

Approved: 3/9/98 _____
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 24, 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:

Others attending: See attached list

Senator Salisbury read from the Subcommittee Report on Mental Retardation Institutions. The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1998. (Attachment 1).

The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1999 with the comments listed on pages 4 and 5.

It was moved by Senator Salisbury and seconded by Senator Ranson that the Subcommittee Report on Mental Retardation be adopted. The motion passed on a voice vote.

Senator Morris read from the Subcommittee Report on Mental Health Institutions. The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1998. (Attachment 2).

The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1999 with the comments listed on pages 4 and 5.

SRS Secretary Rochelle Chronister was asked about the medical care afforded the patients in the Institution at Larned. She said she believed the level of care was adequate in spite of the turnover at that facility. It is believed that the distance one travels to reach Larned, is the main reason for their staffing problem.

It was pointed out that the source of back-up heat at Osawatomie State Hospital is the original boilers that were already in place and operable. This would not be an option for some of the other institutions.

Senator Morris moved and Senator Jordan seconded the motion to amend the Subcommittee Report to clarify the issue of the back-up source of heat. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Feleciano to adopt the Subcommittee Report on Mental Health Institutions as amended. The motion carried on a voice vote.

Senator Salisbury read from the Subcommittee Report on SRS-Community Developmental Disabilities Services. The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1998. *(Attachment 3.)*

The Subcommittee concurred with the Governor's 1999 recommendation with the exceptions listed on page 3.

Senator Salisbury moved and was seconded by Senator Ranson that the Subcommittee Report on SRS - Community Developmental Disabilities Services be adopted. The motion was carried on a voice vote.

Senator Morris read from the Subcommittee Report on SRS-Community Mental Health Services and MHDD Administration. The Subcommittee concurred with the Governor's recommendations for Fiscal Year 1998 with the adjustment listed on page 3. *(Attachment 4.)*

The Subcommittee concurred with the Governor's recommendation for 1999 with the adjustments and comments listed on pages 5, 6 and 7.

Senator Kerr asked SRS Secretary Chronister how difficult it would be to do an agency-wide summary of the funding that is provided to consumer-run organizations and advocacy groups.

Secretary Chronister said that she thought there already was one.

Senator Kerr called attention to the Agency Overview for Larned and Osawatomie State Hospitals being handed out. *(Attachment 5.)*

Senator Kerr said that it's been said before but it bore repeating, that we have not saved money by closing hospitals. He then noted that in the numbers for the mental health hospitals in the Agency Overview, there was a significant increase in Federal dollars flowing into the hospitals. He asked if Topeka State Hospital had remained open, would they too have enjoyed what appears to be rapid growth in funding.

He was told that they would have.

It was moved by Senator Morris and seconded by Senator Feleciano that the Subcommittee Report on SRS-Community Mental Health Services and MHDD Administration be adopted. The motion passed on a voice vote.

It was moved by Senator Feleciano and seconded by Senator Gilstrap that bill draft 7 RS 2084 be introduced as requested by Ron Hein representing Telecommunications. The motion was carried on a voice vote.

The Chairman adjourned the meeting at 12:20 p.m.

The next meeting is scheduled for February 25, 1998.

SUBCOMMITTEE REPORT

Agency: Mental Retardation Institutions

Bill No.

Bill Sec.

Analyst: Nichols

Analysis Pg. 803, 815,
831

Budget Page No. 323,
369,513

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 49,820,412	\$ 49,707,250	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 49,820,412	\$ 49,707,250	\$ 0
Capital Improvements	429,786	429,786	0
TOTAL	<u>\$ 50,250,198</u>	<u>\$ 50,137,036</u>	<u>\$ 0</u>
State General Fund:			
State Operations	23,365,977	23,200,437	0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 23,365,977	\$ 23,200,437	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 23,365,977</u>	<u>\$ 23,200,437</u>	<u>\$ 0</u>
FTE Positions	1,571.0	1,571.0	0.0
Unclassified Temp. Positions	3.1	3.1	0.0
TOTAL	<u>1,574.1</u>	<u>1,574.1</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

Total operating expenditures for all state mental retardation institutions are estimated to be \$50,250,198 in FY 1998, a decrease of 11.9 million below FY 1997 actual expenditures. State General Fund expenditures are estimated to be (19.1 percent), a decrease of \$3,811,227 (14.0 percent) below actual FY 1997 State General Fund expenditures. Included in the request is salaries and wages funding for 1,574.1 FTE positions. The hospitals request \$429,786 for capital improvement expenditures for various rehabilitation and repair projects.

Beginning with the 1996 Legislature, State General Fund (SGF) appropriations for all of the state institutions' (mental health and mental retardation) operating expenditures and central office aid and assistance grants were placed in a single line item. The Secretary of Social and Rehabilitation Services

*S W M
2/24/98
Attachment 1-1*

was given the authority to move SGF funds among hospitals and between hospitals and community services at the Secretary's discretion. The Secretary also has the discretion to transfer FTE positions among hospitals.

The Governor recommends operating expenditures of \$50,137,036 for the state mental retardation institutions in FY 1998, a decrease of \$113,162 (0.2 percent) below the agencies' estimates and a decrease of \$12.0 million (19.3 percent) below actual FY 1997 expenditures. The Governor recommends State General Fund expenditures of \$23,200,437, a decrease of \$3,976,767 (14.6 percent) below the agencies' estimates and a decrease of \$6,079,290 (26.2 percent) below actual FY 1997 State General Fund expenditures. **The Governor** concurs with the estimate for capital improvements in FY 1997.

The following table shows the estimates for the individual institutions and the Governor's recommendations:

<u>Institution</u>	<u>Agency Estimate FY 1998</u>	<u>Gov. Rec. FY 1998</u>
Kansas Neurological Institute		
State General Fund	\$ 12,124,002	\$ 12,025,578
All Other Funds	12,054,028	12,175,290
Total	<u>\$ 24,178,030</u>	<u>\$ 24,200,868</u>
Parsons State Hospital & Training Center		
State General Fund	\$ 9,905,241	\$ 9,838,125
All Other Funds	8,655,130	8,655,130
Total	<u>\$ 18,560,371</u>	<u>\$ 18,493,255</u>
Winfield State Hospital & Training Center		
State General Fund	\$ 1,336,734	\$ 1,336,734
All Other Funds	6,106,179	6,106,179
Total	<u>\$ 7,442,913</u>	<u>\$ 7,442,913</u>
 TOTAL	 \$ 50,250,198	 \$ 50,137,036
 FTE Positions:		
Kansas Neurological Institute	676.0	676.0
Parsons State Hospital & Training Center	524.0	524.0
Winfield State Hospital & Training Center	371.0	371.0
Unclassified Temp. Positions	3.1	3.1
TOTAL	<u>1,574.1</u>	<u>1,574.1</u>
 Capital Improvements		
Kansas Neurological Institute	\$ 390,400	\$ 390,400
Parsons State Hospital and Training Center	32,532	32,532
Winfield State Hospital and Training Center	6,854	6,854
TOTAL	<u>\$ 429,786</u>	<u>\$ 429,786</u>

*S W + Jm
2/24/98
Attachment 1-2*

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Agency: Mental Retardation Institutions

Bill No.

Bill Sec.

Analyst: Nichols

Analysis Pg. 803, 815,
831

Budget Page No. 323,
369,513

Expenditure Summary	Agency Estimate FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 49,820,412	\$ 49,707,250	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 49,820,412	\$ 49,707,250	\$ 0
Capital Improvements	<u>429,786</u>	<u>429,786</u>	<u>0</u>
TOTAL	<u>\$ 50,250,198</u>	<u>\$ 50,137,036</u>	<u>\$ 0</u>
State General Fund:			
State Operations	23,365,977	23,200,437	0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 23,365,977	\$ 23,200,437	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 23,365,977</u>	<u>\$ 23,200,437</u>	<u>\$ 0</u>
FTE Positions	1,571.0	1,571.0	0.0
Unclassified Temp. Positions	<u>3.1</u>	<u>3.1</u>	<u>0.0</u>
TOTAL	<u>1,574.1</u>	<u>1,574.1</u>	<u>0.0</u>

S W + M
2/24/98
Attachment 1-3

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations for FY 1998.



Senator Alicia Salisbury, Subcommittee Chair



Senator Christine Downey



Senator Pat Ranson

S W+M
2/24/98
Attachment 1-4

SUBCOMMITTEE REPORT

Agency: Mental Retardation Institutions

Bill No.

Bill Sec.

Analyst: Nichols

**Analysis Pg. No. 803, 815, Budget Page No. 323,
831 369, 513**

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 43,386,146	\$ 43,807,820	\$ 0
Aid to Local Units	0	0	0
Other Assistance	68,953	0	0
Subtotal - Operating	\$ 43,455,099	\$ 43,807,820	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 43,455,099	\$ 43,807,820	\$ 0
State General Fund:			
State Operations	\$ 18,730,394	\$ 18,882,263	\$ 0
Aid to Local Units	0	0	0
Other Assistance	68,953	0	0
Subtotal - Operating	\$ 18,799,347	\$ 18,882,263	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 18,799,347	\$ 18,882,263	\$ 0
FTE Positions	1,200.0	1,198.0	0.0
Unclassified Temp. Positions	3.1	3.1	0.0
TOTAL	1,203.1	1,201.1	0.0

Agency Request/Governor's Recommendation

Operating expenditures of \$43,455,099 are requested for the state mental retardation institutions in FY 1999, a decrease of \$6.8 million (13.5 percent) below the FY 1998 estimate. State General Fund requested expenditures of \$18,799,347 are a decrease of \$4,566,630 (19.5 percent) below FY 1998 State General Fund estimates. No capital improvements are requested.

The Governor recommends operating expenditures of \$43,807,820 for FY 1999, an increase of \$352,721 (0.8 percent) above the request. Recommended State General Fund expenditures of \$18,882,263 are an increase of \$82,916 (0.4 percent) above the request. The overall increase in expenditures is the result of the Governor's recommendation for a 1.0 percent base salary adjustment for classified positions and a 4.0 percent unclassified merit increase. The Governor does not recommend any capital improvement expenditures.

*S W + m
2/24/98*

Attachment 1-5

Closure of Winfield State Hospital and Training Center (WSH&TC)

WSH&TC was initially scheduled to close on December 31, 1997 as recommended by the 1995 Hospital Closure Commission and approved by the 1996 Legislature. The actual date of closure was January 30, 1998, when the final layoffs of the hospital's employees took place (the last patients were discharged on January 28, 1998). After January 30, 1998, WSH&TC will continue to have 28 employees at the facility through March 6, 1998 to close out records, inventory supplies and equipment, disperse inventory throughout the remaining institutions and the Kansas Veterans Home and any other tasks necessary for closure. At the time of the closure announcement, the facility had 241 clients. Of those clients, 196 individuals and their families/guardians chose placement at community services throughout Kansas and 36 transferred to another State Hospital. The remaining nine passed away, moved to another state or chose to arrange their own services. A discussion of the funding for community services can be found in the analysis for the Division of Mental Health and Developmental Disabilities (MH&DD) Services in this publication.

The following table shows the estimates for the individual institutions and the Governor's recommendations:

Institution	Agency Request FY 1999	Gov. Rec. FY 1999
Kansas Neurological Institute		
State General Fund	\$ 10,231,467	\$ 10,198,356
All Other Funds	14,227,564	14,460,896
Total	<u>\$ 24,459,031</u>	<u>\$ 24,659,252</u>
Parsons State Hospital & Training Center		
State General Fund	\$ 8,567,880	\$ 8,683,907
All Other Funds	10,428,188	10,464,661
Total	<u>\$ 18,996,068</u>	<u>\$ 19,148,568</u>
Winfield State Hospital & Training Center		
State General Fund	\$ 0	\$ 0
All Other Funds	0	0
Total	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 \$ 43,455,099	 \$ 43,807,820
FTE Positions:		
Kansas Neurological Institute	676.0	674.0
Parsons State Hospital & Training Center	524.0	524.0
Winfield State Hospital & Training Center	0.0	0.0
Unclassified Temp. Positions	3.1	3.1
TOTAL	<u>1,203.1</u>	<u>1,201.1</u>
Capital Improvements	\$ 0	\$ 0

S W+Dn
2/24/98
Attachment 1-6

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation. The Subcommittee notes that there is a concern over the slow rate at which the Average Daily Census at the Mental Retardation and Developmental Disability hospitals is declining. In addition, the Subcommittee is concerned that the performance measures submitted by the hospitals do not reflect any type of overall strategic plan.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Agency: Mental Retardation Institutions

Bill No.

Bill Sec.

Analyst: Nichols

Analysis Pg. No. 803, 815, Budget Page No. 323,
831 369, 513

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 43,386,146	\$ 43,807,820	\$ 1,515,094
Aid to Local Units	0	0	0
Other Assistance	68,953	0	0
Subtotal - Operating	\$ 43,455,099	\$ 43,807,820	\$ 1,515,094
Capital Improvements	0	0	0
TOTAL	<u>\$ 43,455,099</u>	<u>\$ 43,807,820</u>	<u>\$ 1,515,094</u>
State General Fund:			
State Operations	\$ 18,730,394	\$ 18,882,263	\$ 102,111
Aid to Local Units	0	0	0
Other Assistance	68,953	0	0
Subtotal - Operating	\$ 18,799,347	\$ 18,882,263	\$ 102,111
Capital Improvements	0	0	0
TOTAL	<u>\$ 18,799,347</u>	<u>\$ 18,882,263</u>	<u>\$ 102,111</u>
FTE Positions	1,200.0	1,198.0	0.0
Unclassified Temp. Positions	3.1	3.1	0.0
TOTAL	<u>1,203.1</u>	<u>1,201.1</u>	<u>0.0</u>

S W + Jm

2/24/98

Attachment 1-7

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations for FY 1999 with the following comments:

1. **Children's Services—All Institutions.** The Senate Subcommittee notes that the continual decrease in the population of children at the institutions may reflect less of a need for institutions in favor of community placement in the future.

2. **Patient Movement—Winfield State Hospital.** The Senate Subcommittee notes that of the 241 clients at Winfield State Hospital at the time of the closure announcement in November of 1995, 196 chose placement at community services throughout Kansas, 36 were transferred to another state hospital and the remaining nine passed away, moved to another state or chose to arrange their own services. The table below indicates, after all persons have been placed, the number of persons placed at each Community Developmental Disability Organization (CDDO) or their Community Placed Provider (CSP) affiliates:


CDDO/CSP	Number of Persons	CDDO/CSP	Number of Persons
Arrowhead West, Inc. (Dodge City)	1	Flinthills (El Dorado)	
Big Lakes (Manhattan)	3	CCL	30
CDDS (Winfield/Ark City)	2	Hetlinger - Hartford	2
Martin Luther	15	JCDS (Johnson County)	1
CCL	70	CLO	5
Res-Care (Southwinds)	18	Faith Village	2
Res-Care (Focus)	4	Northview (Newton)	5
CLASS (Columbus/Parsons)	1	OCCK (Salina)	2
KETCH	6	SDSI (Garden City)	1
Starkey	8	SDSI (Great Bend)	1
Rise	6	TARC (Shawnee County) - Sheltered Living	1
Rainbows	1	Tri-Valley (Chanute)	1
Cottonwood, Inc. (Lawrence)		Twin Valley (Greenleaf)	3
CLO	2	WDDS (Wyandotte County) - Bethpage	2
DSNWK (Hays)	2		

3. **Special Projects—Parsons State Hospital.** The Senate Subcommittee is impressed with the innovative efforts of Parsons State Hospital in the creation of the Sunbelt Special Rodeo which serves 225 citizens with mental retardation from all over Kansas, parts of Missouri and occasionally a few from Oklahoma and Texas.

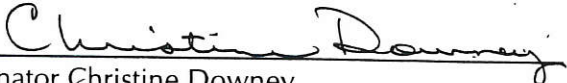
4. **Dual Diagnosis Treatment and Training Services Program—Parsons State Hospital:** The Senate Subcommittee received testimony on the newly opened Dual Diagnosis

S W+Jm
2/24/98
Attachment 1-8


Treatment and Training Services Program at Parsons State Hospital and notes that the programs's focus on both inpatient treatment and community outreach may reflect the future of institutional patient care.



Senator Alicia Salisbury, Subcommittee Chair



Senator Christine Downey



Senator Pat Ranson

SWM
2/24/98

Attachment 1-9

SUBCOMMITTEE REPORT

Agency: Mental Health Institutions

Bill No.

Bill Sec.

Analyst: Nichols

Analysis Pg. No. 752,
770, 786, 798

Budget Page No. 347,
365, 375, 453

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 54,782,080	\$ 54,381,670	\$ 0
Aid to Local Units	0	0	0
Other Assistance	89,655	89,655	0
Subtotal - Operating	\$ 54,871,735	\$ 54,471,325	\$ 0
Capital Improvements	230,279	230,279	0
TOTAL	\$ 55,102,014	\$ 54,701,604	\$ 0
State General Fund:			
State Operations	\$ 22,445,290	\$ 20,049,790	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,500	1,500	0
Subtotal - Operating	\$ 22,446,790	\$ 20,051,290	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 22,446,790	\$ 20,051,290	\$ 0
FTE Positions	1,458.2	1,434.2	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	1,458.2	1,434.2	-

Agency Estimate/Governor's Recommendation

Estimates for operating expenditures at the state mental health institutions total \$55,102,014 in FY 1998, an aggregate decrease of \$17.6 million, or 24.2 percent below FY 1997 actual expenditures. State General Fund expenditures total \$22,446,790 in FY 1998, a decrease of \$3,773,900, or 14.4 percent. The mental health institutions request at total of 1,458.2 FTE positions in FY 1998, a decrease of 56.2 FTE from the actual number of positions in FY 1997.

The hospitals also estimate capital improvements expenditures of \$230,279 in FY 1998 for rehabilitation and repair projects.

Beginning with the 1996 Legislature, State General Fund (SGF) appropriations for all of the state institutions' (mental health and mental retardation) operating expenditures and central office aid and assistance grants were placed in a single line item. The Secretary of Social and Rehabilitation Services

*S. W. 303
2/24/98
Attachment 2.1*

was given the authority to move SGF funds among hospitals and between hospitals and community services at the Secretary's discretion. The Secretary also has the discretion to transfer FTE positions among hospitals.

The Governor recommends operating expenditures of \$54,701,604 for the state mental health institutions, a decrease of \$262,836, or 0.4 percent below the agencies' estimates. State General Fund expenditures of \$20,051,290 are recommended for FY 1998, a decrease of \$2,395,500, or 10.7 percent, below the agencies' estimates. Included in the recommendation is funding for 1,434.2 FTE positions, a decrease of 134.7 FTE positions below the estimates. System wide salaries and wages were also adjusted to reflect retirements. **The Governor concurs** with the estimates for capital improvements expenditures.

S. W. M.
2/24/98

Attachments 2-2

The following table shows the estimates for the individual institutions and the Governor's recommendations:

Institution	Agency Estimate FY 1998	Gov. Rec. FY 1998
Larned State Hospital		
State General Fund	\$ 11,831,052	\$ 11,559,634
All Other Funds	17,597,921	17,597,921
Total	<u>\$ 29,428,973</u>	<u>\$ 29,157,555</u>
Osawatomie State Hospital		
State General Fund	7,704,016	7,579,934
All Other Funds	11,566,224	11,561,314
Total	<u>\$ 19,270,240</u>	<u>\$ 19,141,248</u>
Rainbow Mental Health Facility		
State General Fund	\$ 2,911,722	\$ 2,911,722
All Other Funds	3,291,078	3,291,078
Total	<u>\$ 6,202,800</u>	<u>\$ 6,202,800</u>
Topeka State Hospital		
State General Fund	\$ 0	\$ 0
All Other Funds	200,001	200,001
Total	<u>\$ 200,001</u>	<u>\$ 200,001</u>
 TOTAL	 <u><u>\$ 55,102,014</u></u>	 <u><u>\$ 54,701,604</u></u>
 FTE Positions:		
Larned State Hospital	771.6	771.6
Osawatomie State Hospital	519.2	519.2
Rainbow Mental Health Facility	143.4	143.4
Topeka State Hospital	24.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>1,458.2</u></u>	<u><u>1,434.2</u></u>
 Capital Improvements:		
Larned State Hospital	\$ 154,757	\$ 154,757
Osawatomie State Hospital	75,522	75,522
Rainbow Mental Health Facility	0	0
Topeka State Hospital	0	0
TOTAL	<u><u>\$ 230,279</u></u>	<u><u>\$ 230,279</u></u>

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

*S W + M
2/24/98
Attachment 2-3*

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Agency: Mental Health Institutions

Bill No.

Bill Sec.

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 54,782,080	\$ 54,381,670	\$ 0
Aid to Local Units	0	0	0
Other Assistance	89,655	89,655	0
Subtotal - Operating	\$ 54,871,735	\$ 54,471,325	\$ 0
Capital Improvements	230,279	230,279	0
TOTAL	\$ 55,102,014	\$ 54,701,604	\$ 0
State General Fund:			
State Operations	\$ 22,445,290	\$ 20,049,790	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,500	1,500	0
Subtotal - Operating	\$ 22,446,790	\$ 20,051,290	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 22,446,790	\$ 20,051,290	\$ 0
FTE Positions	1,458.2	1,434.2	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	1,458.2	1,434.2	-


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.


S W + Jm
2/24/98
Attachment 2-4



Senator Stephen Morris
Subcommittee Chair



Senator Nick Jordan



Senator Paul Feleciano, Jr.

SWM
2/24/98

Attachment 25

SUBCOMMITTEE REPORT

Agency: Mental Health Institutions

Bill No.

Bill Sec.

Analyst: Nichols

Analysis Pg. No. 752,
770, 786, 798

Budget Page No. 347,
365, 375, 453

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 55,409,351	\$ 55,430,449	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,500	92,561	0
Subtotal - Operating	\$ 55,410,851	\$ 55,523,010	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 55,410,851	\$ 55,523,010	\$ 0
State General Fund:			
State Operations	\$ 15,529,998	\$ 14,761,128	\$ 0
Aid to Local Units	0	0	0
Other Assistance	1,500	1,500	0
Subtotal - Operating	\$ 15,531,498	\$ 14,762,628	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 15,531,498	\$ 14,762,628	\$ 0
FTE Positions	1,400.4	1,398.4	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	1,400.4	1,398.4	-

Agency Request/Governor's Recommendation

The mental health institutions request a total of \$55,410,851 for operating expenditures in FY 1999, an increase of \$308,837, or 0.6 percent above the FY 1998 estimate. State General Fund requests total \$15,531,498, a decrease of \$6,915,292, or 30.8 percent, below the FY 1998 estimate. The requests include funding for 1,400.4 FTE positions, a decrease of 586.8 FTE below FY 1997. Included in the salaries and wages request is funding for classified step movement, 2.5 percent unclassified merit increases, and longevity bonus payments.

The Governor recommends operating expenditures of \$55,523,010 for the four hospitals in FY 1999, an increase of \$112,159, or 0.2 percent, above the request. State General Fund expenditures are recommended at \$14,762,628, a decrease of \$768,870, or 5.0 percent, below the request. The recommendation includes a 1.0 percent base salary adjustment for all institutions. The Governor

*S W + M
2/24/98
Attachment 2-6*

recommends a total of 1,398.4 FTE positions, a decrease of 2.0 FTE positions below the agency estimate. These positions are eliminated from Rainbow Mental Health Facility.

The following table shows the estimates for the individual institutions and the Governor's recommendations:

Institution	Agency Estimate FY 1999	Gov. Rec. FY 1999
Larned State Hospital		
State General Fund	\$ 9,036,764	\$ 8,677,519
All Other Funds	20,888,197	21,379,258
Total	<u>\$ 29,924,961</u>	<u>\$ 30,056,777</u>
Osawatomie State Hospital		
State General Fund	\$ 4,069,179	\$ 3,693,609
All Other Funds	15,123,245	15,601,214
Total	<u>\$ 19,192,424</u>	<u>\$ 19,294,823</u>
Rainbow Mental Health Facility		
State General Fund	\$ 2,425,555	\$ 2,391,500
All Other Funds	3,867,911	3,879,910
Total	<u>\$ 6,293,466</u>	<u>\$ 6,271,410</u>
Topeka State Hospital		
State General Fund	\$ 0	\$ 0
All Other Funds	0	0
Total	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 55,410,851</u></u>	 <u><u>\$ 55,623,010</u></u>
 FTE Positions:		
Larned State Hospital	771.6	771.6
Osawatomie State Hospital	485.4	485.4
Rainbow Mental Health Facility	143.4	141.4
Topeka State Hospital	0.0	0.0
Unclassified Temp. Positions	0.0	0.0
TOTAL	<u><u>1,400.4</u></u>	<u><u>1,398.4</u></u>
 Capital Improvements	 0.0	 0.0

S W+M
2/24/98
Attachment 2-7

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor. The House Subcommittee does, however, express concern that the performance measures submitted by the hospitals do not reflect any type of strategic plan.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation.

Agency: Mental Health Institutions

Bill No.

Bill Sec.

<u>Expenditure Summary</u>	<u>Agency Request FY 1999</u>	<u>Gov. Rec. FY 1999</u>	<u>Senate Subcommittee Adjustment</u>
All Funds:			
State Operations	\$ 55,409,351	\$ 55,430,449	\$ 1,848,983
Aid to Local Units	0	0	0
Other Assistance	1,500	92,561	0
TOTAL	<u>\$ 55,410,851</u>	<u>\$ 55,523,010</u>	<u>\$ 1,848,983</u>
State General Fund:			
State Operations	\$ 15,529,998	\$ 14,761,128	\$ 173,825
Aid to Local Units	0	0	0
Other Assistance	1,500	1,500	0
TOTAL	<u>\$ 15,531,498</u>	<u>\$ 14,762,628</u>	<u>\$ 173,825</u>
FTE Positions	1,400.4	1,398.4	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>1,400.4</u>	<u>1,398.4</u>	<u>0.0</u>

* Includes a reduction of \$1,848,983 (\$173,825 from the State General Fund) for the Governor's employee salary adjustments.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following comments:

S W + m
2/24/98
Attachment 2-8

1. **Hospital Closure:** The Senate Subcommittee notes that the final report from both Topeka State and Winfield State Hospital will be reviewed after July 1, 1998.
2. **Federal Funding—Increase:** The Senate Subcommittee notes that there is a large increase in federal funding for both Osawatomi State Hospital and Larned State Hospital from 1990 to 1999.
3. **Recruitment:** The Senate Subcommittee is concerned over the recruitment difficulties both Larned State Hospital and Rainbow Mental Health Facility are experiencing.
 - a. Larned State Hospital's recruitment problems stem from its geographical location and manifests itself in difficulties in hiring professional staff. The Senate Subcommittee is concerned that the level of care for patients could suffer due to the staffing problems at the facility. The recent Health Care Financing Administration (HCFA) survey of the agency demonstrates that there are critical areas where only partial compliance with accreditation standards were found.
 - b. Rainbow Mental Health Facility, on the other hand, has problems recruiting support staff due to the competition with the casinos and other employers in the greater Kansas City area. The recruitment problem, among other factors at Rainbow, have resulted in an unusually high shrinkage rate of 11.3 percent (turnover of 62%). The Senate Subcommittee is concerned that the agency will have extreme difficulties continuing to function with such a high shrinkage rate.
 - c. The Senate Subcommittee encourages the Department of Social and Rehabilitation Services to address the unique recruitment problems of Larned State Hospital and Osawatomi State Hospital by submitting a report to the Senate Subcommittee regarding the critical areas and possible solutions.
4. **Drug Expenditures:** Both Larned State Hospital and Osawatomi State Hospital continue to use psychotropic medication to treat patients and have expressed to the Senate Subcommittee that both facilities have not received enough funding from the Governor's recommendations for these medications. Because the facilities have informed the Senate Subcommittee that they will utilize funds from throughout the budget to compensate for the lack of funding in the Governor's recommendations, the Senate Subcommittee is concerned that other programs and ultimately, the facility's patients will suffer.
5. **Natural Gas Contract:** The Senate Subcommittee would encourage all the state hospitals to follow the example set by Osawatomi State Hospital with respect to the purchasing of natural gas. Due to the increase in the cost of natural gas, Osawatomi State Hospital is contracting with natural gas suppliers who can provide a less expensive interruptible service.

S W & M
2/24/98

Attachment 2-9

6. **Sexual Predator Unit:** The Senate Subcommittee encourages the Department of Social and Rehabilitation Services to evaluate the Sexual Predator program's future needs. There are 17 predators currently housed at Larned State Hospital with additional predators expected in the future. The Subcommittee supports the efforts of SRS in submitting a plan to the Joint Committee on State Building Construction to address the housing of future predators.

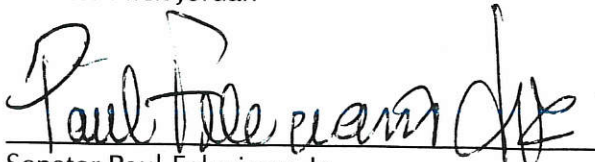
7. **Retirement Reduction:** Due to the affects that the retirement reduction program continues to have on the management of state hospital employees, the Senate Subcommittee encourages an evaluation of this program.



Senator Stephen Moris
Subcommittee Chair



Senator Nick Jordan



Senator Paul Feleciano, Jr.

J W + M
2/24/98

Attachment 2-10

SUBCOMMITTEE REPORT

Agency: SRS - Community Developmental Disabilities Services (includes KCDD)

Bill No. 2895

Bill Sec. 17

Analyst: Kannarr

Analysis Pg. No. 929

Budget Page No. 424

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations	\$ 5,699,113	\$ 5,692,356	-
Aid to Local Units	23,670,934	23,670,934	-
Other Assistance	145,111,112	146,000,000	-
Total - Oper. Expend.	<u>\$ 174,481,159</u>	<u>\$ 175,363,290</u>	-
State General Fund	\$ 77,086,840	\$ 77,446,840	-
All Other Funds	97,394,319	97,916,450	-
Total - Oper. Expend.	<u>\$ 174,481,159</u>	<u>\$ 175,363,290</u>	-
FTE Positions	27.0	27.0	-
Unclassified Temp. Positions	2.0	2.0	-
TOTAL	<u>29.0</u>	<u>29.0</u>	-

Agency Estimate/Governor's Recommendation

For FY 1998, the agency estimates expenditures of \$173.0 million, including \$77.1 million from the State General Fund, for the Developmental Disabilities Services Division. The estimate is an increase of \$18.8 million (12.2 percent) all funds and \$7.2 million (10.4 percent) State General Fund as compared to actual FY 1997 expenditures. The significant increase is in the Home and Community Based Services/Mental Retardation (HCBS/MR) waiver program due to continued refinancing. The estimate includes 24.0 FTE positions, the same number as in FY 1997.

The Governor recommends expenditures of \$173.9 million, including \$77.4 million from the State General Fund, for FY 1998. The recommendation is an increase of \$888,888 (0.5 percent) all funds and \$360,000 (0.5 percent) State General Fund as compared to the agency estimate. The Governor concurs with the agency estimate of 24.0 FTE. The recommendation reflects adjustments for November 1997 consensus caseload estimates for the HCBS/MR and ICF-MR programs.

For FY 1998, the Kansas Council on Developmental Disabilities (KCDD) estimates expenditures of \$1,518,034 million in federal grants and assistance, an increase of \$988,945 (186.9 percent) over FY 1997 expenditures. The large increase is a result of the agency not initiating the number of local grants it anticipated in FY 1997 and because one of its authorized positions was left vacant in FY 1997. The estimate includes funding for 3.0 FTE positions.

*S. W. M.
2/24/98
Attachment 34*

The Governor recommends \$1,511,277 in expenditures for FY 1998, a decrease of \$6,757 (0.4 percent) below the agency estimate. Adjustments are made to salaries and wages to correct fringe benefit rates.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1998.

House Committee Recommendation

The House Committee concurs with the Subcommittee.

Agency: Community Developmental Disabilities (including KCDD)

Bill No. 643

Bill Sec. 17

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 1998</u>	<u>Senate Subcommittee Adjustments</u>
State Operations	\$ 5,692,356	-
Aid to Local Units	23,670,934	-
Other Assistance	146,000,000	-
Total - Oper. Expend.	<u>\$ 175,363,290</u>	-
State General Fund	\$ 77,446,840	-
All Other Funds	97,916,450	-
Total - Oper. Expend.	<u>\$ 175,363,290</u>	-
FTE Positions	27.0	-
Unclassified Temp. Positions	2.0	-
TOTAL	<u>29.0</u>	-


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

*S. W+M
2/24/98
Attachment 3-2*



Senator Alicia Salisbury, Chairperson



Senator Pat Ranson



Senator Christine Downey

S W + Jm
2/24/98

Attachment 3-3

SUBCOMMITTEE REPORT

Agency: SRS - Community Developmental Disabilities Services (including KCDD)

Bill No. 2893

Bill Sec. 59

Analyst: Kannarr

Analysis Pg. No. 929

Budget Page No. 424

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
State Operations	\$ 5,813,583	\$ 5,829,155	-
Aid to Local Units	23,691,542	23,691,542	-
Other Assistance	153,419,097	152,800,000	-
Total - Oper. Expend.	<u>\$ 182,924,222</u>	<u>\$ 182,320,697</u>	-
State General Fund	\$ 80,787,435	\$ 80,150,235	-
All Other Funds	102,136,787	102,170,462	-
Total - Oper. Expend.	<u>\$ 182,924,222</u>	<u>\$ 182,320,697</u>	-
FTE Positions	27.0	27.0	-
Unclassified Temp. Positions	2.0	2.0	-
TOTAL	<u>29.0</u>	<u>29.0</u>	-

Agency Request/Governor's Recommendation

For FY 1999, the agency requests expenditures of \$181.4 million, including \$80.8 million from the State General Fund, for this division. The request is an increase of \$8.4 million (4.9 percent) all funds and \$3.7 million (4.8 percent) State General Fund over the FY 1998 estimate. The increase is almost entirely in the ICF-MR and HCBS/MR programs. The agency requests the same number of FTE positions as in FY 1998.

The Governor recommends \$180.8 million, including \$80.2 million from the State General Fund, for FY 1999. The recommendation is an all funds decrease of \$0.6 million and a State General Fund decrease of \$0.6 million below the agency request. The Governor concurs with the agency request for 24.0 FTE positions but makes adjustments for recommended salary enhancements. The recommendation includes an increase of \$4.4 million in the HCBS/MR program and an offsetting decrease of \$5.0 million in the ICF-MR program to reflect November 1997 consensus caseloads estimates for those programs.

The KCDD requests expenditure authority of \$1,523,342, an increase of \$5,308 (0.3 percent) above the FY 1998 estimate. The request includes 3.0 FTE positions, the same number as in FY 1998. Current services are maintained and no enhancement package is requested.

The Governor recommends expenditure authority of \$1,522,995, a decrease of \$347 below the

S w + m
2/24/98
Attachment 3-4

agency request. The Governor adjusts salaries and wages to correct fringe benefit rates. The Governor's recommendation includes \$2,789 for a 1.5 percent classified base salary adjustment and a 4.0 percent unclassified merit pool.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following exception and comments:

1. The Subcommittee recommends administrative overhead costs for community developmental disabilities and the Developmental Disabilities Services division of SRS not exceed 10 percent of the overall budget.
2. The Subcommittee recommends the following items be reviewed during Omnibus:
 - a. A request for an 8 percent increase in all HCBS/MR rates to begin addressing community staffing issues. Funding requested is \$3.8 million State General Fund to be matched by \$5.6 million in federal matching funds.
 - b. A request for \$3.0 million State General Fund to be used as matching funds for Targeted Case Management. This amount would be matched by the community developmental disabilities organizations in an equal amount.
 - c. A request for additional funding of \$250,000 for the Parent Assistance Network (Families Together). Current funding is \$150,000 State General Fund.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation with the following exception:

1. Delete item 1 and replace it with the following:

"The Committee requests that MH&DD determine the amount of administrative costs in community developmental disabilities services and report the findings to the Subcommittee at Omnibus. The Subcommittee can then determine an appropriate cap on these costs."

S W+M
2/24/98
Attachment 3-5

Agency: Community Developmental Disabilities (including KCDD)

Bill No. 642

Bill Sec. 59

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 1999</u>	<u>Senate Subcommittee Adjustments</u>
State Operations	\$ 5,829,155.	-
Aid to Local Units	23,691,542	-
Other Assistance	152,800,000	-
Total - Oper. Expend.	<u>\$ 182,320,697</u>	-
State General Fund	\$ 80,150,235	-
All Other Funds	102,170,462	-
Total - Oper. Expend.	<u>\$ 182,320,697</u>	-
FTE Positions	27.0	-
Unclassified Temp. Positions	2.0	-
TOTAL	<u>29.0</u>	-

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends the deletion of funding for the 4.0 percent unclassified merit pool, classified step movement, longevity bonus payments and the 1.5 percent classified base salary adjustment recommended by the Governor. However, this deletion will be reflected in the Subcommittee report for the SRS budget as an agency-wide issue.
2. Public testimony presented to the Subcommittee by representatives of Community Developmental Disabilities Organizations (CDDOs) expressed concern about the adequacy of current Medicaid rates being paid to the community providers and the affect it is having on staffing. Additional funding of \$3.8 million State General Fund was requested to increase the rates by 8 percent. The Subcommittee was informed that SRS will have the results of a study performed by Kansas State University on the issue of salaries and turnover in these organizations in early March. The Subcommittee recommends the agency analyze the results of the study and report back to the Ways and Means Committee at Omnibus on the findings. This is intended to provide the Committee with a basis for determining whether provider rates should be increased.

*S W+Jm
2/24/98*

Attachment 3-6

Alicia Salisbury
Senator Alicia Salisbury, Chairperson

Pat Ranson
Senator Pat Ranson

Christine Downey
Senator Christine Downey

S. W + D
2/24/98
Attachment 3-7

SUBCOMMITTEE REPORT

Agency: SRS - Community Mental Health
Services and MHDD Administration

Bill No. 2895

Bill Sec. 17

Analyst: Kannarr

Analysis Pg. No. 929

Budget Page No. 434

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98*</u>	<u>Gov. Rec. FY 98*</u>	<u>House Subcommittee Adjustments*</u>
State Operations	\$ 5,328,778	\$ 5,328,778	-
Aid to Local Units	52,050,047	52,050,047	-
Other Assistance	11,474,000	10,800,000	-
Total - Oper. Expend.	<u>\$ 68,852,825</u>	<u>\$ 68,178,825</u>	-
State General Fund	\$ 54,597,787	\$ 54,503,847	
All Other Funds	14,255,038	13,674,978	
Total - Oper. Expend.	<u>\$ 68,852,825</u>	<u>\$ 68,178,825</u>	
FTE Positions	50.0	50.0	-
Unclassified Temp. Positions	23.0	23.0	-
TOTAL	<u>73.0</u>	<u>73.0</u>	-

* Includes expenditures for the Hospital Special Projects and Special Education programs.

Agency Estimate/Governor's Recommendation

For **FY 1998**, the agency estimates expenditures of \$1.5 million, including \$0.8 million from the State General Fund, for the MH&DD Administration division. The estimate is an all funds decrease of \$95,548 (6.1 percent) and a State General Fund decrease of \$252,611 (23.8 percent) below FY 1997 expenditures. One of the reasons for the decrease is the shifting of funding of \$680,000 State General Fund for atypical antipsychotic medications from Administration to Mental Health Services. The estimate includes 19.5 FTE positions, an increase of 1.0 FTE over FY 1997. The 1.0 position was shifted from within MH&DD.

The Governor concurs with the agency estimate for FY 1998.

For **FY 1998** the agency estimates operating expenditures of \$66.5 million, including \$53.8 million from the State General Fund, for the Mental Health Services division. The estimate is an all funds increase of \$10.5 million (18.8 percent) and a State General Fund increase of \$10.6 million (24.6 percent). The largest factors in the increase are an increase in grants (\$6.1 million) due to enhanced community funding as a result of the closure of Topeka State Hospital and an increase in Nursing Facilities - Mental Health (\$3.5 million) due to increased caseloads.

*S. W. M.
2/24/98
Attachment 4-1*

The estimate includes 30.0 FTE and 23.0 UT positions, an increase of 19.0 FTE positions over the FY 1997 number. Of the increase, 6.0 FTE represent transfers within MH&DD and 13.0 represent FTE transferred to MH&DD from state hospitals to implement a quality assurance system for community services. Twelve positions will be located in the various SRS Area Offices to provide local quality assurance activities regarding the services provided by Community Mental Health Centers and their affiliates. The other 1.0 position is the Quality Assurance supervisor located in the central office.

The Governor recommends expenditures of \$65.8 million, including \$53.7 million from the State General Fund for Mental Health Services in FY 1998. The recommendation is a decrease of \$674,000 all funds and \$93,940 State General Fund. The Governor adjusts NF-MH expenditures to reflect November 1997 consensus caseload estimates. The Governor concurs with the agency estimate of 30.0 FTE and 23.0 UT positions.

The agency estimates expenditures of \$853,130 in federal grants and assistance for **FY 1998** for the Special Education program.

The Governor concurs with the agency in FY 1998.

The agency requests expenditures of \$17,957 for **FY 1998** for the Hospital Special Projects program, a decrease of \$7,840 below actual FY 1997 expenditures.

The Governor concurs with the agency in FY 1998.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1998.

S W 4 7 7
2/24/98
Attachment 4-2

Agency: Community Mental Health Services

Bill No. 643

Bill Sec. 17

<u>Expenditure</u>	<u>Gov. Rec. FY 1998</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:		
State Operations	\$ 5,328,778	-
Aid to Local Units	52,050,047	-
Other Assistance	10,800,000	-
TOTAL	<u>\$ 68,178,825</u>	-
State General Fund	\$ 54,503,847	-
All Other Funds	13,674,978	-
TOTAL	<u>\$ 68,178,825</u>	-
FTE Positions	50.0	-
Unclassified Temp. Positions	23.0	-
TOTAL	<u>73.0</u>	-

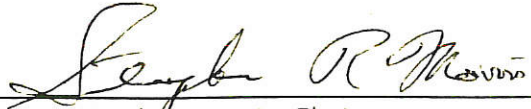
Senate Subcommittee Recommendation

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

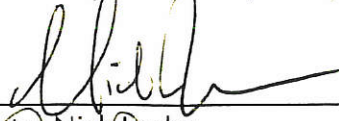
1. The Subcommittee recommends that any funds remaining in the children's mental health initiative account of the State General Fund at the end of FY 1998 be reappropriated to FY 1999.
2. The Subcommittee supports the agency's initiative to begin a quality assurance program for community mental health services in FY 1998. According to the agency, a total of 13.0 FTE positions will be transferred from the state hospitals to the central office budget in the current year to provide staffing for the program. Staff will be located at each of the 12 SRS area offices and a supervisor will be located in the central office.

S worn
2/24/98

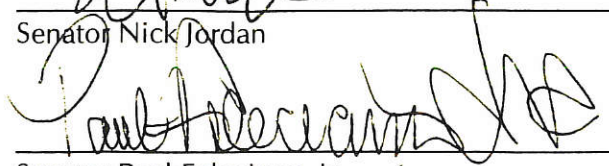
Attachment 4-3



Senator Stephen Morris, Chairperson



Senator Nick Jordan



Senator Paul Feleciano, Jr.

S w/m
2/24/98
Attachment 4-4

SUBCOMMITTEE REPORT

Agency: SRS - Community Mental Health
Services and MHDD Administration

Bill No. 2893

Bill Sec. 59

Analyst: Kannarr

Analysis Pg. No. 929

Budget Page No. 434

<u>Expenditure Summary</u>	<u>Agency Request FY 99*</u>	<u>Gov. Rec. FY 99*</u>	<u>House Subcommittee Adjustments*</u>
State Operations	\$ 5,468,809	\$ 5,494,022	-
Aid to Local Units	53,730,047	54,445,019	1,875,000
Other Assistance	12,162,440	11,200,000	-
Total - Oper. Expend.	<u>\$ 71,361,296</u>	<u>\$ 71,139,041</u>	<u>\$ 1,875,000</u>
State General Fund	\$ 56,854,636	\$ 57,285,778	\$ 75,000
All Other Funds	14,506,660	13,853,263	1,800,000
Total - Oper. Expend.	<u>\$ 71,361,296</u>	<u>\$ 71,139,041</u>	<u>\$ 1,875,000</u>
FTE Positions	50.0	50.0	-
Unclassified Temp. Positions	23.0	23.0	-
TOTAL	<u>73.0</u>	<u>73.0</u>	-

* Amounts include expenditures for the Hospital Special Projects and Special Education Programs.

Agency Request/Governor's Recommendation

For **FY 1999**, the agency requests operating expenditures of \$1.6 million, including \$0.9 million from the State General Fund. The request is an all funds increase of \$97,174 (6.6 percent) and a State General Fund increase of \$75,063 (9.3 percent) above the FY 1998 estimate. The request includes 19.5 FTE positions, the same number as in the FY 1998 estimate. No enhancement package is requested for the MH&DD Administration division.

The Governor recommends expenditures of \$1.6 million, including \$877,155 from the State General Fund, for FY 1999. The recommendation is a decrease of \$1,170 (\$4,977 State General Fund) below the agency request. Included in the recommendation are adjustments for salary enhancements for 19.5 FTE positions.

For **FY 1999** the agency requests expenditures of \$68.9 million, including \$56.0 million from the State General Fund. The request is an increase of \$2.4 million all funds (3.6 percent) and \$2.2 million (4.1 percent) State General Fund above the FY 1998 estimate. The increases are in Mental Health Grants and the Nursing Facilities - Mental Health (NF-MH) programs. The request includes 30.0

*S w + m
2/24/98
Attachment 4-5*

FTE and 23.0 UT positions which is the same number as in FY 1998. Also included in the request is an enhancement package of \$1.0 million State General Fund to continue the Children's Mental Health Initiative begun in FY 1998 and approved by the 1997 Legislature.

The Governor recommends expenditures of \$68.7 million, including \$56.4 million from the State General Fund, for FY 1999. The recommendation is a decrease of \$221,085 (0.3 percent) all funds and an increase of \$436,119 (0.8 percent) State General Fund as compared to the agency request. The Governor concurs with the agency request for 30.0 FTE and 23.0 UT positions but makes adjustments for recommended salary enhancements. The Governor concurs with the agency enhancement request for \$1.0 million State General Fund for the Children's Mental Health Initiative. In addition, the Governor's recommendation includes \$714,972 to fund a 2.0 percent increase in state funding for aid to community mental health centers, mental health reform and hospital closure. Finally, the Governor adjusts NF-MH expenditures to reflect November 1997 consensus caseload estimates.

The agency requests expenditures of \$853,570, an increase of \$17,606 (2.1 percent) above the FY 1998 estimate for the Special Education. The requested funding would continue current service levels. Funding for a 0.5 FTE position is included in the estimate.

The Governor concurs with the agency in FY 1999.

The agency requests expenditures of \$18,495 for **FY 1999** for the Hospital Special Projects program, an increase of \$538 over the FY 1998 estimate. The requested funding would continue current services levels.

The Governor concurs with the agency in FY 1999.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1999 with the following exceptions and comments:

1. Add \$75,000 State General Fund to expand supportive employment services at community mental health centers. Total state funding for FY 1999 would be \$400,000 which would be matched by \$1,477,934 in federal dollars. The additional funding would enable all community mental health centers to provide supportive employment services.
2. The Subcommittee is concerned about the adequacy of the funding for the maximum number of allowable slots for the Children's Mental Health Initiative waiver program in FY 1999. The Governor recommended \$2.0 million State General Fund to be matched with \$3.0 million in federal Medicaid funds (total funding of \$5.0 million) to support the waiver in FY 1999. The cost per slot is estimated to be \$9,300 with 1,000 slots anticipated to be served in FY 1999 for a total cost of \$9.3 million. To address this issue, the Subcommittee recommends the following:
 - a. Increase the expenditure limitation on the Social Welfare Fund (SRS Fee Fund) by \$1.8 million to fully fund the Children's Mental Health Initiative waiver in FY 1999. Total state funding would be \$3.8 million

S w m
2/24/98
Attachment 4-6

(\$2.0 million State General Fund) to be matched by approximately \$5.5 million federal Medicaid funding (total funding \$9.3 million).

- b. Add unlimited reappropriation language to the children's mental health initiative account of the State General Fund. Any funds remaining in this account at the end of FY 1998 should be reappropriated to FY 1999 to help fund the children's waiver.
 - c. Add a proviso to the appropriations bill stating that funding required in excess of dollars available in the children's mental health initiative account of the State General Fund, to fund needed slots in FY 1999 (up to the maximum of 1,000) must come from the Social Welfare Fund (SRS Fee Fund) and not existing Community Mental Health Center funds.
3. The Subcommittee recommends administrative overhead costs for community mental health service providers and the Mental Health Services division of SRS not exceed 10 percent of the overall budget.
 4. The Subcommittee recommends the following items be reserved for Omnibus consideration:
 - a. A request by Kansas Advocacy and Protective Services (KAPS) for \$250,000 State General Fund to provide monitoring and advocacy services to persons with mental illness and developmental disabilities who are now in the community.
 - b. A request for additional funding of \$200,000 State General Fund for the Parent Assistance Network (Families Together) to begin serving the mentally ill/emotionally disturbed population.
 - c. Two alternate requests were made for increased funding for consumer run organizations (CROs). Current funding is \$260,000 State General Fund. The first is additional funding of \$524,000 State General Fund for total funding of \$784,000. The alternative request is for CROs to receive a line item of 1 percent of the total mental health services budget. The recommended budget for FY 1999 is \$68.7 million. According to testimony, the additional funding would allow for the expansion of 12 existing programs and add another 16 programs.
 - d. A request for \$300,000 State General Fund for total funding to Keys for Networking. Current funding is \$150,000 State General Fund.
 - e. A request for \$377,545 to increase state grants to community mental health centers (Mental Health Reform, State Aid and Closure Funding) by 3 percent at a cost of \$1,092,517 State General Fund. The Governor recommended a 2 percent increase in these items at a cost of \$714,972 and the requested funding represents the difference between the 2 percent and 3 percent increases.

S wjm
2/24/98

Attachment 4-7

5. The Subcommittee expresses concern regarding the adequacy of mental health services for youth between the ages of sixteen and twenty-four. The Subcommittee heard testimony that this age group requires specialized services not always available in the community.

House Committee Recommendation

The House Committee concurs with the Subcommittee recommendation with the following exception:

1. Delete item 3 and replace it with the following language:

"The Committee requests that MH&DD determine the amount of administrative costs in community mental health services and report the findings to the Subcommittee at Omnibus. The Subcommittee can then determine an appropriate cap on these costs."

2. The Committee recommends the agency evaluate distributing funding for consumer grants on a competitive basis and report back to the Committee at Omnibus.

S W+M
2/24/98
Attachment 4-8

Agency: Community Mental Health Services

Bill No. 642

Bill Sec. 59

Expenditure	Gov. Rec. FY 1999	Senate Subcommittee Adjustments
All Funds:		
State Operations	\$ 5,494,022	\$ 0
Aid to Local Units	54,445,019	0
Other Assistance	11,200,000	100,000
TOTAL	\$ 71,139,041	\$ 100,000
State General Fund	\$ 57,285,778	\$ 100,000
All Other Funds	13,853,263	0
TOTAL	\$ 71,139,041	\$ 100,000
FTE Positions	50.0	-
Unclassified Temp. Positions	23.0	-
TOTAL	73.0	-

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends the deletion of funding for the 4.0 percent unclassified merit pool, classified step movement, longevity bonus payments and the 1.5 percent classified base salary adjustment recommended by the Governor. However, this deletion will be reflected in the Subcommittee report for the SRS budget as an agency-wide issue.
2. Add \$50,000 State General Fund to expand supported employment services. Total state funding for such services would be \$375,000 to be matched by approximately \$1.4 million in federal funding.
3. Add \$50,000 State General Fund to enable Families Together to begin serving families with a mentally ill/severely emotionally disturbed child. The original request for funding was \$200,000 State General Fund.
4. The Subcommittee received testimony regarding full funding of the Children's Mental Health Initiative waiver in FY 1999. A request was made for an additional \$1,775,610 State General Fund to fully fund the 1,000 slots planned for FY 1999.

S w+m
2/24/98
Attachment 49

The Subcommittee feels this is a very important issue which needs further consideration. Therefore, the Subcommittee recommends the issue be considered in Omnibus and consideration is given to adding \$750,000 State General Fund to provide a portion of the requested funding.

5. The Subcommittee recommends funding of \$75,000 State General Fund for a Watchdog project proposed by Kansas Advocacy and Protective Services (KAPS) be considered at Omnibus. The Watchdog Project would provide statewide monitoring and advocacy services to persons with mental illness and developmental disabilities being served in community settings. According to testimony, KAPS federal funding restricts the organization to serving mentally ill patients only if they are in 24-hour care or for 90 days after release from such care. The requested funding would allow KAPS to serve all mentally ill persons living in the community. KAPS requested \$250,000 for a statewide project or \$100,000 for a more limited pilot project in the Topeka area. The Subcommittee views this item as a high priority due to the number of people now being served in the community as opposed to state institutions.
6. The Subcommittee recommends that additional funding of \$150,000 State General Fund for Keys for Networking be reviewed during Omnibus. Total funding in FY 1999 would be \$300,000.
7. The Subcommittee recommends the SRS Transition Oversight Committee look at various mental health issues during the 1998 interim if the Committee is extended beyond its current sunset date of July 1, 1998. The Subcommittee notes requests from community organizations totaling \$16.2 million State General Fund were made to close existing service gaps and increase support to various organizations. The Subcommittee believes community organizations are not fully cooperating with each other and that all of the organizations should make more of an effort to work together. The Subcommittee requests the Oversight Committee look at this issue and try to find a way to increase cooperation. In addition, the Oversight Committee is requested to examine the issues of housing, the Watchdog project proposed by KAPS and other gaps in current community mental health funding discussed by the conferees.
8. The Subcommittee heard testimony regarding the need for equal health insurance coverage for major mental illness from multiple conferees during public hearings. The Subcommittee notes an interim study of health insurance parity has already been requested by another Committee and supports the request.
9. Because of possible irregularities in the operating of some organizations, the Subcommittee directs SRS-MHDD to conduct audits of selected recipients of consumer grant funding. In addition, the agency should examine the issue of whether specific organizations should be selected for funding by the Legislature or whether all consumer grants should be distributed competitively. The Subcommittee requests the agency report their findings on both issues during Omnibus. The Subcommittee can then use the audit findings to determine whether further investigation by Legislative Post Audit is warranted.

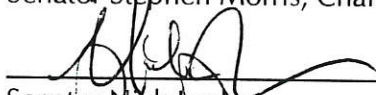
S W+M
2/24/98

Attachment 4-10

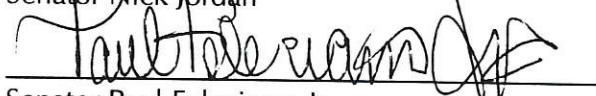
10. The Subcommittee expresses its support for the continued funding of \$680,000 State General Fund for the purchase of atypical antipsychotic medications to help move people out of state institutions and to help keep people in the community who could otherwise not afford the medications. In addition, the Subcommittee requests MHDD investigate whether the current level of funding will be adequate to meet the needs of eligible consumers in FY 1999 and beyond. The agency should present a preliminary report on its finding during Omnibus. The Subcommittee notes that additional resources may be required after FY 1999 and regards this as a very important issue for consideration.
11. The Subcommittee notes that the Sexual Predator Treatment Program, which has a treatment capacity of 29, currently has 15 people in treatment with another 2 expected shortly. According to the agency, current capacity is expected to be exhausted in 16 to 18 months. SRS-MHDD has prepared several options for program expansion which it is presenting to the Joint Building Committee. The Subcommittee believes it is very important to address this issue quickly as the program will run out of space soon and it will take time to construct or remodel space to house the program. Therefore, the Subcommittee requests the Joint Building Committee and the Senate Ways and Means Subcommittee on Capital Improvements work with the agency to address this issue.
12. The Subcommittee received information on agency and community efforts to implement the TelePsychiatry Network for Kansas. According to the information, a public/private partnership was formed to accomplish implementation of the largest tele-video system in the United States for the delivery of mental health services. Under the TelePsychiatry Network for Kansas, a total of 83 sites in 54 cities, including the 30 community mental health centers across the state, will be linked together to offer mental health services through tele-video capabilities. Other sites included will be SRS-MHDD, the Mental Health Consortium, and state psychiatric hospitals. The \$1.1 million project is being funded equally by SRS (\$500,000 from Topeka State Hospital closure funds) and the United Methodist Health Ministry Fund, based in Hutchinson. The network will be managed by the Mental Health Consortium, Topeka. The information indicates the project will greatly expand the availability and accessibility of mental health services to rural areas as well as expanding services for children and the elderly. In addition, the information indicates there will be a cost savings in the long run with this project.



Senator Stephen Morris, Chairperson



Senator Nick Jordan



Senator Paul Feleciano, Jr.

S W 4700
2/24/98

Attachment 4-11

AGENCY OVERVIEW

Larned State Hospital provides mental health services to persons age five to eighty-five from the 51 western-most counties of Kansas. The State Security Hospital (SSH) serves the entire state. The SSH provides a secure setting for the criminal forensic patient during evaluation and treatment. A pre-release Chemical Dependency Recovery Program for males from the Department of Corrections is also offered by the SSH. The Security Behavior Ward portion of the SSH accommodates non-forensic patients with severe behavioral problems who are administratively transferred from other institutions. Until July 1, 1995, the Youth Center at Larned (YCAL) was included in the Larned State Hospital budget as a program within the hospital. The 1995 Legislature created YCAL as a separate agency. However, most of the support services costs remain in the hospital budget.

BUDGET TRENDS

OPERATING EXPENDITURES FY 1990-FY 1999

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
1990	\$ 24,511,895	7.5%	\$ 27,894,701	6.0%	879.1
1991 ¹⁾	15,576,403	(36.5%)	31,543,594	13.1%	879.1
1992	19,410,162	24.6%	28,905,867	(8.4%)	868.1
1993	19,076,124	(1.7%)	29,795,940	3.1%	869.1
1994 ²⁾	15,605,972	(18.2%)	30,688,733	3.0%	869.1
1995 ³⁾	17,358,163	11.2%	30,751,140	0.2%	849.1
1996 ⁴⁾	15,112,002	(12.9%)	29,967,344	(2.6%)	808.6
1997	15,236,777	0.8%	28,626,081	(4.5%)	787.8
1998 Gov.	11,599,634	(24.1)%	29,002,798	1.3%	771.6
1999 Gov.	8,677,519	(24.9)%	30,056,777	3.6%	771.6
Ten-Year Change Dollars/Percent	\$ (15,834,376)	(64.6)%	\$ 2,162,076	7.8%	(107.5)

General Note: State General Fund (SGF) expenditures will fluctuate from year to year at all state mental health institutions due to variations in the funding mix. This mix depends on the availability of fee funds and federal funds.

- 1) Included in the FY 1991 budget is funding for the operation of the new 90-bed Adult Treatment Facility which was dedicated in March, 1990.
- 2) First year of required Mental Health Reform downsizing at Larned, 30 adult beds closed.
- 3) Second year of required downsizing, 30 adult beds closed. Also, a 34-bed unit in the State Security Hospital was closed due to low census.
- 4) Final year of required downsizing, 30 adult beds closed.

AGENCY OVERVIEW

Osawatomi State Hospital provides inpatient psychiatric services to adults and adolescents from 22 eastern counties of the state. All patients admitted to the hospital have first been screened by a community mental health center to ensure that placement in a state psychiatric hospital is necessary and appropriate. In addition, a Social Detoxification Program offers short-term detoxification services to persons who then receive chemical dependency treatment in the community. Certain support services are provided to the minimum security Osawatomi Correctional Facility located on the hospital campus. Osawatomi State Hospital is fully accredited by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO) and fully certified by the Healthcare Financing Administration (HCFA).

BUDGET TRENDS

OPERATING EXPENDITURES

FY 1990-FY 1999

Fiscal Year	SGF	% Change	All Funds	%Change	FTE
1990	\$ 16,001,511	8.9%	\$ 20,325,357	8.2%	646.5
1991 ⁽¹⁾	15,239,600	(4.8)%	21,114,807	1.6%	646.5
1992 ⁽²⁾	10,811,935	(29.1)%	21,086,010	2.1%	640.5
1993 ⁽³⁾	10,443,392	(3.4)%	21,138,432	0.3%	615.5
1994	9,357,640	(10.4)%	21,280,295	0.7%	591.5
1995 ⁽⁴⁾	7,800,375	(16.6)%	21,109,141	(0.8)%	590.5
1996 ⁽⁵⁾	7,226,937	(7.3)%	21,389,255	1.1%	572.1
1997	6,945,255	(3.9)%	20,685,958	(3.3)%	573.7
1998 Gov. Rec.	7,579,934	9.1%	19,065,726	(7.8)%	519.2
1999 Gov. Rec.	3,693,609	(51.3)%	19,294,823	(80.9)%	485.4
Ten-Year Change Dollars/Percent	\$ (12,307,902)	(76.9)%	\$ (1,030,534)	(5.1)%	(161.1)

General Note: State General Fund expenditures will fluctuate from year to year at all mental health institutions due to variations in the funding mix. This mix depends on the availability of fee funds and federal funds.

- 1) Beginning of Mental Health Reform downsizing at Osawatomi State Hospital, 22 adult beds closed.
- 2) Second year of downsizing, 20 adolescent beds closed.
- 3) Third and final year of required downsizing, 20 adult beds closed.
- 4) Closed one 30-bed adult unit not required by original Mental Health Reform Act.
- 5) In response to the closing of the 45-bed Chemical Dependency Program and the 40-bed Adolescent Unit, eight beds were allocated for the Social Detoxification Program.