

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on March 20, 2001, in Room 514-S of the Capitol.

All members were present

Committee staff present: Alan Conroy, Legislative Research  
Rae Anne Davis, Legislative Research  
Amy Kramer, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: See Attached

Representative Neufeld moved for the introduction of legislation regarding biosecurity agreements of livestock facilities. Motion was seconded by Representative Spangler. Motion carried.

Representative Nichols moved for the introduction of legislation regarding setting up significant pay raises for law enforcement. Motion was seconded by Representative Hermes. Motion carried.

Representative Spangler moved for the introduction of legislation regarding the retirement system for state judges. Motion was seconded by Representative Hermes. Motion carried.

Staff distributed copies of the Recommended Expenditures by Function of Government for FY 2001 reflecting Committee action as of March 16, 2001 (Attachment 1).

Representative Ballard presented the Budget Committee report on the Governor's budget recommendations for the Department of Social and Rehabilitation Services for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted exceptions and comments (Attachment 2). Motion was seconded by Representative Bethell. Motion carried.

The Committee discussed at length Item 4 of the Budget Committee comments on Page 4 regarding shrinkage rates. It was noted that there are 428 FTE's allocated for Administration and 362.9 persons are employed in Administration of SRS. Many agencies hold the higher paying positions open longer in order to manipulate the shrinkage rates. It was pointed out that the Field Operations and Integrated Service Delivery positions are the most difficult to fill and it is necessary to have the flexibility to have positions available to allow for the hiring of social workers, case workers, and intake officers, depending upon the need of the field office. Also pointed out to the Committee was the increased number of persons who are applying for Temporary Assistance for Needy Families and food stamps which leads to the need for hiring staff where and when required.

In response to questions regarding the Payment Center, the State will begin drawing interest on bank deposits which have not been dispersed instead of Tier, Inc., according to information from SRS. Problems within Tier are being addressed and a report is due to the SRS Oversight Committee this summer. The problem in late payments to recipients appears to be checks that are improperly identified so instructional materials are being developed for check depositors.

Representative Neufeld, Chairman of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Social and Rehabilitation Services for FY 2002 with the noted exceptions and comments (Attachment 2). Motion was seconded by Representative Ballard.

Representative Bethell made a substitute motion to amend the Budget Committee report to request that the SRS Oversight Committee prepare a report regarding their attempt or success at moving all HCBS waiver programs into one program to be presented to the Legislature in September or October prior to the 2002

session. Motion was seconded by Representative Neufeld. Motion carried.

Representative Shriver moved to amend the Budget Committee report regarding Item 2 under Children and Family Policy on Page 18, making the \$212,000 funding contingent upon receiving a donation of \$100,000 from the Sunflower Foundation. Motion was seconded by Representative Feuerborn. Motion failed.

Representative Campbell moved to amend the Budget Committee report to delete Item 9 of Children and Family Policy, Page 20, until it is determined if the Juvenile Justice Authority or SRS will be required to pay for emergency shelter costs for law enforcement placements as at least one-third of the children determined to be non-offenders are reportedly to be in SRS custody. Motion was seconded by Representative Spangler.

Representative Feuerborn made a substitute motion to amend the Budget Committee report to strike the language in Item 9 of Children and Family Policy, Page 20, regarding funding by the Juvenile Justice Authority for emergency shelter for law enforcement placements. Motion was seconded by Representative Campbell. Motion failed.

The Committee discussed the need for emergency shelters for children who are picked up by law enforcement and need care before intake and assessment. It was noted that decreasing the funding to the community partners who provide this service would be unfair and probably lead to their declining to provide this service. Currently the average cost is \$105 per day with reimbursement rates being in the \$72 a day range. Robbing the Juvenile Justice Authority budget for the emergency care would cause a strain on their already very limited resources. The Governor has recommended a \$7 million cut in their budget for FY 2002.

Representative Campbell withdrew his motion. Representative Spangler withdrew his second.

Representative Nichols moved to conceptually amend the Budget Committee report by making Item 9 of Children and Family Policy, Page 20, contingent upon striking the language regarding funding from the Juvenile Justice Authority budget for emergency shelter for law enforcement placements and instructing SRS to find the balance of \$92,349 from existing resources in their budget. Motion was seconded by Representative Campbell. Motion carried.

Representative Spangler moved to conceptually amend the Budget Committee report in Item 7 of the Health Care Policy section, Pages 15 and 16, to reflect full funding in the amount of \$2 million from the State General Fund for Home and Community Based Services for Head Injury waivers due to the long wait by at least 100 individuals here in Kansas. Motion was seconded by Representative Feuerborn. Motion failed.

Budget Committee members pointed out that the head injury waiver along with many other waivers is being addressed in Item 10 in which SRS and the Department on Aging have been directed to review the changes needed in the State Medicaid Plan to combine all existing HCBS waiver programs into a single waiver.

Representative Nichols moved to conceptually amend the Budget Committee Report in Item 3 of the Health Care Policy section on Page 14, by instructing SRS to work on a plan to decertify beds in nursing homes for mental health clients and work with community providers in the development of a plan which is to be reported to the SRS Oversight Committee. Motion was seconded by Representative Hermes. Motion carried.

Representative Spangler moved to amend the Budget Committee Report by removing 100 FTE's from the Department of Social and Rehabilitative Services. Motion was seconded by Representative Toplikar. Motion failed.

Representative Klein moved to delete Item 1 from the Integrated Service Delivery section on Page 11. Motion was seconded by Representative Shriver. Motion failed.

Representative Neufeld moved for the adoption of the Budget Committee report on the Governor's budget recommendations for the Department of Social Rehabilitation Services for FY 2002 as amended and with the noted exceptions and comments (Attachment 2). Motion was seconded by Representative Ballard. Motion carried.

The meeting was adjourned 11:00 a.m. The next meeting is scheduled for Wednesday, March 21, 2001.



## APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/20

NAME	REPRESENTING
Brenda Eddy	KACIL
TK Shively	KLS
Melinda Gaul	DOB
Scott Brunner	DOB
Marilyn Jacobs	SRS
JB SCOTT	SRS
Laura Howard	SRS
Jayco Allegucci	SRS
Mark Fitt	INTECHAB
Shannon Jones	SILCK
John Kieftuber	Ks Health Care Assoc.
JOHN COLLINS	D OF P
Michael Byington	Emerson
Sheri Gibson	124th district
Sarah Light	124th
Jennifer Light	124th district
Bob Harder	Methodist of KS
John Petersen	Methodist Youthville
Mike Huffles	Ks. Gov't Consulting

# APPROPRIATIONS COMMITTEE GUEST LIST

DATE:

NAME	REPRESENTING
Ellen Pickelkiewicz	Assoc. of CMHCs
Jan Rly	KS Council on D.D
Richard S. Edmund	N.F. the Blind of Ks.
Lila Mahoney	N.F. the Blind of Ks.



**RECOMMENDED EXPENDITURES BY FUNCTION OF GOVERNMENT  
FY 2001**

**REFLECTS COMMITTEE ACTION AS OF MARCH 16, 2001**

**STATE GENERAL FUND**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor
<b>Operating Expenditures:</b>					
General Government	271,234,872	271,374,277	139,405	271,442,009	207,137
Human Resources	788,878,308	787,559,075	(1,319,233)	788,878,308	0
Education	2,965,142,623	2,965,142,623	0	2,965,142,623	0
Public Safety	305,677,481	305,533,103	(144,378)	305,533,103	(144,378)
Agriculture and Natural Resources	30,214,369	30,214,369	0	30,214,369	0
Transportation	10,343,189	10,343,189	0	10,343,189	0
<b>Subtotal - Operating Expenditures</b>	<b>4,371,490,842</b>	<b>4,370,166,624</b>	<b>(1,324,206)</b>	<b>4,371,553,601</b>	<b>62,759</b>
Capital Improvements	62,952,702	62,952,702	0	62,952,702	0
<b>TOTAL</b>	<b>4,434,443,544</b>	<b>4,433,119,338</b>	<b>(1,324,206)</b>	<b>4,434,506,303</b>	<b>62,759</b>

**ALL FUNDS**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor
<b>Operating Expenditures:</b>					
General Government	739,528,289	737,213,213	(2,315,076)	736,131,243	(3,397,046)
Human Resources	2,552,946,680	2,551,627,447	(1,319,233)	2,553,523,680	577,000
Education	4,061,886,528	4,061,886,528	0	4,061,886,528	0
Public Safety	421,966,147	422,949,874	983,727	422,949,874	983,727
Agriculture and Natural Resources	139,135,683	139,194,183	58,500	139,202,423	66,740
Transportation	494,492,094	494,492,094	0	494,492,094	0
<b>Subtotal - Operating Expenditures</b>	<b>8,409,955,421</b>	<b>8,407,363,339</b>	<b>(2,592,082)</b>	<b>8,408,185,842</b>	<b>(1,769,579)</b>
Capital Improvements	747,613,170	747,613,170	0	747,613,170	0
<b>TOTAL</b>	<b>9,157,568,591</b>	<b>9,154,976,509</b>	<b>(2,592,082)</b>	<b>9,155,799,012</b>	<b>(1,769,579)</b>

**FTE POSITIONS**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor
General Government	5,466.9	5,466.9	0.0	5,466.9	0.0
Human Resources	8,422.2	8,422.2	0.0	8,425.2	3.0
Education	16,300.2	16,300.2	0.0	16,300.2	0.0
Public Safety	4,986.3	4,986.3	0.0	4,986.3	0.0
Agriculture and Natural Resources	1,201.7	1,201.7	0.0	1,201.7	0.0
Transportation	3,247.5	3,247.5	0.0	3,247.5	0.0
<b>TOTAL</b>	<b>39,624.8</b>	<b>39,624.8</b>	<b>0.0</b>	<b>39,627.8</b>	<b>3.0</b>

**HOUSE APPROPRIATIONS**

DATE 3/20/01

ATTACHMENT #1

**RECOMMENDED EXPENDITURES BY FUNCTION OF GOVERNMENT  
FY 2002**

REFLECTS COMMITTEE ACTION AS OF MARCH 16, 2001

**STATE GENERAL FUND**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor	Senate Committee Rec. Excluding Pay Plan Reduction	Change From Governor
<b>Operating Expenditures:</b>							
General Government	281,242,502	281,216,635	(25,867)	273,513,169	(7,729,333)	277,364,185	(3,878,317)
Human Resources	833,473,954	833,673,954	200,000	828,772,585	(4,701,369)	833,784,954	311,000
Education	3,061,677,972	3,061,707,972	30,000	3,046,449,431	(15,228,541)	3,061,677,972	0
Public Safety	313,280,656	313,687,571	406,915	308,601,241	(4,679,415)	313,742,531	461,875
Agriculture and Natural Resources	33,104,135	32,904,135	(200,000)	32,510,166	(593,969)	33,159,364	55,229
Transportation	11,181,826	11,181,826	0	11,181,826	0	11,181,826	0
<b>Subtotal - Operating Expenditures</b>	<b>4,533,961,045</b>	<b>4,534,372,093</b>	<b>411,048</b>	<b>4,501,028,418</b>	<b>(32,932,627)</b>	<b>4,530,910,832</b>	<b>(3,050,213)</b>
Capital Improvements	130,278,094	130,278,094	0	130,278,094	0	130,278,094	0
<b>TOTAL</b>	<b>4,664,239,139</b>	<b>4,664,650,187</b>	<b>411,048</b>	<b>4,631,306,512</b>	<b>(32,932,627)</b>	<b>4,661,188,926</b>	<b>(3,050,213)</b>

**ALL FUNDS**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor	Senate Committee Rec. Excluding Pay Plan Reduction	Change From Governor
<b>Operating Expenditures:</b>							
General Government	754,266,403	788,962,070	34,695,667	779,089,136	24,822,733	785,163,544	30,897,141
Human Resources	2,644,848,062	2,644,986,829	138,767	2,637,509,105	(7,338,957)	2,647,009,063	2,161,001
Education	4,163,787,354	4,163,987,354	200,000	4,142,968,943	(20,818,411)	4,163,787,354	0
Public Safety	406,265,359	409,301,687	3,036,328	401,756,845	(4,508,514)	407,744,145	1,478,786
Agriculture and Natural Resources	142,041,284	142,452,284	411,000	140,495,952	(1,545,332)	142,222,836	181,552
Transportation	519,783,207	519,783,207	0	519,783,207	0	519,783,207	0
<b>Subtotal - Operating Expenditures</b>	<b>8,630,991,669</b>	<b>8,669,473,431</b>	<b>38,481,762</b>	<b>8,621,603,188</b>	<b>(9,388,481)</b>	<b>8,665,710,149</b>	<b>34,718,480</b>
Capital Improvements	521,331,531	521,281,531	(50,000)	521,331,531	0	521,331,531	0
<b>TOTAL</b>	<b>9,152,323,200</b>	<b>9,190,754,962</b>	<b>38,431,762</b>	<b>9,142,934,719</b>	<b>(9,388,481)</b>	<b>9,187,041,680</b>	<b>34,718,480</b>

**FTE POSITIONS**

	Governor's Recommendation	House Committee Recommendation	Change From Governor	Senate Committee Recommendation	Change From Governor	Senate Committee Rec. Excluding Pay Plan Reduction	Change From Governor
General Government	5,487.6	5,506.6	19.0	5,510.6	23.0	5,510.6	23.0
Human Resources	8,524.2	8,518.2	(6.0)	8,527.2	3.0	8,527.2	3.0
Education	16,302.2	16,302.2	0.0	16,303.2	1.0	16,303.2	1.0
Public Safety	5,058.8	5,061.8	3.0	5,061.8	3.0	5,061.8	3.0
Agriculture and Natural Resources	1,225.0	1,219.0	(6.0)	1,223.0	(2.0)	1,223.0	(2.0)
Transportation	3,247.5	3,247.5	0.0	3,247.5	0.0	3,247.5	0.0
<b>TOTAL</b>	<b>39,845.3</b>	<b>39,855.3</b>	<b>10.0</b>	<b>39,873.3</b>	<b>28.0</b>	<b>39,873.3</b>	<b>28.0</b>

**SENATE ADJUSTMENTS TO GOVERNOR'S RECOMMENDATION**  
**(Reflects Senate Committee Adjustments for FY 2001, FY 2002 and FY 2003)**

Agency/Item	State General Fund	All Funds	FTE Positions
<b>FY 2001:</b>			
<b>Behavioral Sciences Regulatory Board</b>			
Add funding to cover costs incurred for accepting credit cards	0	8,168	0.0
Add funding to cover elimination of first three pay grade steps	0	1,200	0.0
<b>Legislative Coordinating Council</b>			
KPERS actuarial audit	150,000	150,000	0.0
<b>State Treasurer</b>			
Reduce Shrinkage Savings	52,137	78,966	0.0
Unclaimed property OOE	0	20,000	0.0
<b>Insurance Commissioner</b>			
Reduce Shrinkage in Regulation program from 4.0 percent to 3.5 percent	0	29,376	0.0
Authorize \$2,000 for official hospitality by proviso	0	0	0.0
<b>Judicial Council</b>			
Add funding for study requested by Legislature	5,000	5,000	0.0
<b>KPERS</b>			
Technology Project shift	0	(1,200,000)	0.0
KPERS manager fees	0	(2,155,032)	0.0
Non-KPERS manager fees	0	(430,964)	0.0
<b>State Corporation Commission</b>			
Expend federal grant for Brine Spill Remediation	0	96,240	0.0
<b>Department of Commerce and Housing</b>			
Shift \$25,842 from the EDIF to KSIP	0	0	0.0
<b>Department of Human Resources</b>			
Add funding for private sector consultations and public sector inspections	0	77,000	0.0
<b>Kansas Commission on Veterans' Affairs</b>			
Additional Kansas Soldiers' Home nursing positions (no funding)	0	0	3.0
<b>Department Of Social &amp; Rehabilitation Services</b>			
Add federal funds for Medicaid Buy In planning	0	500,000	0.0
Add proviso allowing savings of \$870,000SGF for Medicaid Buy In Program under the Regular Medical Program	0	0	0.0
<b>Department of Corrections</b>			
Day reporting center and community corrections savings	(169,378)	(169,378)	0.0
<b>Juvenile Justice Authority</b>			
Add funding to restore Intake and Assessment to current services level	0	1,000,000	0.0
<b>Adjutant General</b>			
Operating funds (for McConnell) contingent on availability of federal funds	25,000	100,000	0.0
<b>Sentencing Commission</b>			
Adding funding for CJIS expenses	0	53,105	0.0
<b>Department of Agriculture</b>			
Increase the expenditure limitation on the Feed Fee Fund to increase surveillance of feed products	0	50,000	0.0



Agency/Item	State General Fund	All Funds	FTE Positions
<b>Kansas Water Office</b>			
Add \$16,740 from the State Water Plan Fund for 30 High Plains Aquifer stakeholder meetings in western Kansas	0	16,740	0.0
<b>TOTAL CHANGE - FY 2001</b>	<b>62,759</b>	<b>(1,769,579)</b>	<b>3.0</b>
<b>FY 2002:</b>			
<b>Bank Commissioner</b>			
Add examiner and support staff positions in the Div. Of Consumer and Mortgage Lending	0	211,496	4.0
<b>Legislative Coordinating Council</b>			
Delete KPERS actuarial audit funding in FY 2002 since audit funded in FY 2001	(100,000)	(100,000)	0.0
<b>Legislative Post Audit</b>			
Delete savings for less than estimated contracted financial compliance audits	(48,000)	(48,000)	0.0
<b>Attorney General</b>			
Add funding for Colorado water litigation	100,000	100,000	0.0
Add funding for Nebraska water litigation	400,000	400,000	0.0
Delete position and funding for Criminal Justice Information System Coordinator and move position to DISC	(112,542)	(112,542)	(1.0)
<b>State Treasurer</b>			
Postsecondary ed savings	0	1,806	0.0
Unclaimed property OOE	0	15,500	0.0
Limit LAVTRF growth to 2.0%	(2,680,907)	(2,680,907)	0.0
Limit CCRSF growth to 2.0%	(1,709,938)	(1,709,938)	0.0
<b>Insurance Commissioner</b>			
Reduce Shrinkage in Regulation program from 4.0 percent to 3.5 percent	0	31,193	0.0
Authorize \$2,000 for official hospitality by proviso	0	0	0.0
<b>Judicial Council</b>			
Shift funding from Publications Fee Fund to the State General Fund	29,080	0	0.0
<b>Board of Indigents' Defense Services</b>			
Restore funding for Legal Services for Prisoners, Inc	211,213	211,213	0.0
<b>Judicial Branch</b>			
Add funding for district magistrate judges in 8th and 9th judicial districts	120,235	120,235	2.0
<b>KPERS</b>			
Technology Project shift	0	1,200,000	0.0
KPERS manager fees	0	(3,078,682)	0.0
Non-KPERS manager fees	0	(968,815)	0.0
Agency non-KPERS management fees	0	(200,000)	0.0
Add funding for new member services staff	0	147,246	4.0
Add telephone consultant fees	0	50,000	0.0
Remove FTE limitation	0	0	0.0
<b>State Corporation Commission</b>			
Expend federal grant for Brine Spill Remediation	0	94,760	0.0

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Department of Administration</b>			
Transfer the Criminal Justice Information System Coordinator position (funding and 1.0 FTE position) from the Attorney General's budget to the Division of Information Systems and Communications (DISC) budget	112,542	112,542	1.0
<b>Department of Commerce and Housing</b>			
Delete half of funding for grant to Eisenhower Center to fund over two years rather than one	(200,000)	(200,000)	0.0
Add funding to administer Section 8 contracts (includes \$35.5 million for other assistance grants)	0	37,300,034	13.0
<b>Department of Human Resources</b>			
Increase Workers Comp Fee Fund to pay for 2.0 FTE at KDHE	0	102,100	0.0
<b>Commission on Veterans' Affairs</b>			
Continue Nursing positions at KSH	0	0	3.0
<b>Department of Health and Environment</b>			
Add funding for State Dental Officer	96,000	204,000	0.0
Add funding from the Children's Initiatives Fund to mandate chicken pox and hepatitis B immunizations for school entry	0	264,901	0.0
Add funding from the Children's Initiatives Fund for smoking prevention grants; to be matched dollar for dollar by American Legacy Foundation grant	0	875,000	0.0
<b>Department on Aging</b>			
Add funding for Senior Legal Hotline	15,000	15,000	0.0
Add Proviso which adds an additional \$15,000 from agency's existing budget for a total state contribution of \$30,000 for Senior Legal Hotline	0	0	0.0
<b>Department Of Social &amp; Rehabilitation Services</b>			
Add proviso eliminating \$40 pass-through on Child Support Enforcement	0	0	0.0
Add proviso adding foster care & adoption to consensus caseload estimating	0	0	0.0
Shifts \$90,000 of Community Funding to a contract for mediation pilot project in Wichita for 100 cases.	0	0	0.0
Add federal funds for Medicaid Buy In planning	0	500,000	0.0
Add proviso allowing savings of \$870,000SGF for Medicaid Buy In Program under the Regular Medical Program	0	0	0.0
Add \$200,000 SGF for Social Security Advocacy Project	200,000	200,000	0.0
<b>School for the Blind</b>			
Add 1.0 FTE for mobility and orientation teacher with no additional funding	0	0	1.0
<b>Department of Corrections</b>			
Add funds for education and substance abuse treatment	169,378	1,048,380	0.0
<b>Larned Juvenile Correctional Facility</b>			
Add funding for Residential Substance Abuse Treatment Program	35,971	143,884	0.0
<b>Adjutant General</b>			
Add funding for debt service payment on armory bonds	195,000	195,000	0.0
<b>Board of Emergency Medical Services</b>			
Restore reduced operating expenses	5,735	5,735	0.0
Restore full funding for Regional Councils	1,508	1,508	0.0
Add funding for 400 MHz communication system	10,000	10,000	0.0
Expenditure authority for Rural Health Options Fund	0	0	0.0
<b>Sentencing Commission</b>			
Add funding for Research Analyst position	34,283	34,283	1.0

Agency/Item	State General Fund	All Funds	FTE Positions
Add funding for Grant Specialist position	10,000	39,996	0.0
<b>Fire Marshal</b>			
Establish a Hazardous Materials Emergency Fund	0	0	0.0
Reclassify 2.0 other unclassified positions to FTE positions	0	0	2.0
<b>Department of Agriculture</b>			
Increase the expenditure limitation on the Feed Fee Fund to increase surveillance of feed products	0	31,000	0.0
Delete 2.0 FTE positions that are no longer funded	0	0	(2.0)
Proviso to establish a new civil litigation fee fund, as a no-limit fund to be used to receive moneys from the Attorney General's office to deal with fees and costs associated with litigation over fraudulent meat sales	0	0	0.0
<b>State Conservation Commission</b>			
Proviso to capture lapsed State Water Plan Funds from the Water Resources Cost Share program and the Non-Point Source Pollution program, and utilize those funds for enhancements to the Water Resources Cost Share program	0	0	0.0
Add \$50,000 from the State Water Plan Fund for the Riparian and Wetland	0	50,000	0.0
<b>Kansas Water Office</b>			
Add \$55,552 to support the water planning process	0	55,552	0.0
Add \$45,000 from State Water Plan Fund to support the Ogallala Aquifer Institute	0	45,000	0.0
Transfer \$55,229 from the Water Marketing Fund to the State General Fund to finance existing Civil Engineer position	55,229	0	0.0
Proviso to prohibit purchasing more water storage	0	0	0.0
Proviso to creating the Water Assurance Fund and authorizing expenditures from the fund	0	0	0.0
Proviso to authorize the Water Office to borrow money from the Pooled Money Investment Board for a temporary shortage in the Water Marketing Fund	0	0	0.0
Proviso to create a fund for receiving and passing through local match funds for federal cost-share programs	0	0	0.0
<b>All Agencies</b>			
Delete funding for the Governor's pay plan adjustments	(29,882,414)	(44,106,961)	0.0
<b>TOTAL CHANGE - FY 2002</b>	<b>(32,932,627)</b>	<b>(9,388,481)</b>	<b>28.0</b>
<b>FY 2003:</b>			
<b>Bank Commissioner</b>			
Continuation of FTE positions in Div. Of Consumer and Mortgage Lending	0	200,834	4.0
<b>All Agencies</b>			
Delete funding for the Governor's pay plan adjustments	(12,172)	(300,372)	0.0
<b>TOTAL CHANGE - FY 2003</b>	<b>(12,172)</b>	<b>(99,538)</b>	<b>4.0</b>



# HOUSE ADJUSTMENTS TO THE GOVERNOR'S BUDGET RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>FY 2001:</b>			
<b>Behavioral Sciences Regulatory Board</b>			
Add funding for equipment and software for acceptance of credit cards	0	650	0.0
<b>Board of Nursing</b>			
Add a proviso reappropriating any of the \$123,934 the Governor added to the agency's budget for 5.5 additional FTE positions that is not expended to employ temporary workers in those positions in the interim or fill them with full time employees	0	0	0.0
<b>Legislative Coordinating Council</b>			
KPERS actuarial audit	150,000	150,000	0.0
<b>State Treasurer</b>			
Add funding for Unclaimed Property operations	0	22,500	0.0
Shrinkage reduction	0	65,486	0.0
<b>Judicial Council</b>			
Add funding for study requested by Legislature	5,000	5,000	0.0
<b>Insurance Department</b>			
Reduce shrinkage in Ins. Company Regulation program from 4.0 percent to 3.5 percent	0	29,376	0.0
<b>Kansas Human Rights Commission</b>			
Reappropriate \$15,595 SGF to FY 2002 for computer purchases requested by the agency and not funded by the Governor.	(15,595)	(15,595)	0.0
<b>State Corporation Commission</b>			
Expend federal grant for brine spill remediation	0	96,240	0.0
<b>Citizens' Utility Ratepayer Board</b>			
Create no-limit fund for contractual services to receive \$75,000 transfer, ineligible for KSIP	0	0	0.0



## HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Kansas Public Employee Retirement System</b>			
Technology project shift to FY 2002	0	(1,200,000)	0
Reduce estimated KPERS payments for investment management fees.	0	(2,155,032)	0
Reduce estimated non-KPERS payments for investment management fees.	0	(430,964)	0
<b>Department of Revenue</b>			
Add fee fund financing for technology project	0	1,117,263	0.0
<b>Department of Commerce and Housing</b>			
Shift \$25,842 from the EDIF to KSIP	0	0	0.0
<b>Homestead Property Tax Refunds</b>			
Delete \$1,319,233 SGF to remove the Governor's supplemental appropriation in anticipation of the passage of SB 44	(1,319,233)	(1,319,233)	0.0
<b>Department of Health and Environment</b>			
Delete transfer of \$131,250 from the Trauma Fund to the SGF	0	0	0.0
Add proviso requiring the Dept. to certify ADAP expenditures will not create a state maintenance of effort	0	0	0.0
<b>Department of Corrections</b>			
Reduce current year savings, carry forward to FY 2002	(169,378)	(169,378)	0.0
<b>Adjutant General</b>			
Operating funds (for McConnell) contingent on availability of federal funds	25,000	100,000	0.0
<b>Sentencing Commission</b>			
Adding funding for CJIS expenses	0	53,105	0.0



# HOUSE ADJUSTMENTS TO THE GOVERNOR'S BUDGET RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Juvenile Justice Authority</b>			
Add funding to restore Intake and Assessment to current services level	0	1,000,000	0.0
<b>Department of Agriculture</b>			
Increase the expenditure limitation on the Feed Fee Fund to increase surveillance of feed products	0	50,000	0.0
<b>Kansas Water Office</b>			
Add \$8,500 from the State Water Plan Fund for 30 High Plains Aquifer stakeholder meetings in western Kansas	0	8,500	0.0
<b>Total Change - FY 2001</b>	<b>\$ (1,324,206)</b>	<b>\$ (2,592,082)</b>	<b>0.0</b>
<b>FY 2002:</b>			
<b>Board of Cosmetology</b>			
Transfer \$87,000 from KSIP account to the fee fund account	0	0	0.0
<b>Board of Veterinary Examiners</b>			
Add for increased travel and subsistence that would allow the agency to increase efforts in conducting regular inspections of veterinary premises	0	10,000	0.0
Add for professional litigation services to meet the need for more legal assistance	0	16,000	0.0
<b>Legislature</b>			
Establish a full-time legislator secretarial pool	90,000	90,000	5.0
<b>Division of Post Audit</b>			
Delete funding as a result of savings from a lower than anticipated financial compliance audit contracted services	(48,000)	(48,000)	0.0



## HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Attorney General</b>			
Delete Criminal Justice Information System Coordinator and keep position in Sentencing Commission	(112,542)	(112,542)	(1.0)
Use unbudgeted drug forfeiture funds for grants to 11 counties for meth lab law enforcement	0	50,000	0.0
<b>State Treasurer</b>			
Add funding for Unclaimed Property operations	0	22,500	0.0
<b>Insurance Department</b>			
Reduce shrinkage in Ins. Company Regulation program from 4.0 percent to 3.5 percent	0	31,193	0.0
<b>Judicial Council</b>			
Shift funding to State General Fund and use fee fund only for publications activities	\$29,080	\$0	0.0
<b>Kansas Public Employees Retirement System</b>			
Add funding for technology project	0	1,200,000	0.0
Reduce estimated KPERS payments of investment managers	0	(3,078,682)	0.0
Reduce estimated non-KPERS payments for investment managers	0	(968,815)	0.0
Reduce agency expenses to be funded from non-KPERS money	0	(200,000)	0.0
Add funding for two new staff	0	73,624	2.0
Add funding for telephony consultant	0	50,000	0.0
Make line item for investment manager fees a no limit account	0	0	0.0
Delete FTE limitation in bill	0	0	0.0



# HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Human Rights Commission</b>			
Reappropriate \$15,595 SGF to FY 2002 for computer purchases requested by the agency but not funded by the Governor.	15,595	15,595	0.0
<b>State Corporation Commission</b>			
Expend federal grant for brine spill remediation	0	94,760	0.0
<b>Department of Revenue</b>			
Proviso to delay SGF payment of \$10 million for the AMS contract associated with Project 2000. This recommendation enhances the ending SGF balance since the payment is off-budget.	0	0	0.0
<b>Department of Commerce and Housing</b>			
Add funding to administer Section 8 contracts (includes \$35.5 million for other assistance grants) with proviso requiring FTE be unclassified	0	37,300,034	13.0
Add EDIF for Mid-America World Trade Center	0	50,000	0.0
Add EDIF for State Teachers Hall of Fame	0	25,000	0.0
Add EDIF for CDCs	0	75,000	0.0
<b>Department of Human Resources</b>			
Add funding from Workers Compensation Fee Fund for 2.0 FTE (off-budget) in KDHE for data collection	0	102,100	0.0
<b>Department of Health and Environment</b>			
Shift SGF to fee funds in the Bureau of Air and Radiation	(200,000)	0	0.0
Add funding to create an Oral Health Office	200,000	200,000	0.0
Create a State Loan Repayment Program for dentist and hygienists to be administered by the Dept.	0	0	0.0



## HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
Add funding for Stroke Prevention Program from the Trauma Fund (including \$56,000 carry-forward from FY 2001)	0	156,000	0.0
Shift \$300,000 SGF from agency operations to the Pregnancy Maintenance Initiative	0	0	0.0
Add proviso to allow nurse practitioners and registered nurses to examine ill, injured or impaired juveniles prior to detention	0	0	0.0
Add proviso requiring combined immunizations to be offered separately	0	0	0.0
Shift 6.0 new FTE added for public water supply oversight to other unclassified positions	0	0	(6.0)
Delete 6.0 FTE added for nursing home surveys and related federal funding - leave \$42,517 SGF added for the positions to offset other cuts	0	(319,333)	(6.0)
<b>Department on Aging</b>			
Delete from agency operations	(30,000)	(30,000)	0.0
Add funding for the Senior Legal Hotline as a line item	30,000	30,000	0.0
Combine Income Eligible, Senior Care Act, Case Management Custom Care and Environmental Modification programs into one	0	0	0.0
<b>Department of Education</b>			
Increase number of four-year-old at-risk children by 218 (total 2,884)	450,000	500,000	0.0
Delete funding for study of school finance formula	(450,000)	(450,000)	0.0
Delete additional funding for Parent Education Program	0	(2,000,000)	0.0



# HOUSE ADJUSTMENTS TO THE GOVERNOR'S BUDGET RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
Add proviso to mentor teacher program stating that grants are for mentoring first-year teachers only	0	0	0.0
Add funding for Kansas Cultural Heritage Center operating expenses	30,000	30,000	0.0
Earmark funding for services to children recommended by House Education Subcommittee on Accountability	0	1,950,000	0.0
<b>State Library</b>			
Add EDIF to increase aid to local libraries	0	170,000	0.0
<b>Department of Corrections</b>			
Shift funding and spend carry-forward FY 01 SGF to add \$1.7 million; \$1.0 million for education programs and \$745,998 for substance abuse treatment	169,378	1,669,378	0.0
<b>Larned Juvenile Correctional Facility</b>			
Add funding for Residential Substance Abuse Treatment Program	35,971	143,884	0.0
<b>Adjutant General</b>			
Additional funding for Educational Assistance (EDIF)	0	250,000	0.0
Operating funds (for McConnell) contingent on availability of federal funds	25,000	100,000	0.0
<b>Fire Marshal</b>			
Establish a Hazardous Materials Emergency Fund	0	0	0.0
Reclassify 2.0 other unclassified positions to FTE positions	0	0	2.0
<b>Highway Patrol</b>			
Additional 5.0 percent increase for sworn officers	0	0	0.0



## HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>Kansas Bureau of Investigation</b>			
Additional positions	0	666,504	0.0
<b>Board of Emergency Medical Services</b>			
Restore reduced operating expenses	5,735	5,735	0.0
Restore full funding for Regional Councils	1,508	1,508	0.0
Add funding for 400 MHz communication system	10,000	10,000	0.0
Expenditure authority for Rural Health Options Fund	0	0	0.0
<b>Sentencing Commission</b>			
Add funding for Research Analyst position	34,283	34,283	0.0
Add funding for Grant Specialist position	10,000	39,996	0.0
Transfer Criminal Justice Information System Coordinator position, including funding and 1.0 FTE, from Attorney General to Sentencing Commission	112,542	112,542	1.0
<b>Ombudsman of Corrections</b>			
Add funding for ombudsman travel to correctional facilities	2,498	2,498	0.0
<b>Department of Agriculture</b>			
Increase the expenditure limitation on the Feed Fee Fund to increase surveillance of feed products	0	31,000	0.0
Proviso to establish a new civil litigation fee fund, as a no-limit fund to be used to receive moneys from the Attorney General's office to deal with fees and costs associated with litigation over fraudulent meat sales	0	0	0.0



# HOUSE ADJUSTMENTS TO THE GOVERNOR'S BUDGET RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
<b>State Conservation Commission</b>			
Proviso to capture lapsed State Water Plan Funds from the Water Resources Cost Share program and the Non-Point Source Pollution program, and utilize those funds for enhancements to the Water Resources Cost Share program	0	0	0.0
Add \$50,000 from the State Water Plan Fund for the Riparian and Wetland program	0	50,000	0.0
<b>Kansas Water Office</b>			
Proviso to prohibit purchasing more water storage	0	0	0.0
Proviso to authorize the Water Office to transfer money from the sub-accounts of the Water Supply Storage Assurance District Fund to the Water Marketing Fund	0	0	0.0
Proviso to authorize the Water Office to borrow money from the Pooled Money Investment Board for a temporary shortage in the Water Marketing Fund	0	0	0.0
Proviso to create a fund for receiving and passing through local match funds for federal cost-share programs	0	0	0.0
<b>Department of Wildlife and Parks</b>			
Add \$200,000 Boating Fee Fund for Kansas and Missouri River Access	0	200,000	0.0
Add \$330,000 EDIF for the Local Government Outdoor Recreation Grant Program	0	330,000	0.0
Delete \$250,000 Wildlife Conservation Fund for general land acquisition	0	(250,000)	0.0
Add proviso regarding approval river access on the Kansas and Missouri rivers	0	0	0.0



## HOUSE ADJUSTMENTS TO THE GOVERNOR'S RECOMMENDATION

(Reflects House Committee Adjustments for FY 2001, FY 2002 and FY 2003)

Agency/Item	State General Fund	All Funds	FTE Positions
Add proviso limiting wetlands acquisition to wetlands within 1.1 mile of agency owned property	0	0	0.0
Add proviso limiting Playa Lake land acquisition to play lake land within 1.1 mile of agency owned property	0	0	0.0
<b>Total Change - FY 2002</b>	<b>\$ 411,048</b>	<b>\$ 38,431,762</b>	<b>10.0</b>

### FY 2003:

#### Board of Veterinary Examiners

Add for increased travel and subsistence that would allow the agency to increase efforts in conducting regular inspections of veterinary premises

0      10,000      0.0

Add for professional litigation services to meet the need for more legal assistance

0      16,000      0.0

**Total Change - FY 2003**      **\$ -**      **\$ 26,000**      **0.0**

# 2001 SOCIAL SERVICES BUDGET COMMITTEE

FY 2001 and FY 2002

Department of Social and Rehabilitation Services



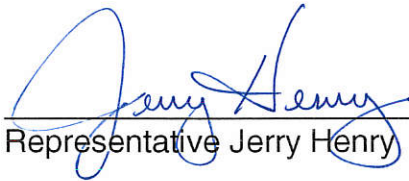
Representative Melvin Neufeld, Chairperson



Representative Barbara Ballard



Representative Bob Bethell



Representative Jerry Henry



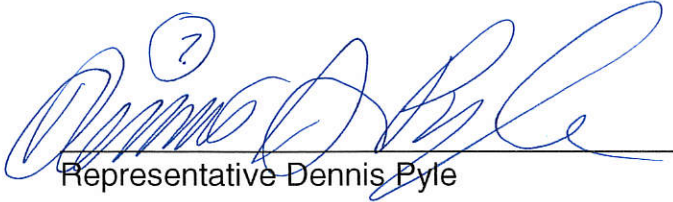
Representative Brenda Landwehr



Representative Patricia Lightner



Representative Larry Powell



Representative Dennis Pyle



Representative Jerry Williams

HOUSE APPROPRIATIONS

DATE 3/20/01

ATTACHMENT #2

## Senate Subcommittee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No.**

**Bill Sec.**

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 401

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Subcommittee Adjustments
State Operations	\$ 277,103,036	\$ 275,071,076	\$ 500,000
Local Aid	84,222,419	84,222,419	0
Other Assistance	1,283,354,748	1,327,136,999	0
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
Capital Improvements	4,153,897	4,153,897	0
TOTAL	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
State General Fund	\$ 559,785,209	\$ 580,294,647	\$ 0
All Other Funds	1,084,894,994	1,106,135,847	500,000
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
State Institutions Building Fund	4,153,897	4,153,897	0
TOTAL	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
FTE Positions	3,931.4	3,878.5	0.0
Other Unclassified Positions	174.2	168.2	0.0
TOTAL	<u><u>4,105.6</u></u>	<u><u>4,046.7</u></u>	<u><u>0.0</u></u>

### Agency Req./Governor's Recommendation

For FY 2001, the agency requests expenditures of \$1.645 billion, including \$560.0 million from the State General Fund, for agency operations. The request is an increase of 95.7 million (6.2 percent) all funds and a State General Fund decrease of \$10.6 million (-1.9 percent) below actual FY 2000 expenditures. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$39.0 million; Medicaid Management Information System contract \$9.4 million; HealthWave services \$7.4 million; HCBS waiver programs \$18.9 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$4.2 million in capital improvements for rehabilitation and repair projects and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.686 billion, an increase of \$41.8 million (2.5 percent) above the agency request for FY 2001. The State General Fund recommendation of \$580.3 million is an increase of \$20.5 million (3.7 percent) above the request. The Governor recommendation funded the consensus caseload estimates which increased the foster care contract by \$13.6 million (\$10.8 million SGF); adoption contract by \$3.1 million (\$2.3 million SGF); and regular medical assistance by \$5.5 million (8.4 million SGF). Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease of 53.0 FTE below the approved. An overall



shrinkage rate of 6.71 percent is recommended which is a decrease of 1.35 percent below the agency request. The Governor concurs with the agency request for rehabilitation and repair projects and recommends \$4.2 million for capital improvements.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation for FY 2001 with the following exceptions and comments:

1. Adds \$500,000 from the federal Medicaid funds to begin planning for a Medicaid Buy In Program for individuals with disabilities. The agency applied for an received a four year grant for program planning from the U. S. Department of Health and Human Services. The Medicaid Buy In Program would allow individuals with disabilities currently receiving Social Security Income or Social Security Disability Income to work but retain their Medicaid insurance. The individuals would be required to pay a premium based upon income for the coverage.
2. Add a proviso to Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove work disincentives that inhibit individuals with disabilities from engaging in work as lack of health care coverage is a major barrier to employment. Unemployment rates for individuals with disabilities is reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population ever find employment. The program as outlined by the U. S. Department of Health and Human Services would require that the individual pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.

### **Senate Ways and Means Committee**

The Senate Ways and Means Committee concurs with the Subcommittee recommendations for FY 2001 with the following exception:

1. Staff is directed to make technical corrections to the bill to reflect the Governor's intent.

## House Budget Committee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No.** 2545

**Bill Sec.** 20

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 401

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>House Budget Committee Adjustments</u>
State Operations	\$ 277,103,036	\$ 275,071,076	\$ 500,000
Local Aid	84,222,419	84,222,419	0
Other Assistance	1,283,354,748	1,327,136,999	0
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
Capital Improvements	4,153,897	4,153,897	0
<b>TOTAL</b>	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
State General Fund	\$ 559,785,209	\$ 580,294,647	\$ 0
All Other Funds	1,084,894,994	1,106,135,847	500,000
Subtotal - Operating	<u>\$ 1,644,680,203</u>	<u>\$ 1,686,430,494</u>	<u>\$ 500,000</u>
State Institutions Building Fund	4,153,897	4,153,897	0
<b>TOTAL</b>	<u><u>\$ 1,648,834,100</u></u>	<u><u>\$ 1,690,584,391</u></u>	<u><u>\$ 500,000</u></u>
FTE Positions	3,931.4	3,878.5	0.0
Other Unclassified Positions	174.2	168.2	0.0
<b>TOTAL</b>	<u><u>4,105.6</u></u>	<u><u>4,046.7</u></u>	<u><u>0.0</u></u>

### Agency Req./Governor's Recommendation

For FY 2001, the agency requests expenditures of \$1.645 billion, including \$560.0 million from the State General Fund, for agency operations. The request is an increase of 95.7 million (6.2 percent) all funds and a State General Fund decrease of \$10.6 million (-1.9 percent) below actual FY 2000 expenditures. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$39.0 million; Medicaid Management Information System contract \$9.4 million; HealthWave services \$7.4 million; HCBS waiver programs \$18.9 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$4.2 million in capital improvements for rehabilitation and repair projects and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.686 billion, an increase of \$41.8 million (2.5 percent) above the agency request for FY 2001. The State General Fund recommendation of \$580.3 million is an increase of \$20.5 million (3.7 percent) above the request. The Governor recommendation funded the consensus caseload estimates which increased the foster care contract by \$13.6 million (\$10.8 million SGF); adoption contract by \$3.1 million (\$2.3 million SGF); and regular medical assistance by \$5.5 million (8.4 million SGF). Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease of 53.0 FTE below the approved. An overall shrinkage rate of 6.71 percent is recommended which is a decrease of 1.35 percent below the



agency request. The Governor concurs with the agency request for rehabilitation and repair projects and recommends \$4.2 million for capital improvements.

### House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2001 with the following exceptions and comments:

1. Add \$500,000 from the federal Medicaid funds to beginning planning for a Medicaid Buy In Program for Individuals with Disabilities. The agency applied for and received a four-year grant for program planning from the U. S. Department of Health and Human Services. The Medicaid Buy In Program would allow individuals with disabilities currently receiving Social Security Income or Social Security Disability Income to work but retain their Medicaid insurance. The program beneficiaries would be required to pay a premium based upon income for the coverage.
2. Add a proviso to Mental Health and Retardation Services Aid and Assistance and Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove disincentives that inhibit individuals with disabilities from engaging in work, as lack of health care coverage is a major barrier to employment. The unemployment rate for individuals with disabilities is reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population finds employment. The program as outlined by the U. S. Department of Health and Human Services, would require that the program beneficiaries pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.
3. Staff is directed to make technical corrections to the bill to reflect the Governor's intent.
4. The Budget Committee heard testimony that the agency is experiencing the following shrinkage rates:

Division	Actual as of 2/17/01	Budgeted FY 2001	Number of Employees
Administration	6.6%	6.0%	362.9
Children & Family Policy	8.4%	5.8%	67.7
Health Care Policy	8.2%	5.6%	109.1
Field Operations	10.3%	7.3%	3,040.8
Integrated Service Del.	12.8%	5.8%	315.6

The agency explained that it has been forced to fill positions at a higher salary range than budgeted in order to attract qualified individuals. Therefore, additional

positions above the budgeted shrinkage rate are required to remain open in order to compensate for the higher salaries being paid for the positions that are being filled.

The Budget Committee heard testimony from several direct care staff and providers that the private contractors are also experiencing the same problem. Several providers indicated that the problem of attracting qualified staff has reached a crisis in some areas of the state as the providers have been unsuccessful in hiring additional staff. The reason most often mentioned is the inability of the providers to pay a wage that can compete with other industries in their regions of the state.

The Long-Term Care Task Force has undertaken a study of all of the problems in hiring and retaining staff in the direct care area and will continue with this study during the summer. Some of the areas that the Task Force is examining are pay, training, benefits, rewards both internal and external, and best practices in management.

5. The Budget Committee recommends introduction of legislation to amend the statutes governing the Kansas Council on Developmental Disabilities to comply with federal law.
6. The Budget Committee directs the agency to report back to the Committee prior to the start of the Omnibus Session on its plans to relocate part of Blind Services to either the Kirkbridge Building or the Woodward Building on the grounds of the former Topeka State Hospital. The Committee was informed that the Division of Facilities Management had presented to the agency on March 8 a new proposal for the Woodward Building. In addition, the Committee requests that the SRS Oversight Committee undertake a study of removing Blind Services from the Department of Social and Rehabilitation Services. The study should also examine the feasibility of setting up an independent Commission to oversee the operation of Blind Services.
7. The Budget Committee directs the Department to work with the central payment center contractor on the issues of the per call charges; the possibility of establishing a fund within the Office of State Treasurer to hold the checks which are unidentifiable; and to employ the services of the child support enforcement contractors to help in the process of identifying the proper payee for the unidentifiable checks. The report is to be presented to the SRS Oversight Committee.



## Senate Subcommittee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No.**

**Bill Sec.**

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 401

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Subcommittee* Adjustments
State Operations	\$ 288,871,517	\$ 274,975,005	\$ (3,983,717)
Local Aid	77,730,408	95,730,408	0
Other Assistance	1,388,014,356	1,384,406,898	0
Subtotal - Operating	<u>\$ 1,754,616,281</u>	<u>\$ 1,755,112,311</u>	<u>\$ (3,983,717)</u>
Capital Improvements	31,364,441	7,862,950	0
TOTAL	<u><u>\$ 1,785,980,722</u></u>	<u><u>\$ 1,762,975,261</u></u>	<u><u>\$ (3,983,717)</u></u>
State General Fund	\$ 613,896,548	\$ 618,877,242	\$ (1,750,454)
All Other Funds	1,140,719,733	1,136,235,069	(2,233,263)
Subtotal - Operating	<u>\$ 1,754,616,281</u>	<u>\$ 1,755,112,311</u>	<u>\$ (3,983,717)</u>
State Institutions Building Fund	31,364,441	7,862,950	0
TOTAL	<u><u>\$ 1,785,980,722</u></u>	<u><u>\$ 1,762,975,261</u></u>	<u><u>\$ (3,983,717)</u></u>
FTE Positions	3,933.4	3,878.5	0.0
Other Unclassified Positions	186.2	168.2	0.0
TOTAL	<u><u>4,119.6</u></u>	<u><u>4,046.7</u></u>	<u><u>0.0</u></u>

\* Excluding the deletion of the Governor's recommended employee pay plan, the Subcommittee's recommendation is an increase of \$500,000 all funds from the federal Medicaid program.

### Agency Req./Governor's Recommendation

For FY 2002, the agency requests expenditures of \$1.755 billion, including \$613.9 million from the State General Fund, for agency operations. The request is an increase of \$109.9 million (6.7 percent) all funds and a State General Fund increase of \$54.1 million (9.7 percent) above the FY 2001 request. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$55.1 million; Medicaid Management Information System \$10.0 million; Home and Community Based Service (HCBS) waiver programs \$17.5 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$31.4 million in capital improvements for rehabilitation and repair projects, planning for a new state security hospital, and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.755 billion, an increase of \$0.5 million above the agency request for operating expenditures in FY 2002. The State General Fund recommendation of \$618.9 million is an increase of \$5.0 million (0.8 percent) above the request. The Governor's recommendation funded the consensus caseload estimates which provide funding for the regular medical assistance program of \$708.5 million (\$240.1 million SGF); HCBS/Developmental

Disabilities program of \$186.6 million; HCBS/Physically Disabled program of \$63.1 million; HCBS/Head Injured of \$5.0 million; mental health grants are recommended at \$63.5 million. Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease of 53.0 FTE below the agency request. An overall shrinkage rate of 8.59 percent is recommended which is a decrease of 1.06 percent below the agency request. The Governor recommends \$4.2 million for rehabilitation and repair projects and provides \$3.7 million for planning for a new state security hospital.

## **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation for FY 2002 with the following exceptions and comments:

### **Agencywide**

1. Delete \$4,483,717 all funds, including \$1,750,454 from the State General Fund, based on the recommendation to delete funding from the Governor's recommended pay plan adjustments which include a base salary increase, longevity, and unclassified merit.
2. The Subcommittee wishes to commend the Department of Social and Rehabilitation Services for its efforts to reform the structure of the agency and to articulate performance measures by which to judge the performance of each initiative. However, the Subcommittee strongly recommends that the Department enhance the usefulness of its performance measures by refining them so that they not only set forth general measures but also establish specific performance measures. These performance measures should not merely focus on the "nuts and bolts" of program performance but should also reflect the extent to which funds expended have positively impacted the lives of Kansans served by these programs. These measures should be used to determine if the Department is delivering its programs in a manner that is appropriate for all Kansans regardless of age, race, location, or disability. The Department should also reflect in its performance measures a Department wide commitment to prevention and demonstrate the cost savings that can be obtained through appropriate prevention planning. Further, the Department, through its performance measures, should seek to reflect its commitment to serve people and to enhance the dignity of those served.

The Subcommittee recommends that the Connect Kansas initiative be integrated into the performance measures of the Department. The Subcommittee further recommends that the Department embrace the Connect Kansas outcomes as part of its central mission. Connect Kansas provides a useful model for integrated service delivery and the Department is urged to reinforce the importance of this prevention focused model in agency-level planning and performance evaluation.



### **Integrated Service Delivery**

1. Add a proviso which states that notwithstanding K.S.A. 39-7,154, the child support collection pass through is eliminated for FY 2002. The proviso was implemented during the 2000 Legislative Session when it was pointed out that under current law the state is required to commit approximately \$1.0 million of state funds which only produce \$400,000 of benefit to the recipients.
2. Add a proviso which allows the agency to continue to operate a central payment center for child support enforcement payments as mandated by federal law. The agency representative testified to the Subcommittee that failure to comply with the requirement would result in fiscal sanctions to both the Temporary Assistance for Needy Families Block Grant (\$101.9 million) and Child Support Enforcement programs (\$36.8 million).
3. The Subcommittee recommends that the staff of Vocational Rehabilitation Program be provided training in the area of special needs and assistive technology equipment available to allow an individual to remain a productive farmer. The Subcommittee was informed that Kansas State University has applied for a U.S. Department of Agriculture (USDA) grant to fund an AgrAbility Project. The federal grant funds can only be applied for by a land grant university. Therefore, the Subcommittee would be willing to write to the USDA and/or the Kansas Congressional Delegation in support of the funding for Kansas to begin such a project. The Subcommittee also will consider state funded projects during the Omnibus Session if Kansas State University has been unsuccessful at obtaining a USDA grant.
4. The Subcommittee was informed that the contract for Social Security Advocacy Project was reduced by \$200,000 in the Governor's recommendation. The contract provides for adults and children on Temporary Assistance for Families and General Assistance to be legally represented before the Social Security Administration for Social Security Income (SSI) benefits or Social Security Disability Income (SSDI) benefits. When an individual transfers to the federal program, permanent and higher federally funded cash benefits are provided. This transition saves the State of Kansas in excess of five times as much as it spends on this contract and the state recovers any expenditures provided to the individual for medical benefits and cash assistance.

During FY 2000, with an expenditure of \$863,018, the State of Kansas realized a savings of approximately \$4.7 million or a return on investment of 540 percent as the contract pays for only successfully completed cases. Given the potential benefits of the contract, the Subcommittee recommends that during the Omnibus Session the Senate Ways and Means Committee consider full funding for the contract.

5. The Subcommittee heard testimony regarding expanding domestic violence prevention services to the Salina and Garden City SRS Area Offices. An on-site domestic violence counselor/advocate provides individually tailored services,

including safety planning, counseling, assistance with orders of protection, other legal advocacy and referrals, shelter referrals, and referrals for clothing, child care and housing, to individuals disclosing domestic violence and/or sexual assault. Currently these services which are provided by contract with the Kansas Coalition Against Sexual and Domestic Violence are provided in Emporia, Great Bend, Hutchinson, Kansas City, Atchison, Olathe, Pittsburg, Wichita, and Topeka. The Subcommittee recommends that during the Omnibus Session the Senate Ways and Means Committee consider adding funding for the project to extend those services to all area offices.

6. The Department informed the Subcommittee of several changes to the federal Food Stamp Program in an attempt to increase participation. The reported changes are as follows:
  - Expanded categorical eligibility which allowed the state to exempt the resources of former Temporary Assistance to Families (TAF) clients while they receive transitional medical benefits. Some families are thus able to remain eligible for food stamps even if their assets (*e.g.*, a car) would otherwise disqualify them. (Adopted in May 1, 2000.)
  - The state will increase the maximum shelter allowance deduction to \$340 per month. Increasing the amount deducted from earnings for shelter costs will benefit about 900 families statewide by increasing the amount of benefits available to them. (Effective March 1, 2001.)
  - Food Stamp and TAF households will no longer be required to submit a report form each month. Households will only be required to report changes every six months, with an annual face-to-face interview. This change is expected to improve access to and participation in the program as well as greatly simplify reporting requirements. (Effective July 1, 2001.)
  - The state will adopt a new vehicle exemption policy for Food Stamp families which will exempt one vehicle per household regardless of the vehicle value. This is the same policy which has been in place for TAF families. (Effective July 1, 2001.)
  - The state will adopt a new option called TBA or Transitional Benefit Allowance which allows states to freeze the food stamp benefits of TAF/FS households when they get a job and lose cash assistance. The income from the new job will not be counted for three months starting with the month the family is ineligible for TAF. This change will allow households to ease the transition from cash assistance to work. (Effective July 1, 2001.)
  - Information released by the Food Research and Action Center in January shows Kansas to have the 6<sup>th</sup> highest gain in the country regarding participation in the Food Stamp program from October 1999 to October 2000. The increase was 4.5 percent during this time period and can be attributed to a number of factors including:



- Policy changes which eliminated full-family sanctions and adopted categorical eligibility expansion described above.
- Increased outreach efforts on the federal and state levels.
- Maintaining accessible hours in local SRS offices for working families and others.
- Implementation of the HealthWave program in which access to the Food Stamp program was provided.

However, the Subcommittee also was informed that the agency still requires a multi-page form to apply for Food Stamps. The Subcommittee recommends that during the summer of 2001 the SRS Oversight Committee examine ways to simplify the application process.

### **Health Care Policy**

1. Adds \$500,000 from the federal Medicaid funds for the second year of planning for a Medicaid Buy In Program for individuals with disabilities. The agency has received a four-year grant for program planning from the U.S. Department of Health and Human Services beginning in FY 2001. The Medicaid Buy In Program would allow individuals with disabilities currently receiving SSI or SSDI to work but retain their Medicaid insurance. The individuals would be required to pay a premium based upon income for the coverage.
2. The Subcommittee heard testimony from the agency about its proposed use of the Meyer Building at Larned State Hospital. In addition, it was pointed out that the Juvenile Justice Authority also has proposed uses for the building. Therefore, the Subcommittee recommends that the two agencies meet to discuss which one will occupy the Meyer Building and report back to the Senate Ways and Means Committee prior to the Omnibus Session.
3. The agency reported that it has applied for a federal grant to develop a statewide action plan to serve consumers with traumatic brain injury. The first requirement of the grant is a statewide needs assessment and development of an advisory council on traumatic brain injury. The State of Kansas has focused all its attention to date on services for head injury especially on the Home and Community Based Services for Head Injury. If Kansas is successful in being awarded the grant, the agency will be allowed to determine what services are needed by consumers and what is available from providers based upon research and best practices for traumatic brain injury, in other words what infrastructure can be built to best serve this population. The Subcommittee requests

that the agency report back prior to the Omnibus Session about the status of the grant award.

4. The Subcommittee requests that the Department determine what the State of Kansas would need to accomplish in order to receive a waiver from the U.S. Department of Health and Human Services to provide health care coverage to adults under the HealthWave program. In addition, the Department is to provide an estimate of the fiscal impact of such coverage to the Subcommittee prior to the Omnibus Session.
5. Add a proviso to Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove work disincentives that inhibit individuals with disabilities from engaging in work as lack of health care coverage is a major barrier to employment. Unemployment rates for individuals with disabilities are reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population ever finds employment. The program as outlined by the U.S. Department of Health and Human Services would require that the individual pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.
6. The Subcommittee was informed that providing direct care staff for many programs, developmental disabilities waiver services, hospital, and alcohol and drug treatment to name a few, has become a problem for many service providers. The problem as outlined by the conferees is a combination of factors including long hours, low pay, and the low unemployment rate across Kansas. Several providers are experiencing huge employment recruitment and retention problems. The Subcommittee recommends that the Legislature consider increasing direct care staff provider rates when additional state resources become available.
7. The Subcommittee was informed that the Department will convene a meeting with community mental health centers on February 16 to discuss foster care and adoption children's mental health issues and development of partnerships to provide alternative management programs for child welfare mental health issues. The Subcommittee requests that the Department report back on the meeting to the Subcommittee prior to the Omnibus Session.
8. The Subcommittee recommends that the Department examine its policies and procedures to eliminate barriers to integrated treatment for co-occurring illnesses or diagnoses especially when alcohol and substance abuse is present. In addition, the Department should examine the current system of handling dual diagnosis patients; the



agency could consider having the gatekeeper evaluate the medical necessity based on psychiatric diagnosis; and payment policies should be reviewed by SRS which could remove barriers to integrated treatment of co-occurring illnesses or diagnoses.

9. The Subcommittee strongly encourages the Department to convene a work group with representatives of Medicaid service providers to develop a five-year strategic plan to increase the Medicaid rates. The Subcommittee believes that the current rates in several areas are hindering the access to and provision of quality health care in Kansas. The strategic plan should also include cost estimates for the proposed rate increases for each of the five-years of the plan.
10. The Subcommittee was informed that the state's system for providing developmental disability services has changed drastically over the past decade. However, the allocation of discretionary state aid has not changed to reflect who is actually providing services, or how many clients are being served. The Legislature began to provide state aid in 1974 and originally provided funding to match certain locally generated revenues. In 1986, the Legislature repealed the match requirement and specified that each community mental retardation center would receive at least the same amount of state aid it had received for the previous fiscal year unless sufficient funds were not appropriated. The Subcommittee requests that SRS and the community developmentally disabilities organizations (CDDOs) begin meeting in order to address the inequities in the distribution of state aid.
11. The Subcommittee requests that SRS convene a work group consisting of representatives from the Kansas Department on Aging, Area Agencies on Aging, Independent Living Centers, and SRS to address the issue of physically disabled services for individuals 65 years of age or older. The work group should make recommendations that address improving services under the HCBS/FE which currently serves physically disabled individuals 65 years of age or older; or consider amending the HCBS/PD waiver to allow individuals to remain under this waiver without regard to an upper age limit. The work group's report is to be provided to both the 2001 interim SRS Oversight Committee and the 2002 Legislative Session.
12. The Subcommittee recommends that the Department convene a task force consisting of representatives from the agency, drug companies, pharmacists, and hospitals to propose any needed changes in rules and regulations, or statutes that would ensure the most effective use of the Medicaid Pharmacy Program. In addition, the task force should also examine the use of step therapy, disease management techniques, maintenance drugs supplied for 60 or 90 days instead of the 34-day supply, and purchase prescriptions from foreign countries. The recommendations of the task force are to be presented to the 2002 Legislature. Finally, the Subcommittee strongly encourages the

Department to investigate contracting with a Pharmacy Benefits Manager to review and analyze the Kansas Medicaid Pharmacy Program.

### **Children and Family Policy**

1. The Subcommittee recommends that the consensus caseload estimating process include foster care and adoption services. The Subcommittee heard testimony that the current year practice of consensus numbers for these programs has proved beneficial to both the Governor, agency, contractors, and Legislature.
2. SRS reported to the Subcommittee that the agency is undertaking meetings with representatives of the Children's Alliance and children's emergency shelters to discuss the per day rate of reimbursement. The Subcommittee directs the agency to report back the findings of the meetings prior to the Omnibus Session.
3. The Subcommittee recommends that during the Omnibus Session the Senate Ways and Means Committee review the request for additional funding for training of child welfare staff and foster care recruitment within the SRS budget for consideration. The consensus caseload estimating group will have made adjustments prior to this time and funding may be available at that time to fund these programs.
4. The Subcommittee heard testimony that mediated settlements in child welfare cases would reduce the time a foster care child would remain in out-of-home placement by approximately one month per child. Foster care costs average according to Kansas Legal Services (KLS) \$1,500 per month and KLS maintains that with a pilot project of 100 completed mediations with an estimated settlement rate of 60 percent the state would recover the state cost of the project as \$1,500 times 60 settlements would be \$90,000. In addition, KLS estimates that approximately \$3,000 in court costs would be saved each time a case reaches settlement which would result in savings of \$180,000 (\$3,000 times 60 settlements) above the cost of the project. The Subcommittee recommends that SRS enter into an agreement with Kansas Legal Services to provide for a pilot project in Wichita for 100 cases during FY 2002. In addition, the Department shall provide \$90,000 from the Community Funding for child welfare for the program and KLS shall provide \$30,000 of private foundation funding for the pilot project.
5. The Subcommittee was informed that there is a need for a technical clean up bill for the Permanent Guardianship Program. The Subcommittee recommends that the Senate Ways and Means Committee introduce the bill.



6. The Subcommittee requests that the Department undertake a study of possible alternatives to MAPP training for foster parents. The alternative proposals should also include consideration of the cost of the program to the parents and the agency when making recommendations.

### **Senate Ways and Means Committee**

The Senate Ways and Means Committee concurs with the Subcommittee recommendations for FY 2002 with the following exceptions and comments:

1. Add \$200,000 from the State General Fund for the Social Security Advocacy Project as outlined under Integrated Service Delivery, Item 4
  2. The Committee directs the agency to undertake a study to develop ways to shorten the length of time an individual with traumatic brain injury must remain on the waiting list for services under the Home and Community Based Services waiver program. The Committee believes the current two-year wait for service is counter productive to an individual regaining lost skills.
  3. Staff is directed to make technical corrections to the bill to reflect the Governor's intent.
  4. Delete Item 2 under Integrated Service Delivery and recommends that the proviso for the central payment center be addressed during the Omnibus Session.
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## House Budget Committee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No.**2557

**Bill Sec.**53

**Analyst:** Sparks

**Analysis Pg. No.** 175

**Budget Page No.** 401

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
State Operations	\$ 288,871,517	\$ 274,975,005	\$ 790,000
Local Aid	77,730,408	95,730,408	0
Other Assistance	1,388,014,356	1,384,406,898	625,728
Subtotal - Operating	\$ 1,754,616,281	\$ 1,755,112,311	\$ 1,415,728
Capital Improvements	31,364,441	7,862,950	0
<b>TOTAL</b>	<b>\$ 1,785,980,722</b>	<b>\$ 1,762,975,261</b>	<b>\$ 1,415,728</b>
State General Fund	\$ 613,896,548	\$ 618,877,242	\$ (12,000)
All Other Funds	1,140,719,733	1,136,235,069	1,427,728
Subtotal - Operating	\$ 1,754,616,281	\$ 1,755,112,311	\$ 1,415,728
State Institutions Building Fund	31,364,441	7,862,950	0
<b>TOTAL</b>	<b>\$ 1,785,980,722</b>	<b>\$ 1,762,975,261</b>	<b>\$ 1,415,728</b>
FTE Positions	3,933.4	3,878.5	0.0
Other Unclassified Positions	186.2	168.2	0.0
<b>TOTAL</b>	<b>4,119.6</b>	<b>4,046.7</b>	<b>0.0</b>

### Agency Req./Governor's Recommendation

For FY 2002, the agency requests expenditures of \$1.755 billion, including \$613.9 million from the State General Fund, for agency operations. The request is an increase of \$109.9 million ( 6.7 percent) all funds and a State General Fund increase of \$54.1 million ( 9.7percent) above the FY 2001 request. The majority of the increase occurs in the Health Care Policy Division for Regular Medical Assistance Program \$55.1 million; Medicaid Management Information System \$10.0 million; Home and Community Based Service (HCBS) waiver programs \$17.5 million. The request includes 3,931.4 FTE and 174.2 Other Unclassified positions. The agency requests \$31.4 million in capital improvements for rehabilitation and repair projects, planning for a new state security hospital, and maintenance of the Chanute Area Office building.

The Governor recommends operating expenditures of \$1.755 billion, an increase of \$0.5 million above the agency request for operating expenditures in FY 2002. The State General Fund recommendation of \$618.9 million is an increase of \$5.0 million ( 0.8 percent) above the request. The Governor's recommendation funded the consensus caseload estimates which provide funding for the regular medical assistance program of \$708.5 million (\$240.1 million SGF); HCBS/Developmental Disabilities program of \$186.6 million; HCBS/Physically Disabled program of \$63.1 million; HCBS/Head Injured of \$5.0 million; mental health grants are recommended at \$63.5 million. Included in the recommendation are 3,878.5 FTE and 168.2 Other Unclassified positions, a decrease



of 53.0 FTE below the agency request. An overall shrinkage rate of 8.59 percent is recommended which is a decrease of 1.06 percent below the agency request. The Governor recommends \$4.2 million for rehabilitation and repair projects and provides \$3.7 million for planning for a new state security hospital.

## **House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation for FY 2002 with the following exceptions and comments:

### **Agencywide**

1. Staff is provided the authority to make technical corrections to the appropriations bills to reflect the Governor's intent.

### **Integrated Service Delivery**

1. Add a proviso which states that notwithstanding K.S.A. 39-7, 154, the child support collection pass through is eliminated for FY 2002. The proviso was implemented during the 2000 Legislative Session when it was pointed out that under current law the state is required to commit approximately \$1.0 million of state funds which only produce \$400,000 in benefits for the recipients.
2. Add a proviso which allows the agency to continue to operate a central payment center for child support enforcement payments as mandated by federal law. The agency representative testified to the Subcommittee that failure to comply with the requirement would result in fiscal sanctions to both the Temporary Assistance for Needy Families Block Grant (\$101.9 million) and Child Support Enforcement programs (\$36.8 million).
3. The Budget Committee recommends H.B. 2513 favorably for passage. This bill would establish an AgrAbility Program for assistive technology .
4. Add \$200,000 from the State General Fund for the contract for the Social Security Advocacy Project which was reduced by that amount in the Governor's recommendation. The contract provides for adults and children on Temporary Assistance for Families (TAF) and General Assistance to be legally represented before Social Security Administration for Social Security Income (SSI) benefits or Social Security Disability Income (SSDI) benefits. When an individual transfers to the federal program, permanent and higher federally funded cash benefits are provided. This transition saves the State of Kansas in excess of five times as much as it spends on this contract and the State recovers any expenditures provided to the individual for medical benefits and cash assistance.

During FY 2000, with an expenditure of \$863,018, the State of Kansas realized a savings of approximately \$4.7 million or a return on investment of 540 percent as the contract pays for only successfully completed cases.

5. The Budget Committee requests that the Department examine ways in which parents currently on (TAF) be employed by day care facilities under supervision of licensed day care centers.
6. The Budget Committee requests that the Department prepare a report that outlines the transportation issues for TAF recipients. Included in the report should be any improvements that the Department has undertaken in the last year and any recommendations that would improve the access to transportation so that transportation will no longer be a barrier to employment. The report is to be provided to the 2002 Legislature and Governor.
7. The Department informed the Budget Committee of several changes to the federal Food Stamp Program in an attempt to increase participation. The reported changes are as follows:
  - Expanded categorical eligibility which allowed the state to exempt the resources of former (TAF) clients while they receive transitional medical benefits. Some families are thus able to remain eligible for food stamps even if their assets (e.g., a car) would otherwise disqualify them. (Adopted in May 1, 2000)
  - The state will increase the maximum shelter allowance deduction to \$340 per month. Increasing the amount deducted from earnings for shelter costs will benefit about 900 families statewide by increasing the amount of benefits available to them. (Effective March 1, 2001)
  - Food Stamp and TAF households will no longer be required to submit a report form each month. Households will only be required to report changes every six months, with an annual face-to-face interview. This change is expected to improve access to and participation in the Program as well as greatly simplify reporting requirements. (Effective July 1, 2001)
  - The State will adopt a new vehicle exemption policy for Food Stamp families which will exempt one vehicle per household regardless of value of the vehicle. This is the same policy which has been in place for TAF families. (Effective July 1, 2001)
  - The State will adopt a new option called TBA or Transitional Benefit Allowance which allows states to freeze the food stamp benefits of TAF/FS households when recipients get a job and lose cash assistance. The income from the new job will not be counted for 3 months starting with the month the family is ineligible for TAF. This change will allow households to ease the transition from cash assistance to work. (Effective July 1, 2001)
  - Information released by the Food Research and Action Center in January shows Kansas to have the 6<sup>th</sup> highest gain in the country regarding participation in the Food Stamp program from October 1999 to October 2000. The increase was 4.5 percent during this time period and can be attributed to a number of factors including:



- Policy changes which eliminated full family sanctions and adopted categorical eligibility expansion described above.
- Increased outreach efforts on the federal and state levels.
- Maintaining accessible hours in local SRS offices for working families and others.
- Implementation of the HealthWave program in which access to the Food Stamp program was provided.

However, the Subcommittee also was informed that the agency still requires a multi-page form to apply for Food Stamps. The Budget Committee recommends that the faith-based community be contacted by the Department to provide additional outreach services for food stamps. In addition, the Department is charged with beginning the process to simplify the food stamp form.

8. The Budget Committee was informed that the Department is "committed" to helping welfare recipients improve their employment histories as well as improve the quality of their jobs. In Phase II of Welfare Reform, the Department will continue to provide the job readiness training, job skill training, social services, and support services which adults need to be successful in the workplace. These services will be expanded by SRS as resources allow.

The first Phase II changes which became effective January 2001 include:

- Extending support services, such as transportation and special services allowance, to 12 months following loss of Temporary Assistance for Needy Families (TANF) due to employment.
- Allowing more up-front education and training opportunities for applicants and recipients;
- Allowing income eligible adults who are working at least 20 hours per week to receive child care assistance while engaged in education or skills training.

The Budget Committee encourages the Department of Social and Rehabilitation Services and the Department of Human Resources continue to work together to maximize the Welfare to Work Program for the TANF population.

9. The *Personal Responsibility and Work Opportunity Act of 1996* limits the receipt of federally funded cash assistance through the TANF Block Grant to 60 months in an adult's lifetime. Once an adult in a household reaches the 60-month limit, all household members become ineligible for TANF cash assistance. However,

children do not have a time limit and up to 20 percent of the caseload may be granted a hardship exemption from the 60-month rule. Those who have been on assistance continuously since October 1, 1996, will reach their time limit on September 30, 2001. The agency estimates that 272 families will not meet the hardship criteria and will therefore lose TANF eligibility when they reach their 60<sup>th</sup> month. Therefore, the Budget Committee recommends that the Department remove non-hardship parents from the TANF case in the 59<sup>th</sup> month, allowing their children to continue receiving TANF cash assistance indefinitely. TANF funds would be used to provide limited employment support services to these non-hardship parents.

### Health Care Policy

1. Add a proviso to Mental Health and Retardation Services Aid and Assistance and Medical Assistance which states that the Department is to use any savings up to \$870,000 of state funds in the Medicaid program for the new Medicaid Buy In for Individuals with Disabilities Program. The Subcommittee heard from several conferees that this new program would remove disincentives that inhibit individuals with disabilities from engaging in work, as lack of health care coverage is a major barrier to employment. The unemployment rate for individuals with disabilities is reported to be 75 percent and fewer than 1 percent of the SSDI or SSI population finds employment. The program, as outlined by the U. S. Department of Health and Human Services, would require that the program beneficiaries pay a premium based on income for the coverage and the federal government would provide 60 percent of the funding to cover this population as it does in all other Medicaid programs.
2. Add \$500,000 from the federal Medicaid funds to continue the planning for a Medicaid Buy In Program for Individuals with Disabilities. The agency applied for and received a four-year grant for program planning from the U.S. Department of Health and Human Services.
3. The Budget Committee directs the Department to continue to meet with the directors of the nursing facilities for mental health to determine a plan for reducing the state's reliance on nursing facilities for mental health and to determine the number of individuals currently in care who are candidates for community based services. In addition, the Department should limit new admissions to nursing facilities for mental health unless this is the only viable option for an individual to be maintained safely. The SRS Oversight Committee is asked to review and make recommendations on the plan developed by the providers and the Department for reducing the state's reliance on nursing facilities for mental health during the interim.
4. Add \$42,900 all funds, including \$17,224 from the SRS Fee Fund for medication reimbursement for inpatient hospitalization crisis stabilization. The Budget Committee heard testimony about the financial problems the hospitals are experiencing when providing 48-hour crisis stabilization inpatient care. When a mental health center denies a Medicaid admission, the hospital is paid \$280 per day for up to two days for the "observation day" bed. As a result of state and



federally required procedures, the majority of the patients will begin medication to assist in stabilizing the psychiatric crisis that brought them to the hospital. Hospitals are allowed to bill extra for lab and x-ray charges during the observation stay, but are not paid for medication.

In addition, the Budget Committee was informed that 25 percent of patients admitted to inpatient psychiatric units are admitted with dual diagnoses. As a result hospitals provide free psychiatric inpatient care for individuals who meet all the medical card criteria, due to the screening directive that requires that psychiatric inpatient hospital admission should not be performed until the underlying chemical abuse is eliminated. The Budget Committee requests that the SRS Oversight Committee examine the problem of dual diagnoses during the interim.

The Budget Committee requests that the SRS Oversight Committee review Medicaid rates and develop a long-term strategy to increase the rates as it has been reported that the Kansas Medicaid HMO capitation payment rates are the lowest in the country. Also, the SRS Oversight Committee is asked to review carefully the Department's plan to blend the Medicaid Program and the HealthWave Program to ensure that enough providers will remain in the system.

The Budget Committee also recommends that the agency increase the inpatient crisis stabilization per day rates based on the availability of existing funds. The Committee was informed that the closure of Menningers should off set the increases in the per day rates for crisis stabilization.

5. Add \$250,000 from the Other SRS Fee Fund for medications for clients in treatment for substance abuse. The Committee was informed that few clients are eligible for the patient assistance programs sponsored by several pharmaceutical companies. Most do not qualify for the state-funded program because they are not classified as severe and persistently mentally ill. Occasionally, clients qualify for Social Security Disability Income or Medicare, but this is a lengthy process, which can take months.
6. The Budget Committee was informed that the Department is convening meetings with community mental health centers to discuss: (1) foster care and adoption children's mental health issues and (2) development of partnerships to provide alternative management programs for child welfare mental health issues. The Budget Committee requests that the Department report back to the Committee on the result of these meetings prior to the Omnibus Session. In addition, the Children's Issues Committee is asked to review the new partnerships and make recommendations about mental health and development services for children in the foster care and adoption system during the interim.
7. The Budget Committee heard testimony that individuals qualified for the Home and Community Based Services for Head Injury (HCBS/HI) were experiencing on average a two year wait before services could begin. The two year wait only adds to the damage done at the time of the initial injury because research has shown that early intervention after head injury is one of the most important

factors in successful rehabilitation. The agency had requested to fully fund the waiting list of 118 individuals in its budget submission. The cost to fund the waiting list is estimated at \$5.0 million all funds, including \$2,007,500 from state funds. Therefore, as the first priority of the Budget Committee if funds become available, this waiver should be provided additional funding.

In addition, the agency reported that it has applied for a federal grant to develop a statewide action plan to serve consumers with traumatic brain injury. The first requirement of the grant is a statewide needs assessment and development of an advisory council on traumatic brain injury. The State of Kansas has focused all its attention to date on services for head injury specifically on the HCBS/HI. If Kansas is successful in being awarded the grant, the agency will be allowed to determine what services are needed by consumers and what is available from providers based upon research and best practices for traumatic brain injury, in other words what infrastructure can be built to best serve this population.

8. The Budget Committee heard testimony that direct care staff salaries is one of the major barriers to community developmental disabilities service providers in retaining trained staff and in hiring additional staff. The Committee encourages the Department to allocate a portion of the new moneys provided in the Governor's recommendation for HCBS/MRDD waiver services for direct care staff salary increases.
9. The Budget Committee was informed that the State's system for providing developmental disability services has changed drastically over the past decade. However, the allocation of discretionary state aid hasn't changed to reflect who's actually providing services, or how many clients are being served. The Legislature began to provide state aid in 1974 and originally provided that funding to match certain locally generated revenues. In 1986, the Legislature repealed the match requirement and specified that each community mental retardation center would receive at least the same amount of state aid it had received for the previous fiscal year unless sufficient funds weren't appropriated. The Budget Committee requests that the SRS Oversight Committee review the Legislative Post Audit Study and address the inequities in the distribution of state aid.
10. The Department of Social and Rehabilitation Services and the Department on Aging are directed to review the changes needed in the State Medicaid Plan to combine all existing HCBS waiver programs into a single waiver. In addition, the new waiver application is to set forth priorities of service, uniform case management procedures, and mandated practices across all populations.

In addition, the agencies are directed to provide a fiscal analysis of changing the minimum Pre-Admission Screening and Annual Resident Review (PASARR) levels to 30, 35, or 39 for any individuals coming into waiver services beginning July 1, 2001. The level is currently 26. The existing in service populations are to be grandfathered into the new waiver. This information is to be reported back to the budget Committee prior to the Omnibus Session.



11. Add \$15,000 from the Other SRS Fee Fund for a pilot project for fetal alcohol syndrome screening, treatment, and prevention. A proviso is also added which will require a dollar for dollar local match by the provider to be used for prevention services.
  
12. The 2000 Kansas Legislature enacted the Kansas Business Health Partnership Act to reduce the uninsured population in the state in incremental steps. The Act provides a mechanism to combine federal and state subsidies with contributions from employers and employees to purchase health insurance for uninsured low wage employees of small employers. The Kansas Business Health Policy Committee, created in the Act, has met several times and has signed a contract with the Institute for Health Policy Solutions (IHPS) to provide technical assistance. IHPS is a non-profit organization with significant experience in developing creative and workable solutions to health system problems related to access, cost and quality, including the development of approaches that coordinate public and private sources for coverage of the uninsured. Under the terms of the contract, IHPS will assist the Committee by completing the following:
  - developing a compendium of data on workers, employers and health insurance;
  - development of a request for proposal (RFP) and criteria for evaluating RFPs;
  - developing an options paper and briefings on alternative subsidy structures for premiums for low and modest wage employees of qualifying small employers who purchase insurance through the Kansas Business Health Partnership;
  - developing a decision memo regarding federal approvals required to permit use of Medicaid or HealthWave funds for coverage of parents through the Business Health Partnership; and
  - recommendations regarding rating rules and operational policies for the Business Health Partnership.

The Budget Committee applauds the work accomplished by the Kansas Business Health Policy Committee and requests that the Secretary continue to keep the Budget Committee informed of the Committee's actions.

13. Prior to the Omnibus Session the Budget Committee directs the agency to analyze the potential cost savings in changing the days supply allowed for maintenance drugs to a 60 or 90 day refill program in place of the current 34 day supply. In addition, the agency is to continue to utilize Maximum Allowable Cost Pricing for any drugs being removed from patent protection. The agency is also encouraged to study the cost effectiveness of prior authorization including, but not limited to, administrative cost, manufacturers rebates, denial rate, quality of care, cost shifting, etc.
  
14. The Budget Committee wishes to express its appreciation for the excellent job Ms. Karen Braman, the Medicaid Pharmacist, provided to the State of Kansas

since January 1992. Karen was instrumental in implementing several cost savings initiatives in the Medicaid Pharmacy Program and always provided friendly and helpful assistance to the Legislature in understanding complicated issues. Unfortunately, Karen has left state employment to take a position with Pharmacia which allows her to work out of her home. Karen will be missed.

### **Children and Family Policy**

1. The Subcommittee recommends that the consensus caseload estimating process include foster care and adoption services. The Subcommittee heard testimony that the current year practice of consensus numbers for these programs has proved beneficial to both the Governor, agency, contractors and Legislature.
2. Delete \$212,000 from the State General Fund from the Children's Cabinet budget. This funding originally was intended to be used to match federal funds. In addition, a proviso is added to the Kansas Smart Start Children's Initiative Fund which will allow up to \$212,000 of the funding to be used for a state match to draw federal funds.
3. The Budget Committee heard testimony that the Smart Start Kansas funding has brought representatives from Johnson, Leavenworth and Wyandotte counties together for the first time in history to form a partnership around a common concern. The three counties were reported to be extremely diverse, one suburban, one urban, one rural. Furthermore, agencies such as the Leavenworth Public School District, the Wyandotte Interfaith Sponsoring Council, Infant-Toddler Services of Johnson County, and Big Brothers/Sisters of Leavenworth county came together to address the unique needs of the tri-county area. The coalition has focused its proposal on the high turnover in the child care field which has risen to crisis levels in these communities. Low compensation is the primary contributor to high turnover rates as wages of child care teachers are below those of retail workers, janitorial staff and parking lot attendants.

The coalition's pilot project will reach 30 centers serving 2,500 children during the first year. This flexible model embodies local control and community empowerment. It allows parents, educators, nonprofit leaders, and service organizations to identify their own unique needs for supporting healthy families and children.

4. The Budget Committee recommends that during the Omnibus Session the Appropriations Committee review and consider the request for \$100,000 of additional state funds for training of child welfare staff and the request for \$205,000 all funds, including \$102,500 of state funds for foster care recruitment within the SRS budget. In addition, the Committee requests that the contractors continue their outreach for foster parent recruitment by contacting faith-based organizations, the broadcasting industry, and the cable industry to provide public service announcements and programs on foster parenting.

5. The Subcommittee heard testimony that mediated settlements in child welfare cases would reduce by approximately one month per child the time a foster care child would remain in out-of-home placement. Foster care costs average according to Kansas Legal Services (KLS) \$1,500 per month and KLS maintains that with a pilot project of 100 completed mediations with an estimated settlement rate of 60 percent the State would recover the state cost of the project; \$1,500 times 60 settlements would be \$90,000. In addition, KLS estimates that approximately \$3,000 in court costs would be saved each time a case reaches settlement which would result in savings of \$180,000 (\$3,000 times 60 settlements) above the cost of the project. The Subcommittee recommends that the Department of Social and Rehabilitation Services enter into an agreement with KLS to provide for a pilot project in Wichita for 100 cases during FY 2002. In addition, the Department shall provide \$90,000 from the Community Funding for Child Welfare and KLS shall provide \$30,000 of private foundation funding for the pilot project.
6. Add \$90,000 from the SRS Fee Fund for a guardian *ad litem* (GAL) pilot project for child in need of care cases. The Judicial Council recently recommended that the Legislature establish a pilot project in two or more judicial districts in Kansas. The Guardian *ad litem* Advisory Committee also developed a draft request for proposals. The report indicates that GALs are often overworked and under paid. The Budget Committee recommends that the pilot project include a rural and a mid size judicial district. The judicial districts would be expected to provide a maintenance of effort in the district and the contractor should also provide some additional level of funding. Performance measurements should also be part of the request.
7. The Budget Committee directs the agency to contract for a Sexual Aggression Treatment Program for children ages 10 through 13 who are in foster care. The program is to be a carve out of the foster care contracts for eight beds funded under the contract. The program is not to exceed \$1,174,988 for the eight beds; however, if Youthville has additional capacity and the Department has need of the excess capacity, the rate for the additional beds is to be negotiated with the Department. Youthville is to provide all necessary financial and performance information required by the Department. In addition, Youthville is to seek private not for profit and foundation funding to offset some of the start up costs as well as to complete research and analysis of the pilot project. In future years, the funding is to be negotiated with the Department.

The Program is a highly structured residential treatment program which serves children who have committed sexually aggressive acts to the extent they are deemed in need of residential treatment in order to maintain the safety and the safety of others. These youth require a more intensive treatment program than that offered within an outpatient setting. These children may experience other emotional or mental health problems; nonetheless, the primary need for treatment comes from children with inappropriate sexual behavior. Treatment may last for 12 months or longer. Youth placed in this level of care may be



adjudicated by the juvenile justice system; however, lack of adjudication does not preclude them from treatment.

8. Add \$437,479 from the Children's Initiatives Fund for Kinship Services Support and Training. Youthville is to provide all necessary financial and performance information required by the Department. In addition, Youthville is to seek private not for profit and foundation funding to offset some of the start up costs as well as to complete research and analysis of the pilot project. In future years, the funding is to be negotiated with the Department.

Child welfare best practices dictate that kinship resources be utilized whenever possible in serving and placing at risk children and serving their families. The ideal time for a child to be referred for kinship support and services is prior to that child being placed in SRS custody. In many instances such a referral will prevent a child from coming into the system. A referral to the Youthville kinship team will be for services that will be either preventive in nature or designed to move the child quickly through the system. The extended family will be the major resource in providing these services using a strength-oriented model. The Youthville kinship team will use the Family Group Decision Making Model in bringing the extended family together to plan for and provide wrap around services supervised by a kinship case manager to keep the child in his or her own family and community. These services include but are not limited to respite, mentoring, supervision, tutoring, and planning for the protection and safety of the child. Services provided by the kinship team will be family and individual therapy and/or counseling, case management, and family support services.

9. Add \$92,349 from the SRS Fee Fund for payment of half of the last day of stay in an emergency shelter for law enforcement placements at the current rate of \$72.32 per day. Currently SRS pays for all of the first day and the second day but not the last day. In addition, the Budget Committee recommends that the Appropriations Committee fund the remaining half of the last day from the Juvenile Justice Authority (JJA) appropriations by providing a proviso to the JJA that will transfer \$92,349 from JJA to the Department of Social and Rehabilitation Services for emergency shelter payments.
10. The Budget Committee was informed that the final regulations on implementing the *Adoption and Safe Families Act of 1997 (ASFA)* have been issued by the U.S. Department of Health and Human Services. The State's performance in implementing these regulations will be measured through targeted audits called Child and Family Service Reviews. Kansas was selected as the first state in Region VII too come under the review. Noncompliance with the standards will impact the amount of federal Title IV-E funding the state can draw down in the future and could result in a substantial penalty and repayment of funds from the past. The Budget Committee recommends that the Secretary update the Children's Issues Committee on the progress Kansas is making in implementing these regulations and the outcomes of any related audit.