

Approved: 3-25-97

Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 9:08 a.m. on March 14, 1997 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Russell Mills, Stuart Little, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee: The Honorable Greta Goodwin, Senator, 32nd District
The Honorable Judy Showalter, Representative, 78th District
Mr. Don Myer, Kansas Commission on Veterans Affairs
Mr. Roger Steffen, Community Opportunity for Growth
Mr. Warren Porter, City Manager, Winfield
Mr. Lee Stolfus, Veterans Affairs Division of American Legion
Mr. Mike Hutfles, Dept. of Social & Rehabilitation Services

Others attending: See attached list

Chairperson Kline announced that the meeting will need to recess at 10:00 a.m. for the House session and that the members were to reconvene ten minutes after adjournment to complete the hearing.

Hearing on HB 2497 - Veterans' home established at Winfield state hospital and training center, long-term care annex

Senator Goodwin. Senator Goodwin spoke in support of the bill which would allow the Kansas Commission on Veterans Affairs to operate the second Kansas Veterans' Home on the grounds of the Winfield State Hospital and Training Center grounds on or after January 1, 1998, upon the passage of further legislation providing for enabling funding and any other necessary legislation for this project to reach fruition. (Attachment 1)

Representative Showalter. Representative Showalter, who represents the district containing Winfield State Hospital and Training Center, asked the committee to look favorably on the project as another opportunity to convert empty buildings to facilities that can continue to be useful and to serve a population that is in need. (Attachment 2)

Don Myer. Mr. Myer, executive director of the Kansas Commission on Veterans Affairs, testified on behalf of HB 2497. He felt the bill will serve the best interests of the veterans of the state for two reasons: 1) it will offer a service now available to a comparatively small portion of their clients, and 2) present trends indicate that the number of veterans aged 65 and older is increasing and will continue to do so for the next 15 years. (Attachment 3)

Roger Steffen. Mr. Steffen, chairman of the Community Opportunity for Growth Task Force in Winfield, urged support of the bill because it is a great fit for the community, the state, and the employees. (Attachment 4)

The committee recessed at 9:55 a.m. for the House session and reconvened at 10:50 a.m.

Warren Porter. Mr. Porter, Winfield City Manager, appeared in support of HB 2497 which provides an opportunity to deliver desirable and cost-effective services to Kansas veterans through the reuse of the Winfield State Hospital and Training Center facilities. (Attachment 5)

Lee Stolfus. Mr. Stolfus, chairman of the Veterans Affairs and Rehabilitation Committee of the American Legion, testified on behalf of the bill. He stated that the Legislature has an almost unprecedented opportunity

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 10:50 A.M. on March 14, 1997.

to provide for veterans while at the same time limit increased pressure on SRS funding and assist the cities of Winfield and Wichita. (Attachment 6)

Written testimony was submitted by Mr. George Sheldon, legislative officer for the Veterans of Foreign Wars in Kansas, in support of the bill which establishes a Soldiers Home in Winfield and a nursing home in Wichita. (Attachment 7)

Mike Hutfles. Mr. Hutfles of the Department of Social and Rehabilitation Services distributed a handout from the Director of the Budget regarding the proposed conversion of Winfield State Hospital to a Kansas Soldiers Home. He reviewed the capital improvement costs and answered questions from the committee members. (Attachment 8)

Discussion and questions continued. Chairperson Kline announced that in order to develop the answers that had been raised, he was going to assign the bill to Representative Neufeld's subcommittee and ask him to report back as soon as was feasible. The hearing on HB 2497 was then closed.

Representative Dean introduced Representative Joe Shriver who will fill his chair on the committee for a couple of weeks. Representative Dean plans to be back in time for the Omnibus Session.

Chairperson Kline requested the subcommittee chairpersons to meet with him following the meeting. Representative Neufeld announced a meeting of his subcommittee regarding HB 2497 on Monday afternoon following the Appropriations Committee meeting.

The meeting adjourned at 12:00 noon.

The next meeting is scheduled for March 17, 1997.

STATE OF KANSAS

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TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
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ENERGY AND NATURAL RESOURCES
TRANSPORTATION AND TOURISM
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REFORM LEGISLATIVE OVERSIGHT
JOINT COMMITTEE ON STATE BUILDING
CONSTRUCTION
HEALTH CARE STABILIZATION FUND
OVERSIGHT
KANSAS SENTENCING COMMISSION

TO: Representative Phil Kline
Chairman of the House Appropriations Committee

RE: House Bill 2497

DATED: March 14, 1997

Thank you Mr. Chairman and Committee Members for the opportunity to speak in support of House Bill 2497.

The Kansas State Soldiers' Home was created upon land donated to the state of Kansas by Fort Hays and Fort Dodge military reservations for the purpose of providing proper and suitable homes for the indigent ex-Union soldiers, sailors and marines of Kansas, pursuant to legislation passed in 1889. This was known as the Kansas Soldiers' Home and Mother Bickerdyke Annex. The Kansas Commission On Veterans Affairs in its present form was subsequently created in 1986 (K.S.A. 73-1208a). Full control of the Kansas Soldiers' Home, the property, effects, supervision and management thereof under the Kansas Commission of Veterans Affairs (K.S.A. 76-1904). Previous legislation only allowed for the operation of that one home. House Bill 2497 would allow the Kansas Commission on Veterans Affairs to operate the second Kansas Veterans' Home on the grounds of the Winfield State Hospital and Training Center grounds on or after January 1, 1998, upon the passage of further legislation providing for enabling funding and any other necessary legislation for this project to reach fruition. Representative Helgerson will address the Wichita project included in H.B. 2497.

NEED FOR ADDITIONAL VETERANS HOME

The need for care of the veteran population is expected to increase dramatically as nationally the 8.3 million veterans in 1993 will peak to 9.3 million by the year 2000. A second peak of close to 9 million veterans aged 65 years and over is expected to occur in the mid 2010s as a result of the aging of Vietnam era veterans. The number of Kansas veterans 65 years and

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over is expected to increase from 98,006 in 1998 to 113,002 in 2010. A recent SRS survey shows that there are approximately 26,000 patients in 400 Kansas nursing homes. Over 13,000 of those patients are on Medicaid. The agency estimates that 25 percent (3,250) of those on Medicaid are eligible for care at a state veterans home. The Division of Budget has indicated those estimates are very high but it does appear that, given quality facilities and care, there is a strong interest in the veterans facility. As of August, 1995 there were 79 state veterans homes in 41 different states. Many states now have multiple veterans homes - Colorado - 4 (440 beds); Illinois - 4; Nebraska - 4 (844 beds); Missouri - 5 (558 beds); Oklahoma - 7 (1,138 beds). I feel certain that Kansas has the same need for veterans care as other states in our area and yet we have one veterans home with 264 beds. The Department of Veterans Affairs will reimburse states for up to 4 nursing beds per 1,000 veterans and 2 domiciliary beds for 1,000 veterans. It is estimated that Kansas currently has a 262,000 resident veteran population.

FEASIBILITY OF PROJECT

The Division of Budget analysis indicates that it will cost less state monies to provide institutional care for the veterans in the Winfield Soldiers Home than under the Medicaid Program administered by SRS. This is due to the fact that the Veterans Administration per diem reimbursement and operating expenditures in the Winfield Soldiers Home will be less expensive than assistance provided to nursing home patients by Medicaid. The establishment of a veterans home in Winfield is expected to increase the number of clients served at a lesser cost. A second veterans home will serve a new clientele which the state is not presently serving.

SUPPORT OF PROJECT

The proposal for the establishment of a veterans home on the grounds of the Winfield State Hospital and Training Center has garnered a great amount of support since this issue was first brought to my attention during the 1996 legislative session when an inquiry was made as to what the state would be doing with our facility upon the closure of our present state mental and retardation hospital. At that time, I learned that the Kansas Commission on Veterans Affairs and other Kansas veteran organizations have been interested in establishing a Kansas Veterans Home in eastern Kansas for several years but the right circumstances had never been present.

From that time forward, the momentum for a second veterans home in Kansas has grown

at a monumental pace. The most important component frequently mentioned in support of the creation of a second veterans home to be located in Winfield is the advantage of having the appropriate and valuable facilities available, as well as having a highly trained and dedicated staff of health care workers already in place to provide the skilled care needed. Most of the current employee positions at Winfield are of similar classifications required by a veterans home. Also a plus is that the location of our facility is a major attraction to serve the eastern area of Kansas where veterans services are not presently available. The forty thousand members of the Kansas Veterans of Foreign Wars is on record in support of the home.

OPTIONS FOR UTILIZATION OF THE WINFIELD STATE HOSPITAL CAMPUS

During the interim meetings of the Joint Committee on State Building Construction, a memorandum was prepared for the committee setting out options for the utilization of our buildings and grounds. The three options stated were: 1) do nothing - this would result in increased costs in the case of future renovation or decreased value in case of future sale; 2) expand prison facilities - while this may serve to relieve some of the population pressures facing DOC, this option could face several limitations due to age and design of the facilities and the staffing costs associated with conversion to prison facilities would be high compared to other options available to DOC; 3) soldiers' home - the demand, two and one-half year waiting list for independent living accommodations at Fort Dodge and an aging population of veterans drive this to be the best option. Through the RFP process, the only request presented for use of the Winfield facility was from the Veterans Affairs Commission was the only request presented.

ADDITIONAL AREAS OF COST SAVINGS

I would like to point out some state cost savings in addition to those previously mentioned. It is anticipated that a great number of our present hospital employees will be filling the employment needs of an opening of a soldiers home on the WSH campus and thus, not utilize the employee benefit package as offered by the 1996 Legislature. It has been estimated that there could be approximately 400 employees still employed at the time of the final closure of our hospital. The benefit package offered of health insurance, payment of accumulated sick leave, bonus payment, and moving expenses, is estimated to be a cost in excess of \$4,104.00 per employee for those still working at the closure date. Estimating that if one-half of the 400

employees (a conservative figure) will draw benefits after hospital closure, the costs would total approximately **\$820,800.00**.

The breakdown of those benefits to each employee is:

Health Insurance	\$1,246.00
(Six months of employer-paid health insurance coverage for all employees of WSH&TC. The Conference Committee assumed a cost of \$831.00 SGF and \$415 other funds)	
Accumulated Sick Leave	
The cost varies by employee. The average per employee cost is	850.00
(The Conference Committee assumed a cost of \$425 SGF and \$425 other funds).	
Total cost of these two benefits	<u>\$2,096.00</u>
 Bonus Payment	 \$2,008.00
(Employees with 4 or more years of service - 4 weeks of pay Less than 4 years - 1 week of pay for each year of service) (SGF)	
Total cost per direct care employee (estimate)	<u>\$4,104.00</u>
(\$3,264 SGF AND \$840 OTHER FUNDS)	

The cost savings of the benefit package should be considered should our employees be offered employment in another health care facility located on our grounds. We foresee that many of these employees will have to leave the area to find employment. The **moving expense** benefit will also add dollars to this total amount.

Should the state "moth-ball" the buildings, it is estimated from figures from our current budget that it would take at a minimum of \$50,000 for heating and lighting of buildings, normal repair material for buildings and grounds \$10,000 (min.) And hiring of two security guards, \$90,000 which would be an expenditure of approximately \$150,000 annually for maintenance costs for empty buildings.

I set out these dollar amounts for your consideration as you look at the over all costs which may be requested for renovation of our hospital buildings by the Veterans Affairs Commission in order for them to utilize our hospital campus at the earliest possible date. Time is of the essence to allow our present WSH employees to not have an extended break in employment so that they can staff the veterans home.

I would also point out another possible cost benefit of locating a veterans hospital on our

grounds would be the decrease of costs of operations and required renovation due to the use of inmate labor from the Department of Corrections. A veterans hospital could continue to utilize inmate labor for laundry operations, grounds maintenance, remodeling, renovation, etc. The use of Department of Correction inmate labor reflect a great savings in many areas to our present hospital costs and could offer this same labor to a veterans facility.

CONCLUSION

I believe a vast opportunity has presented itself to benefit and serve the aging veteran population of Kansas. I, along with thousands of Kansas Veterans and the community of Cowley County, believe this project is a win-win situation for Kansas Veterans and the State of Kansas. It is an excellent opportunity for the State of Kansas to show its appreciation and support of Kansas Veterans, and for the Kansas Veterans to have available a much needed home for those requiring care.

Again, I thank you for the opportunity to address the Committee. I urge your favorable consideration of this legislation. I would be happy to respond to any questions you might have at the appropriate time.

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TOPEKA

HOUSE OF
 REPRESENTATIVES

March 14, 1997

My name is Judy Showalter and I represent the northern half of Cowley County. Within that district is the Winfield State Hospital and Training Center, the site of the proposed Veterans Home.

For the 10 years I served this area as a City Commissioner and Mayor of the City of Winfield. If there is one thing I have always admired about the citizens of Cowley County is their ability to rise up and face adversity head on.

I know you are aware of the recent plant closing announcements and of course the closure of the Winfield State Hospital. Let me take you back even farther in our history, 10 years ago. The Lutheran College, St. Johns College, had closed. We had a number of empty buildings and the loss of jobs that impacted our economy. The citizens of Winfield did not want to see that facility fall into ruin and become a blight on our community. They directed the local leaders to find uses for those buildings. Not only did they direct the leaders to find uses they also agreed to help fund the changes.

Today, through private and public partnerships that area is the site of a public library, a recreation center, housing for the elderly, a community center, and educational facilities. In essence they made diamonds from rust.

Today we view the facilities at the Winfield State Hospital and Training Center as another opportunity to convert empty buildings to facilities that can continue to be useful and to serve a population that is in need, our veterans.

Cowley County residents believe in this project so much they are willing to help fund a portion of the start up costs and have pledged 1.25 million dollars to the project.

Granted the numbers of veterans who serve our country are decreasing in numbers, but they are living longer because of the benefits of modern

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science. Those veterans deserve to be served. They have given a portion of their lives to stand up and defend our country. We do not want to turn our backs on them when they need us to stand up for them.

We have the buildings, a work force that is trained to staff this facility and a desire to assist the veterans who served our country.

I ask you to look favorably on this project and allow us to give useful life to the buildings that remain as the hospital completes closure.

Thank you for your consideration.

Testimony by Don Myer, Executive Director

Kansas Commission on Veterans Affairs

on House Bill 2497

before the

House Appropriations Committee

March 14th, 1997

Mr. Chairman and members of the committee, my name is Don Myer, and I am the Executive Director of the Kansas Commission on Veterans Affairs. I am here today to testify on House Bill 2497. If I use the pronouns "he" or "him", or at any time make masculine reference to veterans, I am referring to both the men and women who served our country. I believe that this bill will definitely serve the best interests of the veterans of our state two reasons. First, it will offer a service now available to a comparatively small portion of our clients. Presently, the Kansas Soldiers Home located at Ft. Dodge, Kansas, offers three levels of care to qualifying veterans and their dependents: unassisted living, assisted living, and nursing care. Although open to all qualified Kansas veterans, the fact is that approximately 69% of the current residents are from within a five county area covering a 75 miles radius of the home. Second, present trends indicate that the number of veterans aged 65 and older is increasing and will continue to do so for the next 15 years. This is the segment of our population most likely to use facilities of this type.

The quality of care offered by this facility is validated by the growing number of veterans who seek care there for themselves and their dependents. The average number of residents has been steadily rising for the last several years. Recent efforts to coordinate with the Department of Aging Client Assessment, Referral and Evaluation (CARE) program to include the Soldiers' Home in their process should only increase the Home's exposure. If the present trend continues, I believe the Soldiers' Home will maximize capacity sometime within the next two or three years (Enclosure 1).

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As is shown at Enclosure 2, the total veteran population of Kansas is declining, and is projected to continue to do so for the next 15 years. This follows the national trend. However, the aging of our veteran population is clearly shown in Enclosure 3. This means that the total number of veterans in the age class 65 years of age or older will grow appreciably for the next 15 years, and maintain at that plateau for the following five years. The age class will increasingly be weighed toward the older end of it's range. It is this fact which mitigates for expansion of our present facilities.

The Department of Veterans Affairs (DVA) will reimburse state soldiers' homes such as Ft. Dodge for a certain number of beds maintained by each state. This number is driven by the total number of veterans in the state. The rate is four beds per one thousand veterans for nursing beds, and two beds per one thousand veterans for domiciliary beds. The number of veteran homes in surrounding states and the breakdown of beds by nursing and domiciliary care units is shown at Enclosure 4. It also shows the number of beds per thousand veterans. There are 21 soldiers' homes in the four states listed. Domiciliary beds are generally assisted living accommodations, such as those found at Grant Hall, Lincoln Hall, and Nimitz Hall at Ft. Dodge.

The population of the Kansas Soldiers' Home at Ft. Dodge is a mix of wartime veterans, peacetime veterans, and dependents of each type. Enclosure 5 is a breakdown of the population in nursing care and dormitory facilities (including cottages) as of 7 February 1977, identified by number of wartime and peacetime veterans, and the dependents and parents of veterans of either type. As you can see, 80% of the nursing population are wartime veterans (and therefore eligible for both per diem and aid and attendance payments), 9% are peacetime veterans (eligible for per diem only), and 11% are the dependents/parents of a veteran. The population in domiciliary facilities (dormitories and cottages) is 54% veterans (eligible for assisted living per diem) and 46% dependents and parents. There would be no cottage facilities at the Veterans' Home established at Winfield, and the Wichita nursing annex would offer only nursing home care. Therefore, we anticipate that the percentage of veterans eligible for per diem and other reimbursements from the US Department of Veteran Affairs (DVA) would be higher than that at Ft. Dodge. The DVA reimburses the soldiers' home quarterly for different levels of care according to formula which take into account many factors:

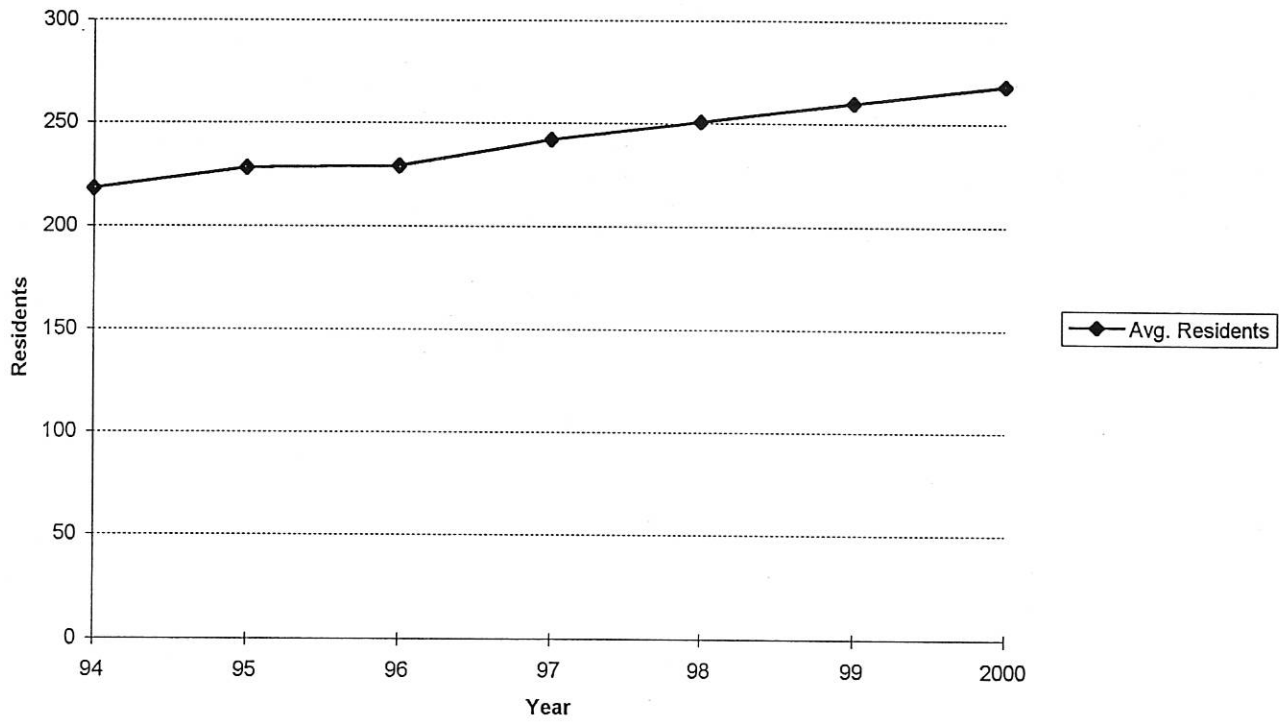
- a. The individuals' status as a wartime or peacetime veterans;
- b. The level of care the individual is in;
- c. The income and assets available to the individual including pensions, stocks, property, and cash.

Enclosure 6 gives a brief explanation of criteria for receiving Aid and Attendance payments.

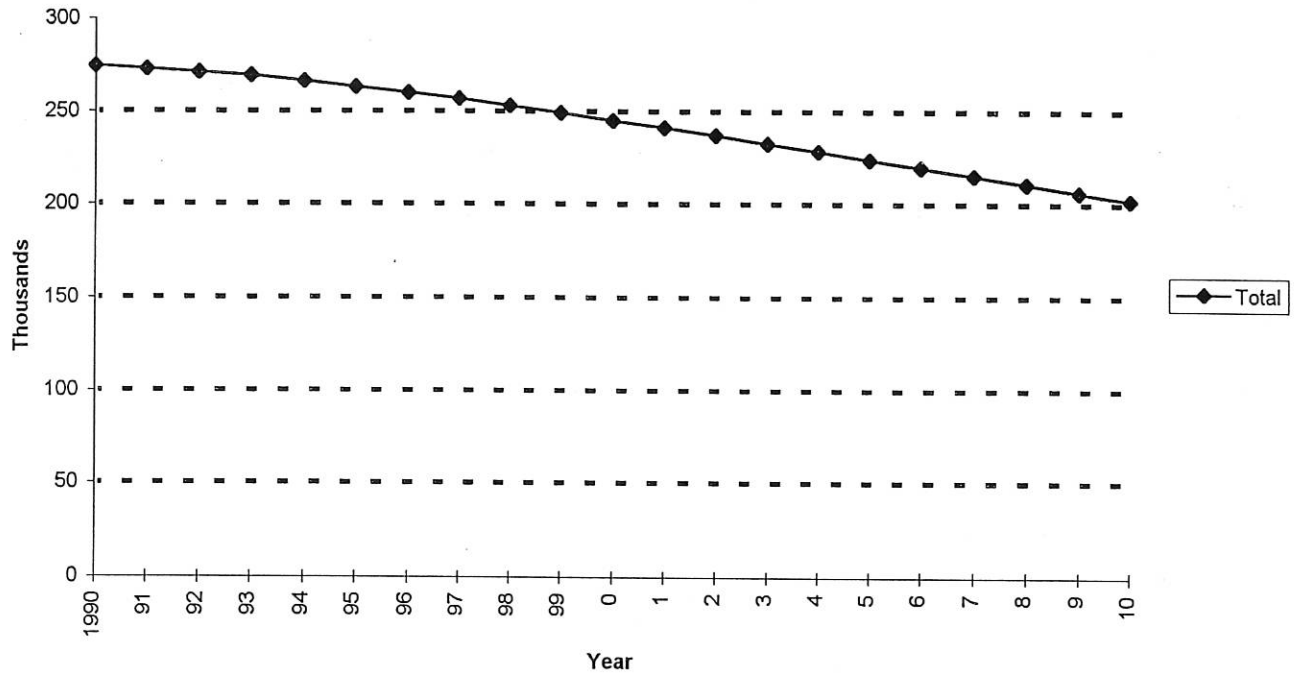
The history of the Re-authorization of per diem payment by the DVA to the Soldiers' Home is shown at Enclosure 7. It demonstrates that VA payments to the Soldiers Home at Ft. Dodge have increased by an average of 14.78% for nursing care reimbursements and 13.4 % for reimbursements to domiciliary care every federal fiscal year since FY 1987.

Thank you for this opportunity to testify. I would be happy to answer any questions you might have at this time.

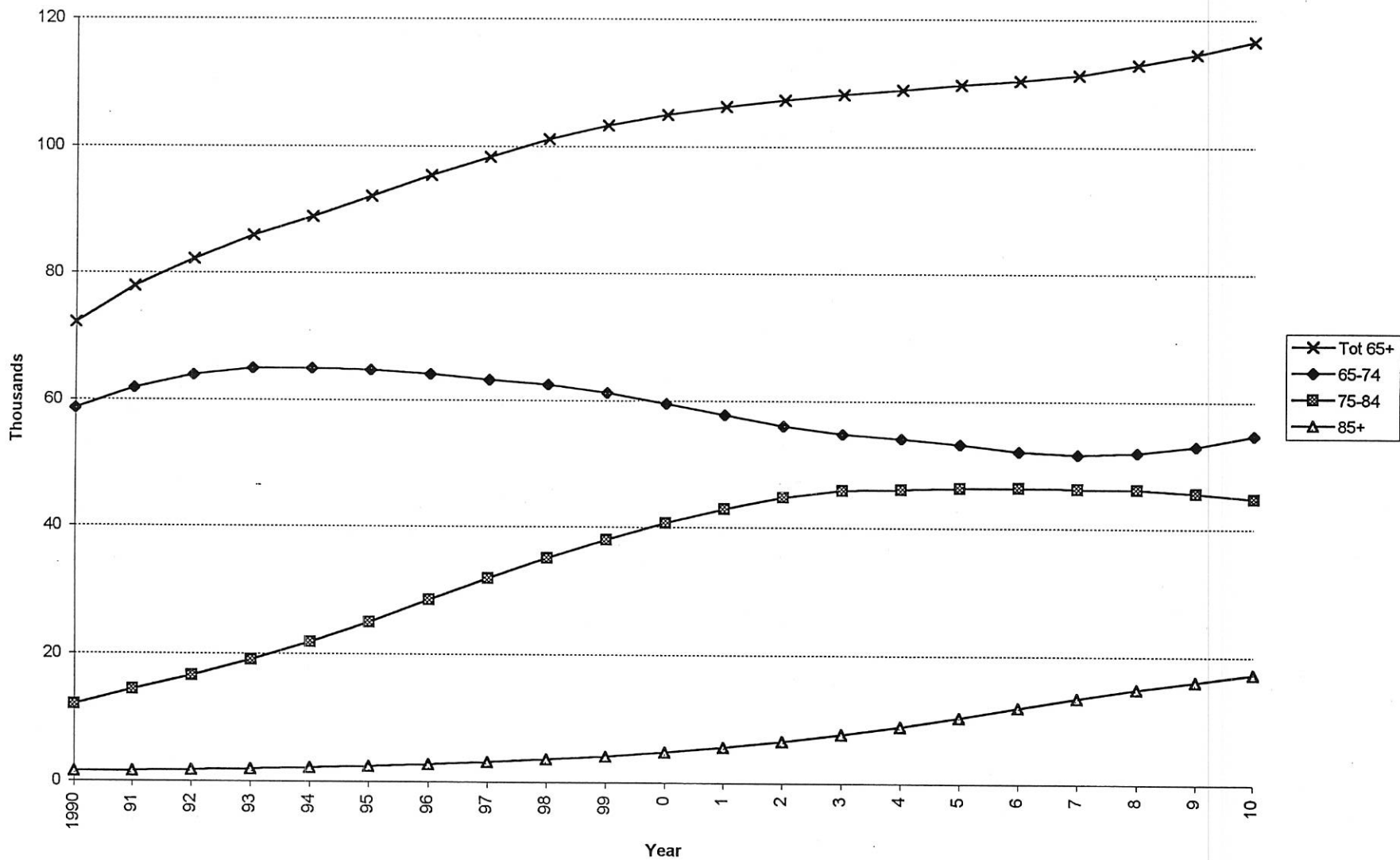
Soldiers' Home Projected Average Residents



Kansas Total Veteran Population Projection



Kansas Veteran Population Projection by Age Group



Soldiers' Homes in Surrounding States

Vets:		#Veterans	#Nursing	#Domiciliary	Beds/1000
<u>State</u>	<u>#Homes</u>	<u>in State(1000s)</u>	<u>Beds</u>	<u>Beds</u>	<u>Nursing/Dom</u>
Colorado	4	390	375	65	.95/.16
Missouri	5	592	558	0	1.06/0
Nebraska	4	170	678	166	3.98/.97
Oklahoma	7	355	1014	124	2.85/.35
Kansas	1	262	84	180*	.32/.68

*Includes 82 cottage bed spaces

Veteran Content of Soldiers Home Population

Nursing Care Facilities:

All veterans eligible for per VA diem payments of \$39.74 per day.

Wartime veterans eligible for VA aid and attendance payments of

-\$44.39 if married

-\$37.18 if single

	<u>Wartime veterans</u>	<u>Peacetime veterans</u>	<u>Dependents/Parents</u>	<u>Total</u>
Residents	60	7	8	75
Percentage	80.00%	9.33%	10.66%	100%

Domiciliary Care Facilities:

All veterans eligible for per VA diem payments of \$16.13 per day.

	<u>veterans</u>	Dependents/Parents of <u>veterans</u>	<u>Total</u>
Residents	87	73	160
Percentage	54.37%	45.62%	100%

Aid and Assistance Criteria.

In order for a veteran to qualify for Aid and Assistance from DVA, he* must be unable to:

- Dress or undress himself without assistance.
- Keep himself clean or presentable.
- Feed himself without assistance.
- Protect himself from hazards or danger from daily contact.

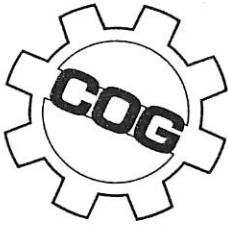
The veteran may also qualify if in need of frequent adjustment of a prosthetic device or requires the services of another person on a regular basis.

Veterans may qualify for Aid and Assistance without being requiring nursing care, e.g. a resident with Alzheimer' disease could reside in a dormitory and still qualify for payment under these criteria.

*All masculine terms are meant to refer to veterans of both gender.

VA RE-AUTHORIZATION HISTORY 1987-1997
 Kansas Soldiers' Home

Year	Dormitory/Cottage Rate	Increase/Decrease Amount	Percentage (%) of Increase/Decrease	Nursing Care Reimbursement	Increase/Decrease Amount	Percentage (%) of Increase/Decrease
October, 1987-September, 1988	\$7.30			\$17.05		
October, 1988-September, 1989	\$8.70	\$1.40	19.18%	\$20.35	\$3.30	19.35%
October, 1989-September, 1990	\$9.33	\$0.63	7.24%	\$21.83	\$1.48	7.27%
October, 1990-September, 1991	\$9.59	\$0.26	2.79%	\$22.44	\$0.61	2.79%
October, 1991-September, 1992	\$10.83	\$1.24	12.93%	\$25.35	\$2.91	12.97%
October, 1992-September, 1993	\$11.79	\$0.96	8.86%	\$27.61	\$2.26	8.92%
October, 1993-September, 1994	\$13.25	\$1.46	12.38%	\$31.03	\$3.42	12.39%
October, 1994-September, 1995	\$15.11	\$1.86	14.04%	\$35.37	\$4.34	13.99%
October, 1995-September, 1996	\$15.33	\$0.22	1.46%	\$37.56	\$2.19	6.19%
October, 1996-September, 1997	\$16.13	<u>\$0.80</u>	6%	\$39.74	<u>\$2.18</u>	6%
Total #Increase		\$8.83			\$22.69	
Total % Increase			120.95%			133.07%
Avg % increase (Yearly)			13.43%			14.78%



COMMUNITY OPPORTUNITIES FOR GROWTH

*P. O. Box 640, Winfield, KS 67156
Phone 316-221-1129 Fax 316-221-1167*

Testimony to the House Appropriations Committee

March 14, 1997

**Presented by :
Rodger E. Steffen
Winfield, Kansas**

Mr. Chairman, Members of the Committee, I am Rodger Steffen, Chair of the Community Opportunities for Growth Task Force in Winfield. It is a pleasure to be here before you today to discuss an exciting opportunity for the State of Kansas. As you know, the Winfield State Hospital and Training Center buildings will be vacated by year end. Finding the best possible use for the facility has been our top priority since the closure announcement was made in November of 1995.

Many people have worked very hard to put together a proposal that can be supported by all the parties involved. I believe that this proposal is truly a great fit for the community, the State, and the employees. When considering this proposal I think it is important to take note of the fact that many States have multiple veterans homes. Colorado has three, Illinois has four, Missouri has five, Nebraska has four and Oklahoma has six. These States have all realized the advantages of caring for veterans in veterans homes with federal dollars versus private nursing facilities with Medicaid dollars.

It is also important to fully understand the budget issues involved with this process. It is true that an agency will have to be funded and will have a budget separate from that of SRS. Although on the surface it may appear to be a costly proposal, one must look at the big picture before jumping to conclusions.

Many are saying that the SRS budget will not be cut in order to fund the Winfield Veterans Home. Although this may be an accurate prediction it logically falls a little short of the target. SRS's budget would be reduced if the total number of clients served by all agencies of the State stayed constant. The problem is anyone who understands even the most basic demographic information can see a huge increase coming in the number of people needing nursing care. Therefore, what is being said is that SRS's budget will continue to grow because the demand for services will be growing over the next several decades. It seems to me that it is in the Kansas taxpayer's best interest to identify and pursue any proposal that will provide care to the elderly at a reduced cost to the State.

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This proposal will cut the cost of caring for a veteran because of the way in which the Federal Government funds a veteran in a veterans home versus Medicaid funding. When in a veterans home, the veteran is allowed to continue to draw his pension payments from the federal government. A significant portion of his pension can be used by the State to help defray the cost of his care. Pensions can range from approximately \$8,486 per year to over \$16,201 per year depending on the veterans status.

He also receives a per diem of \$39.74 for nursing care when being served in a veterans home. He would not receive this if he were in a private facility. The State simply forfeits these payments if they do not provide care in a veterans home.

Therefore; the question is not whether you should support the Winfield Veterans Home or not, it is really whether or not you are going to provide services for indigent veterans or not. If you choose to provide services, as I certainly hope that you will, then it only makes good common sense to support this bill.

Good government depends on public servants who can envision and select options that will provide adequate services for the lowest possible cost. Such vision is rare in government these days because of the constant demand for cutting today at the expense of tomorrow. As a Kansas taxpayer and one who greatly appreciates the contribution made by each and every veteran I strongly urge you to support House Bill 2497. It makes good sense for Kansas.

I would be happy to entertain any questions at this time or any time in the future. Thank you for your consideration.

THE CITY OF  WINFIELD

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March 14, 1997

TO: House Committee on Appropriations

FROM: City of Winfield, Kansas
Presented by Warren Porter, City Manager

SUBJECT: House Bill 2497; Utilization of Winfield State Hospital and Training Center
for a Kansas Veterans' Home

On behalf of Mayor Max Handlin and City Commissioners Phil Jarvis and Mike Ledy, we wish to thank the Chairman and the Committee for the opportunity to appear before you. We believe that HB 2497 provides an opportunity to deliver desirable and cost-effective services to Kansas veterans through the reuse of the Winfield State Hospital and Training Center facilities.

During the process of bringing forth the proposal of the Kansas Veterans' Home at Winfield, we have been challenged to provide information and support to keep the project moving forward. We have taken these challenges very seriously and we believe that we have a project that is good for the State of Kansas, Kansas veterans and for Cowley County. We hope that our partnership efforts will be recognized and supported by this Committee and the Kansas Legislature.

The closure of the WSH&TC offers the State an opportunity to serve the needs of aging Kansans, primarily those men and women whom have served their country. There appears to be a valid need for additional beds for Kansas veterans and a facility in Winfield could be opened without the burden of additional State facilities. By continuing a partnership with the State of Kansas and the local communities in Cowley County, we believe that the State of Kansas can provide a cost efficient service to aging Kansas veterans.

When we initially met with the Joint Committee on State Building Construction, we were challenged to develop a plan and cost estimate for the conversion of the facilities into a Veterans' Home. The Cities of Arkansas City and Winfield, along with the Cowley County Commission, jointly funded an architectural study of the facility. We hired the facility's "on-call" architect to conduct the study. We supplied our results to the Kansas Commission on Veteran Affairs, to the State Architect, and to the Joint Committee on State Building Construction.

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After the presentation of the architectural study, we completed the State's RFP process for the reuse of the facilities. In conjunction with the Kansas Commission on Veteran Affairs, we submitted a proposal to that committee. We met with a subcommittee of that committee to negotiate the assistance necessary to bring the proposal forward with a positive recommendation. We believe that we have agreed to provide what was asked of us. Through a coalition of local units of government in Cowley County, we have agreed to provide \$1.25 million in utility and reconstruction support to convert a portion of the WSH&TC facility into a Veterans' Home. The financial cost of the project is high to the local taxpayers, but we believe that we have generated considerable local support for the project.

Winfield is a good location for a second Kansas Veterans' Home. Availability of labor from the Winfield Correctional Facility can be used to control some of the construction and maintenance costs. We are also a logical match for an industry requiring health care related services. For generations, the workforce of Winfield has been serving people that require assistance. In addition to a trained workforce, Cowley County has two hospitals and Southwestern College offers a four-year degree program in Nursing. These are services that will match the needs of the proposed Veterans' Home.

We thank you for the opportunity to form a partnership with the State of Kansas in the establishment of a Veterans' Home in Winfield. Thank you for the opportunity to appear before you today.

STATEMENT IN SUPPORT OF HOUSE BILL 2497 TO EXPAND KCVA
FACILITIES IN WICHITA AND WINFIELD, KANSAS BY
LEE STOLFUS, CHAIRMAN
VETERANS AFFAIRS AND REHABILITATION COMMITTEE
THE AMERICAN LEGION, DEPARTMENT OF KANSAS

The American Legion commends the roll of providing services to veterans in Western Kansas by the Kansas Soldiers Home at Ft. Dodge. However at the same time our organization has long been an advocate of the addition of similar services to veterans in Eastern Kansas.

In the past we have suggested considering the conversion of small community hospitals throughout the eastern half of our state whenever such hospitals closed. But that could be an expensive undertaking which would take several years to recoup investments.

Currently the State of Kansas has two golden opportunities to better serve its veterans, lower state expenditures in both the short and long term, and to assist the citizens of Winfield in a manner welcomed by that community's leaders. That is, in our experience the vast majority of veterans residing at Fort Dodge originally resided in Western Kansas where the home's existence is more commonly known. Those Ft. Dodge residents originally from the eastern half of the state by and large moved to Ft. Dodge only as a means of last resort because of their financial condition while others have been referred to Ft. Dodge by the Veterans Administration.

By establishing a KCVA facility at the VA Medical Center in Wichita, the State would be able to counter VA's trend of reducing long term nursing care beds while at the same time ward off veterans dependency on SRS assistance by receiving VA funding available for veterans residing in state supported veterans facilities. In other words, a return of Kansas' Federal tax dollars to our state instead of increased demands on SRS assistance with State tax dollars.

As I'm certain you are aware, the City of Winfield has been dealt two severe blows with the closing of the State Hospital there and most recently the planned closing of one of its major manufacturers. The conversion of Winfield to a KCVA facility would provide domiciliary style housing for veterans in eastern Kansas similar to what is available at Fort Dodge, and would go a long way to soften the economic blow to Winfield given the recent closing decisions. Thus KCVA would be able to provide employment opportunities for Winfield and at the same time, in conjunction with the Wichita facility, be able to serve more veterans in the most populated portion of our state.

While initial costs to assume control of the Wichita facility are almost negligible Winfield would involve capital investment by the State. But such investment could be off set by matching Federal grants like those used by our neighbors in Oklahoma, Missouri and

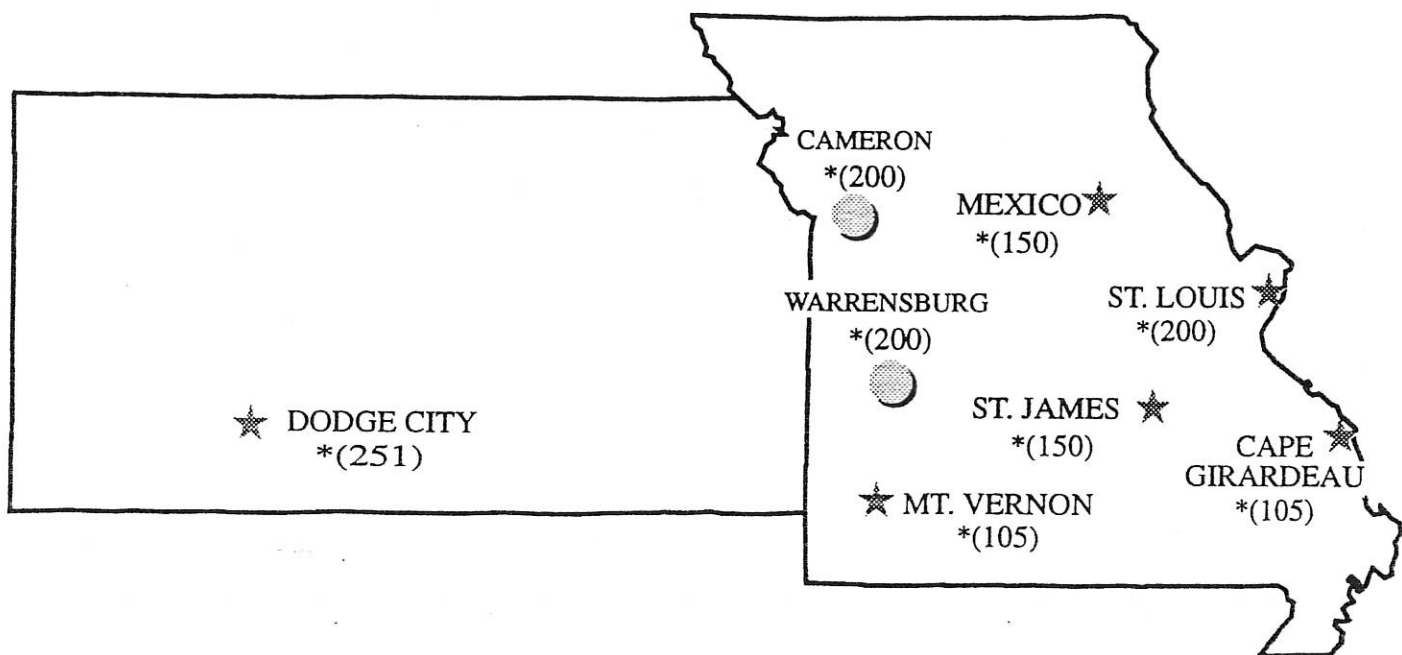
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Nebraska to expand their veterans home systems in recent years. Also the overall reduction of reliance on SRS funding by veterans who would be housed at Winfield, plus the annual federal funds provided to help finance the operation of a veterans home in Winfield should recoup the state's initial investment in a few short years. Naturally such savings would be an annual plus for the state after the investments are repaid.

In closing I would like to remind you that Kansas' World War II and in many cases its Korean and even its Vietnam veteran population is rapidly aging. Thus reliance on some type of state aid by these citizens who honorably served their country in the military will increase in the years to come; especially during the next ten years. The Legislature has an almost unprecedented opportunity to provide for those who have served while at the same time limit increased pressure on SRS funding and assist the cities of Winfield and Wichita. I might add that according to the Topeka Capital-Journal, Governor Graves would support conversion of Winfield to a KCVA facility therefore The American Legion strongly supports and urges your approval of funding for both the Wichita and Winfield proposals.

VISN 15

Veterans Homes

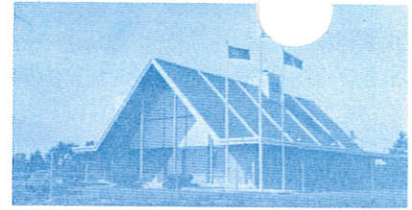


LEGEND	
★	VETERANS HOMES
●	PLANNED VETERANS HOMES

* Bed Capacity



VETERANS OF FOREIGN WARS OF THE UNITED STATES



DEPARTMENT OF KANSAS

TO: Chairman,
House Appropriations Committee

Mr, Chairman, I am George Sheldon. and I am here to represent approximately 40,000 members of the Veterans of Foreign Wars in Kansas. I wish to thank you and the committee for allowing me the opportunity to present testimony today.

At our State Council meeting in Overland Park in January, representatives of the nine VFW districts voted unanimously to support establishing a Soldiers Home in Winfield and a Nursing Home in Wichita.

During previous hearings that I have attended, both in the House and the Senate, I have noticed that the overwhelming primary concern of these committees is the financial obligations of the State; and rightfully so. But one aspect we must also consider is the quality of life of the individual. We know that a veteran is more comfortable and happy in the presence of other veterans with similar interests than he would be in a separate nursing home.

The continual support of the State veterans organizations for the welfare and well being of the veterans in a soldiers home environment is greatly enhanced. It is easier to serve 100 veterans together than to attempt to serve 1 veteran in 100 nursing homes. The veterans organizations of Kansas provides many social activities and ongoing events.

The Veterans of Foreign Wars provides veterans facilities such a the VA Hospitals, and the Fort Dodge Soldiers Home with activities such as monthly birthday parties, ice cream socials, watermelon feeds, Valentine parties, holiday events and escorts services, as well as providing health and welfare gifts, and clothing banks. The VFW also provides these veterans with free courtesy telephone calling cards that we call Operation Uplink. These are a few of the supportive volunteer actions the VFW provides our veterans. Having these veterans in consolidated locations facilitates our ability to provide "Quality of Life" support to them.

Thank you again for your time and consideration.

George V. Sheldon
Legislative Officer
Department of Kansas, VFW

Questions?

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DIVISION OF THE BUDGET
Room 152-E
State Capitol Building
Topeka, Kansas 66612-1504
(913) 296-2436
FAX (913) 296-0231

Bill Graves
Governor

Gloria M. Timmer
Director

MEMORANDUM

TO: Secretary Rochelle Chronister

FROM: Gloria M. Timmer, Director of the Budget

DATE: February 27, 1997

SUBJECT: Winfield Soldiers Home

This memo provides preliminary budget information regarding the proposed conversion of Winfield State Hospital to a Kansas Soldiers Home under the administration of Kansas Commission on Veterans Affairs. The memo reviews the capital improvement cost and schedule projections, three-year projections of the operating expenditures, census, direct care staff to resident ratios at the Winfield Soldiers Home, and cost comparisons among the existing Kansas Soldiers Home at Fort Dodge, the SRS nursing-home and assisted-living programs, and the Soldiers Home at Winfield. It must be noted that whenever possible, actual data or detail was used in the analysis. However, in several situations, estimates and assumptions had to be used. These are clearly identified.

The Kansas Commission on Veterans Affairs and the City of Winfield have jointly developed a proposal to utilize the Winfield State Hospital and Training Center as another Kansas Soldiers Home. Under the proposal, the new Soldiers Home at Winfield would provide nursing home care and assisted living accommodations for a maximum of 401 Kansas veterans.

I. Veterans Population Trend

According to projections prepared by the U.S. Department of Veterans Affairs, the veterans population, especially the young veteran population, will continue to decline. The continuing decline in the number of veterans age 45 is a direct result of the downsizing of the military. However, the number of veterans 65 years and over is expected to increase from 8.3 million in 1993 to a peak of 9.3 million in the year 2000. A second peak of close to 9 million veterans aged 65 years

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and over is expected to occur in the mid-2010s as a result of the aging of Vietnam era veterans.

Veterans population trend in Kansas mirrors the national trend. From 1998 to 2010, the overall Kansas veteran population will continue to decline. However, the number of veterans 65 years and over will increase from 98,006 in 1998 to 113,002 in 2010 (See figure in attachments).

Based on the above projections of veteran population, the Kansas Commission on Veterans Affairs believes it is necessary to establish another Soldiers Home at Winfield to meet the needs of aging veterans in Kansas. Since the number of Kansas veterans age 65 and over is expected to increase, the Commission is optimistic about placing veterans in the new Winfield Soldiers Home. It is important to note that the Commission does not intend to transfer eligible veterans currently residing in nursing homes under the SRS programs. The Commission plans to work with the Department on Aging to inform eligible veterans about the option of Winfield Soldiers Home under the screening program for nursing homes. The Commission is confident that there will be enough eligible veterans choosing to receive treatment and care in the Winfield Soldiers Home (Attachment A).

II. Capital Improvement Costs

The Veteran's Commission has developed a capital improvement plan to convert the Winfield State Hospital to a Soldiers Home based on the cost estimates prepared by a private architecture engineering design firm. The Commission proposes to divide the conversion projects into two phases. Phase I includes remodeling Holly Building and Juniper Building. The cost for Phase I is estimated at \$2,952,382 for 201 beds, including 105 nursing-home beds in Holly Building, and 96 assisted-living apartments in Juniper Building. Phase II includes remodeling the Medical Services Building and Treatment Building. The cost is estimated at \$3,987,800 for 200 bed. It is proposed that the Medical Services Building and Treatment Building would accommodate patients who need nursing-home care and residents who needs living assistance. Overall, a total of \$6,940,182 is estimated for completion of the conversion project.

The Commission believes that the conversion project would be financed by 65 percent federal grants and 35 percent state funds, or \$4,511,118 from federal grants, and \$2,429,064 from state funds. The Commission indicates that it will apply for the federal grant and is very positive about its prospects. However, the agency indicates that if it does not receive federal grants this year, an additional \$523,318 from the state funds to finance the capital improvement project will be necessary. The agency anticipates that the conversion project can be funded by federal grants next year.

Currently, the State Institutions Building Fund (SIBF) has an uncommitted balance of approximately \$6.5 million. The State of Kansas could appropriate approximately \$2.5 million for the conversion project. However, if the Kansas Commission on Veterans Affairs fails to get federal grants as planned, the State Institutions Building Fund does not have enough balance for FY 1998 to finance the entire conversion project of \$6.9 million. It should also be noted that significant

to finance the entire conversion project of \$6.9 million. It should also be noted that significant balances in the SIBF are uncommitted because of potential construction for a maximum security juvenile detention facility. Therefore, it would be unwise to assume the entire balance is available until decisions are made about the construction.

It is important to note that the capital improvement project has to be approved by the 1997 Legislature and is the first step toward converting the Winfield State Hospital into a Soldiers Home. The project also very much depends on the availability of federal grants and the timely receipts of federal monies. The Kansas Commission on Veterans Affairs plans to submit the capital improvement proposal to the Veterans Administration in April, 1997 and expects a decision from the federal government around August, 1997. In that case, the project could not begin until after August, 1997. Finally, the agency estimates that completion of the conversion project will take six to nine months. The timeline on the completion of the project gives two scenarios. The first would be that it takes a whole year to complete the project, which means that no operating expenditures need to be appropriated for FY 1998. The second scenario, which we believe is optimistic, assumes that the facility would be ready to receive patients or residents at the second half of FY 1998. If the second scenario were achieved, operating expenditures for half of FY 1998 need to be appropriated (Attachment B).

Note: Under the plan of Kansas Commission on Veterans Affairs, the capital improvements necessary for conversion project of the facility would be financed by 65 percent federal grants, and 35 percent state funds. However, it is possible local entities may also be willing to share part of the costs for the conversion project. If the local units of government could contribute \$2.5 million to the project, it will not be necessary to appropriate state funds for the capital improvement project in FY 1998.

III. Census, and Staff to Resident Ratios

The Kansas Commission on Veterans Affairs is very optimistic about helping eligible veterans choose to receive care and treatment in the new Winfield Soldiers Home. The agency indicates that seventeen prospective residents already have requested placement in the Winfield Soldiers Home if the proposal is approved. In addition, the Wichita VA Medical Center has indicated its intention to give the Winfield Soldiers Home priority when discharging approximately 10 patients monthly to local nursing homes. The agency would also work with the Department on Aging to identify veterans and their family members eligible to the Soldiers Home under the CARE program. And SRS survey shows that there are approximately 26,000 patients in 400 Kansas nursing homes. Over 13,000 of those patients are on Medicaid. The agency estimates that 25 percent of those on Medicaid are eligible for care at a state veterans home.

Upon completion of the project, the Winfield Soldiers Home would have a capacity of 401 beds, with 247 beds for nursing-home care and 154 beds for assisted living. For FY 1998, the Division of the Budget estimates a 25 percent occupancy rate, which means 102 residents. Of those, 64 would be placed in the nursing home unit in Holly Building, and 38 for assisted living in Holly

Building. More veterans could be admitted in FY 1999 after the remodeling work is done in the Medical Service Building and the Treatment Building.

For FY 1998, the agency requests 80.0 FTE positions which includes 25.0 direct care staff. Under the 25 percent occupancy plan, 102 veterans would be placed in the Winfield Soldiers Home which would provide a resident to direct care staff ratio of 4.08, which is below the KDHE requirements. KDHE requires that there be a minimum of 2 hours of direct care contact with the nursing-home patient for every 24 hours. Currently in the Kansas Soldier Home at Fort Dodge, the resident to direct care staff ratio is 3.44. To achieve a ratio comparable to that at Fort Dodge, the Division of the Budget has increased the number of direct care staff from 25.0 to 30.0 in FY 1998, from 42 to 48 in FY 1999, and from 68 to 95 in FY 2000 (Attachment C).

IV. Operating Expenditures for the Winfield Soldiers Home: FY 1998 - FY 2000

The Division of the Budget estimates for FY 1998 are based on the assumption that operating expenditures at Winfield Soldiers Home will be necessary for the second half of FY 1998. The agency has originally submitted a three-year budget plan which assumed funding for the full fiscal year. The agency believes that it will be able to achieve 40 percent occupancy rate in FY 1998, 60 percent in FY 1999, and 80 percent in FY 2000. The Division of the Budget believes that the agency will be able to accept patients at the second half of FY 1998 and therefore would achieve a 25 percent occupancy rate in FY 1998, 40 percent in FY 1999, and 80 percent in FY 2000. After discussions with DOB, the agency agrees with those projections in terms of the facility's occupancy rate.

For the half year of FY 1998, the Division of the Budget estimates \$1,465,850 for operating expenditures. This includes \$1,018,354 for salaries and wages, and \$447,496 for other operating expenditures. Of the total expenditures, \$577,335 would be from fees, and \$888,515 from the State General Fund. The estimated amounts would finance 85.0 FTE positions. Unlike the agency's proposal, the Division of the Budget believes that the agency would need another 5.0 direct care staff positions to meet the requirements of Kansas Department of Health and Environment (KDHE). The Division of the Budget also believes that a superintendent is needed to manage the Winfield Soldiers Home. The Division of Budget eliminates the Public Service Executive II position and adds an unclassified position of a superintendent.

For FY 1999 and FY 2000, the Division of the Budget estimates \$3,963,700 and \$7,944,750 respectively, for the operating expenditures. DOB estimates are higher than the budget plan submitted by the agency as the estimates are based on the current cost per capita at the Kansas Soldiers Home at Fort Dodge. Currently, the cost per capita is approximately \$30,800 for a nursing-home resident and \$14,750 for an assisted-living resident. Again, DOB assumes the occupancy rate will be 40 percent in FY 1999 and 80 percent in FY 2000.

For FY 1999 and FY 2000, the Division of the Budget again believes that the agency has somewhat underestimated the total number FTE positions needed in the new facility. Therefore,

Division of the Budget has increased the numbers of direct care staff and supporting staff from 94.0 to 100.0 for FY 1999, and from 127.0 to 184.0 for FY 2000. The increase in FY 2000 is much greater since the occupancy rate is doubled from FY 1999 to FY 2000. In other words, the number of veteran residents would increase from 161 to 321. Please see details of DOB estimates in the attachments.

The Division of the Budget estimates that it will cost \$7,944,750 to operate the Winfield Soldiers Home in FY 2000. The amount includes \$4,924,750 for salaries and wages and finances 184.0 FTE positions. The average salary per position would be \$26,765 a year, including fringe benefits. The average cost per position would be approximately \$43,178 in FY 2000.

V. Financing Mechanisms and Cost Comparisons among KSH at Fort Dodge, SRS programs, and KSH at Winfield

The sources of financing of the operating expenditures are also different from the agency's draft. The agency indicates that the amount of funding available from federal government would be more than adequate to finance the operating costs in the Winfield Soldiers Home. In that light, the agency's projections of federal receipts and grants are higher than its estimated expenditures for both FY 1999 and FY 2000. However, review of the budget of the existing facility shows that the State General Fund finances approximately 25 percent of the operating expenditures at Fort Dodge. KSH at Fort Dodge has three levels of care: nursing-home care, assisted-living in the dormitory, and cottage living. Since the new Soldiers Home at Winfield would not have cottages, the Division of Budget estimates that 20 percent of the operating expenditures would be financed by the State General Fund for FY 1999 and FY 2000. For FY 1998, due to a possible delay in receiving federal reimbursements, the Division of Budget conservatively estimates that 60 percent of the operating cost would be financed by the State General Fund (Attachment D).

Major sources of financing come from State General Fund, Veterans Administration per diem reimbursement, and other incomes. The Veterans Administration pays \$39.74 per day for all veterans receiving nursing-home care, and \$16.13 for all other non-combat veterans. This means that KSH at Fort Dodge receives directly from the federal government \$14,306 annually for a nursing-care veterans and \$5,868 annually for a non-combat veterans. Other incomes include pension, social security payment, VA Aid & Attendance payment, and other personal income. The most significant is the VA Aid & Attendance payment which pays \$1131/monthly (\$13,572 annually) to the combat-veterans who need nursing-home care. It is important to note two things. First, not all combat-veterans are eligible for the VA Aid & Attendance payment, only those who reside in a nursing-home unit are eligible. Second, not all of the payments are going to cover the cost in the Soldiers Home. VA Aid & Attendance payment goes directly to the veterans. The veterans are allowed to keep income and assets worth approximately \$10,000 for themselves. So only part of the VA Aid & Attendance payments are used to cover costs in the Soldiers Home.

Currently the cost per capita at the KSH at Fort Dodge is \$30,800 for the nursing home, and \$14,750 for assisted-living dormitory. Federal reimbursement and veterans payments have been

insufficient to cover the operating cost at Fort Dodge. For the past few years, an average of 25 percent of the cost at Fort Dodge is financed by the State General Fund. For the Winfield Soldiers Home, the Division of the Budget estimates are largely based upon the model at Fort Dodge.

Per Capita Cost Comparison

Type of Patients	KSH Fort Dodge	KSH Winfield	SRS Program
Nursing Home	30,800	30,800	20,856
Assisted Living	14,750	14,750	18,000
Financing:			
State	25%	20%	35%
Federal	75%	80%	51%
Other	0%	0%	14%
Total	100%	100%	100%

Under the Medicaid Program, SRS provides assistance to the elderly who need nursing home care and in-home living. The Long-Term Care program is financed by 41 percent state funds and 59 percent federal funds. According to SRS estimates, the average payment per nursing home patient is approximately \$20,856 a year, and the average cost per assisted-living resident is approximately \$18,000 a year (see table above). The number for the assisted living residents includes the cost of room and board so that it is comparable to the assisted living cost at the Soldiers Home. The costs of care are shared by 35 percent state funds, 51 percent federal funds, and 14 percent private income.

The table above indicates that costs per year for nursing home care at the Soldiers Home are \$9,944 above the payments made by SRS. However, the costs for the assisted living at the Soldiers Home are \$3,250 below the SRS payments. It is difficult to compare costs in assisted living since the elderly under the SRS assisted living program often stay in their own homes. Therefore, any comparison needs to take this fact into account.

The table below compares the share of State General Fund at the Winfield Soldiers Home and that under the SRS program. The comparisons are based on the same occupancy rates, which are 25 percent in FY 1998, 40 percent in FY 1999, and 80 percent in FY 2000. The table shows that the State General Fund contributions at Winfield Soldiers Home are lower than those under the SRS program for all three years. This is because only 20 percent of the operating costs is financed by the State General Fund at Winfield Soldiers Home.

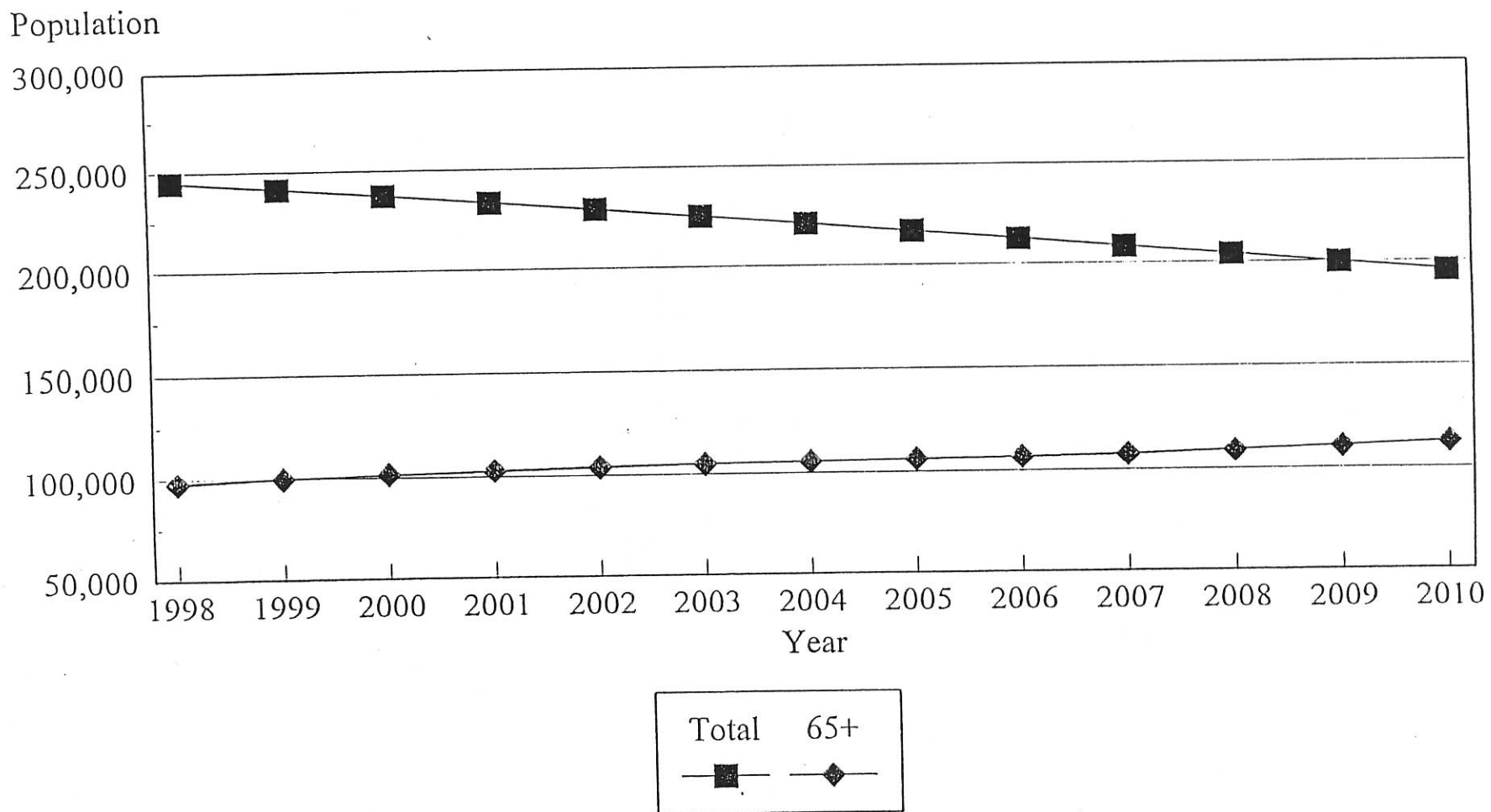
State General Fund Comparison

	FY 1998	FY 1999	FY 2000
KSH Winfield			
Federal Fund	577,335	3,170,960	6,355,800
State General Fund	888,515	792,740	1,588,950
Total	1,465,850	3,963,700	7,944,750
SRS			
Federal Fund	1,029,659	1,613,263	3,226,087
State General Fund	715,525	1,121,081	2,241,857
Private	273,600	446,400	878,400
Total	2,018,784	3,180,744	6,346,344

It is important to note that these "savings" apply only if the clients would be either in an SRS nursing home bed or at KSH Winfield. In reality, the proposal is expected to increase the number of clients served. Therefore, the "savings" are not expected, rather state costs would be incurred for a newly served clientele.

The Division of the Budget analysis in the previous section indicates that it will cost less state monies to provide institutional care for the veterans in the Winfield Soldiers Home than under the Medicaid Program administered by SRS. This is because operating expenditures in the Winfield Soldiers Home are less expensive than assistance provided to nursing home patients by Medicaid. DOB estimates that it will take at least ten years to accumulate enough operating savings to equal the amount spent on the capital improvement project to establish the new Soldiers Home at Winfield. In other words, the capital improvement project would "pay out" in about ten years. See Attachment E for comparison information.

Projection of Kansas Veterans Population: 1998-2010



Capital Improvement Cost for the Kansas Soldier
Home At Winfield: FY 1998

Phase I: East Campus			
	Estimated Cost	Federal Grants 65%	State Fund 35%
Juniper & Holly Buildings	2,708,607		
Architecture Fee	243,775		
Subtotal	2,952,382	1,919,048	1,033,334

Phase II: West Campus			
	Estimated Cost	Federal Grants 65%	State Fund 35%
Medical Services & Treatment Buildings]	3,658,532		
Architecture Fee	329,268		
Subtotal	3,987,800	2,592,070	1,395,730

Total	6,940,182	4,511,118	2,429,064
Contingent Appr.			523,318
			2,952,382

Bed Count Summary:			
Building	Nursing Beds	Assisted Living	Total
Holly Building	105	0	105
Juniper Building	0	96	96
Med. Serv. Building	85	28	113
Treatment Building	57	30	87
Subtotal	247	154	401

	FY 1998 25%	FY 1999 40%	FY 2000 80%
Occupancy			
Nursing Home Unit	64	99	200
Assisted-Living	38	62	121
Total	102	161	321

For Nursing-Home Unit and Assisted-Living Dormitory:

		FY 1998	FY 1999	FY 2000
	Fort Dodge	Winfield		
Op Exp.	3,366,800	1,465,850	3,963,700	7,944,750
Resident	151	102	161	321
Per capita	22,297	14,371	24,619	24,750
FTE	134	85	100	184
Resident	151	102	161	321
R/F Ratio	1.13	1.20	1.61	1.74
Direct Care	41	30	48	95
Patient	151	102	161	321
P/D Ratio	3.68	3.40	3.35	3.38
Total FTE		85	100	184

Kansas Soldiers Home at Winfield: Three Year Budget Planning

Agency Estimate:

DOB Estimate

Expenditures	Agency Estimate:			DOB Estimate		
	FY 98	FY 99	FY 00	FY 98	FY 99	FY 00
Salaries & Wages	1,861,707	2,377,467	2,655,375	1,018,354	2,853,700	4,924,750
Contractual Services	362,700	585,750	508,000	173,350	500,000	1,500,000
Commodities	655,166	841,500	944,000	254,146	600,000	1,500,000
Capital Outlay	0	0	0	20,000	10,000	20,000
Total	2,879,573	3,804,717	4,107,375	1,465,850	3,963,700	7,944,750
Federal Fund	1,830,595	4,562,659	6,393,495	577,335	3,170,960	6,355,800
State General Fund	1,048,978	0	0	888,515	792,740	1,588,950
Total	2,879,573	4,562,659	6,393,495	1,465,850	3,963,700	7,944,750
<i>Percent SGF</i>	36%	0%	0%	61%	20%	20%
FTE	80	94	127	85	100	184
Occupancy Rate	40%	60%	80%	25%	40%	80%
Total Expenditures:						
State Operation	2,879,573	3,804,717	4,107,375	1,465,850	3,963,700	7,944,750
Capital Improvement	6,940,182	0	0	6,940,182	0	0
Total	9,819,755	3,804,717	4,107,375	8,406,032	3,963,700	7,944,750
Financing:						
Federal Receipts	1,830,595	4,562,659	6,393,495	577,335	3,170,960	6,355,800
Federal Grants	4,511,118	0	0	4,511,118	0	0
State General Fund	3,478,042	0	0	3,317,579	792,740	1,588,950
Total	9,819,755	4,562,659	6,393,495	8,406,032	3,963,700	7,944,750

Comparison between Kansas Soldiers Home at Fort Dodge and at Winfield

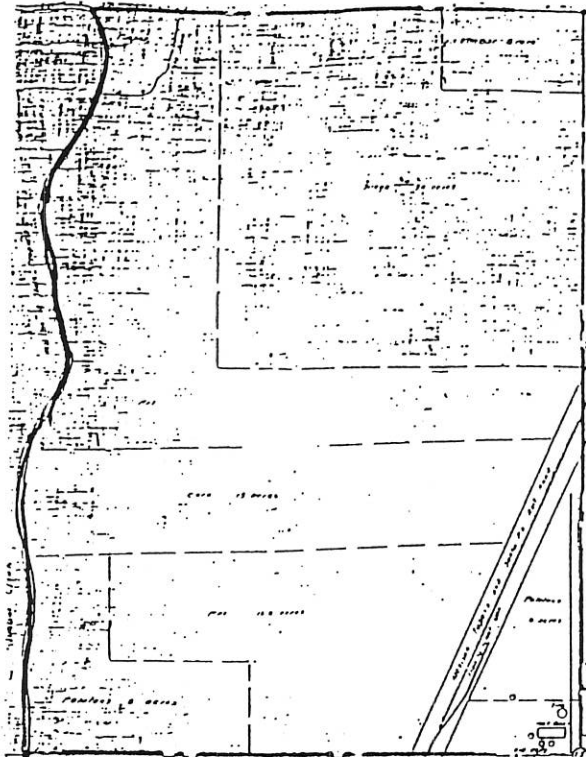
Expenditures	KSH at Fort Dodge			KSH at Winfield		
	FY 1996 Actual	FY 1997 Gov Rec	FY 1998 Gov Rec	FY 1998 Estimate	FY 1999 Estimate	FY 2000 Estimate
Salaries & Wages	3,395,621	3,436,666	3,645,348	3,018,354	2,853,700	4,924,750
Contractual Services	338,356	367,126	357,325	173,350	500,000	1,500,000
Commodities	539,437	503,970	520,400	254,146	600,000	1,500,000
Capital Outlay	28,921	25,500	0	20,000	10,000	20,000
State Operations	4,302,335	4,333,262	4,523,073	1,465,850	3,963,700	7,944,750
Capital Improvement	653,517	708,475	377,500	6,940,182	0	0
Total Expenditures	4,955,852	5,041,737	4,900,573	8,406,032	3,963,700	7,944,750
Financing:						
State General Fund	983,824	934,080	1,030,612	888,515	797,740	1,588,950
KSH Fee Fund	3,301,271	3,381,971	3,475,250	5,088,453	3,170,960	6,355,800
Gift & Benefit fund	17,240	17,211	17,211	0	0	0
SIBF	653,517	708,475	377,500	2,429,064	0	0
Total	4,955,852	5,041,737	4,900,573	8,406,032	3,963,700	7,944,750
Total FTE	141.8	138.8	138.8	85.0	100.0	184.0

Staffing:	FTE	Salaries	SGF
Administration	7.0	239,456	91,457
Dormitory Operations	27.0	650,172	138,278
Social & Recreational	4.0	135,130	25,320
Nursing Home	50.8	1,401,495	355,931
General Maintenance	21.0	573,587	291,433
Dietary	21.0	466,798	211,365
Housekeeping	8.0	178,710	41,356
	138.8	3,645,348	1,155,140

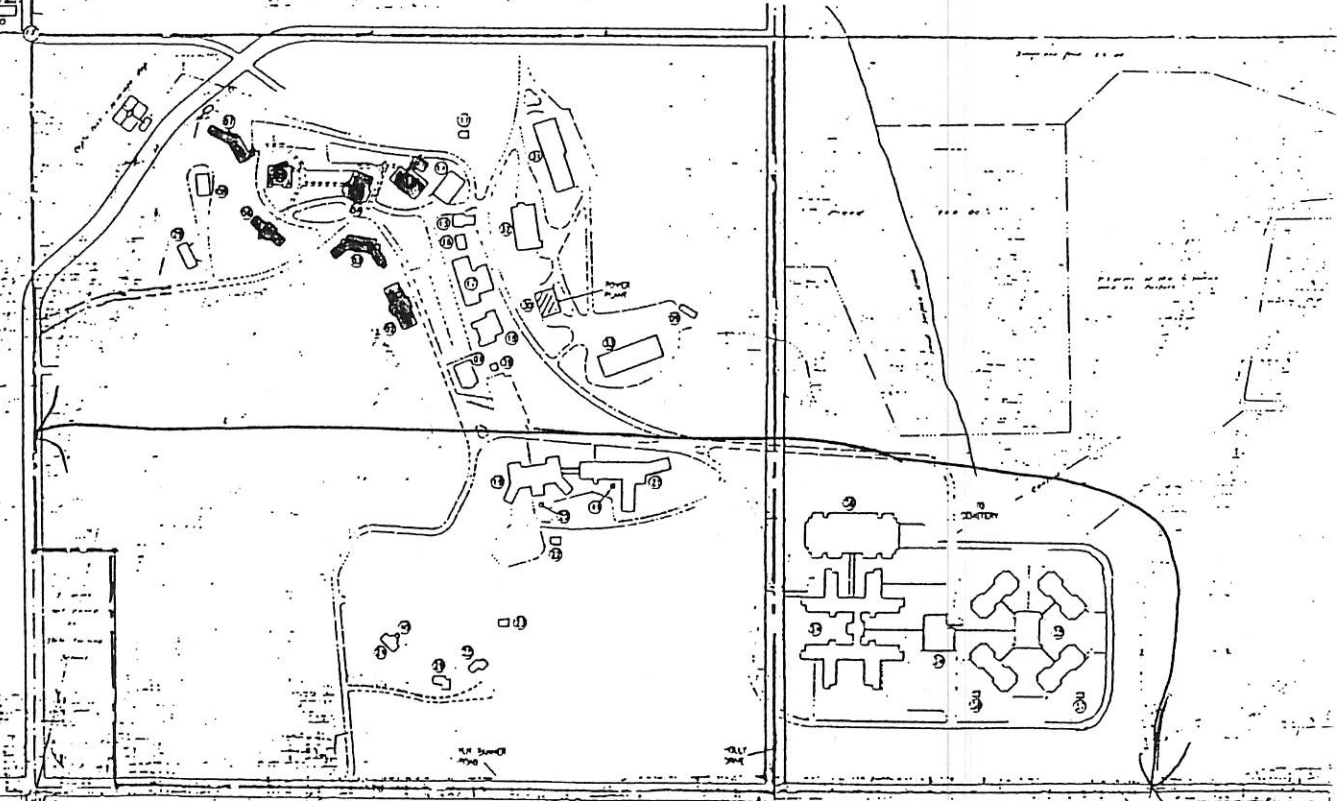
WINFIELD STATE HOSPITAL AND TRAINING CENTER

■ DOC - DEPARTMENT OF CORRECTIONS FACILITIES

8-14



BUILDING LEGEND	
1 - ADMINISTRATION BUILDING	22 - OIL STORAGE HOUSE
2 - FERN BUILDING (DOC)	23 - POTATO HOUSE
3 - CARLAND BUILDING (DOC)	24 - SUPERINTENDENT'S COTTAGE
4 - CEDARVIEW BUILDING (DOC)	25 - STAFF COTTAGE A
5 - BIRCH BUILDING (DOC)	26 - STAFF COTTAGE B
6 - PINECREST BUILDING (DOC)	27 - EAST COMPOUND
7 - VALLEY VIEW COTTAGE (DOC)	28 - SEWER PLANT
8 - GROUNDS MAINTENANCE	29 - FIRE STATION
9 - PAINT SHOP	30 - POWER PLANT
10 - OLD GARAGE	31 - WAREHOUSE
11 - MEDICAL RECORDS STORAGE	32 - LAUNDRY
12 - WATER TOWER	33 - SHOP AND MAINTENANCE
13 - MAINTENANCE BUILDING (DOC)	34 - HOLLY BUILDING
14 - AUDITORIUM	35 - JUMPER BUILDING
15 - SEWING-CLOTHING STORAGE	36 - TIMBERCREEK
16 - BAKE SHOP	37 - RECREATION SHELTER
17 - MAIN KITCHEN	38 - RECREATION SHELTER
18 - PERSONNEL BUILDING	39 - JANITOR'S OFFICE AND STORAGE
19 - M & S (MEDICAL SERVICES)	40 - CARPORT
20 - GENERATOR HOUSE	41 - GENERATOR HOUSE
21 - TREATMENT BUILDING	



STATE OF KANSAS



DIVISION OF THE BUDGET

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State Capitol Building
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Bill Graves
Governor

Gloria M. Timmer
Director

March 4, 1997

The Honorable Dave Kerr, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 120-S
Topeka, Kansas 66612

Dear Senator Kerr:

SUBJECT: Fiscal Note for SB 318 by Senator Goodwin

In accordance with KSA 75-3715a, the following fiscal note concerning SB 318 is respectfully submitted to your committee.

SB 318 would authorize the Kansas Commission on Veterans Affairs (KCVA) to operate a Kansas Veterans' Home to be located on the grounds of Winfield State Hospital and Training Center starting January 1, 1998. Under SB 318, the Secretary of Social and Rehabilitation Services (SRS) would enter into an agreement with KCVA and transfer certain properties, equipment, and records of the Winfield State Hospital and Training Center to KCVA. The agreement would establish the time of such transfers. Any conflict as to the proper disposition of property or records would be determined by the Governor, and the Governor's decision would be final.

The Kansas Veterans' Home, which would be established by SB 318, would provide two-levels of care: nursing home and domiciliary care to eligible Kansas veterans and their family members. Currently, the Kansas Soldiers Home at Fort Dodge has three-levels of care: nursing-home care, assisted living, and cottages. Any persons who served in the United States military and have been honorably discharged would be eligible for admission to the Kansas Veterans' Home. The eligible veteran's spouse, widow, widower, parents, and minor children would also be qualified to receive care in the Veterans' Home. The eligibility requirements are the same as those for admission to Kansas Soldiers Home at Fort Dodge.

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The Honorable Dave Kerr, Chairperson

March 4, 1997

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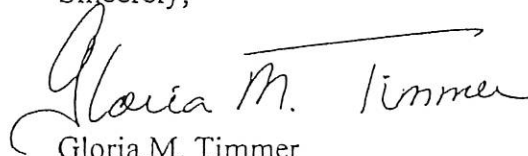
grants for the conversion project in April 1997 and would expect a decision from the Veterans Administration after August 1997. State funding could be from the State General Fund or the State Institutions Building Fund.

The Division of the Budget estimates that the new Kansas Veterans' Home in Winfield would need \$1,465,850 in operating expenditures for the second half of FY 1998. This includes \$1,018,354 for salaries and wages, and \$447,496 for other operating expenditures. Of the total expenditures, \$577,335 would be from fees, and \$888,515 from the State General Fund. The estimated expenditures would finance 85.0 FTE positions. The Division of the Budget assumes that the new facility would achieve a 25 percent occupancy rate, or serving approximately 102 residents in the last half of FY 1998. For FY 1998, the Division of the Budget estimates that more than 60 percent of the operating cost would be financed by the State General Fund because of a possible delay in receiving federal reimbursements.

In summary, passage of SB 318 would result in a total of \$8,406,032 in expenditures. This includes \$6,940,182 for the capital improvement project and \$1,465,850 for operating expenditures for the Kansas Veterans' Home in FY 1998. Of this total, \$4,511,118 would be from a federal grant to finance the capital improvement project, and \$577,335 would be from VA per diem reimbursements. Therefore, revenues from federal sources would total \$5,088,453 in FY 1998.

For FY 1999 and FY 2000, the Division of the Budget estimates \$3,963,700 and \$7,944,750 respectively, for the operating expenditures. The amounts would finance 100.0 FTE positions in FY 1999 and 184.0 in FY 2000. The estimated operating expenditures are based on the current cost per capita at the Kansas Soldiers Home at Fort Dodge. Currently, the cost per capita is approximately \$30,800 for a nursing-home resident and \$14,750 for an assisted-living resident. The Division of Budget assumes the occupancy rate would be 40 percent in FY 1999 and 80 percent in FY 2000. For FY 1999 and FY 2000, the Division of the Budget estimates that 80 percent of the operating cost would be financed by federal receipts and reimbursements, and 20 percent by the State General Fund. Currently at the Kansas Soldiers Home at Fort Dodge, 75 percent of the operating cost is financed by federal receipts and reimbursement, and 25 percent by the State General Fund. The new facility at Winfield would have a smaller portion of the State General Fund, since it would have only two-levels of care: nursing home care and assisted living, whereas the Soldiers Home at Fort Dodge has three-levels of care: nursing home care, assisted living, and cottages. Residents in cottages receive the least amount of federal monies in comparison with residents in nursing care centers and in dormitories.

Sincerely,



Gloria M. Timmer
Director of the Budget

cc: Don Myer, Veterans Affairs

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