

Approved: 3-11-99
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on February 23, 1999 in Room 514-S of the Capitol.

All members were present except: Rep. Tony Powell

Committee staff present: Legislative Research - Alan Conroy, Stuart Little, Robert Waller, Robert Chapman, Kathie Sparks
Revisor of Statutes - Jim Wilson, Mike Corrigan
Secretary - Ann McMorris

Conferees appearing before the committee:

Albert Murray, Commissioner, Juvenile Justice Authority

Others attending: NOLIST

Chair opened meeting and called on Commissioner Albert Murray of the Juvenile Justice Authority to report on two initiatives (1) Funding Distribution Formula Review, and (2) Community Planning Team Funding Request. (Attachment 1)

Juvenile Justice Authority

Commissioner Albert Murray of the Juvenile Justice Authority noted when he reported on February 4, 1999 he was not prepared to report on two initiatives: (1) Funding Distribution Formula Review; and (2) Community Planning Team Funding Request, but the studies have now been completed. He reported nine guiding principles had been developed on funding and are listed in his report. He noted nine assumptions were drawn that determine the structure of the funding mechanism and noted the allocation formula and funding mechanism will enhance local control, creativity and flexibility.

The Commissioner summarized the fiscal needs and formula developed to allocate the funds. The Legislative Research Department provided a chart on Revised Aid to Local Units of Government and the Community Planning Team Funding. (Attachment 2) The Committee had an extended discussion on how the formula would work and the budget request of the Juvenile Justice Authority for a \$20 million increase over their current budget.

Chair called for Budget Committee report on:

Department of Aging

Rep. Neufeld of the Social Services Budget Committee reported the committee concurred with Governor's recommendations with exceptions on FY1999 and FY2000 budget for Department of Aging. (Attachment 3)

Moved by Representative Neufeld, seconded by Representative Ballard, adoption of the Social Services Budget Committee recommendations for FY1999 and FY2000 for the Department of Aging.

Moved by Representative Neufeld, seconded by Representative Ballard, amend FY2000 budget for the Department of Aging by adding in exception #7 the amount of \$950,000 which was inadvertently omitted. Motion carried.

Further action on this report was deferred until the next meeting.

Next meeting to be held on February 24, 1999.

Adjournment.

Respectfully submitted,
Ann McMorris, Secretary

Attachments - 3



Presentation to the House Appropriations Committee

Wednesday, Feb. 17, 1999

Commissioner Albert Murray

Funding formula for aid to local communities

Background of this Legislative Mandate:

The Juvenile Justice Reform Act called for a new way of working with juvenile offenders and a new way to plan for and provide juvenile justice services in the community. Integral to the new way of planning for and administering juvenile justice services, is the State's commitment to share public funds with local communities for community-based juvenile justice services. Pursuant to that purpose, the Legislature called upon the Juvenile Justice Authority (JJA) to develop a formula to allocate aid to local communities.

Strategies & Data Gathering:

Prior to developing a funding mechanism and allocation formula the JJA researched the criminal justice funding mechanisms used in other states and examined how community based aid is currently being allocated in Kansas. In the most general terms, the agency sought to learn how juvenile justice is currently being funded and to determine ways to improve the means of funding juvenile justice, consistent with the values and parameters of the Juvenile Justice Reform Act.

From this work nine guiding principles were developed. These are:

1. The **pooling of funds at the local level** can lead to greater efficiency and resource management.
2. The **community**, rather than the State, has primary responsibility for juvenile crime **prevention and supervision of** juvenile offenders in the community.
3. The **community**, rather than the State, can better identify and apply prevention and supervision strategies for at-risk youth, and "lower risk" offenders.
4. The **State** has increased responsibility for juveniles that present a greater risk to public safety and primary responsibility for offenders that require removal from the community.
5. An ideal juvenile justice system has certain core components which every locality or district should implement.

Attachment 1-1
House Appropriations Committee
February 23, 1999

6. Every locality will be at varying levels of development and will require flexibility to address its needs.
7. There will never be enough state funds to meet everyone's needs. However, by developing a state and local partnership, finite state and local funding resources can go further.
8. The funding mechanism should be consistent with the guiding principles and intent of the Juvenile Justice Reform Act.
9. State aid, being finite, should be shared with communities based on the communities' comparative need as it applies to juvenile crime.

Assumptions

Additionally, nine assumptions were drawn that determine the structure of the funding mechanism, what funding sources are or are not included in this mechanism, and the allocation formula. These assumptions are predicated on an understanding of the reform act, the current realities of the Kansas juvenile justice system, and the nature of existing services for juvenile offenders. These assumptions are:

1. A single allocation formula and funding mechanism shall be used to administer the agency's appropriation for aid to local communities. This shall include funding for juvenile community corrections, juvenile intake and assessment, and case management operations, plus selected other services and costs funded by the Juvenile Justice Authority consistent with individual community plans. The pooling of these funds is consistent with the intent of the reform act and enhances efficiency and flexibility at the local level.
2. Application of a single rationale for sharing resources, **where one previously did not exist**, will alter the comparative level of state aid communities receive. A change in the status quo is inevitable and necessary.
3. State general fund monies should be shared with local communities according to proportional need as it relates to juvenile crime. Unlike competitive federal grants, or targeted incentive grants, the objective of this mechanism is to share public resources with communities to meet a basic public need at the community level. Although funds may not be awarded to operate unsuccessful programs or if the grant request is lacking, in merit, the aid to communities provided through this mechanism is not a competition for funds.
4. Current essential services must not be lost or unduly disrupted. It is incumbent on the agency to continue mandated services and not to dramatically disrupt or destabilize financial support for these current local programs. Therefore, the agency must continue financial support for, and communities must continue to operate juvenile intake and assessment programs, juvenile community corrections, and juvenile case management services. Additionally, any correction to the proportional share of funding to communities resulting from a formula may need to be buffered or phased in, to mitigate disruption of core services.

5. The allocation formula must be based on equitable and measurable variables. The data upon which the variables are measured must be in an accessible database, uniformly applicable to the entire state and be logically and empirically associated with the agency's mandate.
6. That **state funds for juvenile probation provided by the Office of Judicial Administration should not be included in the pooled funds**. Juvenile probation services provided by the Unified Court Services of Kansas is not within the scope or authority of the Juvenile Justice Authority.
7. That **alternative funding opportunities, such as federal grant funds, shall not be included** within aid to local communities administered via this funding mechanism.
8. The aid to local communities provided by the agency through this funding mechanism should be allocated according to judicial district boundaries and not individual counties.
9. The funds for purchased services for juvenile offenders in the custody of the commissioner of juvenile justice shall not be included in this funding mechanism.

Effect of the Funding Formula:

The overall effect of the formula and funding mechanism will enhance local control, creativity and flexibility. It will promote efficiency and enhance the state and local partnership. **The allocation formula and finance mechanism does this by avoiding the typical pitfall of public sector funding of rewarding less efficient programs by increasing funding and penalizing more efficient organizations by reducing funding.**

This formula allows the JJA to allocate funds in a manner consistent with its mission and mandate, and be distinctive from other state and local funding responsibilities. To this end, the agency shall pool the existing funding streams that comprise the agency's aid to local communities, and allocate the local aid to a single community entity according to a single allocation rationale. Currently local aid goes to a multitude of local providers, agencies or entities according to several different allocation rationales. That way of providing local aid is a disincentive to local coordination, priority setting and resource management.

◆ **Community Based Juvenile Justice Services:**

Communities of like size juvenile populations may have significant differences in the amount of juvenile crime in the community. Also, the threat to public safety and the demand for juvenile correctional services is different depending on the kind of juvenile offending that a community experiences. A crime wave consisting of misdemeanor shoplifting, theft or public order infractions, although serious, does not have the same impact on public safety, community wellbeing or the demand for criminal justice resources as would a crime wave of drive-by shootings.

Therefore, the allocation formula the agency shall use will be based on the variables most reflective of a community's volume and type of juvenile crime. **Those variables are the annual number of juvenile offenders adjudicated who can be classified in two of three categories.** One category of juvenile offenders can be referred to as the **felony** category. The second category consists of the escalating or "immature" juvenile offenders. A community's share of the state's total number of sentencing within a given year, of the two types noted above, shall determine the community's available share of the funds for immediate intervention and graduated sanctions programs.

It should be understood that the two categories of juvenile offenders noted above **do not** include all juvenile offenders. Excluded are those juvenile offenders who can be described as **public order** offenders. These are **first time misdemeanor** offenders who have committed non-person misdemeanors. This population poses the least risk to public safety, has the lowest level of need, is not likely to re-offend and is typically served successfully by the Office of Judicial Administration probation services.

◆ **Prevention Services:**

The funds designated for prevention programs shall be shared with communities according to that risk factor which is most predictive of juvenile offending, particularly as it may predict serious, chronic, violent or escalating offending. The most reliable and valid predictive factor is the incidence of youth that begin ninth grade but do not graduate from high school. This risk factor is also one few which is collected and exist in a reliable and uniform manner across the entire state. This single factor shall determine the community's share of the available prevention funds.

Summary of the Finance Allocation Model:

For the most recent year of available data, a judicial district's number of felony category and immature category juvenile offenders sentenced, divided by the total number of sentenced for the state, will determine the judicial district's percent of the state's total. That percent will determine the district's share of the available funds for graduated sanctions and immediate interventions programs.

**Formula for Aid to Local Communities
(graduated sanctions and early intervention programs)**

$$\frac{\text{\# of juvenile offenders convicted of felonies*} + \text{\# of "escalating juvenile offenders"}}{\text{Total \# of juvenile offenders in Kansas}} = \% \text{ of judicial district's share of available JJA funds}$$

Likewise, the district's number of high school graduation failures, divided by the state's number of high school graduation failures, will result in the community's equitable percent of the agency's available prevention funds.

<p style="text-align: center;">Formula for JJA Prevention Funds</p> <p style="text-align: center;">Judicial District's number of high school graduation failures</p> <hr/> <p style="text-align: center;">Number of high school graduation failures in Kansas</p> <p style="text-align: center;">= percentage of JJA available prevention funds</p>
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Conclusion:

The outcome of the formula will change depending on the level of appropriation and current data on the formula factors. As the juvenile justice information system improves the state's ability to measure juvenile crime and more is learned about the cost of services, improvements in the means of sharing state aid will be made. Although adjustments will be made, the basic rationale and factors that drive the funding mechanism provide a measure of predictability.

The funding strategy is consistent with the reform principles. It stresses public safety. It is community based and allows for the exercise of community norms, values and priorities. It promotes collaboration, resource management and efficiency. Additionally, it equitably shares public funds to address public needs.

Summary of the content of community strategic plans and fiscal needs

Background:

With the passage of the Juvenile Justice Reform Act, Kansas initiated a state wide process to give communities the opportunity to be active participants in identifying the needs of youth in their communities and the types of programs to best meet those needs.

Throughout the past year, each of the 29 Community Planning Teams have been diligently working through a planning process which has led to the submission of a comprehensive strategic plan. The Communities that Care Planning Model was used in assisting the teams in understanding the comprehensive strategic plan legislation, organization of the local planning process, identification of needed data, assessment of risk/protective factors, program resources to address risk and problem behavior needs. A series of 34 regional training events held during the year provided teams with the resources, data, and methods to use in compiling the necessary documentation needed in the plans. The teams were also provided training as to the Strategic Plan Outline that was

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the template for which they followed in the preparation of their community comprehensive plan. Technical assistance by JJA staff, Developmental Research and Programs, and the National Council on Crime and Delinquency consultants was provided through out the planning process.

With the leadership of the 29 conveners, facilitators and more than 1,000 community members the comprehensive strategic plans were completed. The following is a brief summary that highlights some of the significant findings and recommendations compiled in the planning initiative.

Priority Risk Factors:

These are the top five risk factors as identified by the community planning teams:

- Family Management Problems (23/29 teams noted this as a top risk factor)
- Early and Persistent Anti-Social Behavior (18/29)
- Community Plans and Norms (18/29)
- Availability of Drugs (14/29) ←
- Lack of Commitment to Schools (13/29)

Barriers/Gaps in Services and Resources:

Barriers to efficiency within the Juvenile justice system are items that the planning teams identified which create difficulties in the management and delivery of services at the local level. Some of the top issues mentioned as needing addressed include:

- Development of a state wide Management Information System
- Enhanced Coordination and Collaboration of service agencies
- Development of a structured decision making tool for courts to use
- Under-utilization in some areas of Juvenile Intake and Assessment Services
- Transportation or access to services (especially in rural areas)

Gaps in resources are issues relate to the program needs as identified by the community planning teams. The top program concerns noted include:

- ◆ Prevention Level Services
- ◆ Mentoring
- ◆ After-School Recreation
- ◆ Parenting Education
- ◆ Intervention Level Services
- ◆ Increase use of Intake and Assessment
- ◆ Attendant Care for very short term needs
- ◆ Graduated Sanctions
- ◆ Out-of-Home Placement needs (Foster Care and therapeutic group homes)
- ◆ Sanction Houses
- ◆ Alcohol and Drug abuse treatment (all level of services)

Fiscal Overview of Plans:

The attached page provides a summary of the community plans identified level of funding needs and the areas for which those funds were requested.

I must note, that the strategic plans are NOT a grant request. The task of the community planning teams was to develop a picture of a full continuum of services and what those services should be, for their specific communities. As with all strategic plans, these plans will take time to fully implement. As with all strategic plans, to be effective, they must not be rigid, but should remain fluid enough that priorities may be adjusted if necessary.

Planning teams were asked to give a reasonable idea of the fiscal impact their recommended programs. They were asked to identify – to the greatest extent possible – current funding resources and to suggest potential future funding resources.

In very general terms, analysis of the plans indicate that local planning teams expect that a comprehensive community based continuum of programs will cost \$162,948,047. This amount applies to **all** funding sources: state, local, federal and private.

Of that amount, the community plans reflect a need for \$73,917,035 in state aid to local communities through the Juvenile Justice Authority.

A breakdown of the \$73,917,035, shows \$5,935,515 for prevention programs and \$67,981,520 needed for intermediate intervention and graduated sanctions programs.

Of the dollars associated with immediate intervention and graduated sanctions programs, \$19,285,961 would be for existing core programs such as juvenile intake and assessment, intensive community-based supervision and other programs. Also, \$27,697,293 would be for purchase of services, such as mental health services, counseling and other direct services for juveniles within communities; \$8,689,640 for new programs and finally, \$12,308,626 for capital improvements costs at the local level.

The JJA is requesting \$49,010,541 in state monies to fund aid to local communities for FY2000. The agency’s current budget for these functions is \$28,019,562. Therefore, the agency is requesting a total of \$20,990,979 in new funds.

JJA Aid to Local Communities Request for FY2000

Community planning <u>Team request</u>	FY99 JJA aid <u>to local communities</u>	Total JJA request <u>for aid to local communities</u>
\$73,917,035	\$28,019,562	\$49,010,541

Community Plan Needs Assessment: JJA Funding

Judicial District	Capital* Improvements	New Programs	Purchase of Services **	Existing Core Programs ***	Prevention	Total
1	0	327,500	432,590	329,680	154,667	1,244,437
2	1,316,000	59,840	1,090,100	452,800	143,334	3,062,074
3	0	328,576	1,603,369	904,604	236,421	3,072,970
4	50,000	342,000	76,823	477,654	185,000	1,131,477
5	0	135,335	278,966	408,172	83,750	906,223
6	0	70,768	120,000	495,278	48,500	734,546
7	1,116,666	157,333	944,395	439,952	29,531	2,687,877
8	0	507,784	471,901	702,215	312,500	1,994,400
9	278,175	288,830	727,000	593,968	219,200	2,107,173
10	0	546,044	3,039,320	2,221,575	246,667	6,053,606
11	2,500	271,140	841,069	1,015,005	220,000	2,349,714
12	0	236,700	687,390	240,000	685,000	1,849,090
13	60,000	185,500	529,134	469,881	0	1,244,515
14	253,000	279,551	509,077	429,149	235,000	1,705,777
15/17/23	187,785	223,765	476,633	503,036	134,750	1,525,969
16	4,382,500	291,797	0	119,500	37,500	4,831,297
18	382,000	959,380	5,878,938	1,878,613	780,000	9,878,931
19	0	70,292	167,901	253,228	97,500	588,921
20	0	140,414	588,367	484,169	515,400	1,728,350
21	0	205,000	275,000	579,000	50,000	1,109,000
22	0	142,500	140,250	486,000	461,325	1,230,075
24	0	9,000	539,276	297,512	46,820	892,608
25	100,000	831,859	316,810	1,063,920	115,400	2,427,989
26	0	608,750	1,007,500	380,991	36,667	2,033,908
27	155,000	735,840	987,218	884,000	453,000	3,215,058
28	0	226,000	530,896	544,791	79,150	1,380,837
29	4,025,000	64,142	3,384,000	1,740,408	83,333	9,296,883
30	0	4,000	1,768,060	630,000	63,100	2,465,160
31	0	440,000	285,310	260,860	182,000	1,168,170
∟ Total	12,308,626	8,689,640	27,697,293	19,285,961	5,935,515	73,917,035

* Includes construction and building costs to expand sanction houses, residential treatment facilities and detention centers at the county level.

** Purchase of service funds provide community-based direct services such as counseling, mental health services, substance abuse treatment and out-of-home placements.

*** Case management, juvenile intake & assessment, intensive supervision & other programs

Farmer - Needs - Family 92% - 8%

38 58

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JUVENILE JUSTICE AUTHORITY

JAYHAWK WALK
714 SW JACKSON, STE 300
TOPEKA, KS 66603

February 8, 1999

State Representative Phil Kline
Statehouse, Room 171-W
Topeka, Kansas 66612

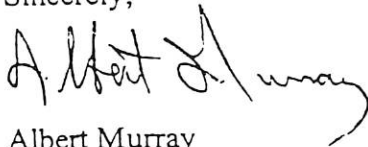
Dear Representative Kline:

During the Juvenile Justice Authority (JJA) presentation to the House Appropriations Committee on Thursday February 4, 1999, you requested a breakdown of the overcrowding plan expenditures. I have attached a breakdown of the expenditures as requested by JJA and included in the Governors budget. Please note the following:

1. The plan includes funding for overcrowding at the Topeka facility during the remainder of fiscal year 1999.
2. There is approval to roll over unspent funds into fiscal year 2000.
3. The proposed funding plan includes projected expenditures for a five (5) month period.
4. The funding plan calls for expenditure of funds as needed up to an additional 57 beds.
5. In the event the overcrowding persist beyond the authorized funded period, program needs and options will be re-assessed.

I hope this information will be helpful for you and other committee members. Please feel free to contact me if there is a need for further information or clarification.

Sincerely,



Albert Murray
Commissioner

AM:JF:bt

cc: Phill Kline Committee Chairman

(enclosure)

Community Planning Team Funding

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Community Planning Team/Judicial District			Estimated Requested Funding			
Jud. Dist.	Counties	1996 Juvenile Pop.*	Prevention	Intervention	Graduated Sanctions	TOTAL Requested to JJA
1	Atchison, Leavenworth	21,862	\$154,667	\$443,090	\$646,680	\$1,244,437
2	Pottawatomie, Jackson, Wabunsee	14,180	\$143,334	\$221,800	\$2,696,940	\$3,062,074
3	Shawnee	41,693	\$236,421	\$651,180	\$2,185,369	\$3,072,970
4	Osage, Franklin, Coffey, Anderson	14,621	\$185,000	\$153,027	\$793,450	\$1,131,477
5	Lyon, Chase	9,800	\$83,750	\$168,959	\$653,514	\$906,223
6	Miami, Linn, Bourbon	12,506	\$48,500	\$168,673	\$517,373	\$734,546
7	Douglas	16,769	\$29,531	\$1,617,450	\$1,040,896	\$2,687,877
8	Dickinson, Geary, Morris, Marion	18,505	\$312,500	\$646,250	\$1,035,650	\$1,994,400
9	McPherson, Harvey	15,278	\$219,200	\$309,643	\$1,578,330	\$2,107,173
10	Johnson	95,155	\$246,667	\$3,562,731	\$2,244,208	\$6,053,606
11	Crawford, Cherokee, Labetta	20,232	\$220,000	\$1,072,422	\$1,057,292	\$2,349,714
12	Jewell, Republic, Washington, Mitchel, Cloud, Lincoln	8,940	\$685,000	\$161,940	\$1,002,150	\$1,849,090
13	Butler, Greenwood, Elk	17,205	\$0	\$374,200	\$870,315	\$1,244,515
14	Chautauqua, Montgomery	11,046	\$235,000	\$422,389	\$1,048,388	\$1,705,777
15, 17, 23	Cheyenne, Rawlins, Sherman, Thomas, Wallace, Logan, Sheridan; Decatur, Norton, Phillips, Smith, Osborne, Graham; Gove, Trego, Ellis, Rooks	18,000	\$134,750	\$333,536	\$1,056,683	\$1,524,969
16	Gray, Ford, Meade, Clark, Kiowa, Commanche	12,968	\$37,500	\$136,655	\$4,657,142	\$4,831,297
18	Sedgwick	111,814	\$780,000	\$738,023	\$8,360,908	\$9,878,931
19	Cowley	9,783	\$97,500	\$175,292	\$316,129	\$588,921
20	Barton, Russell, Elsworth, Rice, Stafford	15,475	\$515,400	\$562,178	\$650,772	\$1,728,350
21	Clay, Riley	18,300	\$50,000	\$436,000	\$623,000	\$1,109,000
22	Marshall, Nemaha, Brown, Doniphan	10,874	\$461,325	\$314,500	\$454,250	\$1,230,075
24	Lane, Ness, Rush, Hodgeman, Pawnee, Edwards	6,109	\$46,820	\$119,000	\$726,788	\$892,608
25	Greeley, Wichita, Scott, Hamilton, Kearney, Finney	16,219	\$115,400	\$755,228	\$1,557,361	\$2,427,989
26	Stanton, Grant, Haskel, Morton, Stevens, Seward	12,978	\$36,667	\$263,364	\$1,733,877	\$2,033,908
27	Reno	15,910	\$453,000	\$749,000	\$2,013,058	\$3,215,058
28	Ottawa, Saline	16,600	\$79,150	\$456,000	\$845,687	\$1,380,837
29	Wyandotte	46,007	\$83,333	\$3,663,933	\$5,549,617	\$9,296,883
30	Pratt, Kingman, Barber, Harper, Sumner	15,664	\$63,100	\$290,000	\$2,112,060	\$2,465,160
31	Woodson, Allen, Wilson, Neosho	11,946	\$182,000	\$372,224	\$613,946	\$1,168,170
TOTALS		656,439	\$5,935,515	\$19,338,687	\$48,641,833	\$73,916,035

*Juvenile Population means those persons under the age of 18.

Note: This \$73.9 million includes existing programs and purchase of services, as well as new funding for new programs and new construction. Existing programs and purchase of services account for \$47.0 million of the total, while new programs account for \$26.9 million of the total requested. New requested funding can be broken down into \$5.9 million for prevention programs (the Governor recommends using \$4.0 million of tobacco money to fund these prevention programs), \$12.3 million for new construction

Revised Aid to Local Units of Government

by Robert D. Chapman, Fiscal Analyst, Kansas Legislative Research Department

Program Estimate	Actual FY 1998	Agency Estimate FY 1999	Gov. Rec. FY 1999	Agency Request FY 2000	Gov. Rec. FY 2000
Administration	0	682,648	682,648	682,258	682,258
Operations	8,596,467	0	0	0	0
Research and Prevention	424,581	6,529,100	6,529,100	4,449,100	4,279,100
Contracts and Audits	5,615,330	29,933,282	29,933,282	48,840,541	35,661,653
TOTAL	14,636,378	37,145,030	37,145,030	53,971,899	40,623,011

Dollar Change: n/a 22,508,652 22,508,652 16,826,869 → 3,477,981
Percentage Change: n/a 153.79% 153.79% 45.30% 9.36%

Resource Estimate	Actual FY 1998	Agency Estimate FY 1999	Gov. Rec. FY 1999	Agency Request FY 2000	Gov. Rec. FY 2000
State General Fund					
Operating Expenditures	\$11,522,317	\$24,921,825	\$24,921,825	\$44,280,153	\$27,101,265
Community Initiatives	\$2,489,500	\$625,000	\$625,000	\$0	\$0
Management Information Systems	\$0	\$230,000	\$230,000	\$400,000	\$230,000
SubTotal SGF ✕	\$14,011,817	\$25,776,825	\$25,776,825	\$44,680,153	\$27,331,265
Special Revenue Funds					
Juvenile Detention Facilities Fund	\$0	\$2,693,448	\$2,693,448	\$2,782,258	\$2,782,258
Juvenile Justice Community Planning Fund	\$199,980	\$138,720	\$138,720	\$0	\$0
Juvenile Justice Delinquency Prevention - Fed	\$424,581	\$830,700	\$830,700	\$830,700	\$830,700
Title XIX Fund	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Title IV-E Fund	\$0	\$2,406,937	\$2,406,937	\$2,630,388	\$2,630,388
Children's Health Care Fund ✕	\$0	\$0	\$0	\$0	\$4,000,000
Juvenile Accountability Incentive Block Grant (JAIBG) - Federal Fund	\$0	\$2,818,400	\$2,818,400	\$2,818,400	\$2,818,400
SubTotal Special Revenue Funds	\$624,561	\$8,918,205	\$8,918,205	\$9,091,746	\$13,091,746
Trust and Agency Funds					
Kansas Endowment for Youth Trust Fund (KEY)	\$0	\$2,450,000	\$2,450,000	\$200,000	\$200,000
SubTotal	\$0	\$2,450,000	\$2,450,000	\$200,000	\$200,000
TOTAL Aid to Local Units	14,636,378	37,145,030	37,145,030	53,971,899	40,623,011

44,680
 27,331

 17,349
 million
 K. O'Neil

Note: The JJA's revised request for FY 2000 is \$13,348,888 more than the Governor's FY 2000 recommendation and \$16,826,869 more than the FY 1999 request. The Governor's FY 2000 recommendation is \$3,477,981 over his FY 1999 recommendation. The increases of \$13.3 million and \$16.8 million are requested to come from the State General Fund and represent new money the JJA feels is necessary to meet community planning team needs. These increases do not include \$12,308,626 to fund the capital improvement projects that were part of many of the community planning teams' comprehensive plans.

House Budget Committee Report

Agency: Department on Aging

Bill No. 2519

Bill Sec. 54

Analyst: Sparks

Analysis Pg. No. 485

Budget Page No. 39

Expenditure Summary	Agency Est. FY 99	Gov. Rec. FY 99*	House Budget Committee Adjustments
State Operations	\$ 16,496,529	\$ 15,835,464	\$ 0
Aid to Local Units	5,914,125	5,914,125	0
Other Assistance	310,475,419	302,653,769	(198,912)
Total - Operating Expend.	<u>\$ 332,886,073</u>	<u>\$ 324,403,358</u>	<u>\$ (198,912)</u>
State General Fund	\$ 137,990,927	\$ 133,474,540	\$ 0
Other Fund	194,895,146	190,928,818	(198,912)
Total - Operating Expend.	<u>\$ 332,886,073</u>	<u>\$ 324,403,358</u>	<u>\$ (198,912)</u>
FTE Positions	155.8	155.8	0.0
Unclassified Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u>158.8</u>	<u>158.8</u>	<u>0.0</u>

* Includes Governor's Budget Amendment No. 1, Item 4.

Agency Est./Governor's Recommendation

The agency estimates FY 1999 expenditures of \$332,886,073 (including \$137,990,927 from the State General Fund). The estimate is an increase of \$15,283,448 or 4.8 percent (\$4,923,360 SGF, or 3.7 percent) above the approved amount of \$317,602,625. The principal increases are found in Long-Term Care programs and include the following: \$8,548,596 (\$4,922,392 SGF) in Nursing Facilities and Home and Community Based Services for the Frail Elderly (HCBS/FE) and Targeted Case Management. In addition, miscellaneous federal and fee fund increases of \$1,061,793 are included, as is a reappropriation of \$968 from the State General Fund for program grants.

The Governor recommends \$324,403,358 from all funds, including \$133,474,540 from the State General Fund. The recommendation is a decrease of \$8,482,715 or 2.5 percent, including \$4,516,387 SGF, or 3.3 percent below the agency request. The recommendation increases the shrinkage rate from 2.5 percent to 5.0 percent for FY 1999 and reduces salaries and wages by \$189,065. Other operating expenditures are reduced by \$472,000. The Long -Term Care programs are reduced by \$7,821,650 from all funding sources including a reduction of \$4,040,726 from the State General Fund below the agency estimate for FY 1999. Finally, the Governor's recommendation concurs with the estimate for aid to local units of government.

Attachment 3-1
House Appropriations Committee
February 23, 1999

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following exceptions and comments:


1. Concur with the Governor's Budget Amendment No. 1, Item 4, which includes \$198,912 from the State General Fund for Targeted Case Management to correct the match rate.
2. Deletes \$198,912 from the Medicaid Fund for Targeted Case management to correct the match rate.
3. The agency is requested to prepare a plan for the HCBS/FE waiver that will address how services will be provided, without a waiting list, within the Governor's budget recommendation for the program. The agency had requested \$32,760,000 all funds, including \$13,202,280 from the State General Fund for the program. The Governor recommended \$33.0 million including \$13,260,900 from the State General Fund. If the funding is insufficient, the agency is requested to inform the Governor and the Committee. In addition, the Committee is respectfully requesting a Governor's Budget Amendment to fully fund the program. Therefore, the House Budget Committee recommends that the HCBS/FE waiver be reviewed during Omnibus. In addition, during the Omnibus Session, after resolution to the HCBS waiver issues, the Committee will also review the funding for the Income Eligible and Senior Care Act programs.



Representative Melvin Neufeld, Chair




Representative Barbara W. Ballard



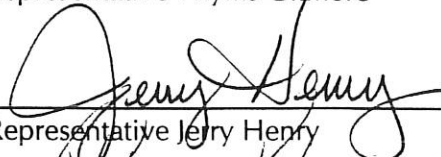
Representative John Ballou



Representative Bob Bethell



Representative Phyllis Gilmore



Representative Jerry Henry



Representative Phill Kline



Representative Brenda Landwehr



Representative Doug Spangler

HOUSE BUDGET COMMITTEE REPORT

Agency: Department on Aging

Bill No.

Bill Sec.

Analyst: Sparks

Analysis Pg. No. 485

Budget Page No. 39

Expenditure Summary	Agency Request FY 00	Gov. Rec. FY 00*	House Budget Committee Adjustments
State Operations	\$ 18,836,278	\$ 15,468,999	\$ (3,577,703)
Aid to Local Units	6,384,037	5,900,908	0
Other Assistance	336,613,751	316,820,481	(202,788)
Total—Operating Expend.	<u>361,834,066</u>	<u>338,190,388</u>	<u>(3,780,491)</u>
State General Fund	\$ 150,823,606	\$ 137,920,390	\$ 56,297
Other Funds	211,010,460	200,269,998	(3,836,788)
	<u>\$ 361,834,066</u>	<u>\$ 338,190,388</u>	<u>\$ (3,780,491)</u>
FTE Positions	155.8	155.8	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	<u>157.8</u>	<u>157.8</u>	<u>0.0</u>

* Includes Governor's Budget Amendment No. 1, Item 4.

Agency Request/Governor's Recommendation

The Agency requests \$361,834,066 from all funding sources, including \$150,823,606 from the State General Fund for FY 2000. The request is an increase of \$28,947,993 (8.7 percent) all funds, including \$12,832,679 (9.3 percent) from the State General Fund above the FY 1999 estimate. The increase provides an additional \$25,315,440 all funds (\$10,182,403 SGF) above the FY 1999 estimate for the nursing facilities, Home and Community Based Services for the Frail Elderly (HCBS/FE) waiver and the targeted case management. The agency operations are increased by \$2.3 million and include three enhancement packages for community grants. The nutrition grants are increased by \$569,316.

The Governor recommends \$338,190,388 from all funding sources, including \$137,920,390 from the State General Fund for FY 2000. The recommendation is a decrease of \$23,643,678 or 6.5 percent from all funding sources and \$12,903,216 or 8.6 percent from the State General Fund below the agency request. The major reduction occurs in the Long-Term Care program for nursing facilities of \$13,184,577 (\$6,100,885 SGF); HCBS/FE waiver of \$3,940,000 (\$1,631,920 SGF) below the agency request. The recommendation for the nursing facilities concurs with the consensus caseload estimate; however, the HCBS/FE waiver program was removed from the caseload estimating process at the request of the Division of the Budget. Targeted Case Management is reduced by \$1,449,176(\$666,680SGF) below the agency request. The nutrition grants are reduced by \$618,914.

Agency operations are reduced by \$3,367,279, no enhancement packages are recommended and the shrinkage rate is increased from the requested 2.5 percent to 5.0 percent. The Governor does fund the 1.0 percent classified base salary adjustment, 2.5 percent step movement, full longevity bonus, and a 3.5 percent merit pool at a cost of \$206,467 for FY 2000.

House Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation with the following exceptions and comments:

1. Concur with the Governor's Budget Amendment No. 1, Item 4, which includes \$202,788 from the State General Fund for Targeted Case Management to correct the match rate.
2. Deletes \$202,788 from the Medicaid Fund to correct the match rate for the Targeted Case Management program.
3. Technical corrections are made to the bill to reflect the Governor's intent.
4. Adds \$192,297 State General Fund from the Kansas Savings Incentive Program (KSIP) for the re-engineering project the agency has undertaken to prepare for the expanded customer base as the baby boomers age. The agency is looking at the contrasts between the requirements of current customers and the anticipated needs, desires and expectations of those who will soon be seniors. The project began during FY 1999 and will continue through FY 2000.
5. Shifts \$784,000 from the Medicaid Fund to the State General Fund for the Kansas Aging Management Information System (KAMIS). The Governor had shifted the funding to Medicaid believing that the project would pull down at least this amount during FY 2000. However, the agency testified that it has contacted the U. S. Department of Health and Human Services and has been informed that Medicaid funds cannot be used for this purpose.
6. The agency is requested to prepare a plan for the HCBS/FE waiver that will address how services will be provided, without a waiting list, within the Governor's budget recommendation for the program. The agency had requested \$38,940,000 all funds, including \$15,692,820 from the State General Fund for the program. The Governor recommended \$35.0 million including \$14,060,900 from the State General Fund. If the funding is insufficient, the agency is requested to inform the Governor and the Committee. In addition, the Committee is respectfully requesting a Governor's Budget Amendment to fully fund the program. Therefore, the House Budget Committee recommends that the HCBS/FE waiver be reviewed during Omnibus. In addition, during the Omnibus Session, after resolution to the HCBS waiver issues, the Committee will also review the funding for the Income Eligible and Senior Care Act programs.
7. Deletes \$3.8 million all funds, including \$950,000 from the State General Fund for nursing home inspections from a reportable amount to a non-reportable amount.

The inspections are completed by Kansas Department of Health and Environment (KDHE) which is also showing the expenditures as a reportable.

8. The Budget Committee requests that the Legislative Committee which reviews the results of the agency's re-engineering project also examine the proper placement for the nursing home inspections. It is the consensus of the Committee that further investigation should be made to determine if the nursing home industry and the State of Kansas are receiving the most efficient use of resources with the current placement in KDHE.
9. The Budget Committee requests the agency investigate the issue of people who hide assets in order to qualify for Medicaid funding. The agency should report at Omnibus on its findings and make recommendations on how the State can encourage private long-term care financing as opposed to relying on state funding. The agency may wish to contact the Council on State Government (CSG), as it is the belief of the Committee, that CSG has recently published a new booklet on this topic.
10. Adds \$30,000 from the State General Fund to authorize the Secretary to fund a private grant for the provision of a Senior Legal Hotline. The grant must stipulate that the provider will match the state funds a minimum of 50/50 or more. In the past, the Senior Legal Hotline was funded with federal funds. The goals of the Hotline were to act as a first resort for seniors who have legal problems or questions; empower seniors to resolve their own problems, determine when a client's legal issue needs further legal services; and monitor seniors for recurring legal problems. The Hotline, currently, is the only senior hotline in operation in the United States whose model is designed to run mainly on volunteer power with approximately 135 volunteer attorneys. In Federal Fiscal Year 1998, the Hotline handled 3,650 calls and served more than 3,000 seniors. The major types of calls handled by the Hotline were: consumer finance, family, health, income maintenance, and housing. Currently, eligibility is all residents sixty years of age or older.
11. The Budget Committee wishes to commend the Department on Aging for its foresight in convening the re-engineering project. The need to prepare for the influx of persons requesting the agency's services over the next few decades, is evident, as Kansas has seven of the 15 "oldest" counties in the nation. In fact, Smith County is the oldest in the nation. In light of this information, the Budget Committee commends the agency for its proactive approach in dealing with the looming problem.
12. The Committee also wishes to commend the agency and the Area Agencies on Aging for their efforts to better facilitate communications which has shown marked improvement. The agency's and AAA's effort is improving the quality of care given our older citizens in Kansas which benefits all citizens of the state.
13. The Budget Committee was made aware of a new U. S. Department of Health Care Financing Administration's (HCFA) plan to require an Outcome and Assessment Information Set (OASIS) for all patients of agencies which are Medicare-certified. This unfunded mandate requires the providers, Department on Aging and Area Agencies on Aging, to absorb the additional costs of doing the assessment. This is not a small matter as the new rules require an initial 18 page assessment be

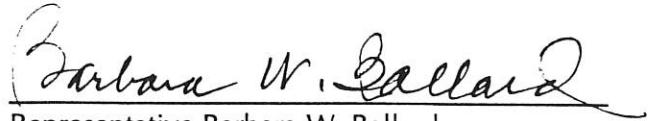
completed by a registered nurse; with a 13 page follow-up every 60 days. Again, Medicare certified agencies will not be reimbursed for the time it takes to complete the assessments on non-Medicare clients, nor the administrative costs to upgrade computer hardware for data transmission. As of January 1999, the final regulations for OASIS have not been published; however, HCFA officials are telling providers of in-home services to begin to implement this rule.

The Department on Aging, upon learning about this rule change, did convene a meeting with HCFA, about their concerns with the new rules; but, as of this date, HCFA is proceeding. Therefore, The Budget Committee is drafting a letter to Kansas' Congressional Delegation, outlining the problems, both emotional for the clients and financially for the providers, caused by the rule change. In addition, the Committee requests that the agency continue its efforts and report back prior to the Omnibus Session.

14. The Budget Committee recommends that legislation be drafted which would make the Medical Recoveries and Collections Fund a interest bearing account. The fund collects fees generated from fines imposed on nursing facilities by the Department of Health and Environment or the Health Care Financing Administration for licensure deficiencies; and, recoveries and collection of Medicaid provider overpayments. The only use of the funds is to pay the costs of relocating residents when a nursing facility closes. The Committee also recommends that the interest from the account be used exclusively for training of case managers and the agency staff.



Representative Melvin Neufeld, Chair



Representative Barbara W. Ballard



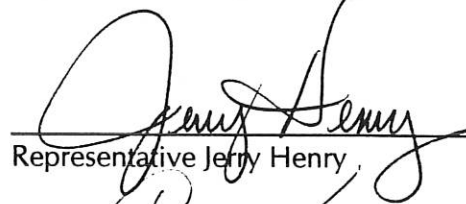
Representative John Ballou



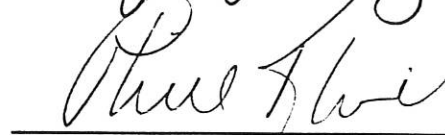
Representative Bob Bethell



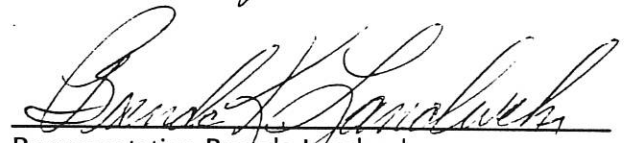
Representative Phyllis Gilmore



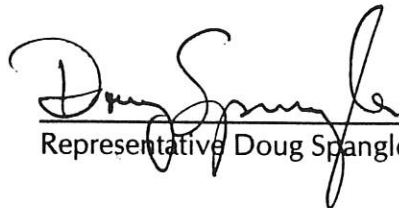
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