

Approved: 1-22-98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:30 p.m. on January 15, 1998 in Room 514-S of the Capitol.

All members were present except: Representative George Dean - Excused
Representative Joe Kejr - Excused
Representative Brenda Landwehr - Excused
Representative Ed McKechnie - Excused
Representative Doug Spangler - Excused
Representative Shari Weber - Excused

Committee staff present: Alan Conroy, Stuart Little, Shannon Nichols, Rae Anne Davis, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:
Don Myer, Executive Director - Kansas Commission on Veterans Affairs
Stan Reed, Superintendent - Kansas Soldiers Home

Others attending: See attached list

Don Myer, Executive Director of the Kansas Commission of Veterans Affairs, reported on the Kansas Veterans Home in Winfield and Wichita Annex (Attachment #1). The presentation addressed how the original assumptions, developed by the Governor's Advisory Committee, have changed. The opening of the facility is behind the original projection date and there is an increase in the project total of \$6 million. A committee discussion followed the presentation. The sewage problem at Winfield has not been resolved. The worst case scenario would require a stand-alone sewage system, which is not in the original budget. Those costs would drain off any excess in the construction budget. Representative Reinhardt encouraged the agency to work with the City of Winfield to help resolve the sewage issue.

Stan Reed, Superintendent of the Kansas Soldiers Home made a brief presentation (Attachment #2). The presentation addressed the status of capitol improvements. Since capitol improvements are normally not heard in full committee, it was decided to delay the presentation so it could be heard by the Joint Committee on State Building Construction.

A motion was made by Representative JoAnn Pottorff, seconded by Representative Minor, to approve the minutes of January 13. Motion carried.

The meeting was adjourned at 2:30.

**Testimony by Don Myer, Executive Director
Kansas Commission on Veterans Affairs
on The Kansas Veterans Home and Wichita Annex
before the
Appropriations Committee
January 15th, 1998**

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 provide you information the Kansas Veterans Home at Winfield and Wichita Annex. There have been many changes to the project since it was approved last legislative session, and as a result many questions have been raised by members of this committee, among others. I would like to address these questions for you this morning. Before I do, I would like to say that I believe that this project is still viable in concept as a construction project, and economically and operationally in the short term long term. I regret that information I presented last year to you as assumptions have not turned out to be entirely accurate, but the changes I will discuss still result in an attractive facility, provided at still considerable savings compared to new construction.

Assumptions have changed somewhat since the original concept. Original versus current assumptions are as follows:

Original

- a. Operations would begin the second half of FY 1998.
- b. Occupancy rate for the Kansas Veterans Home would be 25% (160 beds) for FY 98, 40% (320 beds) in FY 99, and 80% (320 beds) in FY 2000.
- c. Per Capita costs which were derived from a model based on the Kansas Soldiers' Home at Ft. Dodge. These equated to \$30,800 per year for Nursing residents, and \$14,750 per year for

*Appropriations
1-15-98
Attachment 1*

Assisted Living residents.

Current

- a. Operations will begin in the first quarter of FY 1999. Residents will be accepted no earlier than the second quarter.
- b. Occupancy is projected to be 160 beds by the end of FY 99, 300 by the end of FY 2000, and 348 by the end of FY 2001.
- c. Per Capita costs will still be based on the model developed by DOB from operations at the KSH.
- d. No additional SGF will be required above that budgeted for FY 98 and FY 99 and original projection for FY 2000.

At enclosure 1, you see a comparison of the original projections for rooms to be provided at the Veterans Home, and a summary of current projections. Factors for the reduction include:

- 1.) Architectural impacts. The original design was conducted based on drawings that were not representative of the present structure. Modifications had taken place which were not annotated. Windows, walls, and machinery space depictions were not accurate, and would in some cases preclude space being utilized as projected.

As mentioned above, the bathrooms in the Treatment building do not meet ADA standards. This was apparently "grand fathered" in the State Hospital, but will have to be corrected during the conversion to a Veterans Home. Not only will this drive up costs, it will cost beds, since the bathrooms must be enlarged.

Staff support spaces were not adequate in some instances. VA and KDHE requirements for soiled and clean linen storage, medication preparation and storage, and sanitary closets will preclude

usage of some rooms as resident rooms as projected by the original report.

In some instances, converting spaces not intended for living space in the original plan would result in greater expense than the room would warrant. It would also have created an impression that there were "first class" and "second class" rooms.

2.) Quality of Life. The original design called for assisted living rooms averaging under 160 square feet each. Until clarified recently, I believed that it would be required that non-nursing rooms have 200 square feet, and qualify for "Assisted Living" licensure from KDHE in order for the Kansas Veterans Home to receive VA per diem payments. While switching from "Assisted Living" licensure to "Residential Living" will apparently meet KDHE (although not VA) standards, no other private or comparable state facilities are designed to this minimum standard.

Common areas, including dining and activity areas, are less than desirable in the original plan, and would also be on the low end of "quality of life". The original plan had a heavy reliance on gang toilet and bathing facilities, and utilized a ratio of 4 beds per toilet throughout the facility whenever possible. These factors all emphasize the "institutional" feel of the facility, rather than a homelike environment. These are items of concern in discussions with the VA in Washington, DC during design phase.

Original projections for costs at the Kansas Veterans Home are shown at figure one. They were based on assumptions listed in para 2 above. As can be seen in figure 2, current projections which follow the same model, are lower than original projections. The reason is demonstrated in figure 3 through 5. The original occupancy projection was a "stair step", assuming occupancy at a constant level for the entire fiscal year. Current projections assume that there will be a "ramp up" period of up to three years before maximum occupancy is reached. Overall costs for these years should therefore be lower than originally projected. By the third year of operation (FY

2001), operational costs will more closely approximate original projections. Enclosure 6 shows the currently projected "ramp up" of FTE at the KVH, as opposed to the original concept of full employment for the entire fiscal year. This is a major reason operational costs are projected to be lower in FY 99.

The original estimated was that the state would recover capitol improvement expenses at the KVH in approximately 10 years. The recovery of these expenses was based on several assumptions:

a. Capitol improvements would consist of construction costs and architectural/engineering fees of \$6,940,182.

b. While true cost savings would not be realized, cost avoidance to the state was possible.

Under the Medicaid Program, SRS provides funding for similar services to the elderly as would be offered at the Kansas Veterans home. Annual costs for provision of either Nursing beds or Assisted living beds, would be:

	<u>KVH</u>	<u>SRS/Medicaid</u>
Nursing	\$30,800	\$20,856
Asst Living	\$14,750	\$18,000

The state share of these costs was estimated to be 20% for the KVH, and 35% for the SRS programs.

c. Operations at the KVH would "ramp up" at the following rate:

<u>FY</u>	<u>Nursing Beds</u>	<u>Asst Living Beds</u>	<u>Total</u>
98	64	38	102
99	99	62	161
2000	200	121	321

The original figure for Capitol Improvement included all construction item costs plus Architectural/Engineering Fees from the original Jones-Gillam study. Similar costs developed by the firm Wilson, Darnell&Mann would now total \$11,836,620.

As shown at enclosure 7, assuming the states' share of costs remain the same, the cost avoidance would be \$1,140 and \$3,350 for operating nursing beds and assisted living beds, respectively, at the Kansas Veterans Home. At this rate, as shown in enclosure 8, the state SIBF investment of \$1.7 million would be recovered in 4 years (FY 2002); total state expenditures of \$4,200,000 (\$1.7 million SIBF plus \$2.5 million SGF) would be recovered in 7 years (FY 2005); total state and local expenditures would be recovered in 9 years (FY 2007); total project construction costs would be recovered in 17 years (FY 2015); and total state and federal capitol improvement expenditures would be recovered in 21 years (FY 2019).

If the states' share of costs rise to 25% at the KVH (the level assumed for the Kansas Soldiers Home at Ft. Dodge), recovery of capitol improvement for the same costs listed above would be 9 years (FY 2007); 20 years (FY 2018); 26 years (FY 24); 50 years (FY 48); and 61 years (FY 59), respectively.

At this time, the VA controlling headquarters in Kansas City and KCVA are working on the development of a business plan to be presented to the Kansas Legislature and the VA national headquarters in Washington D.C. Enclosures 11 and 12 are nothing more than the draft outline of options for goods, services, and costs we are exploring, and represent the "box" we believe our relationship will ultimately fit into.

Mr. Chairman, this concludes my update, and now I would be happy to answer any questions you might have at this time.

Room Comparison

	WDM-HW			Jones-Gillam			Difference		
	<u>Long Term</u>	<u>Assisted Living</u>	<u>Total</u>	<u>Long Term</u>	<u>Assisted Living</u>	<u>Total</u>	<u>Long Term</u>	<u>Assisted Living</u>	<u>Total</u>
Medical Services	88	21	109	85	28	113	3	-7	-4
Treatment Services	41	18	59	57	30	87	-16	-12	-28
Holly	100	0	100	105	0	105	-5	0	-5
Juniper	0	80	80	0	96	96	0	-16	-16
Total	229	119	348	247	154	401	-18	-35	-53

Current Projections

	Long Term Beds	Assisted Living Beds	Total Beds
FY 98	NA	NA	NA
FY 99	100	60	160
FY 200	200	100	300
FY 200	229	119	348

Kansas Veterans Home Costs

FY 97 Projections

	Long Term		Assisted Living		Total	
	Beds	Cost	Beds	Cost	Beds	Cost
FY 98	64	\$1,141,321	38	\$324,529	102	\$1,465,850 *
FY 99	99	\$3,049,200	62	\$914,500	161	\$3,963,700
FY 2000	200	\$6,160,000	121	\$1,784,750	321	\$7,944,750
FY 2001	NA	NA	NA	NA	NA	NA

Annual
Costs/bed: **\$30,800** **\$14,750**

* Operations for less than full FY

Current Projections

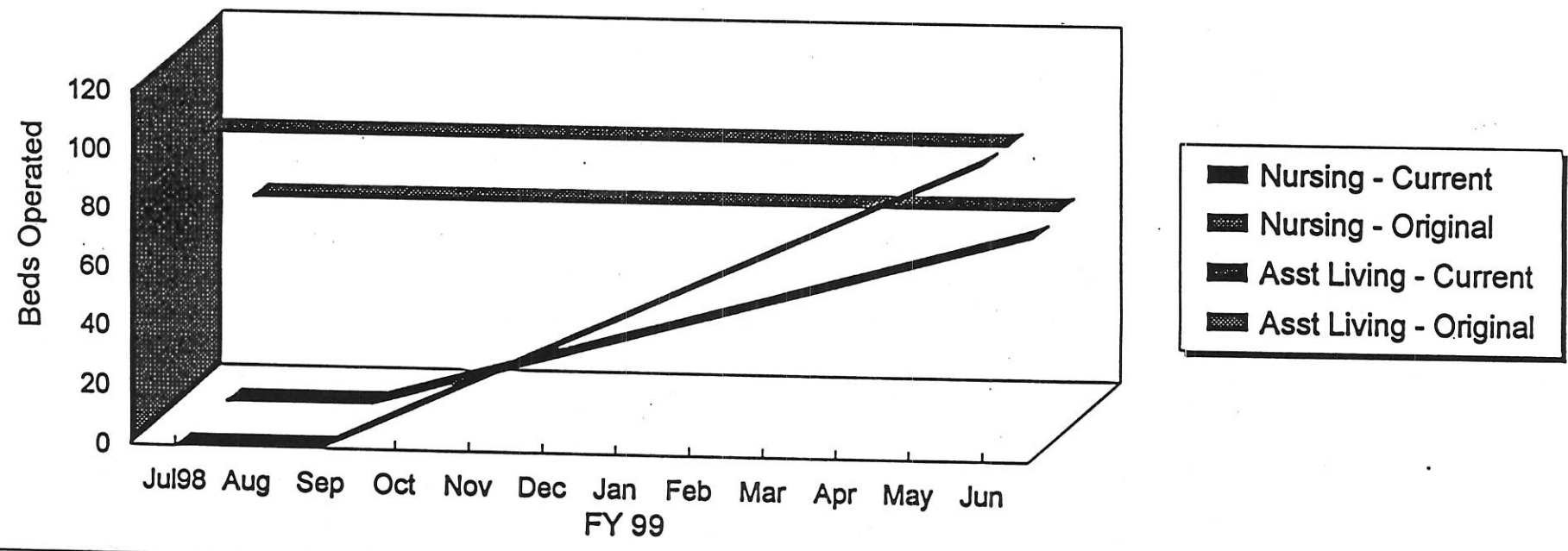
	Long Term		Assisted Living		Total	
	Beds	Cost	Beds	Cost	Beds	Cost
FY 98	NA	NA	NA	NA	NA	\$55,000.00 *
FY 99	100	\$2,310,000	60	\$663,750	160	\$3,311,332 **
FY 2000	200	\$4,748,333	100	\$1,204,583	300	\$5,952,917
FY 2001	229	\$6,958,233	119	\$1,699,938	348	\$8,658,171

Annual
Costs/bed: **\$30,800** **\$14,750**

Transition costs only

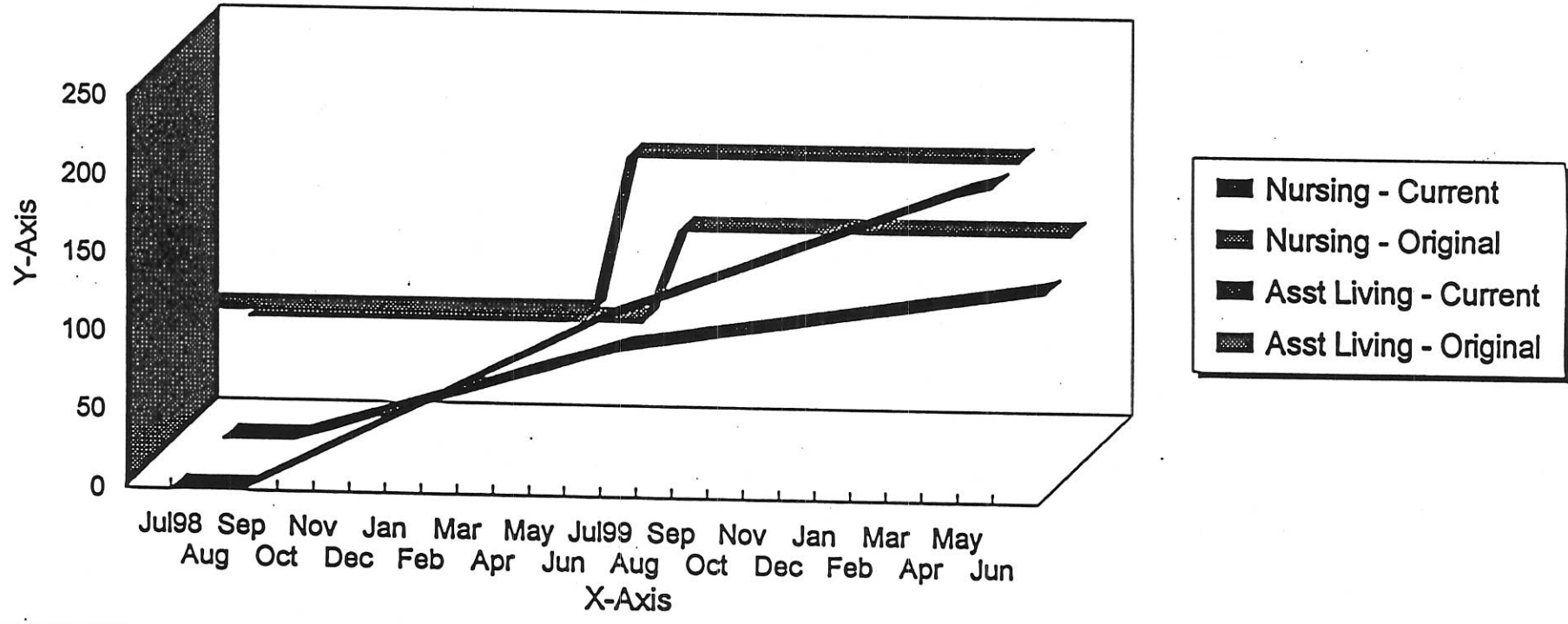
* Includes approximately \$300,000 in start-up operating costs not included in KSH model

Occupancy Projections FY 99

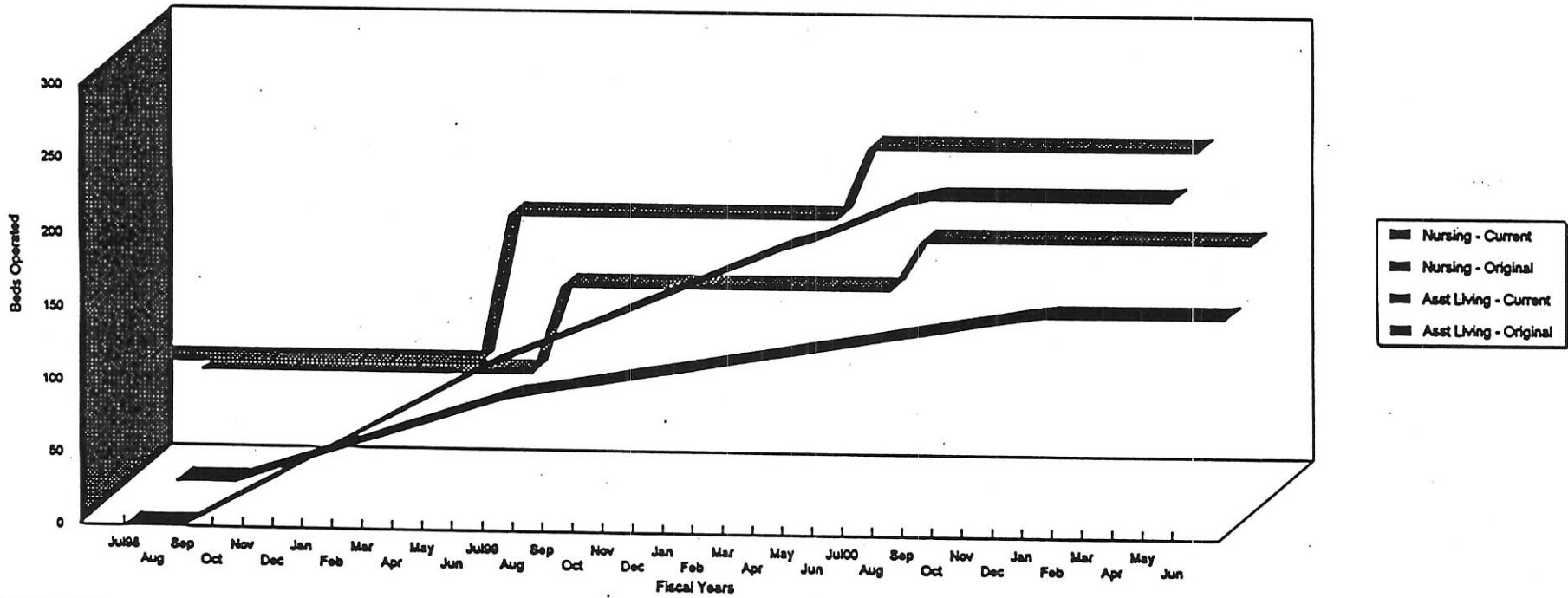


Occupancy Projections

FY 99 & FY 2000

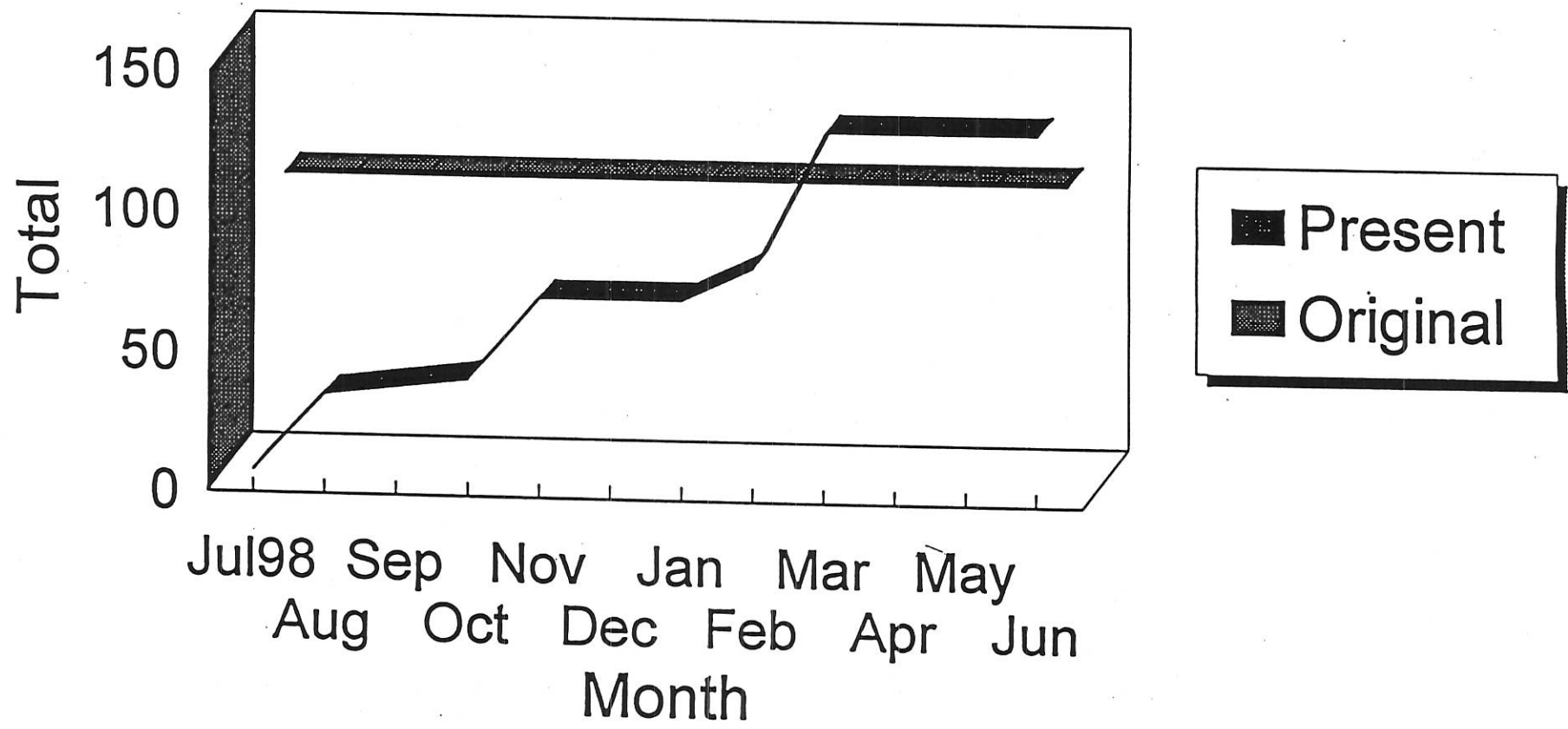


Occupancy Projections FY 99 - FY 2001



FTE Projections

FY 99



Capitol Improvement Recovery

Type Bed	KVH Cost	State Share	Sub-total State cost	SRS Cost	State Share	Sub-total State cost	Cost Avoidance
Nursing	\$30,800.00	20.00%	\$6,160.00	\$20,856.00	35.00%	\$7,299.60	\$1,140
Asst Living	\$14,750.00	20.00%	\$2,950.00	\$18,000.00	35.00%	\$6,300.00	\$3,350

**Kansas Veterans Home
Capitol Improvement Recovery**

FY	Beds		KVH Cost		Sub-total	SRS Cost		Sub-total	FY Cost Avoidance	Total Cost Avoidance
	Nursing	Asst	Nursing	Asst		Nursing	Asst			
99	100	60	\$616,000	\$177,000	\$793,000	\$729,960	\$378,000	\$1,107,960	\$314,960	\$314,960
00	200	100	\$1,232,000	\$295,000	\$1,527,000	\$1,459,920	\$630,000	\$2,089,920	\$562,920	\$877,880
01	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$1,537,498
02	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$2,197,117
03	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$2,856,735
04	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$3,516,354
05	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$4,175,972
06	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$4,835,590
07	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$5,495,209
08	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$6,154,827
09	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$6,814,446
10	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$7,474,064
11	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$8,133,682
12	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$8,793,301
13	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$9,452,919
14	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$10,112,538
15	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$10,772,156
16	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$11,431,774
17	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$12,091,393
18	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$12,751,011
19	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$13,410,630
20	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$14,070,248
21	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$14,729,866
22	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$15,389,485
23	229	119	\$1,410,640	\$351,050	\$1,761,690	\$1,671,608	\$749,700	\$2,421,308	\$659,618	\$16,049,103

Kansas Veterans Home at Winfield

Project Budget

	WD&M/ H&W	Jones- Gillam	Increase
<u>Construction Items:</u>			
1. Building Renovation			
a. Holly building	\$1,894,578	\$1,117,488	\$777,090
b. Juniper building	\$1,773,352	\$986,119	\$787,233
2. Sitework and Utilities (Holly and Juniper)	\$690,247	\$537,500	\$152,747
3. Building Renovation			
a. Medical Services Building	\$2,765,796	\$1,829,454	\$936,342
b. Treatment Building	\$2,349,067	\$1,316,178	\$1,032,889
c. New Central Mechanical Room	\$457,298	\$361,500	\$95,798
4. Sitework and Utilities (Medical Services and Treatment Bldgs)	\$599,167	\$151,400	\$447,767
5. Fixed Equipment	\$155,000	\$0	\$155,000
6. Miscellaneous	\$300,000	\$67,500	\$232,500
Subtotal	\$10,984,505	\$6,367,139	\$4,617,366
<u>Other Costs:</u>			
7. Building Acquisition	\$2,500,000	\$2,500,000	\$0
8. Moveable Equipment Budget	\$470,000	\$0	\$470,000
9. Architectural/Engineering Fees (design team)	\$852,115	\$573,043	\$279,072
10. Other Arch./Engineering Fees (survey, soils, matl. testing & observation, HVAC balancing and commissioning)	\$200,000	\$0	\$200,000
11. Printing and Postage	\$75,000	\$0	\$75,000
12. Div. of Architectural Services Admin Fee	\$109,845	\$0	\$109,845
13. Contingency	\$379,935	\$0	\$379,935
Subtotal	\$4,586,895	\$3,073,043	\$1,513,852
Project Total	\$15,571,400	\$9,440,182	\$6,131,218
35% of total	\$5,449,990.00	\$3,304,063.70	



CITY HALL
200 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5500
FAX (316) 221-5590

OPERATIONS .R
2701 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5600
FAX (316) 221-5591

September 15, 1997

Mr. Don Myer
Executive Director
Kansas Commission on Veteran's Affairs
700 Southwest Jackson
Room #701
Topeka, Kansas 66603-3743

Dear Mr. Myer:

The Winfield City Commission has approved a financial commitment of \$1.25 million to the State of Kansas to develop a Kansas Veteran's Home at the site of the Winfield State Hospital and Training Center. Our financial obligation will be met through a combination of infrastructure and cash investment to develop the campus as a Veteran's facility.

If you have any questions or comments, please contact our office. As always, it is a pleasure to work together to develop the Kansas Veteran's Home in Winfield.

Sincerely,

Warren Porter
City Manager

ECONOMIC COST OPTION ANALYSIS
 WICHITA ENHANCED USE INITIATIVE

ACQUISITION STRATEGY A		
BUILD 60 BED NHC NEW CONSTRUCTION	\$95	\$2,816,750
IF STATE CAPITAL TREASURY FINANCING @ 6.25% 10YEAR MATURITY	add	\$1,760,469
GRAND TOTAL		\$4,577,219

ACQUISITION STRATEGY B			BO COST	TOTAL
LEASE 60 BED NHC				
LONG TERM LEASE @ 35YRS	\$153,000	\$5,355,000	?	
LONG TERM LEASE @ 20YRS		\$3,060,000	?	
LONG TERM LEASE @ 10YRS		\$1,530,000	?	
BUILD-OUT COST (BLDG 60 RETROFITTING)		?		

ACQUISITION STRATEGY C		
LEASE TO BUY OPTION		\$1,350,000
LUMPSUM PAYMENT ON TRUST FUND		

ACQUISITION STRATEGY D		

60 4590 \$1,675,350.00

ENHANCED - USE	SHARED AGREEMENTS
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CATEGORY A
REAL STATE SUPPORT
29650 SF

RENT COST	\$153,000
UTILITIES	
STEAM HEAT (Flat)	
ELECTRICITY (Metered)	
WATER (Metered)	
MAINTENANCE SUPPORT	
SECURITY	
TOTAL	

CATEGORY B
OPERATIONS SUPPORT

HOUSEKEEPING	
LAUNDRY	
DIETETICS	
WASTE MANAGEMENT	
BIOMED SUPPORT	
IRM/TELECOMM	
TOTAL	

CATEGORY C
CLINICAL SUPPORT

PHARMACY	
DENTAL	
PSYCHIATRY	
PHYSICIAN	
PHYSICAL T	
CHAPLAIN	
VOLUNTARY	
TOTAL	

APPROPRIATIONS COMMITTEE
January 15, 1998
Testimony By
Stan Reed, Superintendent
Kansas Soldiers Home
Kansas Commission on Veteran Affairs

Good morning Chairman Kline and members of the House Appropriations Committee. I am Stan Reed, Superintendent of the Kansas Soldiers Home.

My testimony this morning concerns capital budget issues of vital concern to the operation of the Kansas Soldiers Home.

FY98 CAPITAL BUDGET

New Power Plant: One remaining FY98 funding issue concerns the construction of our new power plant facility, which is in progress and expected to be completed within 90 days. The facility was originally funded in the FY97 Capital Improvement Budget, but insufficient funds were allocated to support the winning contractor bid.

The approval for replacement of this facility was the result of efforts began in 1993, and justified by the continual problems encountered with the economy, efficiency, maintenance and safety of an almost 40-year old high pressure boiler system. Replacement was well justified as the new power plant will be safer, save approximately 20% annually, or \$45,000, on the utility bill, and require one less operator due to a higher degree of automation. The total annual savings, including maintenance costs, is projected to exceed \$80,000.00.

The funding provided for the project in the FY97 Budget was \$394,920.00. Of this, a total of \$7,117.68 was spent in FY97 on architectural services, and the remaining \$387,802.32 was carried over into FY98. The winning bid for construction of the plant was \$453,342.00, which has since been reduced to \$447,784.00 by two change orders. The budget shortfall on the actual contractor's construction bid is

\$52,864. In addition, the State Architectural Office requires \$27,200.52 from us for their services, making a total shortfall of \$80,064.52.

The original estimate was reasonably close for the actual construction cost of the physical plant, with the exception of the cost of concrete work and a backup generator. The cost of the concrete work was underestimated by \$10,000.00. For back up power, it was planned that we could move and use the current aging Army surplus generator, however, last heating season (FY97), this generator failed and it was subsequently determined that repair was not feasible. A backup power system is required for licensing by the Kansas Department of Health and Environment. A new generator, including installation costs, added \$18,000.00 to the project cost. The remaining shortfall is attributed to inflation due to the time passed between estimate of costs and award, higher than anticipated contractor administrative costs, and, according to State Architectural Office personnel, a natural tendency for projects in Western Kansas to be higher than anticipated due to the shortage of contractors, traveling distances, etc.

Due to this shortfall, we are requesting \$80,064.52 in supplemental FY98 funding from the State Institutions Building Fund.

The main FY98 capital project affected by the power plant shortfall is tornado shelters. Our plan was to build three shelters, each able to accommodate 20-30 residents at strategic locations within the cottage housing area. We also planned to make the basement shelter areas in Grant and Lincoln Halls handicapped accessible. Currently, residents of these halls have to be moved outside and around the building to enter the basement through an outside door. The outside distance to travel is approximately 75 yards. If a tornado struck during night shift, there would be only one or two employees to assist 25 to 35 residents. Anticipating a shortfall in the power plant, it was decided to proceed to build just one cottage area shelter utilizing organic labor and subcontracting. That shelter has been completed at a cost of only \$14,000.00, considerably less than 50%

of the cost estimate if contracted out. We took this action as we considered one housing area at highest risk due to several of its residents who have physical conditions which would definitely preclude them from hurrying any great distance to shelter. The remaining two cottage area shelters, and handicapped access to the Grant and Lincoln Hall shelters were moved forward to the capital improvement budget request for FY99.

Tornado shelters remain a highly critical requirement affecting the safe living conditions of our 250 residents. The potential danger to the residents of Grant and Lincoln Halls is obvious, due to the time now required to get them to the basement shelter. Twenty not yet renovated older cottages were originally built setting on limestone block slabs. Over the years the limestone has broken up and disintegrated. These cottages are basically setting on the ground, making them more dangerous than a mobile home during a tornado.

FY99 CAPITAL BUDGET

Halsey Hall Addition: Over the last three years, unexpected costs associated with obtaining the required license upgrade for Halsey Hall have required that much of the Kansas Soldiers Home capital improvement and maintenance funding be diverted from its intended purpose. In total, since 1994, over \$416,000.00 has been expended to upgrade Halsey Hall. The first indication that the Department of Veteran Affairs (DVA) was going to require an upgraded license for Halsey Hall appeared in their October 1993 inspection report. The upgrade required is from a Recuperative Care Center to an Intermediate Care Facility. In 1993, Kansas law prohibited the Kansas Soldiers Home, as well as some of the other state facilities, from obtaining such a license, however, DVA persisted.

At stake was the DVA "authorization" of the Kansas Soldiers Home, without which, the Kansas Soldiers Home would not be eligible for DVA veteran care per diem payments. These fee income payments account for about 30% of the Kansas Soldiers

Home budget, or approximately \$1.5 million annually. In addition, if the Kansas Soldiers home should lose DVA "authorization", those veterans eligible to receive Aid and Attendance payments of up to \$1,350.00 per month to help pay for their medical expenses, would more than likely seek medical care at a private care facility with that care being paid for by Medicaid in lieu of DVA. While at the Kansas Soldiers Home, these Aid and Attendance payments are included in the veteran's total income from which maintenance fees are calculated. Through these fees, the Kansas Soldiers Home indirectly receives approximately \$1.0 million in additional DVA fee income. In total, the Kansas Soldiers Home annually receives approximately \$2.5 million in DVA fee income, which accounts for about 50% of the total Kansas Soldiers Home budget. Of the remaining 50%, the State of Kansas contributes about \$1.5 million from the State General Fund, including the State Institutions Building Fund, and the veteran residents contribute about \$1.0 million in fee income in addition to to that attributed to DVA Aid and Attendance.

There never has been any option except to pursue upgraded licensing if the Kansas Soldiers Home was to stay operational. The Kansas Legislature obviously agreed, passing legislation which became effective July 1, 1995, which allowed the Kansas Soldiers Home to be licensed as an Intermediate Care Facility. There has never been a special allocation of funds to accomplish this project. With a couple of exceptions, the Kansas Soldiers Home has been trying to accomplish it within the normal rehabilitation and repair funding level. This effort has made projecting reasonably accurate maintenance funding requirements difficult. Each time a State Architectural Department, Kansas Department of Health and Environment, or DVA inspection team visited the facility, they would specify something additional to be added or changed. In total, more than 60 deficiencies were noted. During the last 3 years, more than 80% of these have been corrected within normal maintenance funding.

In August 1997, following what we believed was the final inspection of the Halsey Hall building for compliance, we submitted documents to the Kansas Department of Health and Environment illustrating that all building deficiencies had been corrected with the exception of 10. For these 10, we requested a determination of substantial compliance, so that licensing could proceed. Submitting a request for substantial compliance requires a plan of correction, including a certified architectural plan, cost estimate, and estimated time of completion. The 10 remaining deficiencies could not be corrected without major renovations and addition to the building. For instance, Halsey Halls lacks a Quiet Room, Employee Lounge, and Residents Personal Property Storage room. It requires an additional room or a larger room for clean utility purposes, personal care (beauty shop), wheelchair storage, janitor equipment and cleaning supplies. It requires outside exhaust ventilation in the dry food storage area, a cart and tray wash area, and wall switch night lighting in residents rooms.

In March 1997, the State Architect arranged for us to contract with a certified architectural firm which designed the required addition and changes, and provided cost estimates. These plans and cost estimates were sent to the Kansas Department of Health and Environment along with the request for substantial compliance on the 10 as yet uncorrected deficiencies. The Kansas Department of Health and Environment granted "substantial compliance" on one, and "substantial compliance until plan of correction completed" on the remainder.

In November, the Kansas Department of Health and Environment came for what we believed was to be a final licensing survey inspection for medical operations and resident funds administration, however, another building inspector came as well. He cited four additional deficiencies in the building. We have returned another corrective action plan with amended architectural plans and cost estimates, and have requested substantial compliance for two additional deficiencies. The other two we have already

satisfied utilizing current funding.

Our request for the Halsey Hall addition in the FY99 Capital Improvement Budget totals \$266,926. The situation has been dynamic as far as attempting to project the funding requirement. The \$266,926 was a good estimate at the time. As mentioned earlier, the final licensure survey, completed in November 1997, identified a few additional deficiencies. Currently, the cost estimate to correct all remaining deficiencies is \$327,025.

The Governor's FY99 Budget recommends \$200,000 for the Halsey Hall addition, leaving us a shortfall of \$127,025. These funds are required for us to obtain our license. Our license is required to maintain our DVA "authorization." Without the DVA "authorization" we will lose \$1.5-\$2.5 million in annual fee income, which, if the Kansas Soldiers Home is to stay in operation, would have to be made up from the State General Fund.

Tornado Shelters: What the Governor's FY99 Budget recommends for Kansas Soldiers Home capital improvements is the \$200,000 already mentioned for the Halsey Hall addition and an additional \$110,000 for Rehabilitation and Repair, stating this funding is for cottage renovation, tornado shelters, tree trimming, and other general facility repairs.

To begin with, I need to clarify the tornado shelters figures which appear on the Capital Budget Plan (DA-418A) submitted July 1, 1997. The amount shown for Lincoln and Grant Hall shelters, and the amount shown for the cottage area shelters, should be reversed. The current estimates should read \$24,000 for handicap access to shelters in Lincoln and Grant Halls, and \$98,440 for 3 cottage area shelters (\$32,813.40 each). As noted earlier, we proceeded to build one cottage area shelter in FY98 and accomplished it with \$14,000. This was after the FY99 Capital Budget plan had been submitted. If we continue to build cottage area tornado shelters with organic and contract labor, we can

build the remaining two for \$30,000, saving approximately \$54,440 (\$98,440 minus \$44,000) from the original estimate. In the same manner, we can make Grant and Lincoln Hall shelter areas handicap accessible for an additional \$24,000. This is a savings of \$13,000 from the original estimate as it appeared on the FY98 Capital Budget submission. The individual we engaged as contract labor in building the first tornado shelter has committed to help with the remaining work when funds are available. He is the former owner of a construction company which has built similar structures. If the requested additional FY98 funding for the power plant is provided, tornado shelters will be constructed with FY98 funds and will be removed from our FY99 request.

Eisenhower Hall Air Conditioning Unit Replacement: The air conditioning unit at Eisenhower Hall is over 35 years old. During the last cooling season it was down as much as it was operational. The maintenance costs were extremely high. This unit has just worn out. Eisenhower Hall is not only our headquarters, housing the business management, personnel, social work, and chaplains office, it also contains our only two conference rooms and an auditorium and kitchen which is used daily for all types of meetings, events and activities. We are requesting that the \$33,280 requested for replacement of the Eisenhower Hall air conditioner be funded in FY99.

Cottage Renovation: The Kansas Soldiers Home cottage renovation program has been going on for several years. Of the original 50 resident cottages, only 17 remain to be fully renovated. Our 5-year plan, began in FY98, provided for renovating 4 cottages annually, completing all cottages by FY02. Our FY98 Capital Budget was not fully funded, forcing us to limit renovation to only 3 cottages in FY98. The \$83,460 in our FY99 Capital Budget request represents what is required to renovate 4 cottages. Many of the unrenovated cottages, 60-70 years old, are marginally safe for occupation. Six cottages, not included in this number, are vacant, uninhabitable, and scheduled for destruction. Renovated cottages not only provide a safer more habitable environment for

our veterans, but they drastically reduce maintenance costs.

Tree Trimming: The \$22,100 requested in FY99 for tree trimming, represents the 2nd of a 5-year plan to take down or radically trim almost 500 trees identified by contractor estimate, and replace them with new trees. Trees at the Kansas Soldiers Home have been neglected for decades. The many dead or primarily dead trees are a safety hazard to employees, residents and both government and personal property. In the last 28 months, there have been 6 incidents of trees or large limbs falling on automobiles, and 11 incidents of falling trees or limbs damaging cottages or other buildings. In another incident, a falling dead limb struck a resident, who fortunately only suffered minor injuries. We consider this forestry project a serious safety and environmental issue, and request the \$22,100 remain in the FY99 Capital Budget.

SUMMARY

Respectfully request that the Appropriations Committee support the following Kansas Soldiers Home Capital Budget requirements:

FY98

1. Additional Funding to fully fund power plant construction	\$80,064.52

Total	\$80,064.52

Governor's Budget recommendation: \$ 0

FY99

1. Halsey Hall addition/upgrade required for licensure:	\$327,025.00	
2. Eisenhower Hall air conditioning unit replacement:	33,280.00	
3. Continuance of cottage renovation program:	83,460.00	
4. Tree removal, trimming, replacement program:	22,100.00	

	Total	\$465,865.00
Governor's Budget recommendation:	\$310,000.00	

Stan Reed

Archit.
Engineering
Interior Design
Graphic Design
Facility Planning

December 4, 1997

Stan Reed, Supt.
Kansas Soldiers' Home
PO Box 128
Fort Dodge, KS 67843



Re: Kansas Soldiers' Home
Proposed Certification Requirements - Halsey Hall
Fort Dodge, Kansas
J-G Project No. 97-1550

Dear Stan:

Please add the following items for certification requirements of Halsey Hall.

New North Addition Toilet Rooms

1.	New Masonry Exterior Walls	\$ 1,500.00
2.	New Gypsum Board Over Metal Stud Walls	400.00
3.	New Ceilings	300.00
4.	Install New Door and Frames	800.00
5.	Install New Toilet	400.00
6.	Install New Lavatory	400.00
7.	Install New Grab Bars and Accessories	300.00
8.	Install New Sheet Vinyl Flooring and Base	200.00
9.	New Light Switches, Outlets and Miscellaneous Electrical	1,200.00
10.	Miscellaneous Plumbing and Mechanical	<u>4,500.00</u>

Subtotal \$10,000.00
x 2 Rooms

Total \$20,000.00

Please call if you have any questions.

Sincerely,

JONES-GILLAM, ARCHITECTS-ENGINEERS

Mark Regier

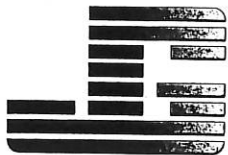
MLR/vt

JONES GILLAM
Architects Engineers
730 N. Ninth
P.O. Box 2928
Salina, KS 67402
(785) 827-0386
Fax (785) 827-0392

2-10

Architecture
Engineering
Interior Design
Graphic Design
Facility Planning

November 17, 1997



Stan Reed, Supt.
Kansas Soldiers' Home
PO Box 128
Fort Dodge, KS 67843

Re: Kansas Soldiers' Home
Proposed Certification Requirements - Halsey Hall
Fort Dodge, Kansas
J-G Project No. 97-1550

Dear Stan:

Please add the following items for certification requirements of Halsey Hall.

Resident Room Closets

1.	New Gypsum Board Over Metal Stud Walls	\$ 200.00
2.	New Base and Paint Walls	50.00
3.	Install New Door and Frame	500.00
4.	New Shelf and Rod	<u>200.00</u>
	Subtotal	\$950.00
		<u>x 42 Rooms</u>
	Total	\$39,900.00

Partners:

Russ Jones

Jack Gillam

Jeff Gillam

Also enclosed are three sets of revised drawings. Please note that bath and shower room doors do not swing into the corridor.

Please call if you have any questions.

Sincerely,

JONES-GILLAM, ARCHITECTS-ENGINEERS

Mark Regier

Enclosures

MLR/vt

JONES GILLAM
Architects Engineers

730 N. Ninth
P.O. Box 2928
Salina, KS 67402
(913) 827-0386
Fax (913) 827-0392

2-11

August 19, 1997



Stan Reed, Supt.
Kansas Soldiers' Home
PO Box 128
Fort Dodge, KS 67843

Re: Kansas Soldiers' Home
Proposed Certification Requirements - Halsey Hall
J-G Project No. 97-1550

Dear Stan:

Please add the following item for certification requirements of Halsey Hall.

Resident Rooms

1. Install Electrically Switched Night Lights
in Each Room
\$450.00 each x 46 = \$20,700.00

Partners:

Russ Jones

Jack Gillam

Jeff Gillam

Please call if you have any questions.

Sincerely,

JONES-GILLAM, ARCHITECTS-ENGINEERS

Mark Regier

MLR/vt

6 May 1997



Kansas Soldiers' Home
Proposed Certification Requirements - Halsey Hall
Fort Dodge, Kansas
Project No. 97-1550

ESTIMATE

Resident Toilet Rooms

1.	Install New Grab Bars	\$ 300.00
2.	New Light Switch and Electrical \$150 Each x 2	300.00
3.	Install Sheet Vinyl Flooring and Base	200.00
4.	New Gypsum Board Over Metal Stud Walls	500.00
5.	Patch Ceiling and Walls \$200/Each x 2	400.00
6.	Remove and Reinstall Doors and Frames \$200/Each x 2	400.00
7.	Remove and Reinstall Thermostats \$50/Each x 2	<u>100.00</u>

Subtotal \$ 2,200.00
x 26 Rooms

Total \$57,200.00

Clean Utility Room

1.	New Casework	\$ 2,500.00
2.	New Flooring and Base	300.00
3.	New Gypsum Board Over Metal Studs	100.00
4.	Patch Walls and Ceiling	400.00
5.	New Sink and Plumbing	700.00
6.	Miscellaneous Electrical Switches, Outlets and Lighting	<u>1,000.00</u>

Subtotal \$ 5,000.00
x 2 Rooms

Total \$10,000.00

Resident Care Storage

1.	New Gypsum Board Over Metal Stud Walls	\$ 200.00
2.	New Base and Paint Walls	50.00
3.	Install New Door and Frame	450.00
4.	Miscellaneous Electrical	<u>200.00</u>

Subtotal \$ 900.00
x 2 Rooms

Total \$ 1,800.00

Wheelchair Storage

1.	New Gypsum Board Over Metal Stud Walls	\$ 200.00
2.	New Base and Paint Walls	50.00
3.	Install New Folding Door	<u>450.00</u>

Subtotal \$ 700.00
x 2 Rooms

Total \$ 1,400.00

Resident Bathing Facilities

1.	Remove Existing Tubs/Showers and Install New Roll-in Shower	\$ 2,500.00
2.	New Gypsum Board Over Metal Stud Walls	600.00
3.	Patch Walls and Ceilings	500.00
4.	Install New Door and Frames	800.00
5.	Install New Toilet	400.00
6.	Install New Lavatory	400.00
7.	Install New Grab Bars and Accessories	300.00
8.	Install New Sheet Vinyl Flooring and Base	200.00
9.	New Light Switches, Outlets and Miscellaneous Electrical	1,000.00
10.	Miscellaneous Plumbing and Mechanical	<u>4,300.00</u>

Subtotal \$11,000.00
x 4 Rooms

Total \$44,000.00

Dry Food Storage

1. New Exhaust Fan and Miscellaneous Electrical \$ 6,800.00

Can/Cart Wash

1. Cut/Replace Concrete Floor and
Install New Drain \$ 7,000.00
2. Install Concrete Block Wall 1,500.00
3. Paint Walls 200.00
4. Electrical 650.00

Total \$ 9,350.00

Personal Care

1. Relocate Casework \$ 300.00
2. New Plumbing for Sink 1,200.00

Total \$ 1,500.00

New East Office Addition

1. 1,170 s.f. @ \$85/s.f. \$99,450.00

New North Addition

1. 765 s.f. @ \$85/s.f. \$65,025.00

Glass Protection

1. 18" High Kickplate at All Floor-to-Ceiling
Windows/Glass
71 @ \$100.00/Each \$ 7,100.00

GRAND TOTAL \$303,625.00

KANSAS SOLDIERS HOME

List of Halsey Hall Licensure Actions Taken to Date Including Associated Costs

1.	Automatic Doors Installed	\$ 11,000.00
2.	Backup Generator Installed	58,425.00
3.	Exhaust Fans Installed	2,266.00
4.	Paging System Installed	1,950.00
5.	Powerline Electrical Backup System	60,437.11
6.	Patient Alarms Installed	3,950.00
7.	Tornado Siren Installed	4,500.00
8.	Photo Eye System Installed	3,750.00
9.	Kitchen Sink Installed	1,884.00
10.	Door Facings Installed	3,300.00
11.	Lighting Improvements	2,000.00
12.	Handrails Improved	300.00
13.	Vacuum Breakers Installed	96.00
14.	Walls-Structural Glass	4,500.00
15.	Floor Coverings	1,200.00
16.	Fire Suppression System Installed	204,000.00
17.	Elevator Override (Emergency)	27,000.00
18.	Standards	9,270.00
19.	ADA Bathroom Fixtures	13,000.00
20.	Duct Work	3,273.00
	Total	<hr/> \$416,001.11

In addition to the above, we have created and filled or upgraded Halsey Hall positions to comply with Licensure personnel requirements as follows.

Certified Nursing Home Administrator
Certified Medical Records Technician
Certified Full-time Dietitian
Added an Activity Therapy Position
Added Four Additional Health Care Assistants (CNA or CMA)

We have made numerous improvements to Halsey Hall and its grounds which are not included above, but which were done with organic labor and re-prioritizing maintenance funding or utilizing Patients' Benefit and Gift Fund donations which were solicited for that purpose. These include: curtains, blinds, tablecloths, wall decorations, ice machines, new ovens, patio furniture, landscaping, aviary, new VCR, movies, additional entertainment, and more, totaling in the thousands of dollars.

Stan Reed
Superintendent, Kansas Soldiers Home
November 1, 1997