

Approved: 3/17/98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:30 p.m. on March 11, 1998 in Room 514-S of the Capitol.

All members were present except: Representative Joe Kejr - Excused
Representative Greg Packer - Excused

Committee staff present: Alan Conroy, Stuart Little, Julian Efird, April Holman, Reed Holwegner, Susan Kannarr, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:

Senator Sandy Praeger
Rochelle Chronister, Secretary, Department of Social & Rehabilitation Services (SRS)
Kathleen Sebelius, Commissioner of Insurance
Joyce Volmut, Executive Director, Kansas Association for Medically Under served (KAMU)
Dawn L. Reid, Assistant Director, Kansas State Nurses Association (KSNA)
Melissa Ness, Kansas Children's Service League
Jerry Slaughter, Executive Director, Kansas Medical Society, (KMS)
John R. Detrick, CEO & General Counsel, Monarch Management Corporation

Others attending: See attached list

Hearing on SB 424 - Health insurance programs for children

Senator Sandy Praeger introduced and highlighted **SB 424**. As a proponent of the bill she spoke on program goals, benefits, eligibility, outcomes, outreach, enrollment, cost sharing and premium sharing (Attachment 1). A brief discussion followed.

Rochelle Chronister, Secretary, SRS, speaking in favor of **SB 424**, noted it is one of the most important benefits the legislature can extend to children in this session. She stressed the importance to educate parents on how to provide health care for their children before the children get into medical crisis situations. She also stressed the importance of simplicity in administering the health care program (Attachment 2).

A discussion followed. It was pointed out the SRS has the authority to put the health program in place even if the legislature does not enact **SB 424**. However, Secretary Chronister pointed out the cooperation of the legislature makes the program much more effective.

Kathleen Sebelius, Commissioner of Insurance, testified for **SB 424**, noting the state has an opportunity to take advantage of this unique bill crafted by the U.S. Congress. She noted this bill leaves many of the details to the individual states; it is good for the state and taxpayer; encourages public and private partnership; and the timing is good since many people will be leaving the welfare system and will need an affordable health insurance (Attachment 3). A brief discussion followed.

Joyce Volmut, Executive Director, KAMU, testified that her organization still strongly supports a Medicaid Expansion, but applauded the state's effort to create a new public insurance program and are pleased with the overall elements of **SB 424** (Attachment 4). She also distributed a balloon for **SB 424** with suggested improvements (Attachment 5). A discussion followed.

Representative Helgeson had questions on cost sharing. Executive Director Volmut agreed to put together some information on suggested dollar amounts for a sliding scale on premium co-payments and office visit fees.

Dawn L. Reid, Assistant Director, KSNA, testified in favor of **SB 424**, noting Kansas has the potential of receiving \$30.8 million a year for the next ten years from the federal government and the state is required to match \$12 million per year. The state must submit a program to Health and Human Services by July 1998 to access FY 98 dollars from the federal allocation (Attachment 6). A brief discussion followed.

Melissa Ness, Kansas Children's Service League, presented a white paper, which is meant to serve as a guide to policy makers. The white paper was produced by the Kansas Children's Service League and Kansas Action for Children (the document is on file in the Legislative Research Department).

Jerry Slaughter, Executive Director, KMS, appeared in support of **SB 424**. He spoke briefly on the

sustainability of the program stressing we should not promise more than we can deliver; the importance of continuous enrollment eligibility and fair provider reimbursement (Attachment 7). A brief discussion followed.

John R. Detrick, CEO & General Counsel, Monarch Management Corporation (a business for student insurance), expressed concern with section four of **SB 424**. He wanted to know if that provision excludes insurance companies which do not currently participate in Title XIX programs from participating in the Children's Health Insurance Program (CHIP). He stressed the companies, he represents, want to be able to participate in the CHIP.

Chair Kline asked Mr. Detrick to direct that request in written testimony to the Subcommittee headed by Representative Neufeld. The Subcommittee (Representatives Neufeld, Landwehr and Helgerson) will work on that question and other details before bringing the bill back to the full committee. A brief discussion followed.

Written testimony was distributed for Carol Smith, United Community Services of Johnson County, Inc., in support for **SB 424**. (Attachment 8) Ms. Smith was unable to attend the hearing.

Representative Farmer reported for the House Subcommittee on the Legislative Coordinating Council (Attachment 9). The Subcommittee concurred with the Governor's recommendation for FY 98 and FY 99.

A motion was made by Representative Farmer, seconded by Representative Toplikar to adopt the Subcommittee report for the Legislative Coordinating Council for FY 98 and FY 99. The motion carried.

Representative Farmer reported for the House Subcommittee on the Revisor of Statutes (Attachment 10). The Subcommittee concurred with the Governor's recommendation for FY 98 and with FY 99 with one comment.

A motion was made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report for the Revisor of Statutes for FY 98 and FY 99. A brief discussion followed. The motion carried.

Representative Farmer reported for the House Subcommittee on the Legislative Division of Post Audit (Attachment 11). The Subcommittee concurred with the Governor's recommendation for FY 98 and with FY 99 with two exceptions.

A motion was made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report for the Legislative Division of Post Audit for FY 98 and FY 99. A brief discussion followed.

A motion was made by Representative Spangler, seconded by Representative McKechnie to amend the report to flag the auditor's salaries to be reviewed at Omnibus, requesting the agency come back to the Appropriation Committee with a fee schedule designed to attract &/or retain the type of individuals needed for the job. A brief discussion followed. The motion carried.

A vote was taken on the original motion made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report for the Legislative Division of Post Audit for FY 98 and FY 99 as amended. The motion carried.

Representative Farmer reported for the House Subcommittee on the Legislative Research Department (Attachment 12). The Subcommittee concurred with the Governor's recommendations for FY 98 and with FY 99 with one observation.

A motion was made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report on the Legislative Research Department for FY 98 and FY 99. A brief discussion followed.

A motion was made by Representative Reinhardt, seconded by Representative McKechnie to amend the report to flag the salaries of the Legislative Researchers to be reviewed at Omnibus, requesting the agency come back to the Appropriations Committee with a fee schedule designed to attract &/or retain the type of individuals need for the job. The motion carried.

A vote was taken on the original motion made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report on the Legislative Research Department for FY 98 and FY 99. The motion carried.

Representative Farmer reported for the House Subcommittee on the Legislature (Attachment 13). The Subcommittee concurred with the Governor's recommendation for FY 98 and with FY 99 with one exception. Background was given on that exception as well as a summary of recommendations of the Legislature's Strategic Computing Plan and FY 1999 Costs.

A motion was made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report on the Legislature for FY 98 and FY 99. A discussion followed.

Representative Edmonds explained the reason he did not sign the Subcommittee report was due to the addition of \$2,026,000 to the Legislative Budget, which amounts to a 20% increase. He recommended we defer this item to the next fiscal year (FY 2000), or only act on a portion of it to keep the total increases in line with increases of other agencies.

Representative Toplikar also reminded the Committee there is a 4% pay increase for legislators.

Jim Wilson, Revisor of Statutes, commented on how the legislative pay increase statutes work.

It was noted the Senate Committee as a whole added the \$2,026,000 for the computers as well as \$1.3 million for wiring.

A vote was taken on the original motion made by Representative Farmer, seconded by Representative Reinhardt to adopt the Subcommittee report on the Legislature for FY 98 and FY 99. The motion carried. Representative Edmonds voted no.

Chair Kline noted there were two requests for bill introduction. The first one concerned construction management.

Representative Edmonds noted the second request concerned the pooled money investment board.

A motion was made by Representative Edmonds, seconded by Representative Helgerson to accept both requests for bill introduction. The motion carried.

A motion was made by Representative Dean, seconded by Representative Farmer to approve the minutes for March 4, 5 and 6. The motion carried.

The meeting adjourned at 3:20 p.m. The next meeting is scheduled for March 12, 1998.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/11/98

NAME	REPRESENTING
JOHN DETRICK, CEO & GENERAL COUNSEL	MONARCH MANAGEMENT CORP.
Bob Harder	MPS
Keith Haxton	SEAK
Joyce Dolmuit	Kansas Assoc. Medically Underinsured
Janet Jones	House Chief Clerk
Rochelle Chronister	SRS
Dona Boae	SRS
Dennis Tietze	ILAF
Linda Dilbeckey	KS Insurance Dept.
Edna Pominski	KS Insurance Dept.
BOB ALDERSON	KS PHARMACISTS ASSOC.
Bruce Linka	Children's Alliance
Marj Ellen Cordie	Via Christi Health System
Melissa Ness	Ks. Children's Service League
Ge Hendriksen	Kansas Ecumenical Ministries
Dawn Reid	KSNA
Sally Praeger	Senate
Eric Costman	South Park

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TOPEKA

SENATE CHAMBER

COMMITTEE ASSIGNMENTS
CHAIR: PUBLIC HEALTH AND WELFARE
VICE CHAIR: FINANCIAL INSTITUTIONS AND INSURANCE
MEMBER: ASSESSMENT AND TAXATION
ELECTIONS AND LOCAL GOVERNMENT
HEALTH CARE REFORM LEGISLATIVE
OVERSIGHT COMMITTEE
JOINT COMMITTEE ON CHILDREN AND FAMILIES
SRS TRANSITION OVERSIGHT COMMITTEE

HOUSE APPROPRIATIONS COMMITTEE

March 11, 1998

Good afternoon, Mr. Chairman, members of the House Appropriations Committee.

Thank you for the opportunity to present testimony to the Committee regarding children's health insurance. I want to thank Rep. Neufeld and the House and Senate members of the task force as well as the executive branch members and members from the Insurance Department for their diligence in preparing this Senate Substitute for SB 424.

Now I would like to point out some of the highlights of the Children's Health Insurance Plan (CHIP), Sub. SB 424.

The Secretary of Social and Rehabilitation Services will develop and submit the CHIP plan for approval by the federal agency, Health and Human Services. The Department has the expertise to contract for children's health services and understands how best to provide for coordination between Medicaid and CHIP.

PROGRAM GOALS

The plan will be developed as a capitated managed care plan for both

*Appropriations
3-11-98
Attachment 1*

the new eligible children and the current Title XIX eligible children. This is a key element of the plan because of the **administrative simplicity** of combining both groups of children. This makes the programs both children and family-friendly and provider-friendly. For the health plans covering both groups of children creates a larger pool for more effective risk management and allows for **seamless coverage** as children move from Title XIX eligibility to Title XXI eligibility. For families this means that they will not have to change plans and providers as their family income changes. This **continuity of care** is another critical component of the plan.

BENEFITS

The plan provides for the same set of benefits for both groups of children. This also meets the program goals of administrative simplicity, seamless coverage and continuity of care. The benefits covered under the Kansas KanBeHealthy program (Title XIX) were developed by the Academy of Pediatrics and focus on wellness and prevention services. (see attached)

ELIGIBILITY

Providing for presumptive eligibility ensures that children can be easily enrolled in the program and receive necessary services if they meet these criteria. (See pg.1, lines 21-29)

Continuous eligibility is also included and means that once a child is determined to be eligible they retain eligibility for 12 months. This provides continuity of care for the children and makes it more acceptable to the plans and providers who contract to provide services for an agreed upon number of children. This has been one of the concerns that health

plans and providers have voiced with the current Medicaid program because children were often eligible one month and not the next if their parents' income fluctuated above or below the income guidelines. (See pg. 1, lines 30-31)

The federal law limits eligibility to children who have not had health insurance. We wanted to be sure that children covered under the Caring Program for Children be eligible for this new program. We also included the high risk pool and any charity health program in this exemption.

OUTCOMES

Monitoring of the program over time will provide the state with important information regarding the effectiveness of the plan design and the services offered. Contracts with health plans must include measurable outcomes and performance standards.

OUTREACH AND ENROLLMENT

Outreach and enrollment will be an important part of the program if we are to be successful in providing health care services to the eligible children. Many existing community resources can be and should be utilized in this effort. Education is also a key component of the plan. To be successful families need to learn how to appropriately access care and how to participate in creating healthy lifestyles for their children.

Another criticism of the current Medicaid program is the "hassle factor" involved in enrollment. The current enrollment process will be simplified and be the same for both groups of children with enrollment taking place in a variety of locations, including phone and mail-in if

appropriate. This also helps to remove the “welfare” stigma associated with the current Medicaid program by creating new opportunities for enrollment in a wide variety of locations.

COST SHARING AND PREMIUM SHARING

Premium sharing will be used where allowed to begin to transition families off public assistance for health care. The premium sharing should not be a barrier to accessing health insurance coverage but used more as a way of acknowledging that families should contribute something towards the cost of providing coverage. This is consistent with welfare reform and its goal of helping families become self sufficient.

Families who are required to pay a share of the monthly premium will lose eligibility if they fail to pay them. We wanted to discourage families from dropping coverage by not paying their premium, but we did allow for reinstatement of eligibility if the back premiums are paid. This again reinforces the policy that families should be responsible for a portion of the cost of health insurance coverage for their children. (This applies only to families with incomes over 150%, as allowed by the federal law.)

Senator Sandy Praeger

Title XIX Plan

Benefits	Title XIX	Benefits	Title XIX
<u>Inpatient hospital</u> <i>Must be covered under law of categories of service.</i>	Covered when medically necessary.	<u>Laboratory and radiological services</u> <i>Must be covered under law of categories of service.</i>	Covered when medically necessary.
<u>Outpatient hospital</u> <i>Must be covered under law of categories of service.</i>	Covered when medically necessary.	<u>Prenatal care and pre-pregnancy family planning services and supplies</u>	Covered when medically necessary. This coverage includes prenatal health promotion and risk reduction when enrolled in a HMO.
<u>Physician services</u> <i>Must be covered under law of categories of service.</i>	Physician or mid-level practitioner are covered when medically necessary.	<u>Inpatient mental health services</u>	Covered when medically necessary. This coverage includes psychiatrists, psychologists, Community Mental Health Center services, partial-hospitalization and mental health prescriptions. Prior authorization is required.
<u>Surgical services</u> <i>Must be covered under law of categories of service.</i>	Covered when medically necessary.	<u>Outpatient mental health services</u>	Covered when medically necessary. This coverage includes psychiatrists, psychologists, Community Mental Health Center services, partial-hospitalization and mental health prescriptions. These services are limited to 32 hours a year unless the client participates in Kan Be Healthy and then the client is allowed 40 hours of service.
<u>Clinic services</u>	Covered when medically necessary.	<u>Enabling Services</u>	Title XIX requires that enabling services be provided by HMOs.

See Sandy Praeger

Benefits	Title XIX	Benefits	Title XIX
<u>Prescription drugs</u>	Covered when medically necessary.	<u>Home and community-based health services and home health services.</u>	Home and community based services are covered within these special children populations: technology assisted children, developmentally delayed children, head injury children (age 18-55), physically disabled children (age 16-64), and severely emotionally disturbed children. Home health aide services include skilled nursing services, and attendant care services are covered when medically necessary.
<u>Over-the-counter medications</u>	The following therapeutic classes of drugs are covered for KAN Be Healthy participants: antihistamine combinations, decongestants, cough and cold, vitamins and multi-vitamins.	<u>Nursing care services (such as nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services) in a home, school or other setting).</u>	Covered when medically necessary.
<u>Durable medical equipment and other medically related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices).</u>	Durable Medical Equipment is covered when it is ordered by a qualified health provider and it is needed for life support, employment or a child. Audiology and hearing services include the fitting and dispensing of hearing aids (every 4 years) and appropriate accessories (up to 6 hearing aid batteries per month--monaural or 12 per month--binaural). Vision services are covered. They include a complete eye exam every four years,(Kan Be Healthy participants every year), Eyeglasses are covered and contact lenses are covered when medically necessary. Eye prosthesis are covered when ordered by a health care provider.	<u>Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders</u>	Physical therapy services are covered when they are restorative for each injury or acute episode for a maximum of six months from the date of the first therapy. Occupational services are covered when they are restorative for each injury or acute episode for a maximum of six months from the date of the first therapy. Speech services are covered when they are restorative for each injury or acute episode for a maximum of six months from the date of the first therapy.

Benefits	Title XIX	Benefits	Title XIX
<u>Disposable medical supplies</u>	Covered when medically necessary.	<u>Abortion</u>	Only when it is necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.
<u>Outpatient substance abuse treatment services</u>	Alcohol and drug abuse services are covered when it is medically necessary through community based services.	<u>Well child check-ups including immunizations</u> <i>Must be covered under law of categories of service.</i>	Covered when medically necessary. Kan Be Healthy extended services are available.
<u>Case management services</u>	Provided.	<u>Premiums for private health care insurance coverage</u>	An option that is used when the private health care package is more affordable than Title XIX.
<u>Care coordination services</u>	Provided.	<u>Medical transportation</u>	Covered when it is medically necessary. Non-ambulance medical transportation can be provided to Kan Be Healthy participants.
<u>Hospice</u>	Hospice services are covered when ordered by a health care provider.	<u>Dental Services</u>	Covered dental services include dental medical history, oral hygiene exam, dental developmental exam, oral lesions, periodontal exam, dental caries, education, fluoride treatments, cleaning, x-rays, oral surgery, orthodontia, and space maintainers.
<u>Abortion</u>	Only when it is necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.	<u>Inpatient substance abuse treatment services</u>	Alcohol and drug abuse services are covered for medical detoxification only.
<u>Any other health care services or items specified by the Secretary and not excluded under this section.</u>	Title XIX requires that HMOs provide health care services or items specified by the Secretary that are not excluded by the contract.		

**State of Kansas
Department of Social
& Rehabilitation Services**

Rochelle Chronister, Secretary
Janet Schalansky, Deputy Secretary

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**House Appropriations
Wednesday, March 11, 1998**

Testimony: Substitute Senate Bill 424

**Adult and Medical Services Commission
Ann Koci, Commissioner
(785) 296-5217**

*Appropriations
3-11-98
Attachment 2*

Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

House Appropriations
Substitute Senate Bill 424

March 11, 1998

Mr. Chairman and members of the committee, I am Rochelle Chronister, Secretary of the Department of Social and Rehabilitation Services. Thank you for the opportunity to testify on Substitute Senate Bill 424.

The Senate Bill moves the state towards the Kansas Insurance Coverage for Kids and the Insurance Commissioner's task forces' recommendations. Those recommendations are:

- Reach all children under 200% of federal poverty level with quality health care to improve the health status of children in Kansas. This means a focus on education and outreach programs, utilizing existing community organizations, schools, etc.
- Create a program that is sustainable with the expansion of funding from the federal government (Title XXI);
- Be innovative;
- Reduce the complexities of the current Medicaid program;
- Provide equalization of benefits for the existing Medicaid beneficiary.

The bill is recommending the Early and Periodic Screening Diagnosis and Treatment (EPSDT) benefit package known as KAN Be Healthy in the State of Kansas. This package is structured to meet children's unique health care needs and includes health screenings to detect medical concerns. By providing needed treatment in a timely manner, preventative health is promoted. This approach will help keep children in school and promote long term wellness. EPSDT benefits are based on the medical needs of children, not adults. By utilizing the EPSDT benefit package, parents receive education to promote a healthy lifestyle for their children. Through these educational venues we can provide families with information regarding nutrition and health care maintenance of chronic illnesses such as asthma. When families have the knowledge that they need to meet their children's health needs, then families have the ability to access the care needed in the most appropriate and cost effective care setting.

Substitute Senate Bill 424 allows for the opportunity to redesign the Title XIX system without increasing entitlement. The positive outcomes associated with a seamless Title XIX and Title XXI program are:

- making the program more accessible to uninsured children by allowing for presumptive and continuous eligibility;
- simplifying the eligibility process by using a shortened mail-in application;
- determining eligibility in a centralized location for Title XIX and Title XXI;
- making the program a health insurance benefit for children and not a welfare program.

The Department of Social and Rehabilitation Services supports Senate Bill 424 as a means to: 1) improve children's health, which in turn will help to protect children, and 2) help low-income families obtain self-sufficiency.



Kathleen Sebelius
Commissioner of Insurance
Kansas Insurance Department

M E M O R A N D U M

TO: House Appropriations Committee

FROM: Kathleen Sebelius
Commissioner of Insurance

RE: Senate Bill 424 (Children's Health Insurance)

DATE: March 9, 1998

Kansas has a unique opportunity to extend health insurance to children in this state who currently do not have access to health care services. Recent studies indicate there are approximately 60,000 to 90,000 children in Kansas who do not have health coverage. Generally, these are children of "working poor" families whose parents do not qualify for Medicaid and who either do not have health insurance offered through their employer or who can not afford the cost of insurance premiums.

There is a clear link between health insurance coverage and the ability to access health care. Uninsured children receive fewer doctor visits and do not stay in the hospital as long as children in families with health insurance. Children without health coverage also have problems receiving necessary dental care, prescription drugs or eyeglasses. These preventative services are especially important for younger children, ages 0-5.

Congress recognized the national problem of extending health insurance coverage to children and last year approved the Budget Reconciliation Act which provides funding to states to establish health insurance programs for uninsured children. The money will be available for at least 10 years starting with fiscal year 1998 which started October, 1997. States are required to put up a portion of the money to fund the program and the

*Appropriations
3-11-98
Attachment 3*

federal act includes a number of coverage options for states to consider in designing a children's health insurance plan.

Kansas is eligible to receive \$31 million in federal funding the first year of the program and a five year total of over \$152 million. States must provide matching funds equal to 70% of the amount of the state contribution to Medicaid. Kansas' share of the first year (assuming all federal funding will be used) is \$12.3 million. Governor Graves has authorized the matching Kansas share of the program funding in his 1998 budget submitted to the Legislature.

Senate Bill 424 outlines how the program will operate in Kansas. The legislation includes many of the recommendations made by two task forces which studied this issue last year - the SRS Kansas Insurance Coverage for Kids committee chaired by Senator Praeger and the Children's Health Insurance Action Group which I formed.

As you study and make recommendations on providing health insurance coverage for Kansas children, it is important to remember that every dollar which we spend on preventative care and basic health services saves us money in having to pay for serious medical conditions which have been untreated. Passage of legislation to provide health insurance coverage for children in this state is one of the best investments we can make for the future.

**PROVIDING CHILDREN'S HEALTH INSURANCE
COVERAGE IN KANSAS**

**A Report To The Kansas Legislative
Health Care Reform Oversight Committee**

December 3, 1997

**Kansas Insurance For Kids SRS Workgroup
Senator Sandy Praeger, Chair**

**Children's Health Insurance Action Group
Insurance Commissioner Kathleen Sebelius, Chair**

Introduction

Children are our most valuable resource. How we treat children is a true measure of our society. It is important that we provide them with all of the necessary tools to prepare for their future.

For many Kansas families, access to health care remains out of reach. This is true despite the fact that most of those who can not afford health insurance are employed. This report outlines the scope of the problem in Kansas and provides a series of steps which can be taken to provide health insurance for the approximately 60,000 children of working poor families who do not have coverage.

According to a recent study by the U.S. Census Bureau, there are 73,000 children in Kansas under 18 years old, or 10.4 percent of all children in the state, without health insurance. These are children who are not eligible for public health assistance programs such as Medicaid. This compares with 13.8% of all children nationally (almost 9.8 million) who do not have health insurance coverage.¹ The Kansas Department of Social and Rehabilitation Services estimates that there are 60,000 children in the state whose families do not work in the public sector and who earn less than 200% of the federal poverty level ("FPL") who do not qualify for Medicaid.² These government statistics are supported by a recent survey by the University of Kansas which found that 9.4% of children in Kansas under 18 (64,215 children) currently do not have health coverage.³

Many uninsured children are in families who are employed in jobs which either do not provide health insurance or where the premiums are not affordable. The Health Affairs Journal reports that between 1987 and 1996, the national percentage of workers with health insurance coverage through their employer dropped from 64% to 60%. The decline in health insurance coverage is most apparent for working poor families and for black and Hispanic workers.⁴

There is a clear link between health insurance and access to health care. A 1994 National Health Interview Survey found that long term uninsured children receive fewer doctor visits and less in-patient hospital days. Uninsured children also have problems receiving necessary dental care, prescription drugs or eyeglasses. These are services that are critical for childhood development, especially in 0-5 years of age.⁵

Federal Children's Health Insurance Legislation

This year, the Congress has provided state governments, including Kansas, with a unique opportunity to address the problem of children who do not have access to health insurance. In August, Congress approved funding for a state children's health insurance program as part of the 1997 Budget Reconciliation Act. The new law provides \$48 billion in federal funds over 10 years for children's health coverage. Major provisions of the act include:

- The Federal government will invest \$24 billion over the next five years and there is the possibility of an additional \$24 billion over the following five years. Funds will go to children's health insurance, increased Medicaid costs and diabetes programs. The program is partially funded by increased tobacco taxes.
- In Kansas, the program can provide coverage for qualified children in families with incomes at or below 200% of the federal poverty level.
- Kansas is estimated to receive \$31,433,507 in the first year and a five year total of over \$152 million. Funding starts October 1, 1997. Any money not allocated by a state in a particular year may be used during the two following years. At the end of three years, any unallocated funds are redistributed to the other states.
- States must provide matching funds equal to 70% of the amount of the state contribution to Medicaid. Kansas share for the first year (assuming all federal funding will be used) is \$12.3 million.
- The money may be used by states to (a) expand Medicaid and (b) provide comprehensive private health insurance through a state children's health insurance program. Funds can not be used to duplicate any other private or public coverage that is available. Up to 10% of the funds can be used for administrative and outreach costs and for funding other health assistance programs for children.
- Benefits under the private health insurance program must provide "benchmark coverage" of basic services. This coverage is equivalent to that provided by: (a) the standard Blue Cross plan for federal employees; (b) the largest commercial health maintenance organization with the largest insured, non-Medicaid enrollment or (c) health benefits offered to state employees.
- States are required to submit a plan of how the funds will be used to the Secretary of Health and Human Services for approval. State plans must include details of "outreach" efforts to expand coverage to targeted population.
- Families with incomes above 150% of the FPL can be asked to pay a portion of the premiums. Certain deductibles and co-pays are also permitted.

- States must adopt procedures to ensure that coverage under this program does not “crowd-out” or substitute for existing employer coverage.
- Eligibility for assistance may not be denied based on preexisting conditions. Group health plans may limit coverage of services for preexisting conditions.

One of the most important things for the 1998 Legislature to do is to take advantage of this program to provide assistance to those children whose families can not afford private health insurance, but who also do not qualify for Medicaid assistance from the state. The benefits of assisting Kansas working parents to provide health insurance coverage for their children include reduced medical costs and a healthier future for the citizens of Kansas.

Kansas Children’s Health Insurance Proposal

There are two groups which have been looking at developing a program to provide health insurance coverage for children in this state based on the provisions of the Budget Reconciliation Act. In July, Insurance Commissioner Kathleen Sebelius formed the Children’s Health Insurance Action Group to study ways to fund health insurance coverage for uninsured children in the state. This group includes many representatives from the Commissioner’s Health Care Advisory Committee which has studied a number of health issues over the past three years.

In September, the Secretary of the Department of Social and Rehabilitation Services, Rochelle Chronister, established a committee to develop a plan to use the funding made available through the federal legislation. This Chair of this committee is Senator Sandy Praeger. The SRS group has looked at the issue as a way to redefine and change the identity of the existing Medicaid program while the Insurance Department’s Action Group has focused on ways in which the private market can participate in providing health coverage for uninsured children.

Both groups include representation from a wide range of groups interested in children’s issues such as advocacy groups, public health clinics, medical providers, legislators and insurance carriers. In many cases, members of the Children’s Health Insurance Action Group were also represented on the Kansas Insurance Coverage for

Kids (“KICK”) Workgroup. A list of the membership of the two committees is attached to this report as Attachment A. Minutes of the meetings of the groups and other meeting materials are included as Attachments B and C.

It is important to note that the two committees worked toward a common goal of designing a children’s health program for Kansas that would maximize the resources available to the state. The Action Group and the KICK Workgroup were also committed to providing a plan that would utilize a public-private partnership to deliver services to children. Both groups came up with the same general outline of a children’s health program for Kansas.

The operating principals developed by the Children’s Health Insurance Action Group and the Kansas Insurance Coverage for Kids SRS Workgroup are as follows:

- The target population is the approximately 60,000 uninsured children in Kansas whose family incomes fall below 200% of the federal poverty level. The program should be designed to provide comprehensive health coverage for as many children as possible.
- The program should be sustainable with the expansion funding from the federal government (Title XXI).
- The program should be innovative and utilize the private market to provide coverage for uninsured children.
- The program should maximize the purchasing power of the state by pooling the eligible children with other groups which are provided insurance through the state such as the existing Medicaid program.
- The new insurance program for Kansas children should be designed to coordinate and compliment existing health services for Kansas children.
- **The program will put the focus on the prevention of disease and illness in children and provide better health outcomes for children, reduce costs and reduce the documentation and paperwork for health care providers. A focus on wellness and prevention results in healthier children who have greater success in school.**
- The program should equalize Medicaid benefits for all Kansas children at 150% of the federal poverty level. Currently, Medicaid covers 0-1 year olds up to 150% of

FPL; 1-6 year olds at 133% of FPL and 7-18 year olds at 100% of FPL. This equalization will allow households under 150% of the federal poverty level to have access to Medicaid regardless of the age of the children and will reduce the complexities of the current Medicaid program.

- The state will competitively bid a benefit package identical to Medicaid in the private insurance market to enlist insurance carriers to provide children's health insurance for families between 150% and 200% of the federal poverty level. This will allow the state to purchase health care for eligible children in the same way an employer purchases health care for their employees. The purchase of coverage will be done through a request for proposal issued by the state.
- One goal of the program is to remove the stigma of health care provided through Medicaid and assist the transition from welfare to full employment.
- The package of benefits to be offered will be the same for all children under the 200% FPL. This will allow for seamless coverage for families as they change income levels and will allow children to have access to the same set of benefits and providers as they change programs. As Kansas families move from welfare to work, health insurance for their children will be consistent.
- Insurance companies will be required to form partnerships with local community health systems including providers and community health departments for the delivery of services.
- The contract should include incentives for insurers to provide outreach efforts to meet specific outcome measures for the delivery of health services.
- Parents with incomes above 150% of the federal poverty level should share in the cost of the program through a sliding scale of premiums, provided that such efforts do not discourage access to health coverage.
- **The program will use day care centers, public schools, hospitals, medical providers, health clinics and other community organizations for outreach efforts to enroll eligible Kansas children with a simplified enrollment form.**
- The state may want to provide premium tax incentives for those insurance carriers which participate in the program.

The two working groups have a joint meeting scheduled for December 18 to continue to explore implementation issues. As with any proposal, there are a number of program details that remain to be worked out. Those issues include:

- Decide on the most appropriate administrative structure to oversee the private contracts. Options include the Department of Social and Rehabilitation Services, the State Employees Health Care Commission, or a new administrative agency.
- Reduce the potential “crowd-out” of existing employer based health insurance. The KICK group has proposed that there be a six month waiting period after someone loses private insurance before they qualify for the children’s health insurance program.
- The design of the contract proposal for private health insurance coverage needs to be finalized. One issue is whether the state outlines in the proposal a list of benefits and asks carriers to bid a premium amount or, as an alternative, sets out a per child amount and requires insurance companies to indicate what benefits can be provided for that level of funding.
- The Caring Program For Children is a public-private partnership established by Blue Cross and Blue Shield of Kansas, the Kansas Hospital Association and the Kansas Medical Society and partially funded through state dollars. This program provides basic health care services for many children who are in the targeted population. The future of the Caring Program For Children needs to be decided and ideally can be focused on those uninsured children outside the target population..
- In addition, the program should be evaluated as a possible way to provide health insurance coverage for children in families above the 200% of FPL cut-off. These families would be required to pay full premiums for such insurance.
- Outreach efforts need to be further clarified and the application process needs to be designed so that it provides streamlined and efficient access to the program.
- The state should look at the current system for Medical Support Orders in domestic cases to see if access to the Title XXI program should be required in appropriate cases.

- The Legislature should use state dollars to provide comprehensive insurance for children of public employees in the targeted income level.

This Legislature has the opportunity to provide health insurance coverage for over 60,000 Kansas children who currently do not have access to regular health care. It is the best investment we could make in the future of Kansas.

¹ U.S. Census Bureau, 1995 Census Data.

² Kansas Department of Social and Rehabilitation Services, Division of Adult and Medical Services.

³ Health Services Research Group, University of Kansas, KU Health Insurance Survey, September, 1997.

⁴ "Poor Workers Turning Down Employers' Health Benefits," New York Times, 11/10/97.

⁵ Ron Pollack, Cheryl Fish-Parchman and Barbara Hoeing, "Unmet Needs: The Large Differences In Health Care Between Uninsured and Insured Children," Families USA Special Report, June, 1997.

**Kansas Insurance For Kids SRS Workgroup
Children's Health Insurance Action Group
Membership List**

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Health Ins. Assn. of America
Lincoln, NE

Graham Bailey
Caring Program For Children
Topeka, KS

Susan Barrett
Mercy Hospital
Ft. Scott, KS

Jim Bergfalk
SGB Communications, Inc.
Kansas City, MO

Tom Bowser
Blue Cross and Blue Shield of KC
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Richard Brummel
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Representative Tom Bradley
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Gary Brunk
Kansas Action for Children
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Jim Edwards
Kansas Chamber of Commerce and Industry
Topeka, KS

Robert Epps
Health Care Financing Administration
Kansas City, MO

Dennis George
Coffey Health System
Burlington, KS

Bruce Gosser
Heartland Health Network
Topeka, KS

Anne Haught
Kansas Health Institute
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Representative Henry Helgerson
Wichita, KS

Linda Johnson
Overland Park, KS

Representative Nancy Kirk
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Ann Koci
KS. Dept. of Social and Rehabilitation Services
Adult Medical Services
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Dr. Barbara Langner
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Bruce Linhos
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Representative Carlos Mayans
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Western Resources, Inc.
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Cessna Aircraft Corp.

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Kansas United Methodist Health Ministry Fund
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Melissa Ness
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Senator Marge Petty
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Kathleen Sebelius
Kansas Insurance Commissioner
Topeka, KS

Jerry Slaughter
Kansas Medical Society
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Sally Tesluk
Community Health Center
Hutchinson, KS

Andy Tompkins
Commissioner of Education
Topeka, KS

Gloria Timmer
Director, Division of Budget
Topeka, KS

Joyce Volmut
Kansas Association for the Medically Underserved
Topeka, KS

Don Wilson

Kansas Hospital Association
Topeka, KS



www.ink.org/public/kamu

Kansas Association for the Medically Underserved

The State Primary Care Association

March 9, 1998

**Testimony- House Appropriation Committee
Child Health Insurance Plan**

Mister Chairman and Members of the Appropriations Committee

My name is Joyce Volmut. I am the Executive Director of the Kansas Association for Medically Underserved, an Association of Public and Private non-profit clinics and Health Centers, including Public Health Section 330 Community Health Centers, Federally Qualified Health Centers, State Funded Community Based Primary Care Clinics and other privately funded clinics that provide services to medically underserved in the state.

Although KAMU still strongly supports a Medicaid Expansion - at least to 133% above the federal poverty level- for all children 0-19 years of age, we applaud the state's effort to create a new public insurance program and are pleased with the overall elements of this bill. As an Association we will do everything in our power to assist the state in implementing this program and in transitioning families from the medicaid-welfare concept in order to expand services to the largest number of children possible.

As we view Senate Bill 424, there are two areas that we continue to have concerns about.

1. The vulnerability of the Health Centers themselves as Kansas moves into a total child health managed care market.
2. The ease at which consumers are able to enroll and access the plan.

To deal with the first issue, it must be recognized that the plan to move the Kansas Child Health Plan from fee for service to managed care, though logical for the state and supported by KAMU and it's members, could pose grave economical concerns for KAMU members if the member organizations lose their current market share of Medicaid clients.

Most vulnerable are the Section 330 Community Health Centers, FQHC "look a likes" and other state funded community based primary care clinics or non-profit clinics who rely on Medicaid funds to offset the amount of uncompensated care they provide. Currently for this group Medicaid makes up more than 30% of their ongoing revenue.

Traditionally Health Centers receive federal, state or private funding as base funding for

*Appropriations
3-11-98
Attachment 4*

uninsured patients. This funding, however is not sufficient to pay for the wide range of services needed nor is it sufficient to compensate for the increasing numbers of clients served, primarily young adults. Because base funding comes as a year to year grant allocation, there is little opportunity for safety net providers to generate savings or reserves - yet their services are essential in the current health care market.

In 1997, KAMU member organizations served as a medical home for over 20,000 children in the state. A large majority of these were Medicaid beneficiaries. Through these health centers, these children received a wide range of services from immunizations and other preventive services to prenatal care and diagnosis and treatment for Asthma, diabetes and other chronic childhood illnesses along with other services such as health education, outreach, health prevention and support services, translation and assistance with transportation.

In relation to the second issue, ease in enrollment and access to care, we continue to believe that certain elements of the bill are not clear enough with regard to what is meant by "presumptive eligibility" and "cost sharing". It is our belief that unless these issues are carefully addressed, barriers to care will still be present.

In view of this we recommend the following language insertions.

1. In Subsection b (2) following "provides for presumptive eligibility", we recommend the following be inserted "which means that until a final eligibility determination is made by the state, the child is covered by medicaid and Title XXI services."
2. In subsection b (2) following "children who" , we recommend the a new (f) be inserted that reads "qualify for primary care services by FQHC's and other public or private non-profit medically indigent clinics or health centers as defined by the Secretary of Health and Environment".
3. In subsection d (1) we recommend striking the word "may" and in it's place insert the word "shall". In the same subsection (b) (2) following "existing community health care institutions and providers..." , we recommend that the following be inserted "such as FQHC's and other public or private non-profit clinics or health centers."
4. In subsection (d) we recommend the addition of a new (8) that reads "may provide for direct enrollment of qualified patients at FQHC's and other public or private non-profit medically indigent clinics or health centers as defined by the Secretary of Health and Environment."

KAMU feels these additions are essential in assuring minimal loss of revenue for community based primary care providers who currently serve Medicaid and other medically underserved populations, while at the same time provide best support from the primary care safety net providers in enrolling the greatest number of children in the new managed care Child health plan.

In addition KAMU members share grave concerns that barriers still exist in relation to issues surrounding how any "cost sharing" in this program is implemented. We strongly support the philosophy that those who qualify for the new insurance program also pay a *reasonable* portion of the cost for the coverage they receive. We agree that the reasonable portion of the cost must be based on the current year federal poverty guideline and a sliding fee schedule based on family income , however strongly believe that cost sharing should not be used as a barrier to receiving care, such as a requirement that cost sharing be an "up front cost" before services are received. As a state organization of members whose primary mission is to serve the underserved populations, we represent thousands of Kansans who are now on the threshold of healthcare reform. We are both excited and concerned about how this new opportunity for our clients will unfold. It will be our job to work with you in successfully implementing this program and to report back to you on its progress.

We thank you for this opportunity.

Joyce Volmut
Executive Director

[As Amended by Senate Committee of the Whole]

APPROPRIATIONS
3-11-98
ATTACHMENT 5

Session of 1998

Substitute For SENATE BILL No. 424

By Committee on Financial Institutions and Insurance

2-20

10 AN ACT relating to Kansas insurance coverage for children; duties of the
11 secretary of social and rehabilitation services.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. (a) The secretary of social and rehabilitation services shall
15 develop and submit a plan consistent with federal guidelines established
16 under section 4901 of public law 105-33 (42 U.S.C. 1397aa *et seq.*; title
17 XXI).

18 (b) The plan developed under subsection (a) shall be a capitated man-
19 aged care plan covering Kansas children from zero to 19 years which:

20 (1) Contains benefit levels at least equal to those for the early and
21 periodic screening, diagnosis and treatment program;

22 (2) provides for presumptive eligibility ~~for children based upon~~ but which means that until a final eligibility determination is made by the state
23 not limited to, children who:

24 (A) Receive free or reduced school lunches;

25 (B) may be eligible for title XIX;

26 (C) received supplemental security income but lost such benefits under
27 P.L. 104-193;

28 (D) receive services from headstart; or

29 (E) receive a preliminary determination of eligibility until a final de- (F) qualify for primary care services by FQHC's and other public or private non-profit
30 termination is made. medically indigent clinics or health centers as defined by the Secretary of Health

31 (3) provides continuous eligibility for 12 months once a formal de- and Environment
32 termination is made that a child is eligible subject to subsection (e);

33 (4) has performance based contracting with measurable outcomes indic-
34 ating appropriate utilization of plan services to include, but not limited
35 to, such measurable services as immunizations, vision, hearing and dental
36 exams, emergency room utilization and annual physical exams; and

37 (5) will provide targeted low-income children, as defined under sec-
38 tion 4901 of public law 105-33 (42 U.S.C. 1397aa, *et seq.*) and amend-
39 ments thereto, coverage subject to appropriations.

40 (c) The secretary is authorized to contract with insurance companies,
41 health maintenance organizations, *nonprofit dental service corpora-*
42 *tions* or nonprofit hospital and medical insurance corporations author-
43 ized to transact health insurance business in this state to implement the

Sub. SB 424--Am. by SCW

1 health coverage plan in subsection (a) providing for several plan options
2 to enrollees which are coordinated with federal and state child health
3 care programs.

4 (d) When developing and implementing the plan in subsection (a),
5 the secretary to the extent authorized by law:

Appoint
3-11
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5

5-2

6 (1) ~~May~~ include provisions that contracting insurers utilize and co- shall
7 ordinate with existing community health care institutions and providers; ~~—~~ such as FQHC's and other public or private non-profit clinics or health centers.

8 (2) may work with public health care providers and other community
9 resources to provide educational programs promoting healthy lifestyles
10 and appropriate use of the plan's health services;

11 (3) shall plan for outreach and maximum enrollment of eligible chil-
12 dren through cooperation with local health departments, schools, child
13 care facilities and other community institutions and providers;

14 (4) shall provide for a simplified enrollment plan;

15 (5) shall provide cost sharing as allowed by law;

16 (6) shall not count the caring program for children, the Kansas health
17 insurance association plan or any charity health care plan as insurance
18 under subsection (e)(1); and

19 (7) may provide for payment of health insurance premiums if it is
20 determined cost effective, taking into account the number of children to
21 be served and the benefits to be provided.

(8) may provide for direct enrollment of qualified patients at FQHC's and other public or private
medically indigent clinics or health centers as defined by the Secretary of
Health and Environment.

22 (e) A child shall not be eligible for coverage and shall lose coverage
23 under the plan developed under subsection (a) of section 1, and amend-
24 ments thereto, if:

25 (1) During the prior six months, the child was covered with a com-
26 prehensive health insurance policy by an insurance company, health
27 maintenance organization or nonprofit hospital and medical insurance
28 corporation authorized to do business in this state and such insurance is
29 still available to the child; or

30 (2) such family has not paid the enrollee's applicable share of any
31 premium due.

32 If the family pays all of the delinquent premiums owed during the year,
33 such child will again be eligible for coverage for the remaining months
34 of the continuous eligibility period.

35 (f) The plan developed under section 4901 of public law 105-33 (42
36 U.S.C. 1397aa *et seq.*, and amendments thereto) is not an entitlement
37 program. The availability of the plan benefits shall be subject to funds
38 appropriated.

39 Sec. 2. The secretary of social and rehabilitation services shall adopt
40 rules and regulations as necessary to implement and administer the pro-
41 visions of section 1 through 4, and amendments thereto.

42 Sec. 3. (a) (1) None of the funds appropriated to implement this act
43 shall be expended for any abortion.

Sub. SB 424--Am. by SCW

1 (2) None of the funds appropriated to implement this act shall be
2 expended for health benefits coverage that includes coverage of abortion.

3 (3) The term "health benefits coverage" means the package of serv-
4 ices covered by an insurance company, health maintenance organization/
5 *nonprofit dental service corporation*] or nonprofit hospital and med-
6 ical insurance corporation authorized to transact health insurance in this
7 state pursuant to a contract or other arrangement entered into under
8 sections 1 through 4, and amendments thereto.

9 (b) The limitations established in subsection (a) shall not apply to an
10 abortion:

11 (1) If the pregnancy is the result of an act of rape or incest; or

12 (2) in the case where a woman suffers from a physical disorder, phys-
13 ical injury or physical illness, including a life-endangering physical con-
14 dition caused by or arising from the pregnancy itself, that would, as cer-
15 tified by a physician, place the woman in danger of death unless an



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the Voice of Nursing in Kansas

Debbie Folkerts, A.R.N.P.--C.
President

Terri Roberts, J.D., R.N.
Executive Director

For further information contact:
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Assistant Director
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785-233-8638

CHILD HEALTH INSURANCE PROGRAM: Substitute for SB 424

March 11, 1998

Chairman Kline and House Appropriation Committee members:

Thank you for allowing me to testify today on the Child Health Insurance initiative. I am Dawn Reid representing the Kansas State Nurses Association. I have been a member of both the Insurance Commissioner's task force and the SRS group task force examining Title 21. What I learned during this process is that while the provisions of this program are very complex and confusing, it has great potential for positive long-term benefits for Kansas children. Kansas has the potential to receive \$30.8 million a year for the next ten years from the federal government. With a state required match of \$12 million per year, a total of \$42.8 million would be spent on childrens health insurance.

Just as this committee is now confronted with understanding the complexities of this project, it took both task forces, the House subcommittee, and the Joint House and Senate Task Force some time to become knowledgeable regarding;

- * the provisions of the federal statute;
- * the potential population of uninsured children in Kansas;
- * the public and private programs currently in existence in Kansas;
- * the types of health benefits offered and their cost; and
- * how other states are addressing this.

Ultimately, the initial task forces came to consensus regarding some basic principles that should be maintained in creating a child health insurance program. In summary, those principles include:

*Appropriations
3-11-98
Attachment 6*

1. The greatest number of income qualified children should be served quality medical care, with preventive care emphasized.
2. Administrative simplicity should prevail and it should be consumer and provider friendly .
3. The program should be sustainable and available statewide.
4. There should be ease of movement for between the Medicaid program and the CHIP program.
5. The provisions for crowd-out should be as minimal as legally possible.

The amendments made to SB 424 are congruent with these principles and we support the bill as it currently stands.

I would like to remind the subcommittee that time is of the essence and primary issue is the allocation of the state matching funds. At risk of repeating information already presented, in order to begin receiving the federal allocation, the state must submit a program to Health and Human Services by July 1998 in order to access FY98 dollars. Also the submitted program can be changed or modified at any time, as long as it meets certain federally mandated requirements. Without the state funds, the federal funds cannot be accessed. KSNA would like to encourage that the committee approve the allocation of the state funds for CHIP and pass the bill out of committee.

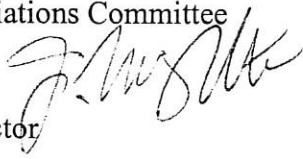
KSNA is pleased to have been included in the dual task forces and is available to assist the committee with questions, as well as program development.

Thank you.

b:d1r/red2/childins



KANSAS MEDICAL SOCIETY

Date: March 11, 1998
To: House Appropriations Committee
From: Jerry Slaughter
Executive Director 
Subject: SB 424; concerning the children's health insurance program

The Kansas Medical Society appreciates the opportunity to appear today in support of SB 424, which establishes an insurance program for uninsured children pursuant to the newly created Title XXI of the Social Security Act, which was amended by Congress last year. We believe this program will significantly benefit the estimated 60,000 children in our state who live in families which don't presently qualify for Medicaid, yet do not have access to or cannot afford individual or employer sponsored health insurance.

KMS believes all children should have access to comprehensive, affordable health insurance protection. They should have a medical home - an ongoing relationship with a physician who can personally provide or coordinate their care with others in the health care team. The benefits are obvious. Insured kids will be healthier overall, and earlier identification of health problems will reduce costs in the long run. They will make better students, and ultimately more productive members of our communities.

During the development process of SB 424 we outlined the following principles that we believed should form the foundation of the new program:

- the program should strive to maximize simplicity in every aspect: enrollment/eligibility determination process, overall administration; and program structure;
- the program should strive to achieve a sustainable, affordable balance between serving the greatest number of children and the scope of the benefits offered.
- in order to assure access to providers, the program should include enhancements in physician and other provider reimbursement (or adequate funding at the health plan level that must be passed on to contracting providers);
- eligibility should be continuous and guaranteed for 12 months, to improve continuity of care and allow for better care management;

*Appropriations
3-11-98
Attachment 7*

- the program should emphasize outreach, using a broadly based effort that involves local health departments, safety net providers, social service providers, the schools and others;
- the program should be designed to look and work like conventional health insurance, and delivered through private insurers and contractors wherever possible.

We are encouraged that the program, at least conceptually in SB 424, has been structured in such a way that most of those principles are included. The more this new program resembles conventional insurance in its financing, delivery and structure, the more successful it will be in reaching and caring for the children it was created to serve.

As we pointed out during Senate consideration of this bill, the only facet of this program that could be problematic is having adequate numbers of physicians and other providers willing to take on the 60,000 + new insured children, because of very low reimbursement in the Medicaid program. As was pointed out in a recently released study done for SRS by Mathematica Policy Research, Inc., a widely respected national consulting firm, Medicaid physician reimbursement "is substantially below that of most state Medicaid programs, Medicare, and private insurance. Kansas rates are especially low for many primary care services, such as hospital and office visits and immunizations." With the exception of maternity care and a few other services which the federal government required to be increased about five years ago, overall physician fees in the program have not changed since 1976 - 22 years. Inflation has eroded fees to the point that they don't even come close to covering practice overhead. It is not uncommon for Medicaid fees to be 25 - 30% of fees normally paid by commercial payors.

We are encouraged by the additional funding for increased reimbursement authorized by the Senate, and under consideration in the House presently. We would encourage you to make a significant commitment to improving reimbursement, or the system simply won't have the provider capacity to handle all the new demand that is being funded by this bill. Additionally, since the program is going to be delivered in a managed care environment, it requires more involvement and time for physicians. To ask them to take on more responsibility for this population without adequately funding the program is just unrealistic, and counterproductive towards meeting the goals of the program.

We do support the overall direction of the children's health insurance program. We believe it will benefit kids, their families and the state. We support the bill, and encourage you to report it favorably. Thank you for considering our comments.



United Community Services
of Johnson County, Inc.

WRITTEN TESTIMONY

House Appropriations Committee

March 11, 1998

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Dr. Jack Walker

Executive Director

Karen Wulffkuhle

United Community Services of Johnson County (UCS) is writing to offer support for the Kansas insurance coverage for kids act, Senate Bill 424. Kansas should take maximum advantage of the significant new opportunity presented by federal block grant funding to ensure that Kansas' uninsured children are able to access primary, comprehensive health care.

As a human service planning partner of United Way in Johnson County, UCS is keenly aware of the impact that the access to health care plays on a range of interconnected human services. When children do not access primary preventative health care, increased costs, both human and financial, are incurred by the child, their family and the community organizations serving children and families.

Kansas uninsured children need coverage that is both affordable and comprehensive. Lack of health insurance is a fact of life for thousands of Johnson County children, as it is for approximately 60,000 children across Kansas. UCS completed a county-wide children's human service assessment in 1997 called *Making Children a Priority*. Health care professionals who participated in the study reported on the uninsured children that they see through the public health system and the one clinic for indigent Johnson Countians. Parents of uninsured special needs children often do not expect to secure health insurance every again. While the state offers a source of insurance for those families which cannot obtain private insurance, families often cannot afford the premium. Other professionals noted that children and their families have waited to seek care, especially dental care, until a problem is acute and therefore more complicated to treat. In particular, the new children's insurance program should include the preventive, regular screenings of Kan-Be-Healthy, or a set of services similarly focused on prevention to help ensure that children access services before their health care needs are chronic.

Finally, the new Kansas insurance coverage for children should work effectively with Medicaid, especially for families with children of multiple ages where one child is covered by Medicaid, but other children are not able to access Medicaid. SB 424 calls for the Kansas plan to include presumptive eligibility. This is a positive aspect and should help to make the plan customer friendly for Kansas families.

For additional information or questions, please contact Carol Smith, UCS's research director at (913)432-8424.

Appropriations
3-11-98
Attachment 8

United Way's Planning Partner in Johnson County • Funded by Heart of America United Way

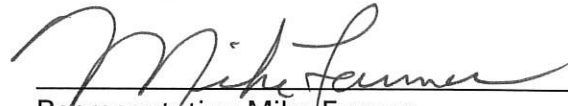


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House Appropriations Subcommittee Reports

FY 1998 and FY 1999

Legislative Branch Agencies



Representative Mike Farmer
Subcommittee Chairperson

Representative John T. Edmonds

Representative Henry Helgerson



Representative Richard R. Reinhardt



Representative John Toplikar

*Appropriations
3-11-98
Attachment 9*

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. –

Bill Sec. –

Analyst: Conroy

Analysis Pg. No. 986

Budget Page No. 349

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 565,797	\$ 565,797	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 565,797	\$ 565,797	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 565,797	\$ 565,797	\$ 0
State General Fund:			
State Operations	\$ 565,797	\$ 565,797	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 565,797	\$ 565,797	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 565,797	\$ 565,797	\$ 0
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	11.0	11.0	0.0

The Legislative Coordinating Council is responsible for coordinating the delivery of legislative services. The Council consists of the President of the Senate, the Speaker of the House, the Speaker Pro Tem of the House, and the majority and minority leaders of each chamber. The budget includes the compensation and expenses associated with Council meetings and the salaries and wages and travel expenses of the staff of the Division of Legislative Administrative Services.

Agency Estimate/Governor's Recommendation

The FY 1998 revised budget submitted by the Legislative Coordinating Council (LCC) is \$565,797 or \$40,594 less than the currently authorized amount by the 1997 Legislature, including reappropriations. The FY 1998 estimate includes \$49,481 for an evaluation of the state hospital closure process, as approved by the 1997 Legislature.

The Governor for FY 1998 recommends \$565,797, the same as the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Coordinating Council

Bill No. --

Bill Sec. --

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 565,797	\$ 565,797	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 565,797	\$ 565,797	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 565,797	\$ 565,797	\$ 0
State General Fund:			
State Operations	\$ 565,797	\$ 565,797	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 565,797	\$ 565,797	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 565,797	\$ 565,797	\$ 0
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	11.0	11.0	0.0

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. 642

Bill Sec. 23(a)

Analyst: Conroy

Analysis Pg. No. 986

Budget Page No. 349

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 587,866	\$ 598,657	\$ (21,056) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 587,866</u>	<u>\$ 598,657</u>	<u>\$ (21,056)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 587,866</u></u>	<u><u>\$ 598,657</u></u>	<u><u>\$ (21,056)</u></u>
State General Fund:			
State Operations	\$ 587,866	\$ 598,657	\$ (21,056)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 587,866</u>	<u>\$ 598,657</u>	<u>\$ (21,056)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 587,866</u></u>	<u><u>\$ 598,657</u></u>	<u><u>\$ (21,056)</u></u>
FTE Positions	12.0	12.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

* Includes a reduction of \$21,056, all from the State General Fund, for the Governor's recommended employee salary adjustment.

The Legislative Coordinating Council is responsible for coordinating the delivery of legislative services. The Council consists of the President of the Senate, the Speaker of the House, the Speaker Pro Tem of the House, and the majority and minority leaders of each chamber. The budget includes the compensation and expenses associated with Council meetings and the salaries and wages and travel expenses of the staff of the Division of Legislative Administrative Services.

Agency Request/Governor's Recommendation

The agency's FY 1999 budget request of \$587,866 is \$22,069 more than the revised agency estimate for FY 1998. The agency request includes the transfer of two computer support positions from the Legislature's revised FY 1998 budget to this agency's budget for the budget year. The positions are assisting in the ongoing efforts to computerize the legislative branch. The requested salaries for the two computer positions total \$68,474, including fringe benefits. The increase is offset in part by the one time expenditure in FY 1998 of \$49,481 for the study on hospital closure, as approved by the 1997 Legislature. Excluding the adjustment for the study, salaries and wages increase \$64,703 and other operating expenditures increase \$6,847. As directed by the LCC, the budget request includes step increases for the 10 employees who are paid in accordance with the basic state pay plan, but no provision is made for a general salary increase.

The Governor for FY 1999 recommends \$598,657 or \$10,791 more than the agency requested. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1999, which for this agency, includes a 4.0 percent unclassified merit pool. The recommendation includes a merit salary pool (\$3,627) for the employee who is not assigned to the basic state pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$21,056 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$16,818) and the longevity bonus payments (\$4,238) from individual agency budgets.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Coordinating Council

Bill No. 2893

Bill Sec. 23(a)

<u>Expenditure</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 587,866	\$ 598,657	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 587,866	\$ 598,657	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 587,866</u>	<u>\$ 598,657</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 587,866	\$ 598,657	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 587,866	\$ 598,657	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 587,866</u>	<u>\$ 598,657</u>	<u>\$ 0</u>
FTE Positions	12.0	12.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 995

Budget Page No. 401

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,207,991	\$ 2,207,991	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,207,991	\$ 2,207,991	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 2,207,991	\$ 2,207,991	\$ 0
State General Fund:			
State Operations	\$ 2,207,991	\$ 2,207,991	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,207,991	\$ 2,207,991	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 2,207,991	\$ 2,207,991	\$ 0
FTE Positions	26.0	26.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	26.0	26.0	0.0

The Office of Revisor of Statutes provides bill drafting and legal research services for all legislators, and the Legislative Coordinating Council. The agency is responsible for continuous statutory revision and supervising the computerized legislative information system involving bill status and bill typing. The Revisor of Statutes also provides staff services to the Interstate Cooperation Commission. The Office of Revisor of Statutes operates under the supervision of the Legislative Coordinating Council.

Agency Estimate/Governor's Recommendation

The revised FY 1998 agency estimate is \$2,207,991 which is \$170,366 less than authorized by the 1997 Legislature, including the reappropriated amount.

The Governor's recommendation for FY 1998 is \$2,207,991, the same as the agency requested.

*Appropriations
3-11-98
Attachment 10*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,207,991	\$ 2,207,991	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,207,991	\$ 2,207,991	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,207,991</u>	<u>\$ 2,207,991</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,207,991	\$ 2,207,991	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,207,991	\$ 2,207,991	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,207,991</u>	<u>\$ 2,207,991</u>	<u>\$ 0</u>
FTE Positions	26.0	26.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>26.0</u>	<u>26.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 642

Bill Sec. 23(c)

Analyst: Conroy

Analysis Pg. No. 995

Budget Page No. 401

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,198,531	\$ 2,223,413	\$ (71,536) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,198,531	\$ 2,223,413	\$ (71,536)
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,198,531</u>	<u>\$ 2,223,413</u>	<u>\$ (71,536)</u>
State General Fund:			
State Operations	\$ 2,198,531	\$ 2,223,413	\$ (71,536)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,198,531	\$ 2,223,413	\$ (71,536)
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,198,531</u>	<u>\$ 2,223,413</u>	<u>\$ (71,536)</u>
FTE Positions	26.0	26.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>26.0</u>	<u>26.0</u>	<u>0.0</u>

* Includes a reduction of \$71,536, all from the State General Fund, for the Governor's recommended employee salary adjustment.

The Office of Revisor of Statutes provides bill drafting and legal research services for all legislators, and the Legislative Coordinating Council. The agency is responsible for continuous statutory revision and supervising the computerized legislative information system involving bill status and bill typing. The Revisor of Statutes also provides staff services to the Interstate Cooperation Commission. The Office of Revisor of Statutes operates under the supervision of the Legislative Coordinating Council.

Agency Request/Governor's Recommendation

The FY 1999 budget request of the Revisor of Statutes is \$2,198,531, or \$9,460 less than the revised expenditure estimate for FY 1998.

The Governor for FY 1999 recommends \$2,223,413 or \$24,882 more than the agency requested. The Governor's adjustment includes fringe benefit recalculations and his pay plan proposal for FY 1999, which for this agency, includes a 4.0 percent unclassified merit pool. The recommendation includes \$7,706 for a merit salary pool for employees who are not assigned to the basic state pay plan.

Salaries and Wages. The FY 1999 request for salaries and wages totals \$1,649,774, an increase of \$41,966 or 2.6 percent above the FY 1998 revised estimate. As directed by the Legislative Coordinating Council, no provision is made for a general salary increase. **The Governor** makes adjustments to reflect his pay plan proposal for FY 1999, which includes a 4.0 percent unclassified merit pool.

Printing. The FY 1999 request includes \$291,207 for printing costs for the publication of the cumulative supplements and the general index volume to the Kansas Statutes Annotated. The FY 1998 estimate for printing costs is \$367,583. **The Governor concurs** with the agency request.

Computer Services. For FY 1999 the agency request includes \$175,687 for computer services, largely provided by the Division of Information Systems and Communications, and for acquisition, maintenance and normal replacement of existing computer hardware and software. **The Governor concurs** with the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$71,536 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$55,678) and the longevity bonus payments (\$15,858) from individual agency budgets.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Revisor of Statutes

Bill No. 2893

Bill Sec. 23(c)

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,198,531	\$ 2,223,413	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 2,198,531</u>	<u>\$ 2,223,413</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,198,531</u></u>	<u><u>\$ 2,223,413</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 2,198,531	\$ 2,223,413	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 2,198,531</u>	<u>\$ 2,223,413</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 2,198,531</u></u>	<u><u>\$ 2,223,413</u></u>	<u><u>\$ 0</u></u>
FTE Positions	26.0	26.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>26.0</u></u>	<u><u>26.0</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor with the following comment:

1. The Subcommittee notes that in FY 1999 the agency's budget for printing totals \$291,207 while the FY 1998 printing budget totals \$367,583. The agency's budget includes printing costs for the *Kansas Statutes Annotated* (K.S.A.). The FY 1998 budget includes printing costs associated with replacement hard-bound volumes as well as supplements and the general index volume. The FY 1999 budget as requested by the agency, and as recommended by the Governor, includes funding for only K.S.A. supplements and the general index volume.

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. –

Bill Sec. –

Analyst: Conroy

Analysis Pg. No. 1254

Budget Page No. 351

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,531,537	\$ 1,531,537	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,531,537	\$ 1,531,537	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 1,531,537	\$ 1,531,537	\$ 0
State General Fund:			
State Operations	\$ 1,531,537	\$ 1,531,537	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,531,537	\$ 1,531,537	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 1,531,537	\$ 1,531,537	\$ 0
FTE Positions	20.0	20.0	0.0
Unclass. Temp. Positions	2.5	2.5	0.0
TOTAL	22.5	22.5	0.0

The Legislative Division of Post Audit is the audit arm of the Kansas Legislature. The Division is responsible for financial-compliance and performance audits of state agencies and programs. The Division's audit work is conducted in accordance with generally accepted governmental auditing standards as set forth by the U.S. General Accounting Office. The agency operates under the supervision of the ten-member Legislative Post Audit Committee.

Agency Estimate/Governor's Recommendation

The revised agency estimate of FY 1998 expenditures from the State General Fund is \$99,333 less than authorized by the 1997 Legislature, including the reappropriation. Expenditures from the non-reportable Audit Services Fund are estimated at \$318,426. The agency request includes 20.0 FTE positions, the same number as currently approved.

The Governor's recommendation for FY 1998 is \$1,531,537, the same as the agency requested.

*Appropriations
3-11-98
Attachment 11*

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Division of Post Audit

Bill No. --

Bill Sec. --

<u>Expenditure</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,531,537	\$ 1,531,537	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,531,537</u>	<u>\$ 1,531,537</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,531,537</u></u>	<u><u>\$ 1,531,537</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,531,537	\$ 1,531,537	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 1,531,537</u>	<u>\$ 1,531,537</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 1,531,537</u></u>	<u><u>\$ 1,531,537</u></u>	<u><u>\$ 0</u></u>
FTE Positions	20.0	20.0	0.0
Unclass. Temp. Positions	2.5	2.5	0.0
TOTAL	<u><u>22.5</u></u>	<u><u>22.5</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. 642

Bill Sec. 25

Analyst: Conroy

Analysis Pg. No. 1254

Budget Page No. 351

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,612,404	\$ 1,630,583	\$ (92,175) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,612,404	\$ 1,630,583	\$ (92,175)
Capital Improvements	0	0	0
TOTAL	\$ 1,612,404	\$ 1,630,583	\$ (92,175)
State General Fund:			
State Operations	\$ 1,612,404	\$ 1,630,583	\$ (92,175)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,612,404	\$ 1,630,583	\$ (92,175)
Capital Improvements	0	0	0
TOTAL	\$ 1,612,404	\$ 1,630,583	\$ (92,175)
FTE Positions	20.0	20.0	0.0
Unclass. Temp. Positions	2.4	2.4	0.0
TOTAL	22.4	22.4	0.0

* Includes a reduction of \$53,375, all from the State General Fund, for the Governor's recommended employee salary adjustment.

The Legislative Division of Post Audit is the audit arm of the Kansas Legislature. The Division is responsible for financial-compliance and performance audits of state agencies and programs. The Division's audit work is conducted in accordance with generally accepted governmental auditing standards as set forth by the U.S. General Accounting Office. The agency operates under the supervision of the ten-member Legislative Post Audit Committee.

Agency Request/Governor's Recommendation

The FY 1999 budget request of the Division of Post Audit is financed entirely by the State General Fund in the amount of \$1,612,404. Requested non-reportable expenditures from the Audit Services Fund in FY 1999 are \$335,373. The General Fund request is an increase of \$80,867 or 5.3 percent above the agency's revised current year estimate. Of the requested increase, \$36,635 is for salaries and benefits of the present 20.0 FTE positions. The agency request reflects step movement , longevity, and fringe benefit adjustments for the existing agency staff. As directed by the Legislative Coordinating Council, the agency budget does not provide for a general salary increase. Other operating expenditures increase by \$44,232 in FY 1999 from \$436,986 to \$481,218. The agency estimates that the cost of contract audit work will increase during FY 1999. The agency cites new audit requirements that were imposed upon the state by amendments to the federal Single Audit Act and the estimated increase in the "market cost" to cover audit firms' growing liability costs associated with audits of public entities. In addition, the agency during FY 1999 will have an external quality control review of the Division's audit working papers and reports. Such reviews are required by governing auditing standards once every three years.

The Governor for FY 1999 recommends \$1,630,583 or \$18,179 more than the agency requested. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1999, which for this agency, includes a 4.0 percent unclassified merit pool. The recommendation includes \$3,881 for a merit salary pool for the one employee not assigned to the basic state pay plan. The Governor recommends \$481,218 for other operating expenditures in FY 1999, or the same as the agency request in the budget year.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$53,375 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$46,813) and the longevity bonus payments (\$6,542) from individual agency budgets.
2. Delete \$38,800 (State General Fund) to reflect a reduction in the budgeted amount for contracted financial-compliance audits. The agency recently awarded contracts for the next three-year cycle of statutorily required financial-compliance audits. The FY 1999 costs for the accepted bid was \$201,200 or \$38,800 less than the \$240,000 in the agency's budget.
3. The Subcommittee notes with concern the ability of this agency to attract and retain quality professional staff. The competition from the private sector, especially for mid-level staff, in recent months has been very intense. The Subcommittee urges the agency to continue to monitor the turnover of professional staff and keep the Subcommittee informed of any new developments.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Division of Post Audit

Bill No. 2893

Bill Sec. 25

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
Capital Improvements	0	0	0
TOTAL	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
State General Fund:			
State Operations	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
Capital Improvements	0	0	0
TOTAL	\$ 1,612,404	\$ 1,630,583	\$ (38,800)
FTE Positions	20.0	20.0	0.0
Unclass. Temp. Positions	2.4	2.4	0.0
TOTAL	22.4	22.4	0.0

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$38,800 (State General Fund) to reflect a reduction in the budgeted amount for contracted financial-compliance audits. The agency recently awarded contracts for the next three-year cycle of statutorily required financial-compliance audits. The FY 1999 costs for the accepted bid was \$201,200 or \$38,800 less than the \$240,000 in the agency's budget.
2. The Subcommittee notes with concern the ability of this agency to attract and retain quality professional staff. The competition from the private sector, especially for mid-level staff, in recent months has been very intense. The Subcommittee urges the agency to continue to monitor the turnover of professional staff and keep the Subcommittee informed of any new developments.

SUBCOMMITTEE REPORT

Agency: Legislative Research Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 990

Budget Page No. 353

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,221,770	\$ 2,221,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,221,770	\$ 2,221,770	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,221,770</u>	<u>\$ 2,221,770</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,221,770	\$ 2,221,770	0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,221,770	\$ 2,221,770	0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,221,770</u>	<u>\$ 2,221,770</u>	<u>\$ 0</u>
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

The Legislative Research Department provides research and fiscal analysis for the Legislature, its committees, and individual legislators. The Department provides staff for all legislative committees meeting both during the session and the interim, including statutorily-created committees, *i.e.*, Legislative Budget, State Building Construction, etc. The Legislative Coordinating Council appoints the Director of the Department, approves the budget proposed for its operation, and generally establishes the broad policies under which the Department operates.

Agency Estimate/Governor's Recommendation

The agency's revised FY 1998 estimate is \$2,221,770, or \$75,197 less than the currently authorized amount by the 1997 Legislature, including reappropriations. This reduction is largely due to savings in salaries and wages which are partially offset by an increase of \$41,176 in other operating expenses, principally the addition of \$36,116 in computer equipment and software upgrades needed to move toward electronic centralization of documents and to improve the distribution of information to the Legislature, other public agencies, and the general public.

*Appropriations
3-11-98
Attachment 12*

The Governor recommends FY 1998 state operations funding of \$2,221,770, the same as the agency's estimate. The Governor also concurs with the agency's requested FTE positions at 37.0.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Research Department **Bill No. --** **Bill Sec. --**

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,221,770	\$ 2,221,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,221,770	\$ 2,221,770	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,221,770</u>	<u>\$ 2,221,770</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,221,770	\$ 2,221,770	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,221,770	\$ 2,221,770	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,221,770</u>	<u>\$ 2,221,770</u>	<u>\$ 0</u>
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Legislative Research Department

Bill No. 642

Bill Sec. 23(b)

Analyst: Conroy

Analysis Pg. No. 990

Budget Page No. 353

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,308,329	\$ 2,346,764	\$ (104,122) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,308,329	\$ 2,346,764	\$ (104,122)
Capital Improvements	0	0	0
TOTAL	\$ 2,308,329	\$ 2,346,764	\$ (104,122)
State General Fund:			
State Operations	\$ 2,308,329	\$ 2,346,764	\$ (104,122)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,308,329	\$ 2,346,764	\$ (104,122)
Capital Improvements	0	0	0
TOTAL	\$ 2,308,329	\$ 2,346,764	\$ (104,122)
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	37.0	37.0	0.0

* Includes a reduction of \$104,122, all from the State General Fund, for the Governor's recommended employee salary adjustment.

The Legislative Research Department provides research and fiscal analysis for the Legislature, its committees, and individual legislators. The Department provides staff for all legislative committees meeting both during the session and the interim, including statutorily-created committees, *i.e.*, Legislative Budget, State Building Construction, etc. The Legislative Coordinating Council appoints the Director of the Department, approves the budget proposed for its operation, and generally establishes the broad policies under which the Department operates.

Agency Request/Governor's Recommendation

The agency requests FY 1999 states operation funding of \$2,308,329, an increase of 3.9 percent or \$86,559 above the FY 1998 estimate.

For FY 1999 the Governor recommends \$2,346,764, or \$38,435 more than the agency requested. The increase reflects the Governor's pay plan proposal of a 4.0 percent unclassified merit pool. The Governor's recommendation includes \$10,379 in the merit pool for employees who are not assigned to the basic state pay plan. The Governor concurs with the agency's nonsalary expenditure request of \$212,000, of which \$57,600 is for microcomputer replacement and supporting software and equipment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$104,122 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool (\$83,115) and the longevity bonus payments (\$21,007) from individual agency budgets.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislative Research Department

Bill No. 2893

Bill Sec. 23(b)

Expenditure	Agency Req. FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,308,329	\$ 2,346,764	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,308,329	\$ 2,346,764	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,308,329</u>	<u>\$ 2,346,764</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,308,329	\$ 2,346,764	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 2,308,329	\$ 2,346,764	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 2,308,329</u>	<u>\$ 2,346,764</u>	<u>\$ 0</u>
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor with the following observation:

1. The Subcommittee notes with concern the ability of this agency to attract and retain quality professional staff. The competition for staff, especially for mid-level staff, in recent months has been very intense. The Subcommittee urges the agency to continue to closely monitor the turnover of professional staff.

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 981

Budget Page No. 355

Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 10,908,474	\$ 10,908,474	\$ 0
Aid to Local Units	0	0	0
Other Assistance	41,630	41,630	0
Subtotal - Operating	\$ 10,950,104	\$ 10,950,104	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 10,950,104	\$ 10,950,104	\$ 0
State General Fund:			
State Operations	\$ 10,421,297	\$ 10,421,297	\$ 0
Aid to Local Units	0	0	0
Other Assistance	41,630	41,630	0
Subtotal - Operating	\$ 10,462,927	\$ 10,462,927	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 10,462,927	\$ 10,462,927	\$ 0
FTE Positions	30.0	30.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	30.0	30.0	0.0

The legislative power of the State of Kansas is vested in a House of Representatives (125 members) and a Senate (40 members). The budget for this agency finances the operations of the House and Senate, joint expenses, legislative claims, special maintenance and repair expenses, special expenses authorized by the Legislative Coordinating Council, and the retirement program for session only employees of the Legislature.

Agency Estimate/Governor's Recommendation

The FY 1998 budget estimate for the Legislature as submitted with the approval of the Legislative Coordinating Council (LCC) is \$10,950,104 or \$195,101 below the amount authorized by the 1997 Legislature, including reappropriations.

The Governor's recommendation for FY 1998 is \$10,950,104, the same as the agency request. The Governor concurs with the agency's request for 30.0 FTE positions in FY 1998.

*Appropriations
3-11-98
Attachment 13*

Contested Election Claims. The LCC approved payment of claims in the amount of \$41,630 from the State General Fund for attorney fees (\$40,000) and court costs (\$1,630) in connection with the Jones/Shriver 1994 contested election for the House of Representatives. **The Governor** concurs with the agency's request for claims payments in FY 1998.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislature	Bill No. --		Bill Sec. --
Expenditure	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 10,908,474	\$ 10,908,474	\$ 0
Aid to Local Units	0	0	0
Other Assistance	41,630	41,630	0
Subtotal - Operating	<u>\$ 10,950,104</u>	<u>\$ 10,950,104</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,950,104</u></u>	<u><u>\$ 10,950,104</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 10,421,297	\$ 10,421,297	\$ 0
Aid to Local Units	0	0	0
Other Assistance	41,630	41,630	0
Subtotal - Operating	<u>\$ 10,462,927</u>	<u>\$ 10,462,927</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 10,462,927</u></u>	<u><u>\$ 10,462,927</u></u>	<u><u>\$ 0</u></u>
FTE Positions	30.0	30.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>30.0</u></u>	<u><u>30.0</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 642

Bill Sec. 24

Analyst: Conroy

Analysis Pg. No. 981

Budget Page No. 355

<u>Expenditure</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,517,637	\$ 10,679,866	\$ 1,837,567 *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 12,517,637</u>	<u>\$ 10,679,866</u>	<u>\$ 1,837,567</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,517,637</u></u>	<u><u>\$ 10,679,866</u></u>	<u><u>\$ 1,837,567</u></u>
State General Fund:			
State Operations	\$ 12,401,437	\$ 10,563,666	\$ 1,837,567
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 12,401,437</u>	<u>\$ 10,563,666</u>	<u>\$ 1,837,567</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 12,401,437</u></u>	<u><u>\$ 10,563,666</u></u>	<u><u>\$ 1,837,567</u></u>
FTE Positions	30.0	28.0	2.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>30.0</u></u>	<u><u>28.0</u></u>	<u><u>2.0</u></u>

* Includes a reduction of \$188,433, all from the State General Fund, for the Governor's recommended employee salary adjustments.

The legislative power of the State of Kansas is vested in a House of Representatives (125 members) and a Senate (40 members). The budget for this agency finances the operations of the House and Senate, joint expenses, legislative claims, special maintenance and repair expenses, special expenses authorized by the Legislative Coordinating Council, and the retirement program for session only employees of the Legislature.

Agency Request/Governor's Recommendation

The FY 1999 budget request for the Legislature as submitted by the LCC totals \$12,517,637, of which \$12,401,437 is from the State General Fund and \$116,200 is from special revenue funds. The agency request includes \$2,026,000, including 2.0 FTE positions, for computer enhancements within the agency. The requested computer enhancement would implement the agency's strategic computing

plan as recommended by the Boeing Corporation which provided consultant services to the agency. The following table details the request:

Items Included in the Legislature's FY 1999 Budget for Implementation of the Kansas Legislature's Strategic Computing Plan Developed Under Guidance of Consultants of the Boeing Corporation	
<u>Salaries and Wages</u>	<u>Amount</u>
Webmaster	\$ 50,000
Computer Technician	35,000
Subtotal	<u>\$ 85,000</u>
<u>Contractual Services</u>	
Windows NT Server Licenses	\$ 30,000
Retrofit Existing Printers	3,300
DISC Charges	180,000
Install Staff Software and E-Mail	250,000
Training and Miscellaneous	17,700
Subtotal	<u>\$ 481,000</u>
<u>Capital Outlay</u>	
Desktop Computers for Staff	\$ 610,000
Replace Staff Laptops	80,000
Replace Printers	190,000
Replace File Servers	20,000
Document Management System Server	20,000
Technical Staff Personal Computers	9,000
Web Server	12,000
Archive System	2,000
Subtotal	<u>\$ 943,000</u>
Document Management System Software	\$ 305,000
Web Server Software	20,000
Webmaster Tools	2,000
Firewall Software	20,000
Software Upgrades	170,000
Subtotal	<u>\$ 517,000</u>
TOTAL	<u><u>\$ 2,026,000</u></u>

The Governor recommends a budget of \$10,679,866 for FY 1999, or \$1,837,771 less than the agency requested. The Governor does not recommend the requested computer enhancement. The Governor's recommendation includes \$10,563,666 from the State General Fund and \$116,200 in special revenue funds.

Salaries and Allowances. The FY 1999 budget contains no general increases in the salaries of legislative employees or of the members or in the daily subsistence allowances of members. Under current law, salaries of legislators and of the legislative leadership are increased commensurately with the average increase to each step pursuant to any adjustment of the civil service plan. The daily subsistence rate is increased in accord with changes in the amount allowable under federal law and regulations for federal executive branch employees while serving away from home in Topeka. The agency's request includes the shifting of two general computer support staff from the Legislature's budget to that of the Legislative Coordinating Council and then the addition of 2.0 FTE positions associated with the requested budget year computer enhancement.

The Governor for FY 1999 recommends total salaries and wages of \$6,706,302 or \$103,229 less than the agency requested. The Governor does not recommend the requested 2.0 additional FTE positions associated with the requested computer enhancement. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1999, which includes a 4.0 percent unclassified merit pool. The recommendation includes \$157,760 (excluding fringe benefits) for a merit salary pool for employees, including legislators (who would also receive a 4.0 percent increase).

Other Operating Expenditures. The agency in FY 1999 requests \$5,914,564 for other operating expenditures or \$1,565,569 more than in FY 1998 (excluding the claims payment). As previously noted, the request includes a computer enhancement for FY 1999. Excluding the requested computer enhancement, other operating expenditures decrease \$375,431 in FY 1999 as compared to the revised FY 1998 requested amount.

The Governor recommends other operating expenditures for the agency in the amount of \$3,937,564, or \$1,941,000 less than the amount requested. The recommended amount is the same as the agency requested when excluding the requested computer enhancement.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$188,433 from the State General Fund based on the recommendation to delete funding for the 4.0 percent unclassified merit pool from individual agency budgets.
2. Add \$2,026,000 (all from the State General Fund) and 2.0 FTE positions to implement the agency's strategic computing plan as recommended by the Boeing Corporation which provided computer consultant services to the agency. The goal of the agency's Strategic Computing Plan is to improve the legislative decision-making process and public participation in government through user-friendly access to information.

Background

In October, 1996 the Joint Committee on Computers and Telecommunications (JCCT) was directed to develop a plan for hiring a consultant to assist with planning for computer enhancements for the Legislature. Based on a plan presented by the JCCT, the Legislature and the Boeing Company established a Memorandum of Understanding to begin a public-private partnership to develop a strategic computing plan. The goal of the plan is to guide the Legislature in its acquisitions and management of information system and communication technology for the rest of this century and beyond.

The structure of the project enabled legislators to guide plan development based on the needs and priorities of the Legislature. Three legislative teams were developed which included:

- **Information Systems Steering Committee** - Composed of both House and Senate members including legislative leadership which coordinated the overall direction and activities of the development of the plan.
- **Kansas System Team** - Composed of House and Senate members and staff directors which had primary responsibility for identifying business requirements and recommendations.
- **Information Systems Team** - Composed of information systems personnel from various staff agencies which assisted the Boeing Company consultants in understanding computing requirements and in identifying computing alternatives.

Summary of Recommendations of the Legislature's Strategic Computing Plan

The Legislature's Strategic Computing Plan contains six major recommendations of the Information Systems Steering Committee to meet the computer needs of the agency. These six recommendations include:

1. develop a centralized, searchable document database that includes bills, amendments, committee reports and associated documents that allows on-line access to all documents through a browser interface;
2. consolidate bill processing within the legislative environment, which would include upgrading the bill drafting, management, and processing systems while moving toward an "electronic bill" with computerized processing of legislation by the House Clerk and Senate Secretary;
3. provide computers for legislators and provide updated computers for legislative staff (including the establishment of Windows NT as the standard operating system and replace existing staff computers and replace or upgrade existing printers);
4. provide standard software throughout the legislative branch (including the establishment of Corel Office 8 Professional as a standard desktop application and GroupWise as the standard for e-mail, scheduling, and routing application);

5. hire additional computer support staff during the session; and
6. installation of a fiber optic network connecting all legislative areas in the Statehouse and upgrade electrical service as necessary in the legislative areas of the Statehouse.

FY 1999 Costs

To begin implementation of the Strategic Computing Plan in FY 1999 the Subcommittee recommends the following items:

<u>Salaries and Wages</u>	<u>Amount</u>
Webmaster	\$ 50,000
Computer Technician	35,000
Subtotal	<u>\$ 85,000</u>
 <u>Contractual Services</u> 	
Windows NT Server Licenses	\$ 30,000
Retrofit Existing Printers	3,300
DISC Charges	180,000
Install Staff Software and E-Mail	250,000
Training and Miscellaneous	17,700
Subtotal	<u>\$ 481,000</u>
 <u>Capital Outlay</u> 	
Desktop Computers for Staff	\$ 610,000
Replace Staff Laptops	80,000
Replace Printers	190,000
Replace File Servers	20,000
Document Management System Server	20,000
Technical Staff Personal Computers	9,000
Web Server	12,000
Archive System	2,000
Subtotal	<u>\$ 943,000</u>
Document Management System Software	\$ 305,000
Web Server Software	20,000
Webmaster Tools	2,000
Firewall Software	20,000
Software Upgrades	170,000
Subtotal	<u>\$ 517,000</u>
TOTAL	<u><u>\$ 2,026,000</u></u>

The Subcommittee expresses concern that the existing computers used in legislative offices are six to eight years old, while the maximum useful life on the computers is five years. Legislative Administrative Services staff has to cannibalize parts from surplus property computers to find the necessary repair parts to keep the existing legislative office computers running. The Subcommittee also notes that the estimated cost of \$940,000 for providing each legislator with a laptop computer is not contained within this initial recommendation. The Subcommittee observes that several options exist as to how laptop computers would be provided to legislators which has not been resolved at this time. One of the options include maintaining a library of computers for legislators to check-out during the member's term of office.

The Subcommittee also recommends that the Senate Ways and Means Subcommittee on the Department of Administration seriously consider the addition of \$1,310,000 to the Department of Administration's FY 1999 budget for the installation of a fiber optic network connecting all legislative areas in the Statehouse and to upgrade the electrical service as necessary in the legislative areas of the Statehouse. The Subcommittee notes that costs for rewiring and electrical upgrades within the Statehouse are normally funded in the Department of Administration's budget.

The Subcommittee discussed at length the need for the Legislature to have the appropriate computer technology to serve the current and future needs of the legislative branch and to improve public access to the legislative documents and information. The Subcommittee recommends the additional funding and staffing to meet this need.

Senate Committee Recommendation

The Senate Committee has not finalized consideration of the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The full Senate has not considered this agency's appropriation.

Agency: Legislature

Bill No. 2893

Bill Sec. 24

<u>Expenditure</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,517,637	\$ 10,679,866	\$ 2,026,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 12,517,637	\$ 10,679,866	\$ 2,026,000
Capital Improvements	0	0	0
TOTAL	<u>\$ 12,517,637</u>	<u>\$ 10,679,866</u>	<u>\$ 2,026,000</u>
State General Fund:			
State Operations	\$ 12,401,437	\$ 10,563,666	\$ 2,026,000
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 12,401,437	\$ 10,563,666	\$ 2,026,000
Capital Improvements	0	0	0
TOTAL	<u>\$ 12,401,437</u>	<u>\$ 10,563,666</u>	<u>\$ 2,026,000</u>
FTE Positions	30.0	28.0	2.0
Unclass. Temp. Positions	0.0	0.0	0.0
TOTAL	<u>30.0</u>	<u>28.0</u>	<u>2.0</u>

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor with the following exception and comments:

1. Add \$2,026,000 (all from the State General Fund) and 2.0 FTE positions to implement the agency's strategic computing plan as recommended by the Boeing Corporation which provided computer consultant services (at no cost) to the agency. The goal of the agency's Strategic Computing Plan is to improve the legislative decision-making process and public participation in government through user-friendly access to information.

Background

In October, 1996 the Joint Committee on Computers and Telecommunications (JCCT)

13-10

was directed to develop a plan for hiring a consultant to assist with planning for computer enhancements for the Legislature. Based on a plan presented by the JCCT, the Legislature and the Boeing Company established a Memorandum of Understanding to begin a public-private partnership to develop a strategic computing plan. The goal of the plan is to guide the Legislature in its acquisitions and management of information system and communication technology for the rest of this century and beyond.

The structure of the project enabled legislators to guide plan development based on the needs and priorities of the Legislature. Three legislative teams were developed which included:

- **Information Systems Steering Committee** - Composed of both House and Senate members including legislative leadership which coordinated the overall direction and activities of the development of the plan.
- **Kansas System Team** - Composed of House and Senate members and staff directors which had primary responsibility for identifying business requirements and recommendations.
- **Information Systems Team** - Composed of information systems personnel from various staff agencies which assisted the Boeing Company consultants in understanding computing requirements and in identifying computing alternatives.

The Subcommittee commends the work of legislators and staff that serve on the three project teams. The efforts of these individuals will help ensure that the computing needs of the legislative process are met well into the next decade.

Summary of Recommendations of the Legislature's Strategic Computing Plan

The Legislature's Strategic Computing Plan contains six major recommendations of the Information Systems Steering Committee to meet the computer needs of the agency. These six recommendations include:

1. develop a centralized, searchable document database that includes bills, amendments, committee reports and associated documents that allows on-line access to all documents through a browser interface;
2. consolidate bill processing within the legislative environment, which would include upgrading the bill drafting, management, and processing systems while moving toward an "electronic bill" with computerized processing of legislation by the House Clerk and Senate Secretary;
3. provide computers for legislators and provide updated computers for legislative staff (including the establishment of Windows NT as the standard operating system and replace existing staff computers and replace or upgrade existing printers);
4. provide standard software throughout the legislative branch (including the establishment of Corel Office 8 Professional as a standard desktop application and GroupWise as the standard for e-mail, scheduling, and routing application);

5. hire additional computer support staff during the session; and
6. installation of a fiber optic network connecting all legislative areas in the Statehouse and upgrade electrical service as necessary in the legislative areas of the Statehouse.

FY 1999 Costs

To begin implementation of the Strategic Computing Plan in FY 1999 the Subcommittee recommends the following items:

<u>Salaries and Wages</u>	<u>Amount</u>
Webmaster	\$ 50,000
Computer Technician	35,000
Subtotal	<u>\$ 85,000</u>
 <u>Contractual Services</u> 	
Windows NT Server Licenses	\$ 30,000
Retrofit Existing Printers	3,300
DISC Charges	180,000
Install Staff Software and E-Mail	250,000
Training and Miscellaneous	17,700
Subtotal	<u>\$ 481,000</u>
 <u>Capital Outlay</u> 	
Desktop Computers for Staff	\$ 610,000
Replace Staff Laptops	80,000
Replace Printers	190,000
Replace File Servers	20,000
Document Management System Server	20,000
Technical Staff Personal Computers	9,000
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Webmaster Tools	2,000
Firewall Software	20,000
Software Upgrades	170,000
Subtotal	<u>\$ 517,000</u>
TOTAL	<u><u>\$ 2,026,000</u></u>

The Subcommittee expresses concern that the existing computers used in legislative offices are six to eight years old, while the maximum useful life on the computers is five years. Legislative Administrative Services staff has to cannibalize parts from surplus property computers to find the necessary repair parts to keep the existing legislative office computers running. The Subcommittee also notes that the estimated cost of \$940,000 for providing each legislator with a laptop computer is not contained within this initial recommendation. The Subcommittee observes that several options exist as to how laptop computers would be provided to legislators which has not been resolved at this time. One of the options include maintaining a library of computers for legislators to check-out during the member's term of office.

The Subcommittee also recommends that the House Appropriations Subcommittee on the Department of Administration seriously consider the addition of \$1,310,000 to the Department of Administration's FY 1999 budget for the installation of a fiber optic network connecting all legislative areas in the Statehouse and to upgrade the electrical service as necessary in the legislative areas of the Statehouse. The Subcommittee notes that costs for rewiring and electrical upgrades within the Statehouse are normally funded in the Department of Administration's budget.

The Subcommittee requests the Governor consider issuing a Governor's Budget Amendment to add the \$2,026,000 (State General Fund) and 2.0 FTE positions to the Legislature's budget and \$1,310,000 (State General Fund) to the Department of Administration's budget for computer wiring and electrical service upgrades for the State Capitol Building. The improved flow of information and documents will aid public access to legislative information and provide greater efficiencies to the legislative process.

The Subcommittee discussed at length the need for the Legislature to have the appropriate computer technology to serve the current and future needs of the legislative branch and to improve public access to the legislative documents and information. The Subcommittee recommends the additional funding and staffing to meet this need.