

Approved: 2/11/98 _____
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 4, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary

Conferees appearing before the committee: Rochelle Chronister, Secretary, SRS
Scott Anglemeyer, Department of Commerce & Housing

Others attending: See attached list

It was moved by Senator Salmans and seconded by Senator Gilstrap that the minutes for January 21, 22, 26, 27 and 28, 1998 be approved. The motion was approved by a voice vote.

Senator Kerr called the Committee's attention to a table showing State Employee Pay Plans for Fiscal Year 1988 through Fiscal Year 1998. The first page was a copy of that sent to Senator Hensley to show how the Senate had dealt with the pay issue for the last 11 years. The second page is Senator Hensley's response. The point being that the pay issue is being handled no differently this year than the last two years. (Attachment 1).

Senator Kerr asked the Committee if they had any suggestions that would make the Budget Analysis easier to understand.

Senator Downey suggested that a summary (footnote) would be helpful. Something showing a total budget, such as a sheet made up of summary statements from every agency and the percentage increases applicable to each.

Senator Kerr announced that the Hearing for the Federal Block Grant for SRS would come to order.

Rochelle Chronister, Secretary of SRS, presented her testimony of the Federal Block Grants for the Fiscal Year of 1999. (Attachment 2).

Kansas' share of the Block Grant for the Prevention and Treatment of Substance Abuse is \$10,472,687. Asked what Kansas' contribution toward this amount was, Secretary Chronister said that in Administration, the all funds amount is \$1 million, with Kansas contributing \$7,000. In the Prevention Grant, the all funds amount is \$6.8 million, with Kansas contributing \$380,000. In the Treatment Grant, the all funds amount is \$14.4 million, with Kansas contributing almost \$4 million.

The Committee will receive from SRS a by-line by-grant of the State General Funds' proportion of these Federal funds.

Scott Anglemyer of the Department of Commerce and Housing, offered an overview of their plans for the Community Services Block Grant program for the coming year. (Attachment 3).

The total amount of money in the Grant, slightly over \$4 million, goes mainly to fund the agencies. It provides administrative funding for the agencies as well as program funding. They use the administrative funding to leverage other funds. With the \$4 million CSBG money, they are able to leverage about \$31 million in other types of funds. So the agencies are much larger than just this \$4 million. The federal procedures limit how the money is used.

Senator Kerr asked if anyone else present wished to speak regarding the Federal Block Grants.

Senator Kerr declared the hearing on the Federal Block Grant closed.

It was moved by Senator Salisbury and seconded by Senator Lawrence to introduce 7 RS 2055 with the expectation that it would be referred to the Judiciary Committee. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:05 p.m.

The next meeting is scheduled for Thursday, February 5, 1998.

01/29/98

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2/4/98
Attachment 1-1*

**State Employee Pay Plans
FY 1988 - FY 1998**

Session	Fiscal Year	Senate Action	House Action	Final Method of Funding	Bill Number
1987	1988	None	None	Pay Bill	H.B. 2574
1988	1989	None	None	Agency Appropriations	
1989	1990	None	None	Pay Bill	H.B. 2553
1990	1991	None	None	Agency Appropriations	
1991	1992	None	None	Pay Bill	S.B. 395
1992	1993	Put in Pay Bill	None	Pay Bill	S.B. 791
1993	1994	In Omnibus	In Omnibus	Pay Plan in Omnibus Bill	S.B. 437
1994	1995	In Omnibus	In Omnibus	Pay Plan in Omnibus Bill	Sen. Sub. for H.B. 2538
1995	1996	Put in Pay Bill	Put in Pay Bill	Pay Bill	S.B. 190
1996	1997	Put in Pay Bill	None	Agency Appropriations	
1997	1998	Put in Pay Bill	None	Agency Appropriations	

January 20, 1998

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Attachment 1-2*

**State Employee Pay Plans
FY 1988-FY 1998**

<u>Session</u>	<u>Fiscal Year</u>	<u>Method of Funding</u>	<u>Bill Number</u>
1987	1988	Pay Bill	H.B. 2574
1988	1989	Agency Appropriations	
1989	1990	Pay Bill	H.B. 2553
1990	1991	Agency Appropriations	
1991	1992	Pay Bill	S.B. 395
1992	1993	Pay Bill	S.B. 791
1993	1994	Pay Plan in Omnibus Bill	S.B. 437
1994	1995	Pay Plan in Omnibus Bill	Sen. Sub. for H.B. 2538
1995	1996	Pay Bill	S.B. 190
1996	1997	Agency Appropriations	
1997	1998	Agency Appropriations	

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

Rochelle Chronister, Secretary
Janet Schalansky, Deputy Secretary

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**Senate Ways and Means
Wednesday, February 4, 1998**

Testimony: FY 1999 Federal Block Grants

**Office of the Secretary
Rochelle Chronister, Secretary
785.296.3274**

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Attachment 2-1

Kansas Department of Social and Rehabilitation Services
Rochelle Chronister, Secretary

Senate Ways & Means Committee
February 4, 1998

FY 1999 FEDERAL BLOCK GRANTS

Mr. Chairman and members of the Committee, thank you for the opportunity to provide you information on the Federal Block Grant programs administered by the Department of Social and Rehabilitation Services.

Included is information on the following federal block grants:

- Social Services Block Grant (SSBG)
- Block Grant for the Prevention and Treatment of Substance Abuse
- Community Mental Health Services Block Grant
- Low Income Energy Assistance Block Grant (LIEAP)
- Projects for Assistance in Transition from Homelessness Block Grant (PATH)

Federal Block Grants	Block Grant	Total Budget	% Block Grant
Social Services	\$33,670,979	\$345,306,033	9.8%
Substance Abuse	10,472, 687	22,235,045	47.1%
Mental Health	2,370,291	68,701,275	3.5%
LIEAP	9,725,644	32,808,486	29.6%
PATH	300,000	Same as Mental Health	0.4%
Grand Total	\$56,539,601	\$469,050,839	12.1%

The total amount of federal dollars appropriated for these block grant programs would be over \$56 million in FY 1999 if not otherwise adjusted by Congress. The summaries are submitted for your review. Each summary provides information on the individual block grants.

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Attachment 2-2

■ **SUMMARY REPORT ON THE PROPOSED USE OF THE KANSAS SOCIAL SERVICE BLOCK GRANT - JULY 1, 1998 TO JUNE 30, 1999**

The Department of Social and Rehabilitation Services formulates and carries out a program of social services designed to promote the welfare of targeted needy persons by enhancing the opportunity to develop their capabilities to the greatest extent possible. The Kansas Social Services Block Grant funds support these services. This is the eighteenth year of the social services block grant program.

Eligibility and Requirements

Individual eligibility for social service block grant funding is based on two criteria: 1) There must be a need for the services; and 2) income levels must be met. A single individual may not have a gross income exceeding \$987 per month. This scale is graduated upward and set at 150% of the federally established poverty level.

All services must relate to one of the five national goals: 1) helping individuals to become economically self-supporting; 2) helping individuals to reduce dependency and become self-sufficient; 3) providing protective services for those in need (regardless of income); 4) providing services to help persons to remain in their own homes; and 5) when no other alternatives exist, providing services to help persons receive the most appropriate institutional care (i.e., adult care homes, state institutions, private institutions, etc.).

For FY 1999, the Kansas Social Service Block Grant Program amount is \$33,670,979. The estimated expenditures are as follows:

Type of Service	Block Grant Amount	Total Budget for Service	% Block Grant
Adoption Support	\$254,348	\$5,747,025	4.4%
Foster Care	15,769,321	43,500,000	36.3%
Field Services	3,401,504	44,628,295	7.6%
Adult Day & Community Living Grants	7,563,615	180,797,702	4.2%
Child Care	4,974,796	43,309,814	11.5%
Adult & Medical - Independent Living	1,707,395	27,323,197	6.2%
TOTAL	\$33,670,979	\$345,306,033	9.8%

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Social service block grant funds will continue to be used on a statewide basis to purchase services where appropriate, to give direct grants where appropriate, and to provide direct services by SRS employees where appropriate.

The Kansas Social Service block grant plan will be presented at an open meeting later this spring and a thirty day public comment period will follow. The plan is to be adopted by the Secretary of SRS in June and submitted to the federal government later that month.

■ **SUMMARY REPORT ON THE PROPOSED USE OF THE BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE - JULY 1, 1998 TO JUNE 30, 1999**

The Block Grant for the Prevention and Treatment of Substance Abuse is authorized by Public Law 102-321. The current estimate of Kansas' share of the Block Grant is \$10,472,687. The funds will be utilized as indicated below:

Services	Funding Amount
Administration	\$ 382,518
Substance Abuse Prevention Services	\$2,390,804
Substance Abuse Treatment Services	\$7,699,365

In our prevention efforts, SRS utilizes a regional approach. Within each of the regions, or SRS Management Areas, high risk data concerning families, youth, and schools is used to target prevention services to communities with high risk factors for substance abuse.

Our treatment approach is to fund programs that provide the least restrictive environment for recovery from alcohol and other drug addictions. The use of five regional assessment centers to accurately assess the level of care needed for each client is allowing the client to receive the most appropriate and cost effective form of treatment available to the majority of Kansans. Priority populations served are pregnant women, women with children, anyone who has been exposed to or is at high risk for TB and/or HIV, and lastly, those who would not be able to afford treatment otherwise. While clinically sound treatment for all who seek those services is our goal, we also place great emphasis on treatment outcomes and improvement in the delivery system. Treatment services funded by the Block Grant for the Prevention and Treatment of Substance Abuse are projected to provide services for over 18,000 persons who seek treatment. In addition, our prevention centers are projected to reach over one million persons during FY 99.

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■ **SUMMARY REPORT ON THE PROPOSED USE OF THE COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT - JULY 1, 1998 TO JUNE 30, 1999**

Funding: For FY99 Mental Health and Developmental Disabilities (MHDD) will receive \$2,370,291 under this grant.

Distribution: Less than 5% is allocated to the central office. The balance of \$2,258,210 is distributed via a performance based system of contracting to the 27 Community Mental Health Centers(CMHCs).

CMHCs funded under these contracts provide an organized and comprehensive community-based system of care for individuals with severe and persistent mental illness and for children with serious emotional disturbances. CMHCs have a combined staff of over 2,000 and provide mental health services to every county in the state. These independent and locally-operated centers foster a quality system of services for the benefit of citizens needing mental health care and treatment.

Through case management, the primary CMHCs service delivery mechanism, an array of services based on an individual's ability to pay are provided. Basic services provided are outpatient, 24-hour emergency services, consultation and education, screening and aftercare. These services are complemented by a variety of specialized services. Some of these special services are:

- Attendant Care
- Respite Care
- In-Home Family Therapy
- Drop-In Services for persons with severe and persistent mental illness
- Vocational Services for persons with severe and persistent mental illness
- Homeless Projects
- Preschool Day Treatment Programs
- Children's Day Hospital
- Parent Education Classes

■ **SUMMARY REPORT ON THE PROPOSED USE OF THE LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP) BLOCK GRANT JULY 1, 1998 TO JUNE 30, 1999**

The federal Low Income Energy Assistance (LIEAP) block grant helps low income households purchase home heating fuel. The 1998 Kansas allocation was \$8.3 million. If the President's 1999 budget proposal is adopted by Congress, funding would remain level, allowing SRS to continue using the block grant in the following manner:

1. **Energy Assistance** (85% of the grant) - The LIEAP income eligibility line is 110% of poverty, the most restrictive level federally allowed. Currently, one-person LIEAP household income averages only about 77% of poverty (or \$497 monthly). These households

frequently have difficulty paying basic living costs such as rent, fuel, utilities, food, and medicine. Their vulnerability is worsened by other problems such as medical conditions and disabilities. LIEAP recipients are typically elderly with "low-end" Social Security benefits, families with children, or disabled individuals.

Applicants must demonstrate a regular payment history as a condition of eligibility. This state-added requirement emphasizes the household's responsibility for paying its own bill, promotes the importance of maintaining a regular payment history, and provides positive reinforcement. By supplementing the household's own payments, LIEAP helps elderly and disabled persons continue to stay in their homes, and protects vulnerable families who are at risk of homelessness.

Applicants may apply using a mail-in application. About 300 volunteer organizations help distribute outreach materials to households who are unaware of the assistance. SRS verifies income using a variety of data bases, system matches and other methods. Once the household is determined eligible, benefits are applied to the household's fuel or utility account to ensure that the benefit is used for energy. Assistance levels vary according to household income and size, fuel type, housing type, and the household's utility rates. About 26,000 households will receive assistance in 1999; the annual benefit is projected to average \$290 per household.

2. **Weatherization Assistance** (15% of the grant) - Federal regulations allow States to use up to 15% of LIEAP funding for weatherization improvements. If funding permits, the Department proposes transferring the maximum amount allowed to the Kansas Department of Commerce and Housing's Weatherization Program.

■ **SUMMARY REPORT ON THE PROPOSED USE OF THE BLOCK GRANT FOR PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH) - JULY 1, 1998 TO JUNE 30, 1999**

Funding: Kansas is a minimum allotment state under this federal formula grant program. \$300,000 has been received for each of the last 6 years.

Distribution: All funds are distributed to homeless programs at five mental health centers. The allocations are as follows:

Shawnee CMHC	-	\$109,981
ComCare	-	\$ 95,306
Wyandotte CMHC	-	\$ 40,113
Bert Nash MHC	-	\$ 26,600
Franklin County MHC-		\$ 28,000

TOTAL **\$300,000**

SHAWNEE County CMHC, COMCARE (Sedgwick County): Funds are used at these centers in conjunction with major homeless initiatives funded under the federal Access to Community Care and Effective Services and Supports (ACCESS) project. PATH block grant funds at these centers allow staff to provide outreach and case management services to persons who are homeless and mentally ill. Case managers help people secure transitional and permanent housing, health services, and mental health and substance abuse services in appropriate cases.

WYANDOTTE County CMHC: Services provided with PATH funds at this mental health center are similar to those provided in Shawnee and Sedgwick County.

FRANKLIN County CMHC, BERT NASH (Douglas County): Both these centers are new to PATH funding this year. Both centers provide outreach case management and work to link homeless persons with health, mental health and substance abuse services. Case management assists persons with transitional and permanent housing and vocational services.

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Attachment 2-7

TESTIMONY BEFORE THE SENATE WAYS AND MEANS COMMITTEE
THE KANSAS DEPARTMENT OF COMMERCE & HOUSING
DIVISION OF HOUSING
RANDY L. SPEAKER, DIRECTOR OF HOUSING
FEBRUARY 4, 1998

Scott Anglemeyer

Mr. Chairman and members of the Committee, I am honored to be here today to provide you with an overview of our plans for the Community Services Block Grant program for the coming year. After my brief presentation, I would welcome any questions and/or comments you might have for me.

Introduction

The Community Services Block Grant program is designed to encourage community responses to the problem of poverty. Agencies receiving CSBG funding are required to “provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community.” The guiding principles of CSBG are that local communities are best equipped to develop solutions to the problem of poverty, and that these solutions work best when they are developed by a broad spectrum of community members. Therefore, local agencies are given wide latitude to select activities that best fit local needs.

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Attachment 3-1*

The State has only limited ability to alter funding allocations or require that agencies provide specific services.

Eight community action agencies are the recipients of CSBG funding from the Division of Housing. These eight agencies provide services to low-income people in the following areas:

- Employment,
- Education,
- Making better use of available income,
- Housing,
- Nutrition,
- Emergency assistance,
- Transportation,
- Health, and
- Linking with other community resources.

Although federal law limits our ability to alter allocations and require specific services, the State does have discretion in other areas. The remainder of my remarks will address two such areas on which we will be placing particular emphasis in the coming year.

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Attachment 3-2*

Expansion

The expansion of the Community Services Block Grant Program into presently unserved counties remains a high priority. At present, a full range of CSBG-funded services is available in only 40 counties. This total includes 12 counties that we have added in the past two years.

In the coming year, we expect to begin the process of adding an additional 14 counties. Most of these counties were selected because of the high number of their residents below the poverty line. The map attached to this testimony shows these areas. The process of adding these counties will be completed by April 1, 2000.

In order to provide equitable distribution of CSBG coverage across the state, expansion of the program is necessary. We believe that it is important to expand the geographic range of the program so that other areas can be served by this unique, effective approach to poverty. Because federal allocations are based on statewide statistics, we are currently funding only a portion of the state with funds intended to serve the entire state.

The expansion procedure we have developed gives existing agencies the choice of whether to provide services to counties designated for expansion.

Entities not currently receiving CSBG funds will be offered the chance to provide service to expansion counties only after existing subgrantees have declined to serve those areas. It is understandable that expanding into new areas without additional funds is difficult. To assist expanding agencies, the Division of Housing has extended additional business opportunities to these agencies. Such opportunities include contracts for inspections of housing units, and participation in our HERO rehabilitation program.

Outcome Measures

An area of emphasis for the CSBG program is the development of a system to measure changes produced in clients' lives resulting from CSBG activities. Agencies will be able to rate families' progress using a five-level scale. Progress can be measured in nine different areas of families' lives: housing, employment, education, transportation, nutrition, health, income and budget, family relations, and community involvement. Agencies will rate progress by comparing a family's status according to the scale to that family's status when it first had contact with the agency. Agencies will report to the state on the total number of changes produced.

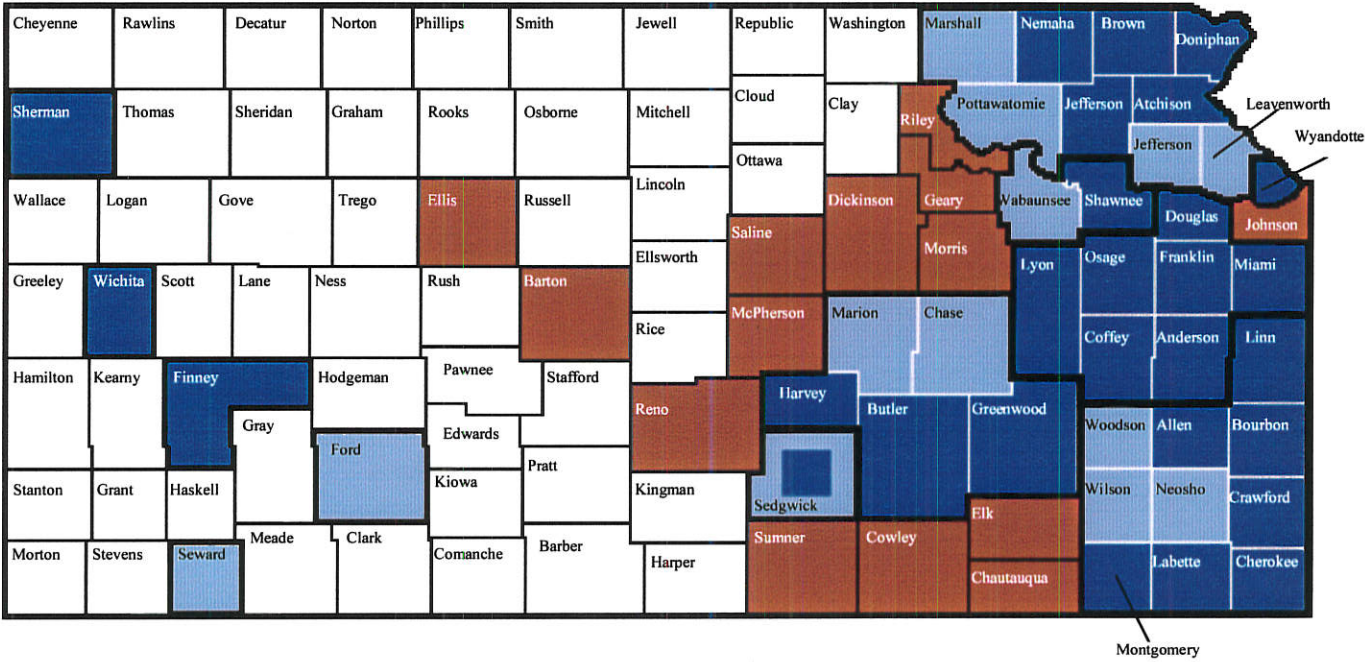
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Attachment 3-4*

These scales will become valuable management tools for the State and the CSBG agencies. Reports of the changes produced will help us evaluate certain programs and activities, and will help determine what activities are effective in fighting poverty. We are currently working with boards of directors of these agencies to understand how to use these scales to evaluate services. These boards can use the results to discontinue ineffective activities and adopt practices that have been shown to be effective in other places. In addition, the system will allow us to respond to federal requirements for outcome-based information, as well as meet requests that have come from members of this committee in the past.

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Attachment 3-5*

Kansas Community Services Block Grant Service Area Fiscal Year 1998

3-6



- Counties served prior to expansion
- Counties added in first round of expansion
- Counties proposed for second round of expansion

Attachment 3-6
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