

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 10, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Senator Jordan moved, Senator Gilstrap seconded, the approval of the March 7th minutes. The motion carried on a voice vote.

Senator Salisbury presented the FY 2001 subcommittee report on the **Juvenile Justice Authority** (Attachment 1). In answer to a question regarding item 2 of the report, Commissioner Murray stated that the IBIP program which is located at Forbes Field in Topeka will work to become a Medicaid eligible provider and will provide a different type of service from that of juvenile boot camps.

An issue of concern was the increasing cost to the SGF for health care of juveniles. In answer to a question, a representative of the JJA stated that currently the state plan does not allow the agency to use medical cards for juveniles in facilities, but the agency is working with SRS to see if there are any instances that can be reimbursed through Medicaid. Senator Salisbury noted that these questions need to be addressed to SRS because they are the ones who are determining if that can be done. In answer to Senator Downey, Commissioner Murray stated that the agency explores the possibility of private pay on the front-end.

Members discussed at length the subcommittee's notation of less than optimal communication between the agency and communities (item 11). As the Chairman of the subcommittee, Senator Salisbury stated the notation was included in the report not so much to fault the agency, but to note that there is room for improvement. Members commented on the following issues:

- expectations on the part of the communities that they would have more control in the development of the plan
- questions from various regions about when they would receive the grants
- the communities' tendency to design "Cadillac" plans at a time when the state has budgetary constraints

Senator Salisbury reviewed the FY 2001 subcommittee report on **Juvenile Correctional Facility Issues** (Attachment 2). She stated that no budget adjustments were made in any of the subcommittee reports on the individual juvenile correctional facilities.

Senator Salisbury reviewed the FY 2001 subcommittee report on the **Atchison Juvenile Correctional Facility** (Attachment 3). She called attention to the graph which illustrates that length of stay is back at the same level it was 7 or 8 years ago. Members expressed concern about the tendency to use psychotropic medications to control behavior.

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

Senator Salisbury reviewed the FY 2001 subcommittee report on the **Beloit Juvenile Correctional Facility** (Attachment 4), the **Larned Juvenile Correctional Facility** (Attachment 5), and the **Topeka Juvenile Correctional Facility** (Attachment 6). An issue of concern was the staffing level at the Topeka Juvenile Correctional Facility (item 5). The Chairman inquired if it was a mistake to not add 1 or 2 FTE positions rather than pay overtime. The Commissioner stated that he would want the opportunity to evaluate that because of costs associated with benefits, etc. The Chairman asked the Commissioner to report back to the Committee prior to Omnibus about the cost effectiveness of adding 1 or 2 FTE positions at the Topeka Correctional Facility.

Chairman Kerr stated that, in his opinion, the graphs in the subcommittee reports on the individual juvenile detention facilities bring home the fact that overcrowding and shortness of stay drive the recidivism rate up. He said that he believes that the Committee needs to look for ways to find more room for juveniles either through community programs or facilities.

Senator Salisbury moved, Senator Jordan seconded, that the Topeka Correctional Facility subcommittee report be amended to direct the JJA to examine the effectiveness of the use of overtime compensation from both a safety and cost effectiveness standpoint and report to Ways and Means during Omnibus. The motion carried on a voice vote.

Frustration was expressed about having to leave this agency's budget without having resolved the serious problem of overcrowding in the juvenile detention facilities. Some concern was expressed about the agency's ability to produce a list of alternative community programs to which juveniles can be referred. .
Senator Salisbury moved, Senator Jordan seconded that the JJA subcommittee report be amended to suggest that the Joint Committee on Juvenile Justice and Corrections conduct an analysis of the alternatives available to judges for sentencing other than juvenile detention facilities.

It was moved by Senator Ranson and seconded by Senator Downey that the Committee reconsider its action on the **Emergency Medical Services** subcommittee report for FY 2001 (Attachment 7). The motion carried on a voice vote.

Senator Ranson moved, Senator Downey seconded, that item 2 of the Emergency Medical Services subcommittee report be amended to reflect the agency's revised receipt estimate from \$31,000 to \$78,000 to fully fund the position. The motion carried on a voice vote.

Senator Salisbury offered a motion which was seconded by Senator Jordan to adopt the FY 2001 subcommittee reports on the Emergency Medical Services Board and the Juvenile Justice Authority as amended. The motion carried on a voice vote.

The FY 2001 subcommittee report on the Department on Aging was presented by Senator Morris (Attachment 8). In response to a question, a representative from the Research Department stated that the agency was awarded \$400,000 in federal grants from the Department of Agriculture in FY 2000, and in FY 2001 that award is subject to availability of those federal dollars (item 3).

It was noted that senior citizens do not have to be Medicaid eligible to receive meal vouchers in the two pilot projects in Englewood, Kansas and Johnson County and contributions are voluntary (item 10).

In answer to a question, a representative from the Department on Aging stated that the FY 2001 budget is adequate to meet the demand of the HCBS for the Frail Elderly program based on projections of anticipated caseloads. She stated that it would be the intention of the Department to deliver services on a priority needs basis if money were an issue.

There was some discussion about bad press associated with meals for the Frail Elderly program. A representative from the agency stated that no current customer will go without a meal this year. She stated the services are coordinated on three levels - the Area Agencies on Aging, KDOA, and the nutrition

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

providers, and the Department would analyze the numbers and provide a consensus of the impact during Omnibus.

Senator Morris moved, Senator Feleciano seconded that item 6 of the subcommittee report on the Department on Aging be amended by adding \$2.0 million all funds, including \$800,000 from the SGF to reinstate the Protected Income Level of \$687 per month for individuals receiving services through the Home and Community based Services for the Frail Elderly Program. The motion carried on a voice vote.

Senator Morris offered a motion which was seconded by Senator Feleciano to adopt the FY 2001 subcommittee report on the Department of Aging as amended. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:30 p.m. The next meeting will be March 13, 2000.

House Budget Committee Report

Agency: Juvenile Justice Authority

Bill No. 2994

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1023

Budget Page No. 290

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 8,245,183	\$ 4,215,184	\$ (727,787)
Aid to Local Units	48,303,934	49,936,517	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 56,549,117	\$ 54,151,701	\$ (727,787)
Capital Improvements	22,737,473	11,000,000	0
TOTAL	\$ 79,286,590	\$ 65,151,701	\$ (727,787)
State General Fund:			
State Operations	\$ 5,084,992	\$ 3,875,682	\$ (727,787)
Aid to Local Units	31,437,454	32,621,691	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 36,522,446	\$ 36,497,373	\$ (727,787)
Capital Improvements	0	0	0
TOTAL	\$ 36,522,446	\$ 36,497,373	\$ (727,787)
FTE Positions	38.0	34.0	0.0
Unclassified Temp. Positions	9.0	7.0	0.0
TOTAL	47.0	41.0	0.0

Agency Request/Governor's Recommendation

The agency requests \$56,549,117 for operating expenditures in FY 2001, which is an increase of \$3,075,525 above the revised current year estimate. Of the total operating expenditures request, \$36,522,446 is from the State General Fund and \$20,026,671 is financed from other funds. Most of the State General Fund request is for program grants (aid to local units) to communities (\$27,522,042) and for Management Information Systems improvements (\$2,205,910). A total of 38.0 FTE positions and 9.0 unclassified temporary positions are included in the request.

Senate Ways and Means Committee

Date *March 10, 2000*

Attachment # *1*

The Governor recommends \$54,151,701 for operating expenditures in FY 2001, a decrease of \$185,764 from the revised FY 2000 recommendation and a decrease of \$2,397,416 from the agency's FY 2001 request. Included in the Governor's FY 2001 recommendation is \$2,044,317 for salaries and wages for 34.0 FTE positions. Of the Governor's FY 2001 recommendation for operating expenditures, \$36,497,373 is requested from the State General Fund and \$17,654,328 is financed from other funds. The Governor recommends the following adjustments to the agency's FY 2001 request:

- **Reduce Other Operating Expenditures.** The Governor recommends reducing other operating expenditures by \$62,000 from the State General Fund.
- **Add a Detention Center Discretionary Grant.** The Governor recommends adding a discretionary detention center grant of \$200,000 from other funding sources.
- **Reduce Management Information System Funding.** The Governor recommends a reduction of \$100,000 from the State General Fund in management information systems funding.
- **Reduce Community Vendor Payments.** The Governor recommends a reduction of \$250,000 from the State General Fund.
- **Adjust Worker's Compensation.** The Governor recommends adjusting worker's compensation by \$1,172 from the State General Fund.
- **Freeze KPERS Rate.** The Governor recommends freezing the KPERS rate, resulting in a reduction of \$5,284 from the State General Fund.
- **Adjust KPERS Insurance.** The Governor recommends adjusting KPERS death and disability insurance, resulting in a reduction of \$8,717 from all funding sources.
- **Increase Purchase of Services Funding.** The Governor recommends increasing purchase of services funding by \$1,434,237 from the State General Fund.
- **Increase Funding for Prevention Grants.** The Governor recommends increased funding for prevention grants of \$1,000,000 from the Children's Initiatives Fund.

House Budget Committee Recommendation

The House Budget Committee concurs with the recommendation of the Governor, with the following adjustments and comments:

1. Delete \$727,787 (SGF) from the agency's central office operating expenditures of \$3,875,682 and transfer the amount to the Topeka Juvenile Correctional Facility for facility overcrowding operating expenditures of 57 beds. The amount would fund the difference between the Governor's recommendation and the facility's request to meet the costs of operating temporary beds which the 1999 Legislature authorized. The amount would fund salaries and wages, professional services, food service contract, utilities, maintenance, and supplies. The 57 beds are to be used on an as-needed basis to allow the facility to make room for more juvenile offenders than the facility's official bed capacity of 219 beds (during FY 1999 the facility averaged 242 offenders per day, which was 23 more offenders than the facility's official capacity; the facility's average daily census is forecasted to be 276 during FY 2001, which is equal to the facility's enhanced capacity and includes the 57 overcrowding beds).
2. The Budget Committee recommends that the agency present to the full Committee a new prevention grant formula around the middle of March, 2000. The Budget Committee notes that the agency has addressed the issue of reinventing the prevention grant funding formula to more adequately reward successful programs.
3. The Budget Committee recommends that the agency strive to achieve a better measurement of quality control of case managers and purchase-of-services payments. The Budget Committee notes that case managers maintain a pivotal relationship between the services rendered to juvenile offenders who are in placements outside of juvenile correctional facilities and the cost of providing those services (purchase-of-services). The Budget Committee also notes that leadership plays a critical role in achieving any measure of quality control.
4. The Budget Committee recommends that the agency correct the current deficiencies in data collection at Juvenile Intake and Assessment Centers and provide further information during Omnibus on how the deficiencies are to be fixed. The Budget Committee notes that the agency acknowledged software incompatibilities, as well as deficiencies in community-level data entry. The Budget Committee would also note that in a recent report on juvenile arrest data by a national federal office (OJJDP) three states could not supply crucial juvenile data: Kansas, the District of Columbia, and Wisconsin.
5. The Budget Committee is struggling to find an understood philosophical or operational explanation for the process of operating the proposed juvenile correctional facility buildings. The Budget Committee will have a discussion with the Governor's office and the agency to better understand future expectations in meeting the needs of bed capacity for juvenile offenders. The Budget Committee feels that fuller preparation is needed in order to allow the Legislature to make the proper authorization. Based on that discussion, it is the intention of the Budget Committee to make a

recommendation on the direction of juvenile facility construction before the appropriation bill is acted on by the full Committee. On a preliminary basis, the Budget Committee recommends that:

- a. the minimum number of additional administrative staff be used in operating the new maximum-security facility;
 - b. the planning and construction process be fully monitored; and,
 - c. the demolition of two living units at the Topeka Juvenile Correctional Facility is an integral part of the reconstruction of that facility.
6. The Budget Committee recommends that the Commissioner of the Juvenile Justice Authority develop an advisory group comprised of superintendents, principals of juvenile correctional facility educational programs, and education leaders to facilitate a dialogue to enhance the collaboration between the greater educational community and the Juvenile Justice Authority. The purpose would be to connect or interface education with juvenile delinquency matters.
7. The Budget Committee recommends that the agency make every effort to have all of the community Juvenile Corrections Advisory Boards fully operational and active by January 1, 2001.

Juvenile Correctional Facilities Systemwide

1. The Budget Committee notes that performance measures of the juvenile correctional facilities have been reviewed. As a result, the Budget Committee comments that, in general, it is pleased with the operations of the facilities and leadership of the superintendents.

House Committee Recommendation

The House Committee concurs with the recommendations of the House Budget Committee.

Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. 639

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1023

Budget Page No. 289

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 8,245,183	\$ 4,215,184	\$ (42,290)
Aid to Local Units	48,303,934	49,936,517	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 56,549,117	\$ 54,151,701	\$ (42,290)
Capital Improvements	<u>22,737,473</u>	<u>11,000,000</u>	<u>0</u>
TOTAL	<u>\$ 79,286,590</u>	<u>\$ 65,151,701</u>	<u>\$ (42,290)</u>
State General Fund:			
State Operations	\$ 5,084,992	\$ 3,875,682	\$ (42,290)
Aid to Local Units	31,437,454	32,621,691	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 36,522,446	\$ 36,497,373	\$ (42,290)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 36,522,446</u>	<u>\$ 36,497,373</u>	<u>\$ (42,290)</u>
FTE Positions	38.0	34.0	0.0
Unclassified Temp. Positions	<u>9.0</u>	<u>7.0</u>	<u>0.0</u>
TOTAL	<u>47.0</u>	<u>41.0</u>	<u>0.0</u>

* The adjustment reflects deletion of the Governor's recommended employee pay plan.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Governor, with the following adjustments and comments:

1. Delete \$42,290 (from the State General Fund) based on the recommendation to delete funding for the Governor's recommended

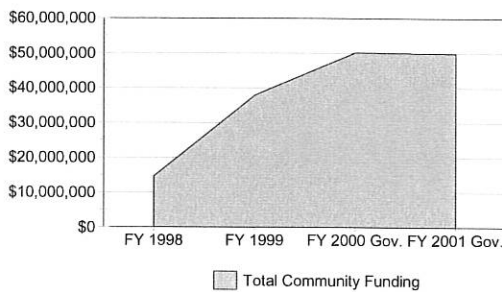
employee pay plan adjustments (2.5 percent unclassified merit pool, 2.5 percent classified step movement, and longevity bonus payments).

2. The Subcommittee was informed that the agency has expanded the number of service providers to address an increase in the population of juvenile offenders receiving services outside of juvenile correctional facilities. At the same time, the agency has enacted cost control measures (from its purchase-of-services budget of \$18.4 million) totaling \$700,000 in FY 2000 and \$2.6 million in FY 2001, for the purpose of using less moneys from the State General Fund. These cost control measures have allowed the agency to streamline and curtail expenses for services by pursuing programs that qualify for Medicaid assistance. For example, the agency has undertaken the following measures:
 - a. Discontinuation of placements at the Intensive Behavioral Intervention Program (IBIP) - The agency believes that research indicates that juvenile boot camps have not provided the most effective care and treatment of juvenile offenders. The Subcommittee notes that the agency, by choosing to side with the research and make the decision not to use boot camp programs to provide services to juvenile offenders, is not seeking to close its partnerships with private providers, but to benefit juveniles and make more efficient use of state moneys.
 - b. Prohibition of add-on services for juvenile offenders in out-of-home placements.
 - c. Cessation of agency purchase-of-service payments (from the State General Fund) for Medicaid-eligible services - The Subcommittee notes that juvenile offenders and families can still access these services through either Medicaid or HealthWave eligibility.
 - d. Revision of the daily rate for placements at the Sappa Valley Youth Ranch - This measure will result in this provider's daily rate payment being consistent with providers of similar services.
 - e. Requirement of Medicaid enrollment for all level V providers - To continue as a level V provider, a service provider must become Medicaid enrolled.
3. The Subcommittee received testimony pertaining to the difficulty in matching and placing juvenile sex offenders with appropriate services. One of the causes of the lack of adequate care and services for juvenile sex offenders is funding. The Subcommittee notes that it is the agency's decision to cease add-on payments, such as counseling, and providers are reluctant to take the risk with the sex offender population. The agency has

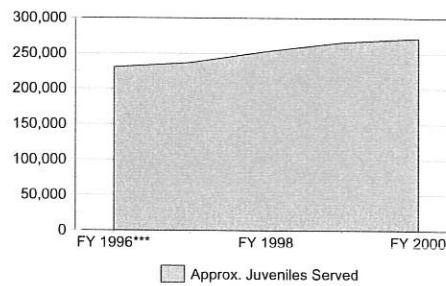
encouraged providers to become level IV, V and VI program placements to achieve Medicaid eligibility. This move is expected to reduce the SGF burden and yet allow for more services. The agency is working to better define these programs and benefits.

4. The Subcommittee notes that the effect of the budget reductions to the agency's central office operating expenditures will be similar to other agencies. The agency will be able to handle the reduced resources much like other agencies by prioritizing, holding a position open, and reducing travel. It is the Subcommittee's opinion that no matter how the budget reductions are presented, there may still exist some burden on communities.
5. The Subcommittee notes that the agency has observed since July 1, 1998, an average 1.2 percent increase per month in juvenile caseload numbers—from 2,432 juveniles in FY 1999 to an estimated 2,768 juveniles in FY 2000. This is an annualized increase of 13.8 percent. However, the number of juvenile assessments remained essentially the same, and the number of juveniles in the agency's custody who reside within communities (whether at-home or out-of-home placements) has only moderately increased. The Subcommittee notes that the dramatic increase in funding for community programs—from \$37.8 million (all funds) in FY 1999 to \$49.9 million—has not been consistent with the corresponding increase in juvenile offenders (please refer to the charts provided). The increased costs may be associated with the possibility that federal funds, such as Medicaid reimbursement, may not have been maximized.

Community Funding—FY 1997 to FY 2001



Approximate Juveniles Served—FY 1996 to FY 2000




6. The Subcommittee was informed that the agency will focus on outcomes with regard to quality control in FY 2001. Quality standards have been developed for core programs, such as the Juvenile Intensive Supervision Program, Case Management, and Intake and Assessment. SRS and JJA have a working group that is redeveloping standards, as well as conducting performance and fiscal reviews, for level IV, V, and VI placements. According to the agency, the standards need to be further delineated and


refined. The Subcommittee notes that it is good management to subject standards to constant improvement.

7. The Subcommittee notes that the \$250,000 reduction in community vendor payments, from the agency's request of \$2,215,940 from the State General Fund, will be pro-rated among the 29 judicial districts. Community vendor payments pay for day reporting, transportation, clothing, and other miscellaneous goods and services for juvenile offenders. Case managers will have to identify more efficient cost-effective measures in order to meet a consistent level of services.
8. The Subcommittee notes that to provide for equitable distribution of prevention grants as recommended by the Governor, the agency proposes reassessing the current formula, which is based on a community or judicial district's number of high school graduation failures, divided by the state's total number of high school graduation failures. The agency acknowledges that using the current formula may not help the success rate prevention programs are designed to carry out and may result in a community receiving less funding for successfully reducing juvenile crime.
9. The Subcommittee notes that the Governor's recommended reduction of \$100,000 from the State General Fund in management information systems funding will not affect the architecture or success of the system, but will hold back purchasing of computer equipment used in linking communities with the main information system.
10. The Subcommittee received testimony that the reimbursement rates for all service providers will remain at the FY 1999 level, with the exception of detention facility rates which have increased from \$74.70 to \$100 per day, as of October 1, 1999. The funding for detention facility rate payments comes from the Juvenile Detention Facilities Fund—total expenditures of which were \$3,497,648 in FY 1999, and are projected to be \$3,786,458 in FY 2000 and \$3,985,258 in FY 2001. From FY 1999 to FY 2001 this represents an increase of \$487,610, or 13.9 percent. The Subcommittee notes that the state reimburses counties to detain juvenile offenders in state custody. The Subcommittee received testimony that the cost of detention to counties is more than \$100 per day (\$140-\$160). The Subcommittee notes that due to the availability of funds and the substantial ending balance, the Governor recommended that \$1.0 million be transferred from the Juvenile Detention Facilities Fund and placed in the State General Fund in FY 2001. The ending balance for FY 2001 is \$570,634 and should not affect availability of detention facility funds for the next budget year.
11. The Subcommittee notes that communication between the agency and communities is not optimal and recommends that the agency work out better ways to communicate.

12. The Subcommittee is concerned that the agency has not been maximizing the use of federal resources in terms of Title XIX and Title IV-E federal funds to pay for services rendered to juvenile offenders. The Subcommittee is unclear as to why the agency is not using more of the available federal moneys. The Subcommittee directs the agency to work with SRS to develop more accurate data collection methods, and thereby access more federal funds with the goal of reducing the burden on the State General Fund. Accessing more federal funds would help pay for level V, level VI, and therapeutic foster care placements that are processed through the SRS Medicaid Management Information System (MMIS). Providers of these placements for juvenile offenders are paid directly by SRS. The agency then reimburses SRS for the State General Fund share of the costs (\$1.3 million in FY 2000), which amounts to roughly 40 percent. The other 60 percent is financed from Title XIX moneys and paid by SRS through its budget. All other placements and services are processed through the JJA central office, some of which are eligible for reimbursement from Title IV-E moneys. The Subcommittee recommends that the agency look at the recoupment of Medicaid moneys for past years and review savings in future budget years.



Senator Alicia Salisbury, Chair



Senator Nick Jordan



Senator Marge Petty

**Juvenile Correctional Facility Issues
FY 2000- FY 2001**

Atchison Juvenile Correctional Facility
Topeka Juvenile Correctional Facility
Beloit Juvenile Correctional Facility
Larned Juvenile Correctional Facility

Senate Subcommittee Recommendations

1. The Subcommittee notes the increasing number of juvenile offenders with mental health problems coming into the juvenile correctional facilities. The Subcommittee also notes that of the juvenile offenders entering the juvenile correctional facilities, approximately 25 percent are already on psychotropic drugs. The Subcommittee expresses concern that more effective treatment to meet these needs was not able to be provided in the juvenile correctional facilities. The Juvenile Justice Authority (JJA) has reported that it is continuing to develop programs that would divert youth from entering juvenile correctional facilities. The JJA is also developing a program for juvenile offenders in juvenile correctional facilities that includes an aftercare component. The Subcommittee notes that mental health reform has impacted the mental health issues in juvenile correctional facilities. Because of inadequate community services a judge oftentimes resorts to sending youth who have committed offenses to juvenile correctional facilities, which the Superintendent reported causes them to be both "mad and bad." Diversion programs exist to serve juvenile offenders with mental health problems and can address the juvenile offenders' mental health problems before they reach the level where they must enter a juvenile correctional facility to receive some type of treatment.
2. The Subcommittee notes that, except for Larned Juvenile Correctional Facility and Beloit Juvenile Correctional Facility (both of which are experiencing a dip in population due to current use of the sentencing matrix), the higher population levels in each juvenile correctional facility have reduced the length of stay and compromised program efficiency.
3. The Subcommittee notes with concern a higher than usual average recidivism rate (29.5 percent, which is up 0.5 percent from FY 1998) at the juvenile correctional facilities, although the rate is still below the national rate of 50 percent. Note the following table:

Facility	Recidivism Rate - FY 1999
Atchison Juvenile Correctional Facility	23.9
Larned Juvenile Correctional Facility	39.0
Beloit Juvenile Correctional Facility	28.8
Topeka Juvenile Correctional Facility	26.2

House Budget Committee Report

Agency: Atchison Juvenile
Correctional Facility

Bill No. 2994

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1047

Budget Page No. 71

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
State General Fund	\$ 6,264,555	\$ 6,021,144	\$ 0
Other Funds	181,093	181,093	0
TOTAL	\$ 6,445,648	\$ 6,202,237	\$ 0
FTE Positions	122.0	120.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	122.0	120.0	0.0
Rated Bed Capacity	100.0	100.0	0.0
Average Daily Census	116.0	116.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$6,445,648 for operating expenditures, an increase of \$218,526 (3.5 percent) over the revised current year estimate. The increase is due to a State General Fund increase of \$305,524, which includes \$83,081 for three enhancement packages. The increase is also due to increased educational contract requirements and medical costs.

The Governor recommends FY 2001 operating expenditures of \$6,202,237, which is \$15,459 (0.2 percent) over the FY 2000 estimate. The net increase is mostly due to anticipated increases in the education and food service contracts.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Ways and Means Committee

Date *March 10, 2000*

Attachment # *3*

House Committee Recommendation

The House Committee concurs with the recommendations of the House Budget Committee.

Senate Subcommittee Report

Agency: Atchison Juvenile
Correctional Facility

Bill No. 639

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1047

Budget Page No. 71

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 6,264,555	\$ 6,021,144	\$ (111,380)
Other Funds	181,093	181,093	0
TOTAL	\$ 6,445,648	\$ 6,202,237	\$ (111,380)
FTE Positions			
FTE Positions	122.0	120.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	122.0	120.0	0.0
Rated Bed Capacity			
Rated Bed Capacity	100.0	100.0	0.0
Average Daily Census			
Average Daily Census	116.0	116.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Req./Governor's Recommendation

The agency requests \$6,445,648 for operating expenditures, an increase of \$218,526 (3.5 percent) over the revised current year estimate. The increase is due to a State General Fund increase of \$305,524, which includes \$83,081 for three enhancement packages. The increase is also due to increased educational contract requirements and medical costs.

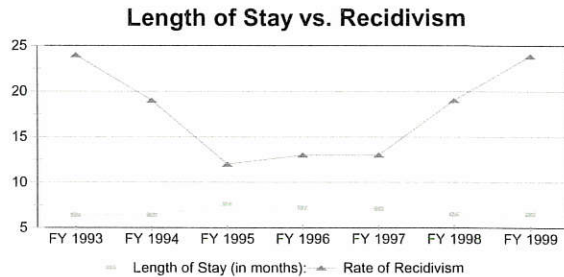
The Governor recommends FY 2001 operating expenditures of \$6,202,237, which is \$15,459 (0.2 percent) over the FY 2000 estimate. The net increase is mostly due to anticipated increases in the education and food service contracts.

Senate Subcommittee Recommendation

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

1. Delete \$111,380 from the State General Fund to remove the Governor's recommended pay plan adjustments.
2. The Subcommittee notes that the facility continues to experience increasing psychotropic medication costs. The facility's expenditure for prescription drugs has increased over the past two years from approximately \$2,500 per month to over \$9,000 per month during the past several months. According to the agency, 43 percent of their juveniles are on psychotropic medications.

3. The Subcommittee notes that the facility's average length of stay for FY 1999 decreased to 6.5 months. It had been 7.6 months in FY 1995. The facility's rate of recidivism in FY 1999 increased to 23.9 percent from 19.0 percent in FY 1998. The current rate of 23.9 percent is about the same as it was in FY 1993. The chart illustrates the facility's length of stay versus its recidivism rate. The facility stated that lower admissions will result in longer lengths of stay, and, possibly, a reduction in recidivism.



Alicia Salisbury

 Senator Alicia Salisbury, Chair

Nick Jordan

 Senator Nick Jordan

Marge Petty

 Senator Marge Petty

House Budget Committee Report

Agency: Beloit Juvenile
Correctional Facility

Bill No. 2994

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1062

Budget Page No. 91

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
State General Fund	\$ 5,568,638	\$ 5,385,686	\$ 0
Other Funds	271,297	270,913	0
TOTAL	<u>\$ 5,839,935</u>	<u>\$ 5,656,599</u>	<u>\$ 0</u>
FTE Positions			
FTE Positions	106.0	104.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>106.0</u>	<u>104.0</u>	<u>0.0</u>
Rated Bed Capacity			
Rated Bed Capacity	84.0	84.0	0.0
Average Daily Census			
Average Daily Census	100.0	100.0	0.0

Agency Req./Governor's Recommendation

The agency requests a total of \$5,839,935 in FY 2001 for operating expenditures, including \$5,568,638 from the State General Fund, which is an increase in all funds of \$217,318 (3.9 percent) over the current year estimate.

The Governor recommends \$5,656,599, including \$5,385,686 from the State General Fund. The Governor's recommendation reduces the State General Fund request by \$91,619. The reductions include adjustments to salaries and wages and other operating expenditures.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Ways and Means Committee

Date *March 10, 2000*

Attachment # *4*

House Committee Recommendation

The House Committee concurs with the recommendations of the House Budget Committee.

Senate Subcommittee Report

Agency: Beloit Juvenile Correctional Facility

Bill No. 639

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1062

Budget Page No. 91

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments*</u>
State Operations:			
State General Fund	\$ 5,568,638	\$ 5,385,686	\$ (102,357)
Other Funds	271,297	270,913	0
TOTAL	<u><u>\$ 5,839,935</u></u>	<u><u>\$ 5,656,599</u></u>	<u><u>\$ (102,357)</u></u>
FTE Positions	106.0	104.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>106.0</u></u>	<u><u>104.0</u></u>	<u><u>0.0</u></u>
Rated Bed Capacity	84.0	84.0	0.0
Average Daily Census	100.0	100.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Req./Governor's Recommendation

The agency requests a total of \$5,839,935 in FY 2001 for operating expenditures, including \$5,568,638 from the State General Fund, which is an increase in all funds of \$217,318 (3.9 percent) over the current year estimate.

The Governor recommends \$5,656,599, including \$5,385,686 from the State General Fund. The Governor's recommendation reduces the State General Fund request

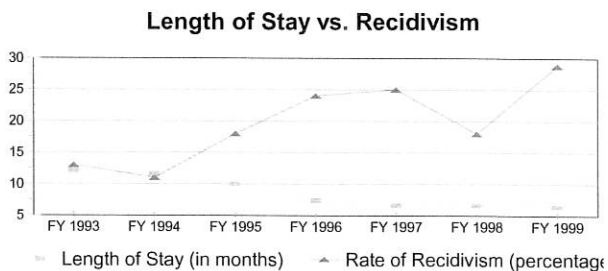
by \$91,619. The reductions include adjustments to salaries and wages and other operating expenditures.

Senate Subcommittee Recommendation

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

1. Delete \$102,357 from the State General Fund to remove the Governor's recommended pay plan adjustments.
2. The Subcommittee heard testimony from the facility that it continues to be confronted with a group of 15 to 20 female offenders who at any given time present significant management problems, in terms of their violent, aggressive, acting-out behavior. This process has been marked by verbal assaults and aggression, which frequently escalates into assaultive behavior, directed both at staff and other juvenile offenders. The Subcommittee notes that this problem involves a trend which is paralleled in a society that has seen an escalation in the level of violence, both physical and verbal, manifested by adolescent females.
3. The Subcommittee notes that the facility continues to experience increasing psychotropic medication costs. The facility's expenditure for prescription drugs has increased over the past two years from approximately \$2,500 per month to over \$9,000 per month during the past several months, with the month of December approaching almost \$10,000. According to the facility, the cause of higher medication costs is a continued high usage of psychotropics (approximately 20 to 25 percent of the facility's population), and a significant increase in the use of popular, state-of-the-art psychotropics, including expensive prophylactic drugs that significantly retard the development of AIDS (the facility has one HIV-positive resident).

4. The Subcommittee notes that the facility's average length of stay for FY 1999 decreased to 6 months, 13 days, which is four days less than FY 1999. The impact of a doubling of admissions has been a reduction in the average length of stay by approximately 50 percent. Recidivism increased from 18.0 percent in FY 1998 to 28.8 percent in FY 1999. The current rate is more than double the rate in FY 1993. The number of returnees in FY 1999 hit an all-time high of 51. The chart illustrates the



facility's length of stay versus its recidivism rate. However, the Subcommittee heard testimony from the facility that if current trends hold for the remainder of FY 2000, the facility will admit approximately 50 percent fewer female juvenile offenders during the current fiscal year than during FY 1999. The facility stated that lower admissions will result in longer lengths of stay, and, possibly, a reduction in recidivism.



Senator Alicia Salisbury, Chair



Senator Nick Jordan



Senator Marge Petty

House Budget Committee Report

Agency: Larned Juvenile
Correctional Facility

Bill No. 2994

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1078

Budget Page No. 327

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
State General Fund	\$ 4,347,856	\$ 4,238,187	\$ 0
Other Funds	270,989	265,165	0
TOTAL	<u>\$ 4,618,845</u>	<u>\$ 4,503,352</u>	<u>\$ 0</u>
FTE Positions			
FTE Positions	128.0	128.0	0.0
Unclassified Temp. Positions	8.0	8.0	0.0
TOTAL	<u>136.0</u>	<u>136.0</u>	<u>0.0</u>
Rated Bed Capacity			
Rated Bed Capacity	116.0	116.0	0.0
Average Daily Census			
Average Daily Census	135.0	135.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$4,618,845 for FY 2001 operating expenditures, including \$4,347,856 from the State General Fund. The State General Fund request is an increase of \$156,011 (3.7 percent) over the revised current year estimate.

The Governor recommends expenditures of \$4,503,352, which is an increase of \$1,254, or 0.0 percent, over the current year and a reduction of \$115,493 from the agency's request. The reductions target capital outlay and travel.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the recommendations of the House Budget Committee.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility **Bill No.** 639 **Bill Sec.** 52

Analyst: Chapman **Analysis Pg. No.** 1078 **Budget Page No.** 327

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments*
State Operations:			
State General Fund	\$ 4,347,856	\$ 4,238,187	\$ (102,189)
Other Funds	270,989	265,165	0
TOTAL	<u>\$ 4,618,845</u>	<u>\$ 4,503,352</u>	<u>\$ (102,189)</u>
FTE Positions	128.0	128.0	0.0
Unclassified Temp. Positions	8.0	8.0	0.0
TOTAL	<u>136.0</u>	<u>136.0</u>	<u>0.0</u>
Rated Bed Capacity	116.0	116.0	0.0
Average Daily Census	135.0	135.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Req./Governor's Recommendation

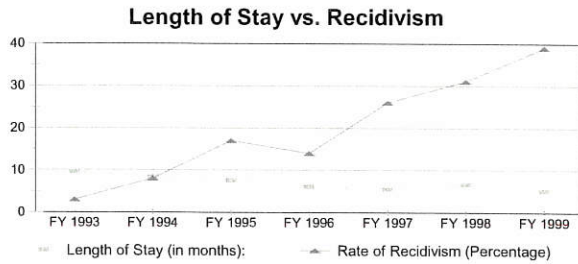
The agency requests \$4,618,845 for FY 2001 operating expenditures, including \$4,347,856 from the State General Fund. The State General Fund request is an increase of \$156,011 (3.7 percent) over the revised current year estimate.

The Governor recommends expenditures of \$4,503,352, which is an increase of \$1,254, or 0.0 percent, over the current year and a reduction of \$115,493 from the agency's request. The reductions target capital outlay and travel.

Senate Subcommittee Recommendation

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

1. Delete \$102,189 from the State General Fund to remove the Governor's recommended pay plan adjustments.
2. The Subcommittee notes that the facility's average length of stay for FY 1999 decreased to 5.1 months. It had been 9.6 months in FY 1993. The facility's rate of recidivism from FY 1997 to FY 1999 climbed from 26.0 percent to 39.0 percent. Please refer to the chart which contrasts length of stay versus rate of recidivism.





Senator Alicia Salisbury, Chair



Senator Nick Jordan



Senator Marge Petty

House Budget Committee Report

Agency: Topeka Juvenile
Correctional Facility

Bill No. 2994

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1090

Budget Page No. 435

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	House Budget Committee Adjustments
State Operations:			
State General Fund	\$ 13,390,251	\$ 11,837,031	\$ 727,787
Other Funds	431,015	431,015	0
TOTAL	\$ 13,821,266	\$ 12,268,046	\$ 727,787
FTE Positions			
FTE Positions	227.0	226.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	227.0	226.0	0.0
Rated Bed Capacity			
Rated Bed Capacity	276.0	276.0	0.0
Average Daily Census	276.0	276.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$13,821,266 for operating expenditures in FY 2001, which is an increase of \$1,620,868 (13.3 percent) above the current year estimate. Of the total operating expenditures request, \$13,390,251 comes from the State General Fund and \$431,015 is financed from other funds. The 13.3 percent increase in total operating expenditures is due primarily to an enhancement package totaling \$1,994,147. A total of 227.0 FTE positions are included in the request.

The Governor recommends \$12,268,046 in FY 2001 for operating expenditures. Absent enhancements, the recommendation is a net increase of \$385,276 above the agency's FY 2001 request. The Governor recommends reductions totaling \$356,898. The Governor recommends increases totaling \$742,124, which includes enough funding and 4.0 FTE positions to allow the agency to continue to operate the additional 57 beds at the facility.

House Budget Committee Recommendation

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

1. Shift \$727,787 (SGF) from the Juvenile Justice Authority's central office operating expenditures of \$3,875,682 to the Topeka Juvenile Correctional Facility for facility overcrowding operating expenditures for 57 beds. The amount would fund the difference between the Governor's recommendation and the facility's request to meet the costs of operating temporary beds which the 1999 Legislature authorized. The amount would fund salaries and wages, professional services, the food service contract, utilities, maintenance, and supplies. The 57 beds are to be used on an-as needed basis to allow the facility to make room for more juvenile offenders than the facility's official bed capacity of 219 beds (during FY 1999 the facility averaged 242 offenders per day, which is 23 more offenders than the facility's official capacity; the facility's average daily census is forecasted to be 276 during FY 2001, which is equal to the facility's enhanced capacity and includes the 57 overcrowding beds).
2. The Budget Committee recommends that the facility, in conjunction with the Juvenile Justice Authority, generate a dialogue with the Department of Administration's Division of Purchases about the facility's current policy of purchasing pharmaceuticals directly without contracting with a local pharmacy. The Budget Committee notes that the facility provided testimony regarding the excess and unused inventory involved in direct purchasing. The Budget Committee recognizes the uniqueness of the medication used at the facility for treatment of juvenile offenders, but admonishes the facility to cut costs when possible.

House Committee Recommendation

The House Committee concurs with the recommendations of the House Budget Committee.

Senate Subcommittee Report

Agency: Topeka Juvenile
Correctional Facility

Bill No. 639

Bill Sec. 52

Analyst: Chapman

Analysis Pg. No. 1090

Budget Page No. 435

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments*</u>
State Operations:			
State General Fund	\$ 13,390,251	\$ 11,837,031	\$ (204,090)
Other Funds	431,015	431,015	0
TOTAL	<u>\$ 13,821,266</u>	<u>\$ 12,268,046</u>	<u>\$ (204,090)</u>
FTE Positions	227.0	226.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>227.0</u>	<u>226.0</u>	<u>0.0</u>
Rated Bed Capacity	276.0	276.0	0.0
Average Daily Census	276.0	276.0	0.0

* The entire adjustment reflects deletion of the Governor's recommended employee pay plan.

Agency Req./Governor's Recommendation

The agency requests \$13,821,266 for operating expenditures in FY 2001, which is an increase of \$1,620,868 (13.3 percent) above the current year estimate. Of the total operating expenditures request, \$13,390,251 comes from the State General Fund and \$431,015 is financed from other funds. The 13.3 percent increase in total operating expenditures is due primarily to an enhancement package totaling \$1,994,147. A total of 227.0 FTE positions are included in the request.

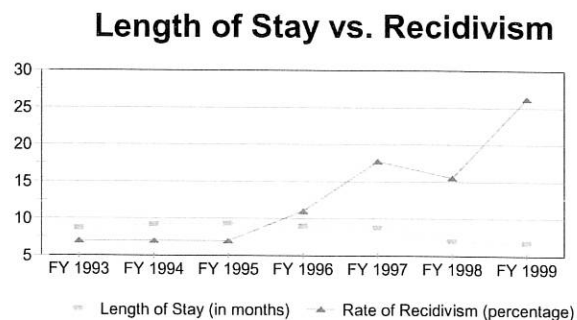
The Governor recommends \$12,268,046 in FY 2001 for operating expenditures. Absent enhancements, the recommendation is a net increase of \$385,276 above the agency's FY 2001 request. The Governor recommends reductions totaling \$356,898. The Governor recommends increases totaling \$742,124, which includes enough funding and 4.0 FTE positions to allow the agency to continue to operate the additional 57 beds at the facility.

Senate Subcommittee Recommendation

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

1. Delete \$204,090 from the State General Fund to remove the Governor's recommended pay plan adjustments.
2. The Subcommittee notes that the facility initially requested \$1.9 million in FY 2001 for operating expenditures for the 57 overcrowding beds. The agency then requested a revised \$1.4 million. It had originally requested \$742,313 in FY 1999 to operate the overcrowding beds, but used only \$36,000. The remainder was carried forward to FY 2000 to operate the same beds. The Subcommittee's conclusion is that the agency is experiencing difficulty in accurately estimating projected operating expenditures. The Subcommittee recommends that the facility carefully review population numbers and projected operating expenditures and present the numbers to the Committee during Omnibus. The Subcommittee further notes that additional funds may be requested in the revised FY 2001 budget.
3. The Subcommittee notes that the facility's current policy of purchasing pharmaceuticals (in bulk, without contracting with a local pharmacy) may be leading to an unused inventory that is a result of direct purchasing. The Subcommittee recognizes the uniqueness of the medication used at the facility for treatment of juvenile offenders. To cut some of the costs, the facility is pursuing a private medication contract (which is similar to other facilities' current practice) and is working with SRS to address the problem of extraordinary medical expenses.

4. The Subcommittee notes that the facility's average length of stay for FY 1999 decreased to 6.8 months. It had been 8.8 months in FY 1997 and 7.0 months in FY 1998. The facility's rate of recidivism from FY 1998 to FY 1999 almost doubled to 26.2 percent. The current rate is triple what it was in FY 1993. A chart is provided showing length of stay versus the rate of recidivism.

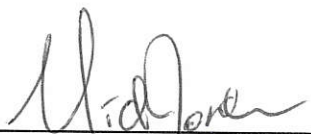


5. The Subcommittee notes with concern that although the facility has increased its juvenile offender bed capacity from 219 to 276 to meet overcrowding needs, it has only increased new staff by 4.0 FTE from FY 1999 to FY 2001, which new staff are part of the facility's Ancillary Services

and serve juvenile offenders in a social worker capacity. The number of staff from the facility's Youth Services division, who are involved with the daily management and supervision of juvenile offenders, has not increased, but remained at 146.0 FTE for the past three years. With an average daily population of 242 juvenile offenders reported at the end of FY 1999 and a current population of 267, the ratio of Youth Services staff to juvenile offender has increased from 1.66 to 1.83. The Subcommittee further notes that the agency has compensated for lack of staff by maximizing the use of expensive overtime compensation, which contributes to a higher operating cost of the 57 overcrowding beds and more strain on staff. The total overtime cost is \$111,057 in FY 2000, which is \$83,700 more than the amount used in FY 1999. The facility requests \$215,628 in FY 2001 for overtime. The Governor recommends \$46,336.



Senator Alicia Salisbury, Chair



Senator Nick Jordan



Senator Marge Petty

HOUSE BUDGET COMMITTEE REPORT

Agency: Emergency Medical Services Board

Bill No. 2994

Bill Sec. 58

Analyst: Chapman

Analysis Pg. No. 1108

Budget Page No. 170

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Comm. Adjustments</u>
All Funds:			
State Operations	\$ 924,884	\$ 742,749	\$ 36,546
Aid to Local Units	68,094	64,008	0
TOTAL	\$ 992,978	\$ 806,757	\$ 36,546
State General Fund:			
State Operations	\$ 922,384	\$ 740,249	\$ 36,546
Aid to Local Units	68,094	64,008	0
TOTAL	\$ 990,478	\$ 804,257	\$ 36,546
FTE Positions	15.0	12.0	1.0
Unclassified Temp. Positions	0.0	2.0	0.0
TOTAL	15.0	14.0	1.0

Agency Request/Governor's Recommendation

The agency requests \$992,978 for FY 2001, which is a decrease of \$114,705, or 10.4 percent, from the current year. The most significant increase is \$131,110, which is being requested from the State General Fund. The decrease in all other funds is due to the absence of a \$249,998 federal grant for Emergency Services for Children which the agency received and expended in FY 2000. Absent requested FY 2001 enhancements, the agency's request would represent a decrease of \$238,818 or 21.6 percent, from FY 2000.

Governor's Recommendation. The Governor recommends expenditures of \$806,757 for FY 2001, which is \$186,221, or 18.8 percent, less than the agency's request and 25 percent less than the current year. The Governor's most significant recommended reductions include reducing grants to the four regional councils by \$4,086 from the State General Fund, eliminating 1.0 FTE Office Specialist position, resulting in a reduction of \$36,546 from the State General Fund (according to the agency, elimination of this position would severally impact the agency's ability to certify and recertify annually nearly 10,000 ambulance attendants), and reducing salaries and wages by \$15,500 from the State General Fund (the salaries and wages are for temporary examiner positions that operate the examiner workshop).

Senate Ways and Means Committee

Date *March 10, 2000*

Attachment # *7*

House Budget Committee Recommendation

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

1. The Budget Committee notes that the agency has discussed the need to move to multi-year certification, as specified in HB 2696. The Committee supports the concept of HB 2696 and notes that the bill will help make the agency's certification processes more efficient.
2. Add \$36,546 (includes benefits) from the State General Fund for 1.0 FTE Office Specialist position and increase the agency's expenditure limitation authority to spend funds generated by fee increases. All monies collected from increasing fees would be deposited into the State General Fund and would offset the Governor's recommended reductions. Increasing fees would generate an additional estimated \$31,000 and would help fund the position (the agency would shift other funds to make up the difference). The following fees would be increased: add \$50 to the ambulance service permit fee (an increase from \$50 to \$100); add \$5 to each licensed ambulance (from \$35 to \$40); add \$10 to MICT paramedic certification fee (from \$15 to \$25); add a new \$15 certification fee for Training Officers I and II.
3. Establish a "Rural Health Options Grant Fund" as a no-limit fund to be used to receive transferred funds from the Kansas Department of Health and Environment for FY 2001 and for future fiscal years. The funds will be used as expense reimbursements for a project to study rural Emergency Medical Services issues with regard to Community Access Hospitals. The Budget Committee notes that a federal grant of \$10,000 currently resides with KDHE and can be used by the agency for the remainder of FY 2000, provided that the no-limit fund is established during Omnibus.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Budget Committee.

SENATE SUBCOMMITTEE REPORT

Agency: Emergency Medical
Services Board

Bill No. 693

Bill Sec. 58

Analyst: Chapman

Analysis Pg. No. 1108

Budget Page No. 169

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 924,884	\$ 742,749	\$ 18,468
Aid to Local Units	68,094	64,008	35,992
TOTAL	<u>\$ 992,978</u>	<u>\$ 806,757</u>	<u>\$ 54,460</u>
State General Fund:			
State Operations	\$ 922,384	\$ 740,249	\$ 18,468
Aid to Local Units	68,094	64,008	35,992
TOTAL	<u>\$ 990,478</u>	<u>\$ 804,257</u>	<u>\$ 54,460</u>
FTE Positions	15.0	12.0	1.0
Unclassified Temp. Positions	0.0	2.0	0.0
TOTAL	<u>15.0</u>	<u>14.0</u>	<u>1.0</u>

* Absent the deletion of funding for the Governor's recommended employee pay plan (\$18,078 from the State General Fund), the Subcommittee's recommendation reflects an increase of \$72,538.

Agency Request/Governor's Recommendation

The agency requests \$992,978 for FY 2001, which is a decrease of \$114,705, or 10.4 percent, from the current year. The most significant increase is \$131,110, which is being requested from the State General Fund. The decrease in all other funds is due to the absence of a \$249,998 federal grant for Emergency Services for Children which the agency received and expended in FY 2000. Absent requested FY 2001 enhancements, the agency's request would represent a decrease of \$238,818 or 21.6 percent, from FY 2000.

Governor's Recommendation. The Governor recommends expenditures of \$806,757 for FY 2001, which is \$186,221, or 18.8 percent, less than the agency's request and 25 percent less than the current year. The Governor's most significant recommended reductions include reducing grants to the four regional councils by \$4,086 from the State General Fund, eliminating 1.0 FTE Office Specialist position, resulting in a reduction of \$36,546 from the State General Fund (according to the agency, elimination of this position would severely impact the agency's ability to certify and recertify annually nearly 10,000 ambulance attendants), and reducing salaries and wages by \$15,500 from the State General

Fund (the salaries and wages are for temporary examiner positions that operate the examiner workshop).

Senate Subcommittee Recommendation

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

1. Delete \$18,078 (from the State General Fund) based on the recommendation to delete funding for the Governor's recommended employee pay plan adjustments (2.5 percent unclassified merit pool, 2.5 percent classified step movement, and longevity bonus payments).
2. Add \$36,546 (includes benefits) from the State General Fund for 1.0 FTE Office Specialist position and increase the agency's expenditure limitation authority to spend funds generated by fee increases. All monies collected from increasing fees would be deposited into the State General Fund (as is currently the practice), and would help offset the Governor's recommended reductions. Increasing fees would generate an additional estimated \$31,000 and would help fund the position (the agency would shift other funds to make up the difference). The following fees would be increased: add \$50 to the ambulance service permit fee (an increase from \$50 to \$100); add \$5 to each licensed ambulance (from \$35 to \$40); add \$10 to MICT paramedic certification fee (from \$15 to \$25); add a new \$15 certification fee for Training Officers I and II.
3. Establish a "Rural Health Options Grant Fund" as a no-limit fund to be used to receive transferred funds from Kansas Department of Health and Environment for FY 2001 and for future fiscal years. The funds will be used for expense reimbursements for a project to study rural Emergency Medical Services issues with regard to Community Access Hospitals. The Budget Committee notes that a federal grant of \$10,000 currently resides with KDHE and can be used by the agency for the remainder of **FY 2000**, provided that the no-limit fund is established during Omnibus.
4. The Subcommittee continues to support the coordination efforts between the Emergency Medical Services' (EMS) mission and the Kansas/EMS Trauma System's plan and encourages a continued study of how EMS and Trauma can become integrated and provide a seamless system of emergency and trauma care.
5. Add \$35,992 (from the State General Fund) above the Governor's recommendation for Regional Councils grants, so that the total amount authorized for all four Regional Councils is \$100,000. The Subcommittee is confident that the grants pay for valuable services and training and are well used. The Subcommittee heard testimony from members of the four Regional Councils, who expressed their gratitude for continued grant support and reported how the grants were expended. The Regional Councils use the grants for programs such as Critical Stress Management

(a program that helps emergency technicians and paramedics cope with the grief and mental burdens they feel after working on a gruesome accident), the Emergency Medical Dispatch course, state fair education and public awareness booth, training officer workshops, medical director workshops, and the Emergency Medical Services Capitol Day at the Statehouse.

6. The Subcommittee notes that the agency is anticipating renewal of a federal grant for Emergency Services for Children in the amount of \$100,000, which should be added to the agency's budget upon receipt of the grant. This grant will continue to fund the 2.0 unclassified temporary positions, a Trainer and a Secretary II (the Governor's recommendation includes these positions), who work with the Emergency Services for Children Program.
7. The Subcommittee recommends that the agency utilize \$2,700 of KSIP funds to purchase the following requested enhancement items: 1) \$1,100 for a new printer to replace an aging printer used by the agency to print certification cards; according to the agency, locating replacement parts for repairs for the old printer has become a problem; and, 2) \$1,600 to purchase two cellular telephones for use by the agency's field staff for emergency situations; the amount includes the yearly operating cost of the phones.
8. The Subcommittee notes that the agency, on a yearly basis, conducts an estimated 120 service inspections, provides on-site technical assistance nearly 100 times, certifies or re-certifies around 10,000 ambulance attendants, approves nearly 1,575 initial and continuing education courses, and provides almost 120 investigations.
9. As an **FY 2000** omnibus item, the Subcommittee recommends that the agency have flexibility in spending \$34,047 of its FY 2000 KSIP funds for general operating expenditures to adjust for an apparent Division of the Budget mistake that lapsed State General Fund monies. The recommendation of flexibility would make no change to the Governor's FY 2000 operating expenditures recommendation of \$826,956 from the State General Fund for FY 2000. The flexibility can be achieved by inserting the following proviso into the Omnibus bill that allows KSIP funds to be used for general operating expenditures: "In addition to the other purposes for which expenditures may be made by the above agency from the KSIP account established in state general fund for the above agency under the Kansas savings incentive program pursuant to section 91 of chapter 132 of the 1999 Session Laws of Kansas for the fiscal year ending June 30, 2000, expenditures may be made by the above agency from the KSIP account of the above agency in state general fund for fiscal year 2000 for operating expenditures: Provided, That expenditures for operating expenditures from the KSIP account of the above agency in state general fund for fiscal year 2000 shall not exceed \$34,047." The Subcommittee also requests that the Governor consider issuing a Governor's Budget Amendment to correct the FY 2000 recommendation.

Pat Ranson

Senator Pat Ranson, Chairperson

Christine Downey

Senator Christine Downey

HOUSE BUDGET COMMITTEE REPORT

Agency: Department on Aging

Bill No.

Bill Sec.

Analyst: Sparks

Analysis Pg. No. 333

Budget Page No. 40

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Report Adjustments</u>
State Operations	\$ 12,407,290	\$ 10,290,743	\$ 17,500
Aid to Local Units	6,833,468	6,777,467	100,000
Other Assistance	367,010,675	340,208,243	0
Total - Oper. Expend.	<u>\$ 386,251,433</u>	<u>\$ 357,276,453</u>	<u>\$ 117,500</u>
State General Fund	\$ 157,145,711	\$ 144,291,811	\$ 117,500
All Other Funds	229,105,722	212,984,642	0
Total - Oper. Expend.	<u>\$ 386,251,433</u>	<u>\$ 357,276,453</u>	<u>\$ 117,500</u>
FTE Positions	158.0	157.0	0.0
Unclassified Temp. Positions	3.0	3.0	0.0
TOTAL	<u>161.0</u>	<u>160.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

For FY 2001, the agency requests \$386.3 million from all funding sources, including \$157.1 million from the State General Fund. The request is an increase of \$29.7 million (8.3 percent) all funds, including \$11.0 million (7.5 percent) from the State General Fund above the FY 2000 estimate. The increase provides an additional \$18.8 million all funds (\$7.52 million SGF) for nursing facilities; an additional \$9.1 million all funds (\$3.6 million SGF) for the HCBS/Frail Elderly waiver program; and \$1.9 million all funds (\$740,786 SGF) for the targeted case management program above the FY 2000 estimate. The agency operations are increased by \$60,986 and include two enhancement packages: a new accounting computer system and 1.0 new FTE position for the Information Services Division. The nutrition grants are requested at the same level as FY 2000.

The Governor recommends \$357.3 million from all funding sources, including \$144.3 million from the State General Fund for FY 2001. The recommendation is a decrease of \$29.0 million (7.5 percent) from all funding sources and \$12.9 million (8.2 percent) from the State General Fund below the agency request. The major reductions occur in the Long-Term Care program for nursing facilities of \$34.5 million (\$13.8 million SGF) below the agency request. The HCBS/Frail Elderly program is increased by \$2.3 million (\$919,600 SGF) above the agency request. In addition, for the waiver program the Governor's recommendation lowers the protected income level from \$687 per month to \$475

Senate Ways and Means Committee

Date *March 10, 2000*

Attachment # *8*

per month which the agency believes will save an additional \$2.0 million all funds (\$800,000 SGF) in the waiver program. Targeted case management is funded at the requested level of \$6.9 million. The agency operations are reduced by \$2.2 million and no enhancement package is recommended. The nutrition grants are reduced by \$450,000 from the State General Fund.

House Budget Committee Recommendation

The House Social Services Budget Committee concurs with the Governor's recommendations for FY 2001 with the following exceptions and comments.

1. The Budget Committee directs the Department to convene an informal task force of stakeholders to make recommendations to the Committee prior to the Omnibus Session on the definitions of Needs vs Wants of consumers served by the Home and Community Based Services for the Frail Elderly . In order for the state to continue the program a range of services which fulfill the needs of consumers must be established in place of attempting to address all the wants of an individual and/or the family members. Secondly, the task force is asked to make recommendations regarding training for case managers and consumers with respect to the modified range of services to be provided in the future. Finally, given the amount of resources presently dedicated to this program, all recommendations, in the aggregate, are required to be budget neutral.
2. The Budget Committee directs the Department to continue meetings with the stakeholders across the state to solicit ideas about a wider range of management tools which could be put in place to contain costs and achieve equity of services for the Home and Community Based Services for the Frail Elderly across the state. However, the program must operate within appropriations which may require difficult decisions to be made.
3. Prior to the Omnibus Session, the Secretary of Aging is to update the Budget Committee on the Nutrition Services Grants Program with regard to the impact of the reduction of the \$450,000 from the State General Fund on the area nutrition sites. The Budget Committee will review the updated information during the Omnibus Session.
4. During the Omnibus Session, the Budget Committee will review the Hesston Senior Center Program including performance outcomes and any other program information to be provided to the Committee. The Budget Committee may make funding recommendations for the eliminated program at that time.

5. The Budget Committee was informed that there appears to be a shortfall in funding for the nursing facilities budget; therefore, prior to the Omnibus Session the Budget Committee will review the funding for the nursing facilities budget. However, the review will not take place until the consensus caseload estimating group meets.
6. The Social Services Budget Committee reinstate the protected income level back to \$687 from the recommended amount of \$475 per month for consumers receiving Home and Community Based Services for the Frail Elderly. The protected level income refers to the amount of money an individual is allowed to retain to provide for housing, food, clothing, transportation, etc. before the individual is required to pay for their services received under the waiver program. The Department has received \$13.7 million from all funding sources in increases for the program since FY 1999; therefore, at this time, no additional funds are recommended. However, the program is to be reviewed during the Omnibus Session.
7. The Committee heard testimony from the Kansas Health Care Association regarding the need for the continuation of the Wage Pass-Through Program which was implemented during the 1999 Legislative Session with passage of S.B. 126. However, since the program was only implemented in September 1999 and the first quarter cost reports have not yet been tabulated, the Budget Committee will review the success of the program and make any funding recommendations during the Omnibus Session.
8. Prior to the Omnibus Session, the Budget Committee will review the Retired Senior Volunteer Program, which attempts to recruit seniors for volunteer jobs matched to their individual skills. The funding for the program was reduced by \$25,000 from the State General Fund.
9. Add \$100,000 from the State General Fund for the Environmental Modification Grant Program. The Committee heard testimony from the Secretary on Aging about her discussion with the Kansas Department of Commerce and Housing about the agency's ability to receive a grant from Commerce and Housing for customary items of home modification such as grab bars, ramps, etc. The Environmental Modification's funding is to be used for specific items as may be required by an individual after a stroke or other serious illness which does not fall under the usual items category. The Committee encourages the Department on Aging to continue its negotiations with the Department of Commerce and Housing in its attempt to secure funding for the usual item required by seniors to remain in their homes.
10. Add \$17,500 from the State General Fund for the Senior Legal Hotline. This program was funded during the 1999 Legislative Session with a

\$30,000 grant. However, the funding was eliminated for FY 2000 and FY 2001. Kansas Legal Services, the service provider, was able to secure an additional Kansas Bar Association grant for the current year to continue operation of the program. The Hotline handles approximately 3,500 calls per year from over 3,000 Kansas senior citizens with 135 volunteer attorneys. The Committee maintains that the Hotline provides an essential service to a growing senior population and provides that service in a very economical manner.

11. The Budget Committee recommends that staff make any technical corrections required in the bill.
12. The Budget Committee reviewed the following performance measures of the agency and submit them as part of this report.

PERFORMANCE MEASURES

	Actual FY 1998	Actual FY 1999	Estimate FY 2000	Estimate FY 2001
Number of senior Kansans with better access to information on aging services	200,000	200,000	300,000	300,000
Number of consumers served through the Helpline	732	800	820	840
Number of Medicaid Nursing Facilities	430	421	418	415
Percent of current HCBS/FE customers surveyed who were satisfied their needs were met	95%	95%	95%	95%
Percent of HCBS/FE customers who were offered choice of service providers	93%	93%	93%	93%
Percentage of HCBS/FE customers interviewed who feel safe in their living environment	94%	95%	95%	95%
Number of unduplicated customers served by the state In-Home Nutrition Program	4,947	5,025	5,025	5,025

Appropriations Committee Recommendation

The Appropriations Committee concurs with the Social Services Budget Committee recommendations for FY 2001 with the following exceptions and comments:

1. The Appropriations Committee amends item 3 to include that the Secretary of Aging is also to update the Budget Committee on the status of the lack of volunteers for the Nutrition Services Program prior to the Omnibus Session.

The Appropriations Committee also amends the report to reflect the following Social Services Budget Committee amendments:

1. The Social Services Budget Committee makes note that it briefly reviewed the Kansas Intergovernmental Transfer (KSIT) Program. The Committee believes the most appropriate use of the funds, once the Program is approved by Health Care Financing Administration, would be for Medicaid like services. Therefore, the Budget Committee believes it would be appropriate to create trust accounts to receive the funding. The trust accounts should be sustainable after the KSIT Program ends and possible trust accounts could be for the Senior Services Trust Fund and/or the Nursing Home Loan Fund as outlined by the Governor.
2. The Budget Committee also supports the concept of the Senior Citizens Pharmacy Program and believes the program should have the following features:
 - Flexibility should be provided in the legislation to allow the agency to adjust for income eligibility from year to year.
 - Provide for targeted maintenance prescriptions for senior citizens.
 - Flexibility should be provided in the legislation to allow the agency to adjust the co-pay schedule.
 - Provide for an annual 30-day enrollment period.
 - The effective date of the Program is recommended to be March 30, 2001 to allow for the adequate time for administrative design and development. In addition, the effective date will allow the 2001 Legislative Session to make adjustments to the state plan if the proposed federal pharmacy plan becomes law.
 - The Pharmacy Program should also use the administrative services already in place within the Health Care Policy Division within the Department of Social and Rehabilitation Services.
 - The Budget Committee directs the Department of Social and Rehabilitation Services to review and analyze the use of prior authorization status for additional drugs.
 - Encourage the Department of Social and Rehabilitation Services to explore the possibility of using the federal Medicaid Drug Pricing and Reimbursement System for the Senior Citizens Pharmacy Program.
 - The Pharmacy Program should include a negotiated cost (average wholesale price minus a percentage) and dispensing fee.

- The Social Services Budget Committee notes that the creation of the Senior Citizens Pharmacy Program will increase the use of the Medicaid Program just as the Children's Health Insurance Program has already impacted the Medicaid Program.

SENATE SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No.

Bill Sec.

Analyst: Sparks

Analysis Pg. No. 333 Budget Page No. 40

<u>Expenditure Summary</u>	<u>Agency Req. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments*</u>
State Operations	\$ 12,407,290	\$ 10,290,743	\$ (128,856)
Aid to Local Units	6,833,468	6,777,467	0
Other Assistance	367,010,675	340,208,243	0
Total - Oper. Expend.	<u>\$ 386,251,433</u>	<u>\$ 357,276,453</u>	<u>\$ (128,856)</u>
State General Fund	\$ 157,145,711	\$ 144,291,811	\$ (58,014)
All Other Funds	229,105,722	212,984,642	(70,842)
Total - Oper. Expend.	<u>\$ 386,251,433</u>	<u>\$ 357,276,453</u>	<u>\$ (128,856)</u>
FTE Positions	158.0	157.0	0.0
Unclassified Temp. Positions	3.0	3.0	0.0
TOTAL	<u>161.0</u>	<u>160.0</u>	<u>0.0</u>

* Excluding the deletion of the Governor's recommended employee pay plan, the Subcommittee's recommendation is an increase of \$17,500 from the State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments.

- Delete a total of \$146,356, including \$75,514 from the State General Fund, based on the recommendation to delete funding for the Governor's recommended pay plan adjustments which include a 2.5 percent unclassified merit pool (\$20,927), classified step movement (\$61,966), and longevity bonus payments (\$63,463).

2. Staff is directed to make technical corrections to the bill to reflect the Governor's intent.
3. Prior to the Omnibus Session, the Secretary of Aging is to update the Subcommittee on the Nutrition Services Grants Program with regard to the impact of the reductions on the area nutrition sites. In addition, the subcommittee heard testimony that waiting lists may be in part necessitated by the lack of volunteers to deliver meals. Therefore, the subcommittee also wishes to have a report on the possibility of waiting lists for the nutrition program. The Subcommittee will review the updated information during the Omnibus Session.
4. The Subcommittee requests that the Department coordinate with Fort Hays State University about the Senior Companion Program to determine the appropriate placement for the program; the amount of federal funding available, the required state match and any performance outcome information that is currently available. At present, the University is operating the program and in FY 1999 the Department on Aging provided \$50,000 from the State General Fund for the state match.
5. The Subcommittee was informed that there appears to be a \$12.0 million shortfall in funding for the nursing facilities budget; therefore, prior to the Omnibus Session the Budget Committee will review the funding for the nursing facilities budget. However, the review will not take place until the consensus caseload estimating group meets.
6. The Subcommittee gives the highest priority to the Home and Community Based Services for the Frail Elderly Program for Omnibus review with regard to Protected Income Level (PIL) which was reduced in the Governor's recommendation. The protected income level refers to the amount of money an individual is allowed to retain to provide for housing, food, clothing, transportation, etc. before the individual is required to pay for their services received under the waiver program. Under the Governor's recommendation the PIL is reduced to \$570 per month from \$687. Furthermore, the Subcommittee notes that the Department has received \$13.7 million from all funding sources in increases, since FY 1999.
7. The Subcommittee heard testimony from the Kansas Health Care Association regarding the need for the continuation of the Wage Pass-Through Program which was implemented during the 1999 Legislative Session with passage of S.B. 126. However, since the program was only implemented in September 1999 and the first quarter cost reports have not yet been tabulated, the Subcommittee recommends a review during the Omnibus Session and the feasibility of any funding adjustments at that time.

8. During the Omnibus Session, the Subcommittee recommends review of the Environmental Modification Grant Program. The Subcommittee heard testimony from the Secretary on Aging about her discussion with the Kansas Department of Commerce and Housing about the agency's attempt to receive a grant from Commerce and Housing for customary items of home modification such as grab bars, ramps, etc. The Subcommittee encourages the Department on Aging to continue its negotiations with the Department of Commerce and Housing in its attempt to secure a grant; however, depending on the outcome of the negotiations, the program is flagged to be reviewed during Omnibus.
9. Add \$17,500 from the State General Fund for the Senior Legal Hotline. This program which was funded during the 1999 Legislative Session with a \$30,000 grant however, the funding was eliminated as part of the Governor's recommendations for FY 2000 and FY 2001. Kansas Legal Services, the service provider, was able to secure an additional Kansas Bar Association grant for the current year to continue operation of the program. The Hotline handles approximately 3,500 call per year for more than 3,000 Kansas senior citizens with 135 volunteer attorneys. The Subcommittee maintains that the Hotline provides an essential service to a growing senior population and provides that service in a very economical manner.
10. The Subcommittee wishes to commend the Department for its innovation in establishing two pilot projects, in Englewood, Kansas and Johnson County, to provide meal vouchers to senior citizens that can be redeemed at local restaurants. The Subcommittee also understands that the Department will have performance outcomes from the pilot projects during the 2001 Legislative Session.
11. The Subcommittee wishes to note that the Home and Community Based Services for the Frail Elderly program currently has no waiting list for services. In addition, the Subcommittee was informed by the Department that it estimates 50 individuals will apply for services under the program each month through FY 2001.
12. The Department on Aging testified that it currently has undertaken a review of all Older Americans' Act programs, as well as, state-funded programs with the intent of determining the best possible service delivery model. Therefore, the Subcommittee encourages the agency to continue its efforts in examining possible alternatives in service delivery to senior citizens in Kansas.
13. During the Omnibus Session, the Retired Senior Volunteer Program is recommended to be reviewed for consideration of additional funding. In FY 1999, grants of \$2,500 each were awarded to 15 service providers which is used to fund the administrative function of recruiting and connecting retired senior volunteers with not-for-profit volunteer

organizations such as Red Cross Blood Mobile, Toys for Tots, and tutoring elementary school children. The 15 service providers connected 5,812 volunteers with not-for-profit organizations in Kansas. The volunteers provided 866,000 hours of work to the organizations during FY 1999.

- 14. The Budget Committee reviewed the following performance measures of the agency and submit them as part of this report.

PERFORMANCE MEASURES


	Actual FY 1998	Actual FY 1999	Estimate FY2000	Estimate FY 2001
Number of senior Kansans with better access to information on aging services	200,000	200,000	300,000	300,000
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Senator Stephen Morris, Chair



Senator Larry Salmans



Senator Paul Feleciano, Jr.