of Kansans by enhancing the knowledge of and supporting effective prevention strategies.
- 3) To assure reasonable oversight of regulated activities, such as child care facilities, hospitals, restaurants, adult care homes, etc.

Division of Environment (7200-7900)

- 1) Pollution Prevention - to develop a program of pollution prevention and environmental compliance which reduces pollution while supporting environmentally responsible economic development.
- 2) Regulatory Work - to develop and implement enforcement procedures which are fair, but which still serve as an adequate deterrent to potential violators of environment regulations.
- 3) Corrective Action - in order to preserve, protect the health and safety of the public and restore and maintain the quality of the waters and other natural resources of the state.

Division of Laboratories (8410-8440)

- 1) Number of laboratory reports generated
- 2) Percent of ambient water samples within compliance levels
- 3) Assist in the epidemiological control of AIDS in Kansas through the identification of patients who carry and are able to transmit the HIV virus.



KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT  
 CHILD CARE LICENSING AND REGISTRATION PROGRAM  
 109 SW 9TH STREET, SUITE 400-C, MILLS BLDG.  
 TOPEKA, KANSAS 66612-2217  
 TELE. (913) 296-1270 FAX (913) 296-7025

ACTIVE CHILD CARE FACILITIES AND AGENCIES BY FISCAL YEAR

March 1995

TOTAL NUMBER OF FACILITIES/AGENCIES	FY 91	FY 92	FY 93 (EST.)	FY 94	FY 95 Y-T-D
REGISTERED DAY CARE HOMES	4023	4124	4277	4232	4246
LICENSED DAY CARE HOMES	3633	3960	4480	4647	4728
GROUP DAY CARE HOMES	385	418	478	513	538
CHILD CARE CENTERS	683	765	863	918	947
PRESCHOOLS	373	369	364	361	355
DAY CARE REFERRAL AGENCIES	14	17	19	20	18
ILLEGAL CARE FILES	****	210	61	87	130
TOTAL DAY CARE FACILITIES/ AGENCIES (ILLEGAL CARE NOT INCLUDED)	9,111	9,653	10,481	10,691	10,832
ATTENDANT CARE FACILITIES	35	40	44	44	43
GROUP BOARDING HOMES	50	51	53	48	50
RESIDENTIAL CENTERS	38	39	40	44	46
DETENTION CENTERS	7	6	7	8	12
SECURE CARE CENTERS	1	2	2	2	2
CHILD PLACEMENT AGENCIES	39	43	47	47	60
MATERNITY CENTERS	1	1	1	1	1
FAMILY FOSTER HOMES	1835	1908	1982	1941	1995
TOTAL FACILITIES AND AGENCIES	11,117	11,743	12,718	12,913	13,171

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Department on Aging

**Bill No.** 488

**Bill Sec. –**

**Analyst:** Colton

**Analysis Pg. No.** 945

**Budget Page No.** 47

Expenditure	Agency Est. FY 96	Gov. Rec. FY 96	Senate Sub. Adj.
<b>All Funds:</b>			
State Operations	\$ 4,341,991	\$ 3,438,817	\$ 0
Aid to Local Units	4,842,285	4,842,285	0
Other Assistance	12,019,227	12,019,227	0
<b>TOTAL</b>	<b>\$ 21,203,503</b>	<b>20,300,329</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 1,744,602	\$ 1,538,770	\$ 0
Aid to Local Units	1,370,620	1,370,620	0
Other Assistance	3,549,888	3,549,888	0
<b>TOTAL</b>	<b>\$ 6,665,110</b>	<b>6,459,278</b>	<b>\$ 0</b>
<b>Other Funds:</b>			
State Operations	\$ 2,597,389	\$ 1,900,047	\$ 0
Aid to Local Units	3,471,665	3,471,665	0
Other Assistance	8,469,339	8,469,339	0
<b>TOTAL</b>	<b>\$ 14,538,393</b>	<b>13,841,051</b>	<b>\$ 0</b>
FTE Positions	40.8	40.8	0.0
Unclassified Temp. Positions	4.8	4.8	0.0
<b>TOTAL</b>	<b>45.6</b>	<b>45.6</b>	<b>0.0</b>

**Agency Estimate/Governor's Recommendation**

**1. Agency Operations.** The agency estimates \$4,341,991 in FY 1996. This is \$433,314 more than was approved by the 1995 Legislature as adjusted by the State Finance Council. The estimate reflects a reappropriation of \$75,307 for Kansas Quality Management programs, several salary reclassifications (including the reclassification of an Auditor II to a Special Assistant/Director of Field Operations), and estimates for the running of the CARE program based upon a full year's experience in operating the program. The Governor recommends \$3,438,817 for agency operations. This is \$903,174 less than estimated by the agency, and \$469,860 less than was approved by the 1995 Legislature. The bulk of the reduction is effected by reducing contractual services for the CARE program.

*Senate Ways & Means  
February 22, 1996  
Attachment 7*

**2. Grants.** The agency estimates expenditures for aid and other assistance at \$16,861,562 in FY 1996, or \$57,315 less than was approved during the 1995 Legislative Session. The Governor concurs with the agency estimate.

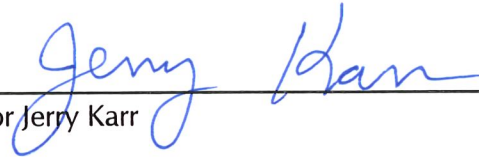
**Senate Subcommittee Recommendation**

Concur.



---

Senator Paul Bud Burke  
Subcommittee Chair



---

Senator Jerry Karr

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Department on Aging

**Bill No.** 465

**Bill Sec.** 6

**Analyst:** Colton

**Analysis Pg. No.** 945

**Budget Page No.** 47

Expenditure	Agency Req. FY 97	Gov. Rec. FY 97	Senate Sub. Adj.
<b>All Funds:</b>			
State Operations	\$ 4,066,382	\$ 3,457,950	\$ (67,305)
Aid to Local Units	4,867,729	4,756,685	-
Other Assistance	11,737,884	10,198,891	30,000
<b>TOTAL</b>	<b>\$ 20,671,995</b>	<b>\$ 18,413,526</b>	<b>\$ (37,305)</b>
<b>State General Fund:</b>			
State Operations	\$ 1,718,097	\$ 1,527,767	\$ (14,822)
Aid to Local Units	1,398,681	1,287,637	-
Other Assistance	3,652,664	3,028,481	30,000
<b>TOTAL</b>	<b>\$ 6,769,442</b>	<b>\$ 5,843,885</b>	<b>\$ 15,178</b>
<b>Other Funds:</b>			
State Operations	\$ 2,348,285	\$ 1,930,183	\$ (52,483)
Aid to Local Units	3,469,048	3,469,048	-
Other Assistance	8,085,220	7,170,410	-
<b>TOTAL</b>	<b>\$ 13,902,553</b>	<b>\$ 12,569,641</b>	<b>\$ (52,483)</b>
FTE Positions	40.8	40.8	(1.0)
Unclassified Temp. Positions	4.8	4.8	-
<b>TOTAL</b>	<b>45.6</b>	<b>45.6</b>	<b>(1.0)</b>

**Agency Request/Governor's Recommendation**

**1. Agency Operations.** The agency requests \$4,066,382 in FY 1997. This is, essentially, a budget request that would provide for the continuation of current service levels, with a few exceptions:

- Funding is included that would allow the agency's long-term-care ombudsman to engage in additional travel in order to reduce case backlog;
- Funding for additional printing, e.g., for a resource guide for the CARE Program (\$75,000), is included; and
- \$12,000 is included for the Senior Press Service.

**The Governor does not recommend** any of the enhancements that were requested by the agency. He recommends an operating budget of \$3,457,950, which is \$608,432 less than was requested by the agency. Again, the bulk of the reduction comes from contractual services for the CARE Program.

**2. Grants.** The agency requests \$16,605,613 in aid and other assistance in FY 1997. The request would allow the agency to maintain current service levels, except that funding for the RSVP program is dropped (\$30,000), and, there is a reduction of 190 in the number of people served by the Senior Care Act. Included in the agency request is:

- \$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.
- \$40,055 for capital equipment at nutrition sites, and \$20,790 for transport of customers to nutrition sites. **The Governor recommends neither.**
- \$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.
- \$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's recommendation for grants totals \$14,955,576. This is a reduction of \$1,650,037 from the agency request. The Governor effected the reduction by the cuts in funding outlined above, and by transferring the Senior Employment Program (\$1.27 million in FY 1996) to the Department of Human Resources.

#### **Senate Subcommittee Recommendation**

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

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 believes that this Committee should examine the bill making the transfer (whether or not the bill is referred to the Senate Ways and Means Committee). Financial ramifications can 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 which may need to be reviewed following the transfer.
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. Allow the agency to use up to \$60,000 in potential savings (based on the number of assessments performed in the second half of calendar year 1995) in the CARE program to match federal moneys for nutrition program. This should allow the Older Americans Act nutrition program to be maintained at the FY 96 level.
4. Delete \$27,531 All Funds (\$14,822 SGF) in accordance with this Committee's recommendation to move funds in the Governor's salary plan to a separate bill.
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. The Subcommittee's action will restore funding for these programs to the FY 1996 level.
6. The Subcommittee calls the Committee's attention to the following performance indicators for the agency:

Department on Aging Performance Indicators

	FY 1994	FY 1995	FY 1996	FY 1997
Persons Served by Senior Care Act	2,689	4,050	4,430	4,030 *
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

\* In FY 1996, \$112,200 of unencumbered FY 1995 General Fund dollars was reappropriated for FY 1996 as authorized by the 1995 Legislature. The Secretary of Aging indicated that she believed that there will be a similar amount of unencumbered dollars at the end of FY 1996. She indicated that unencumbered FY 1996 dollars in these programs and case management will be used to restore the Senior Care Act to the amount appropriated for FY 1996 by the 1995 Legislature (\$2,035,450).

\*\* 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, nearly 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 recommended using savings in CARE 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. However, the Secretary believes that with this new flexibility and a modest adjustment in local and customer funding, the number of meals should remain the same as in the current fiscal year.

7. Add \$30,000 for the Retired and Senior Volunteer Program. This is the same amount as in the approved FY 1996 budget, and will allow the RSVP sites to continue to recruit and place volunteers, who perform valuable work in Kansas communities.

  
 Senator Paul Bud Burke  
 Subcommittee Chair

\_\_\_\_\_  
 Senator Jerry Karr

### MINORITY REPORT

I respectfully dissent from the majority's Subcommittee Report, and in addition offer the following:

1. I am greatly concerned about the fact that the Departments on Aging and SRS, as well as the Area Agencies on Aging (AAA), have not been given funding to handle the transfer of long-term-care programs from SRS to Aging. According to information from the Department, the Income-Eligible Home-Care program, the Home- and Community-Based Service/Nursing Facility Waiver program, and the Nursing Facility Reimbursement program are to be transferred simultaneously from SRS to the Department on Aging. Testimony presented by the North Central Flint Hills Area Agency on Aging revealed that the costs (e.g., for infrastructure and start-up costs, the implementation of a computer network for the Department and the AAAs and additional personnel needs) that will be incurred by that area agency will be approximately \$69,000. It can be assumed that like costs will be incurred by other AAAs. To force AAAs to deal with the transfer of programs from one state agency to another, amounts, in effect, to an unfunded state mandate on local units of government. In order to allow the AAAs to deal adequately with the needs that will arise because of the transfer of long-term-care programs, I would add \$500,000 subject to release by the State Finance Council. This would provide an average of just over \$45,000 per AAA to allow them to deal with transition costs.
2. I call attention to the agency's revised performance indicators for the CARE program:

	<u>FY 94</u>	<u>FY 95*</u>	<u>FY 96</u>	<u>FY 97</u>
CARE Program Evaluations	N/A	8,651	14,300	14,300

\* One-half fiscal year

I also call the Committee's attention to the fact that 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, very difficult to predict trends in the number of screenings. According to the majority report, funding recommended by the Governor for the CARE program (\$1,583,788, or \$482,000 less than the agency request) should be enough to fund both CARE assessments and make up the reductions in state funding for nutrition programs. In view of the fact that the population of people age 85 and over is the most rapidly growing segments of the population in Kansas, I find the



Governor's (and the majority's) recommendation unrealistic, and would therefore add \$250,000 for funding for the CARE program. This is a very effective program: in the first nine months of 1995, it diverted 13 percent of persons assessed from entry into nursing homes. If the program is to continue to work, however, it must have adequate resources. The \$250,000 that I would add is more cost effective compared to what the state will spend on nursing homes if the CARE program cannot function effectively. If indeed there are savings in the program, the agency can use them to prevent a predicted reduction of 361,000 meals in the Older American Act nutrition program.

3. 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 recommendation, I am perplexed that the Governor made cuts to the following programs, 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 as much as 121,965, to 3,660,812. The reductions that I am talking about here are only the ones caused by cuts in state funding. According to information from the Department on Aging, reductions in federal funding for nutrition programs have been reduced by \$245,000 in FY 96, which will result in a reduction of 248,500 meals in FY 96 and 474,345 meals in FY 97. Also, the agency has not been informed of the USDA reimbursement rate for federal FY 96 (it is currently about 58.4 cents per meal).

I am 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, I feel that the Governor's cuts may be penny-wise, but pound-foolish. I believe the Committee should 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.

4. I am also concerned that the agency has not begun to draw up an emergency plan to deal with anticipated cuts in federal funding (*i.e.*, elimination of federal funding for the long-term-care Ombudsman, a 5-percent reduction in funding for Older Americans Act nutrition program, a 5-percent cut in moneys for community-based services, elimination of funding for disease prevention and health promotion programs). One area agency on aging reported that it was told by the agency to expect a 39-percent cut in nutrition funding. Besides talking about the anticipated cuts, the agency seems to have done little to prepare for them. The results of these cuts could be catastrophic either for Kansas seniors, or for state finances. I believe that the Committee should direct the agency to prepare an analysis of anticipated reductions, and to report to the senate by Omnibus time on how it plans to deal with them.

  
\_\_\_\_\_  
Senator Jerry Karr



# KANSAS

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## DEPARTMENT ON AGING

Docking State Office Building  
915 S.W. Harrison, 150-S  
Topeka, KS 66612-1500  
Phone (913) 296-4088  
Fax (913) 206-0256

Bill Graves  
Governor

Thelma Hunter Gordon  
Secretary of Aging

February 9, 1996

TO: Gloria Timmer, Director of the Budget

FROM: Thelma Hunter Gordon

Attached is the information you requested regarding our FY'97 budget. If you have any questions, please call Alice Knatt.

AK:bms  
Attachment

*Senate Ways & Means  
February 22, 1996  
Attachment 8*

## CARE Program

Governor's Budget Recommendation is adequate to fund the revised numbers of Level I and II assessments the agency projects for FY 1996 and 1997.

[The number of Level I assessments completed during the 6 months ending June 30, 1995 was 7,500. That number decreased to 6,056 for the next 6 months which ended December 31, 1995.]

The number of Level I assessments decreased 20% during the first 6 months of FY 1996 below the number in the prior 6 months. Level II assessments decreased 43%. KDOA's budget request had been based on the FY 1995 caseload.

The Governor's FY 1997 Recommendation is also based on the FY 1995 caseload as we requested. Thus, there is more money recommended than is needed to assess all persons seeking admission to nursing facilities, unless the number of assessment increases to "95 caseload" level. If it does, we'll seek a supplemental during the 1997 session.

## Nutrition

I requested technical adjustment to allow me the flexibility to move \$100,000 of the Governor's Recommendation for CARE to Program Grants. With this adjustment I can use \$100,000 of General Funds to match the State's Allotment of Title III Older Americans Act funds.

I reported to the Subcommittee the results of a recent analysis of final financial reports received at the end of December 1995, that showed the average participant's contribution per meal served in FY 1995 was \$1.12. We had budgeted \$1.04 per meal. The additional 8¢ per meal generates \$302,622. The revised estimate of participant contributions (\$302,622) plus \$100,000 moved from CARE to Program Grants for match is \$402,622 which more than offsets the Governor's recommended reduction of \$361,600.

Note: Gloria, I have received the federal award for nutrition services. We received a reduction in federal dollars of \$245,000 for FY'96 which will result in a reduction of 248,500 meals for FY'1996 and 474,345 meals for FY'1997. Also, we still have not been informed of USDA reimbursement rate for FY'96.

The Governor's Recommendation, which is consistent with our request, for 10,680 less meals in FY 1997 than is planned in FY 1996, because we planned to implement an eligibility criteria for home-delivered meals on July 1, 1996 which would result in a reduction in the number of persons eligible for home delivered meals. This criteria focus home delivered meals to those most in need who are homebound, frail individuals at risk of institutionalization. Currently, each provider establishes its own criteria. The criteria has been published; however I am reviewing it to consider providing more flexibility to local providers.

Unobligated FY'96 funds will be used to main the 10,680 additional meals in FY'97.

Senior Care Act, Custom Care and Environmental Modification

In FY 1996, \$112,200 of unencumbered FY 1995 General Fund dollars was reappropriated for FY 1996 as authorized by the 1995 Legislature. I believe there will be a similar amount of unencumbered dollars at the end of FY 1996. The unencumbered FY'96 dollars in these programs and case management will be used to restore the Senior Care Act, Custom Care and Environmental Modification to the amount appropriated for FY'96 by the 1995 Legislature.

AK:pal:802

FY 1995	1.8
96	<del>2.13</del> 2.13
request 97	2.040
GOV 97	1.930
	(11)

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
AND  
KANSAS DEPARTMENT ON AGING

MEMO

To: Governor Bill Graves

From: Secretary Thelma Hunter Gordon, KDOA *THG*  
Secretary Rochelle Chronister, SRS *RC*

Subject: Recommendations for the method of transfer of certain long term care services for frail or vulnerable older adult Kansans from the Department of Social and Rehabilitation Services to the Department on Aging

Date: January 10, 1996

Attached to this memo is a plan which reflects the work of a committee of staff representing our two agencies. The plan incorporates public input from both written comments and testimony presented in public hearings across the state. We Secretaries used the work of the committee and input from the public at large as a basis for further negotiations to resolve a variety of issues raised in the transfer of these important services from one department to the other.

We trust that you will view the resulting plan framework as a positive step to deliver more efficient services to those in need. Seven subcommittees continue work on fleshing out the plan for a successful transfer of long term care programs between the agencies, with the least possible disruption to the consumer.

We look forward to working with your office and the Kansas Legislature to bring this plan to fruition.

*Senate Ways & Means  
February 22, 1996  
Attachment 9*