

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Vice-Chair Clark Schultz at 9:10 a.m. on February 6, 2003, in Room 514-S of the Capitol.

All members were present except: Representative Larry Campbell, Excused

Committee staff present: J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Amy Deckard, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Administrative Analyst
Sue Fowler, Committee Secretary

Conferees appearing before the committee: Joan Wagon, Acting Secretary, Department of Revenue

Others attending: See Attached

Committee members received reports from the Department of Social and Rehabilitative Services in response to the provisions of **SB 517** and House Substitute for **SB 363** (2002). These refer to family participation fees for the HCBS waiver program and family preservation and the report on Mental Health Financing (Attachment 1).

Joan Wagon, Acting Secretary with Department of Revenue presented a review of the arrears tax collection process and the Amnesty Program (Attachment 2).

Acting Secretary Wagon introduced the following members of her staff: Shirley Sicilian, General Counsel; Steve Stotts, Director of Taxation; Jim Conant, Budget; and Richard Cram, Policy & Research.

The Department will implement a two-phase tax amnesty program, with Phase 1 to begin immediately. Phase 1 will involve an aggressive campaign to pursue settlement negotiations on pending assessments, with the goal of resolving cases which should be settled prior to the end of this fiscal year. Phase 2 will involve a tax amnesty program to be conducted this coming fall, which will require legislative authorization. It will offer waiver of penalties and interest to taxpayers with accounts in collection or who are non-filers or under-reporters upon payment in full of the underlying tax liability, if payment is received between October 1, 2003, and November 30, 2003.

The purpose of Phase 1, the accelerated settlement program, is to bring in as much revenue as possible before the end of FY 2003 from disputed assessments in an attempt to alleviate the current fiscal situation. The purpose of Phase 2, the tax amnesty program, is to convert as many outstanding accounts receivable as possible into much needed revenue during the first half of FY 2004.

Several committee members brought up instances where they or their constituents have had difficulty in the past few years communicating with the Department of Revenue when attempting to work out particular tax issues. Acting Secretary Wagon requested that committee members contact her directly, and she or the department staff would deal on a case-by-case basis with the specific instances reported by the Committee members.

The addition of FTE's have improved and increased the Department of Revenue's collections. The incorrect transfer of data during the computerization process has created a lot of errors but in turn it has increased collections. The additional collection personnel have kept the department financially secure, in terms of the revenue they have produced, even with the problems that came with the conversion to the computerization process.

The Committee requested the following information from Department of Revenue:

- Requested a chart on two or three cities' cigarette sales since the new tax schedule has gone into effect.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS at 9:00 a.m. on February 6, 2003,
in Room 514-S of the Capitol.

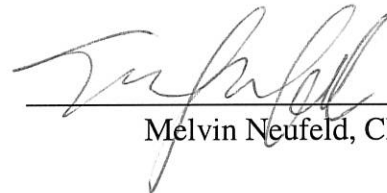
(The Policy and Research Division reported there are a number of employees who track all the various types of taxes).

- Are there statewide statistics on cigarette sales locally and is monitoring occurring in internet and 800 number tobacco sales.

In response to Committee questions, Acting Secretary Wagnon pointed out that use tax is applied to cigarettes purchased in Kansas. She volunteered to make staff from the Policy and Research Division available to respond to Committee questions on an as-needed basis.

Acting Secretary Wagnon agreed to furnish a refund report on individual income tax, which is generated from the Information Technology Department on a weekly basis. She acknowledged it was difficult to ascertain the exact amount of corporate taxes collected, and how many are in arrears or filing amended tax returns from past years.

The meeting was adjourned at 10:15 a.m. The next meeting is scheduled for February 11, 2003.



Melvin Neufeld, Chair



JANET SCHALANSKY, SECRETARY

K A N S A S

KATHLEEN SEBELIUS, GOVERNOR

SOCIAL AND REHABILITATION SERVICES

January 31, 2003

The Honorable Steve Morris
Chair, Senate Ways and Means Committee
Room 120-S, Statehouse
Topeka, Kansas 66612

The Honorable Melvin Neufeld
Chair, House Appropriations Committee
Room 517-S, Statehouse
Topeka, Kansas 66612

Dear Senator Morris and Representative Neufeld:

In accordance with the provisions of 2002 Senate Bill 517 and 2002 House Substitute for Senate Bill 363, the following two reports are submitted to the Senate Ways and Means Committee and the House Appropriations Committee:

1. Report on Family Participation Fees for the HCBS Waiver Programs and Family Preservation; and
2. Report on Mental Health Financing.

Please contact my office if you have any questions about either of these reports. I can be reached as 296-3274.

Sincerely,

Janet Schalansky
Secretary

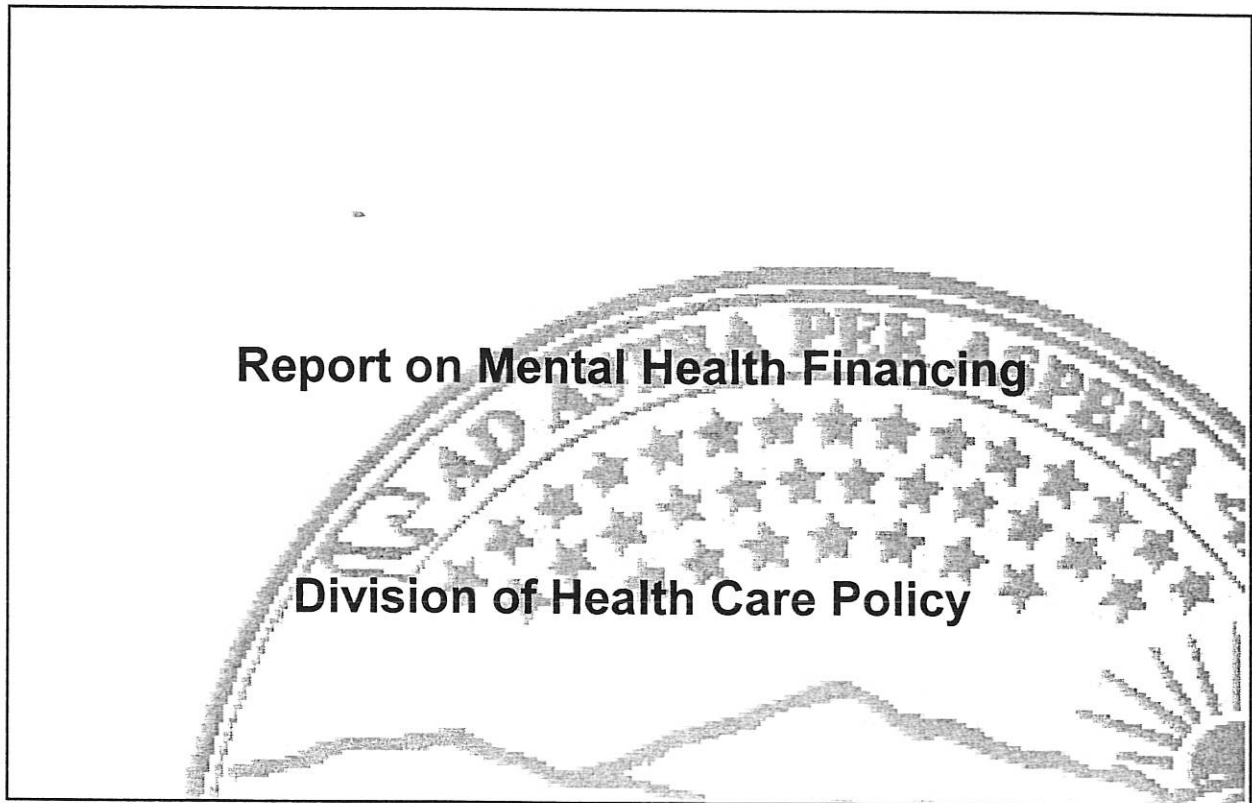
HOUSE APPROPRIATIONS

DATE 2-6-03
ATTACHMENT 1

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary



For additional information contact:
Office of Planning and Policy Coordination
Marianne Deagle, Director

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Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

Report to the 2003 Legislature on Mental Health Financing
Required by the provisions of S.B. 517

As a part of the FY 2004 appropriations for SRS, the 2002 Legislature added a proviso directing the department on how to finance mental health services in FY 2003. Further, the proviso directed that SRS and the Association of Community Mental Health Centers jointly develop a report on agreed upon methods for continuing existing Medicaid rates in FY 2004. The proviso directed that this report be submitted to the Senate Ways and Means and House Appropriations Committees by January 31, 2003. The proviso also required that any plan submitted report on how the financing plan in 2003 is impacting access, service provision and accountability. (Specific proviso attached as Attachment A).

Background - Mental Health Initiative, and FY 2003 Implementation of Legislature

Mental Health Initiative 2000 was designed to improve Kansas' publicly-funded community mental health system. The initiative targets improvements in three critical areas: crisis supports; access to care; and accountability. The plan raises performance of publicly funded mental health services in all areas of the state, adds critical targeted improvements for crisis services and includes a funding strategy to support these improvements. Implementation of the initiative began in January 2001 with targeted increases in Medicaid rates for services most needed to serve individuals and families in the community. New community mental health center contract requirements were also added in FY 2002 and FY 2003 to increase access to care and crisis services. Crisis plans have been developed in each community mental health center catchment area and are currently being implemented. Improvements are individualized in each community and include services such as crisis beds, increased mobile response, and crisis case management.

The next phase of implementation was to focus on increased accountability by shifting funds from grants to fee-for-service, so that more funds "follow the person." However, the proviso recommended by the 2002 Legislature required that mental health center financing not be modified in FY 2003. Although grant funds are not shifted to fee-for-service in FY 2003 contracts with community mental health centers, increased state funding is tied to actual service provision. Certified match was retained; the receipt of funding in certain service categories is tied to actual provision of service; and new state funds to match federal Medicaid funds are accessed only by community mental health centers that have no remaining unmatched state grant funds.

SRS and the Association of Community Mental Health Centers agreed that mental health financing should reflect the following key principles:

- The Kansas public mental health system places the needs of consumers first and is committed to consumer participation at all levels, ranging from individual treatment to statewide design and change;
- The network of community mental health centers in Kansas is the cornerstone of the Kansas public mental health system, and the current state-local partnership should be supported and strengthened;
- The safety net role of community mental health centers for the target populations and all Kansas residents is a critically important function that must be supported at the state and local levels;
- Federal funding sources should be optimized;
- During the current budget crisis facing the State of Kansas, State General Funds committed to the public mental health system should be dedicated to sustaining services.
- The integrity of existing grant dollars at each community mental health center should be maintained;
- New financing resources should create incentives which fund service gaps;
- New funding should address mutually defined inequities;
- Improve accountability of CMHCs and SRS with the use of public dollars for direct service utilization;
- Improve resource utilization through review and minimization of administrative demands that detract from direct service availability due to excessive costs in relation to proven benefits;
- Data-based discussions and decision-making.

Looking at the Data on Access, Service Provision and Accountability

- **Access**
Target time lines for consumer access to mental health services based on urgency of the presenting situation are included in SRS contracts with CMHCs. SRS is currently in the

process of collecting CMHC performance data on access targets for all new clients through AIMS (Automated Information Management System). Continued refining of AIMS fields and reporting should allow SRS to have accurate access data this year.

- **Crisis Services Plan Implementation**

In February, 2003, SRS Quality Enhancement staff will begin reviewing the level of implementation of each CMHCs approved crisis plan. The review will be conducted with the assistance of members of the Consumer Advisory Council who will assist Quality Enhancement staff in obtaining information from consumers and families. Information gathered through the review will be used to determine next steps for further development and implementation of mental health services.

- **Service Provision**

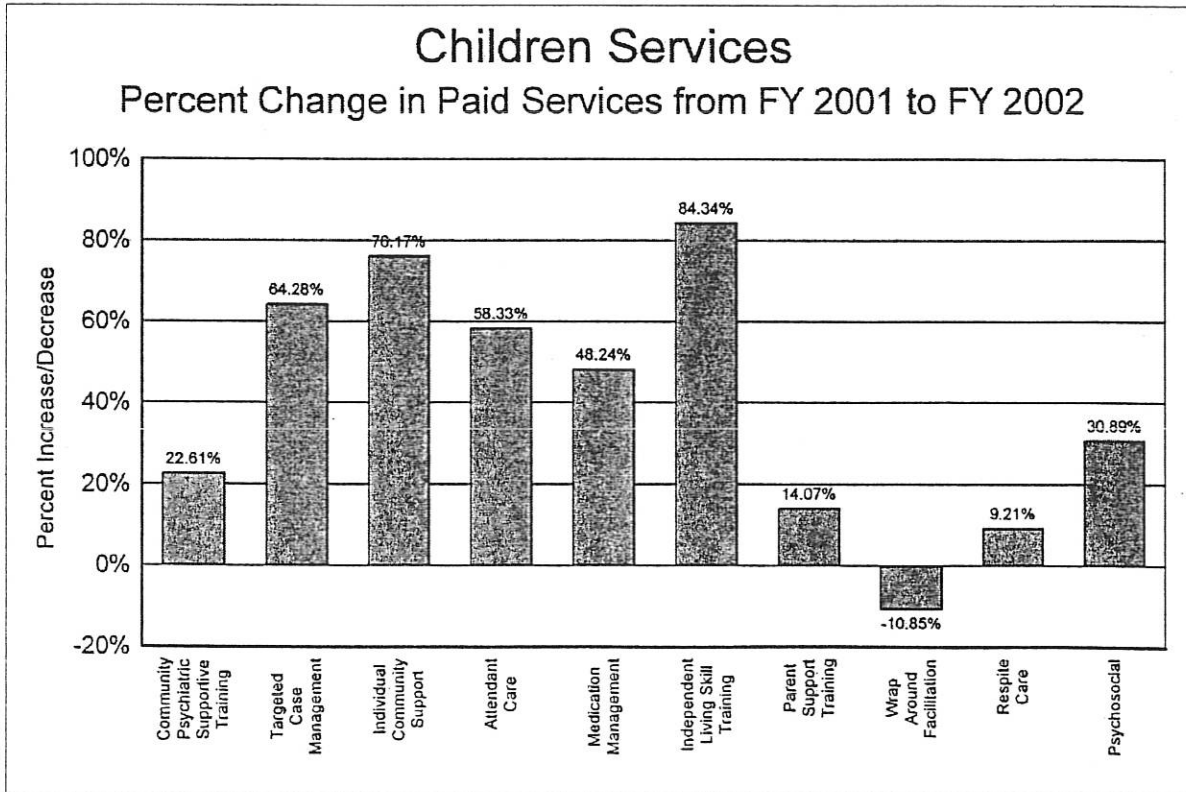
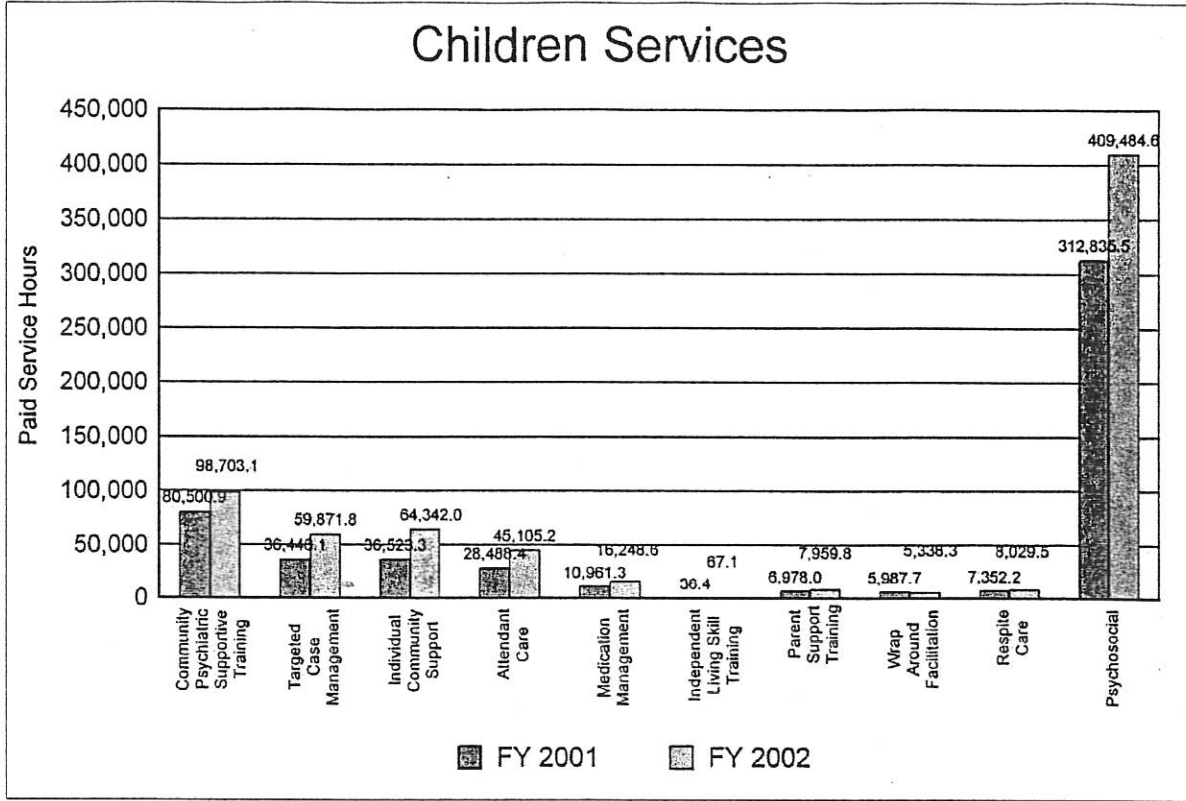
The attached graphs depict the level of service provision by amount of service hours paid by Medicaid in FY 01 and FY02. Figures do not include services provided but not yet paid by Medicaid to CMHCs or services provided to non-Medicaid eligible individuals.

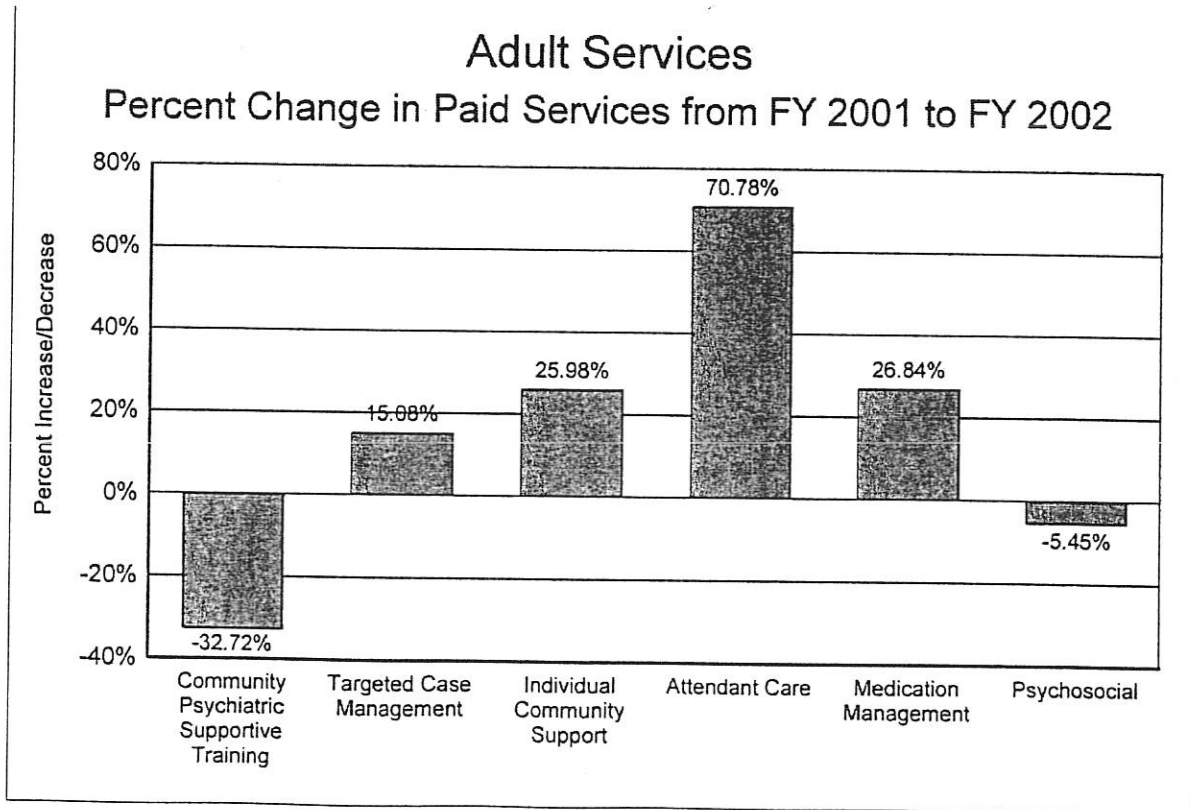
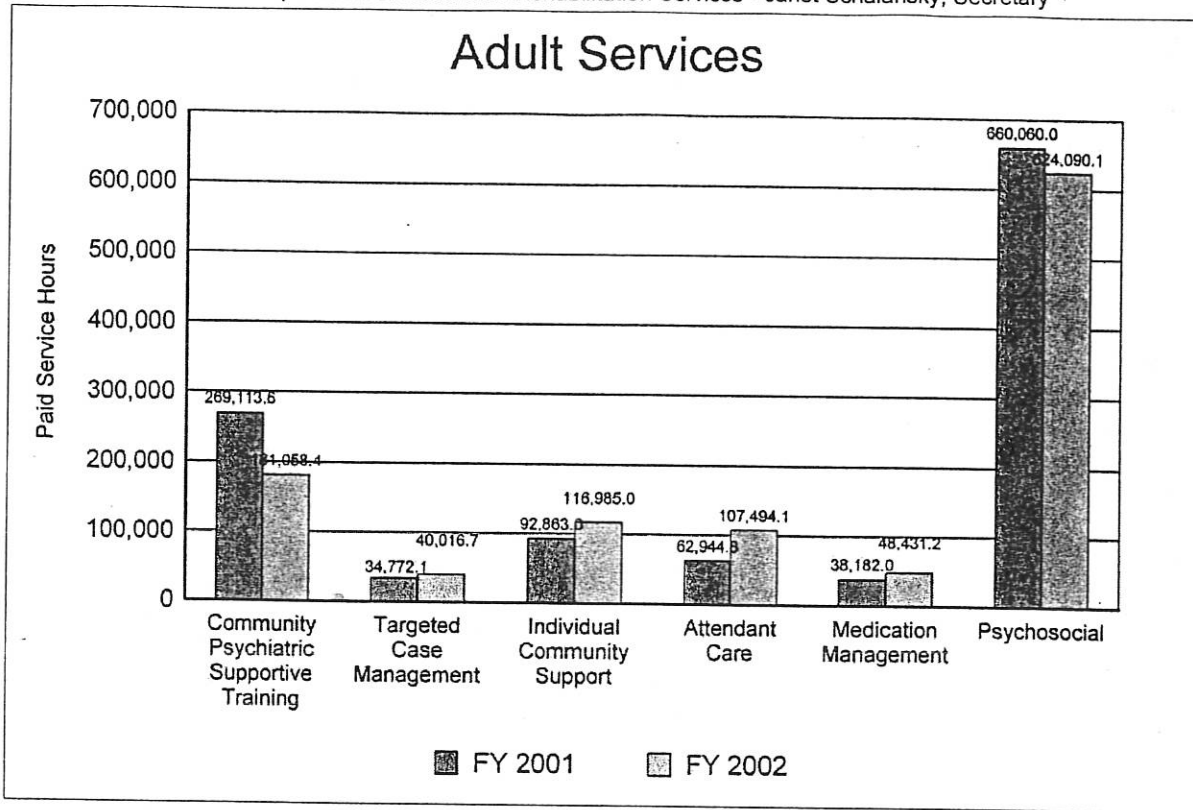
Notes: Medicaid reimbursement rates for services were raised January 1, 2001
Medical card opened to CMHCs for adoption and foster care kids October 1, 2001

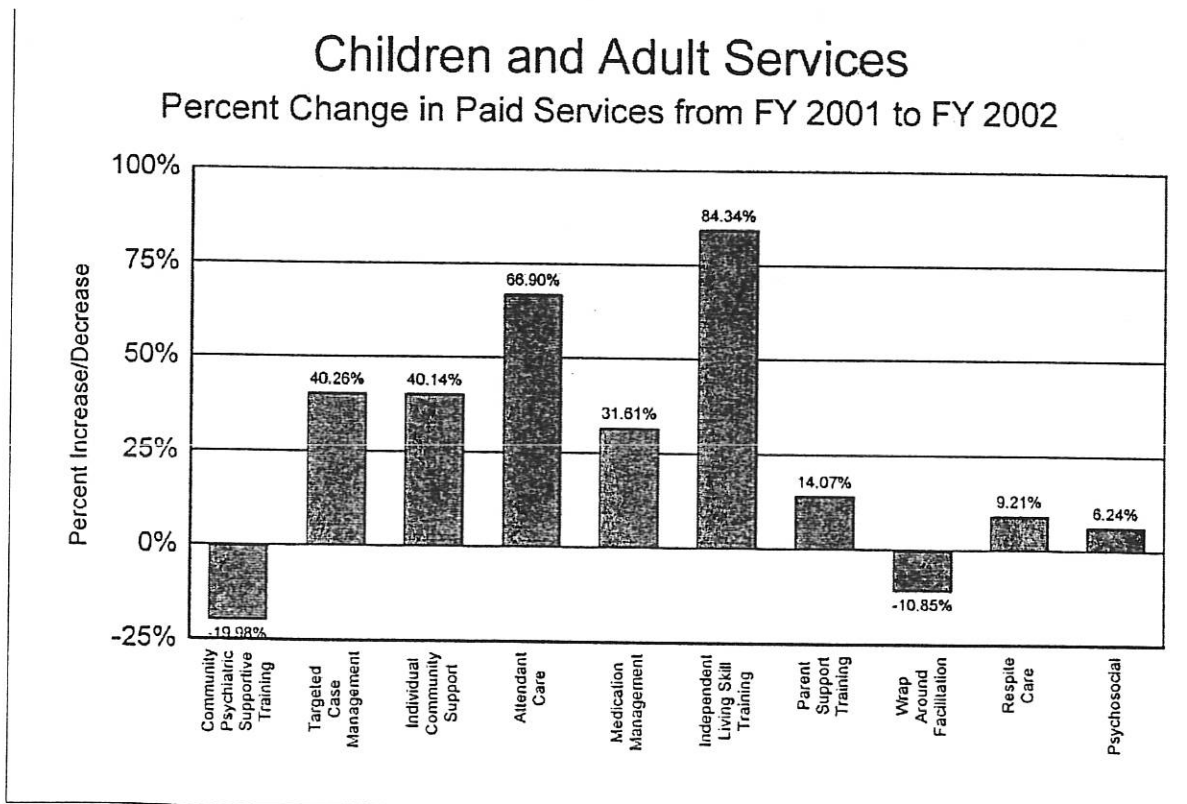
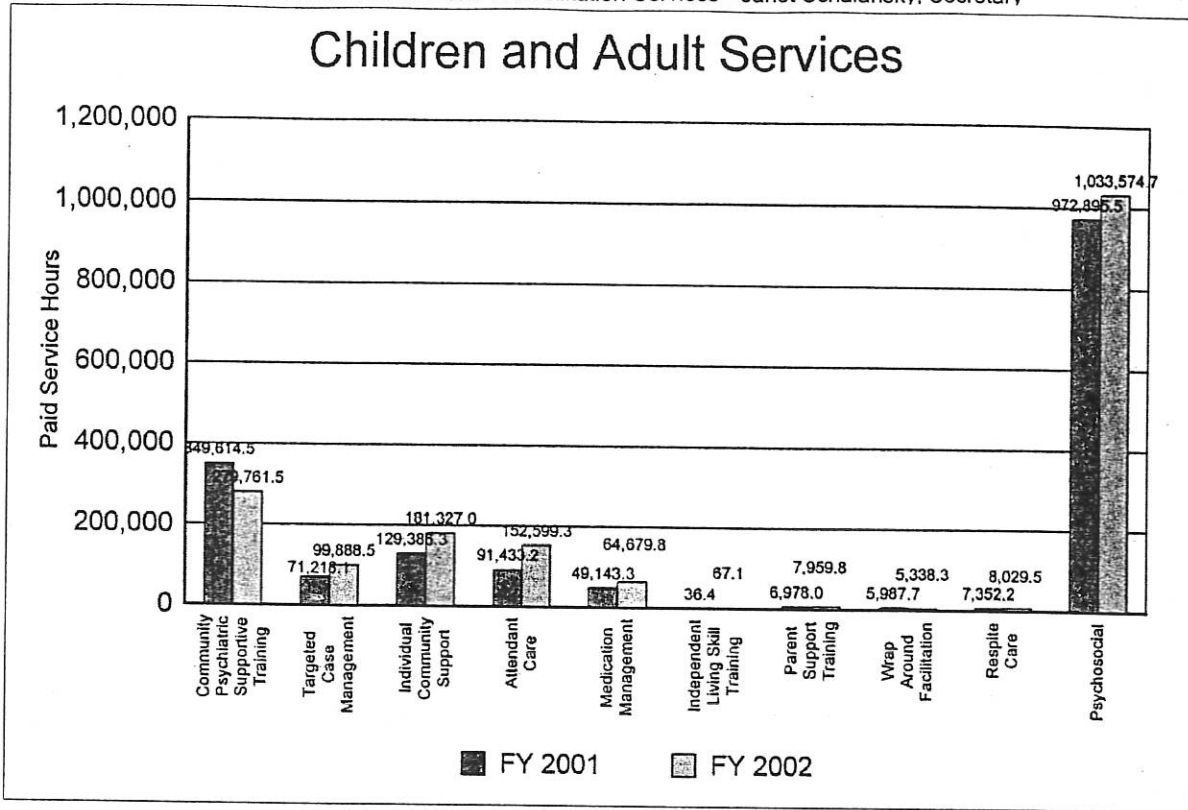
Recommendations for Continuation in FY 2004 of Existing Medicaid Rates

In order to continue the existing Medicaid rates in FY 2004, SRS and the Association recommend:

- Certified match continue to be used to match Medicaid funds;
- New state general funds should be accessed through the Medicaid caseload process only where a center does not have state grant funds remaining to fully match federal Medicaid funds;
- New state funds should be tied to actual provision of services.







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Attachment A

Proviso

Community Mental Health Services

Provided: That the department of social and rehabilitation services, hereinafter known as the department, in all of fiscal year 2003, shall conduct and pay for community mental health services in the same manner as done in FY 2002. *And provided further,* That the department distribute all additional dollars appropriated by the 2002 legislature above the amount appropriated in the fiscal year 2002 for children's mental health services based on fiscal year 2002 medicaid utilizations rates: *And provided further,* That the department may utilize amounts budgeted in regular medicaid for mental health services to assure all community mental health centers have adequate certified match: *And provided further,* That in addition, if the department determines that any community mental health center does not have adequate certified match based on fiscal year 2002 medicaid utilization the department may reallocate existing grant funds based on a proportional share of all existing state fund to minimum extent necessary to assure all community mental health centers have adequate certified match: *And provided further,* That the medicaid rates in effect on February 14, 2002, remain in effect for the balance of fiscal year 2002 and fiscal year 2003: *And provided further,* That the department and the association of community mental health centers of Kansas, inc., shall jointly develop a report on agreed upon methods for continuing the existing medicaid rates for fiscal year 2004 that meet all applicable federal laws and regulations and present the plan to the senate committee on ways and means and house committee on appropriations by January 31, 2003: *And provide further,* That any such plan shall also report how the financing plan in fiscal year 2003 is impacting access, service provision and accountability.

Attachment B

Definitions of Mental Health Services

Community Psychiatric Supportive Treatment (CPST):

CPST shall be face-to-face interventions with the individual. In addition, a majority of these contacts must occur in customary and usual community locations where the person lives, works, or socializes. CPST interventions include the following:

- ▶ Assistance in improving symptom self-management, which shall have as its goal the identification and minimization of the negative effects of psychiatric symptoms or emotional disturbances which interfere with an individual's daily living, financial management, academic progress, personal development, family and/or interpersonal relationships and community integration. This may include counseling the individual to recognize symptoms for self-management.
- ▶ Individual therapeutic intervention, which always involves face-to-face contact with the individual. The family, or other collaterals may also be involved. The service will have as its objective the development of interpersonal, self-care skills and an understanding of mental illness or emotional disturbance which assists the individual to gain control over his or her psychiatric or emotional symptoms and life situation and to adapt to community settings in which he or she lives and functions.
- ▶ Participation in a strengths assessment and planning process with the individual including identifying strengths resources and natural supports. The family or other collaterals may also be involved. Also included would be assistance in defining goals based on the assessment, and tracking and monitoring individual progress in meeting the goals identified in the treatment plan.
- ▶ Assistance which shall have as its objective the development and implementation of a plan for assuring consumer income maintenance. This includes the provision of both supportive counseling and problem-focused interventions in whatever setting is required, to enable the consumer to manage the symptoms of their illness. Services provided at the work site must be focused on assisting the individual to manage the symptoms of mental illness, and not to learn job tasks. These interventions will fall primarily in the areas of achieving required level of concentration and task orientation and facilitating the establishment and maintenance of effective communications with employers, supervisors and co-workers.
- ▶ Medication education, which shall have as its objective the development of the skills necessary for an individual (or family) to comply with the physician prescribed medication.
- ▶ Crisis management, which shall include training approved by the Division regarding management of a psychiatric and/or emotional/behavioral crisis and shall have as its objective the ability of an individual to identify a psychiatric or personal crisis, implement the crisis management plan identified in the individual's treatment plan, if appropriate, and/or seek needed support from clinical staff. The focus of the service must be on the eligible adult or child.

- ▶ Assistance which shall have as its objective achieving academic progress, including the provision of both supportive counseling and problem-focused interventions in whatever setting is required.

Individual Community Support (ICS):

ICS shall be face-to-face interventions, in a community setting. This includes activities which assist persons to function more independently in natural community settings of their choice. Services include the following:

- ▶ Personal support, which shall have its objective assistance with daily activities necessary to maintain persona stability in a community setting.
- ▶ Support provided to an individual adult or child which shall include education and in-home consultation and shall have as its objective the delivery of specific training in daily living to an individual, which will be needed to provide natural supports, maintain the family support system, improve self-help skills, interpret policies, procedures and regulations that impact the individual living in the community, and monitor progress with treatment plan goals and objectives
- ▶ Under supervision, personal support provided to individuals in crisis situations.

Mental Health Attendant Care:

Attendant care shall be one-to-one support or supervision with the goal of maintaining an individual with severe and persistent mental illness or a child with severe emotional disturbance in natural community locations, such as where the person lives, works, or socializes.

Direct support and supervision in accomplishing activities of daily living

Support to the consumer and/or the family in maintaining daily routines critical to a stable lifestyle.

Psychosocial Treatment Group:

Psychosocial treatment group is a self-contained, goal-directed group designated to assist consumers in minimizing or resolving the effects of mental and emotional impairments which previously required clinical and/or hospital services. The objectives of group activities shall be designed to:

- ▶ Assist individuals (children and adults) in daily problem solving;
- ▶ Improve social skills;
- ▶ Provide leisure time training;
- ▶ Promote health, and
- ▶ Enhance personal relationships

Targeted Case Management:

The goal of targeted Case Management is to enhance independent functioning through which the consumer is integrated into and/or maintained within the community, so that institutionalization is not as likely or frequent.

This goal-directed medically necessary service is for adults with severe and persistent mental illness or children with severe emotional disturbance through which the individual is assisted in obtaining access to needed medical, social, educational and other services. All interventions provided shall be related to specific goals set forth in the consumer's treatment plan. Documentation in progress notes is required for each billed service. Interventions include the following:

- ▶ **Treatment Planning:** This includes facilitating the team treatment planning process, including documenting the individualized plan, developing goals and objectives based on a strengths assessment, monitoring to ensure that the plan is working, and making changes when needed. It is expected that the treatment planning process include participation of consumers, families, and natural supports, and that documentation reflects this involvement.
- ▶ **Collateral Contacts:** This includes phone and written correspondence, as well as face-to-face contacts with other social service agencies, schools, housing and employment resources, and medical services.
- ▶ **Access to Supports:** This includes assisting individuals in obtaining access to needed medical, social, educational, and other services. In addition, the service would assist with applications for benefits, and arrange transportation to needed services.
- ▶ **Service Coordination For Youth:** This includes the coordination of services and supports identified in an individual's wraparound plan which has its objective the assurance of an integrated, comprehensive plan of supports and services which includes family members, natural supports, and relevant community providers/stakeholders.

Independent Living/Skill Building:

Independent Living/Skill Building services are designed to assist children and adolescents in acquiring, retaining, and improving the self-help, socialization, and adaptive skills necessary to reside successfully in home and community based settings.

Activities are designed to foster eventual or intended ability to live independently within a community setting. These activities are intended to enhance the child's mastery of social and environmental components related to family, school, work, and living in the community. This service includes assistance with development, acquisition, retention, or improvement in skills necessary to enable the individual to reside in a non-institutional setting. This service includes budgeting, shopping, working and engaging in recreational activities with peers, peer-to-peer support, and appropriate social and work skills to remain in the community.

Parent Support and Training:

Parent Support and Training benefits the child through activities in his/her home and community. These activities include coaching and assisting the family with increasing their knowledge and awareness of their child's needs, the process of interpreting choice offered by service providers, explanation and interpretations of policies and procedures and regulations that impact the child living in the community.

For purposes of this service, "family" is defined as the persons who live with or provide care to a person served on the SED waiver and may include involving the family in developing plans of care, service design, resource availability, and monitoring and evaluation in order to encourage and maintain the family to care for the child in the home and community.

Respite Care:

Respite Care provides short term and temporary direct care and supervision for youth. The primary purpose is relief to families/caretakers of a child with a severe emotional disturbance. The service is designed to help meet needs of primary caretakers as well as children.

Respite care activities include aid in the home, getting a child to school or program, and aid after school, at night, and/or any combination of the above. Respite care can be an in-home service or provided in other community settings.

Wraparound Facilitation/Community Support:

Wraparound Facilitation/Community Support involves the assessment of the child's and family's/caretaker's strengths and needs for community relationships and involvement and determine overall need of the level of community-based waiver and non-waiver services.

Wraparound Facilitation/Community Support also provides an individualized community-based plan to access and be part of informal community resources and develop relationships to help the child succeed in the community. The community-based plan identifies specific plan goals, objectives, responsibilities, timelines, outcomes, performance measures, and costs. This process emphasizes building collaboration and coordination among family, caretakers, service providers, educators, and community resources. Facilitation promotes flexibility to ensure that appropriate effective services are delivered to the child and family/caretaker.

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary



For additional information contact:
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Kansas Department of Social and Rehabilitation Services
Janet Schalansky, Secretary

Family Participation Fees

The 2002 Legislature authorized the Secretary of Social and Rehabilitation Services to collect fees from families who use family support services through various home and community based services waivers and family preservation services. The authorization included instructions regarding how the Secretary was to develop, establish, and implement the family fee program. The text of the authorization is attached to this report as Appendix A.

The Secretary has adopted a fee schedule for parent fees. The adopted fee schedule was developed based on recommendations by a working group of SRS staff, stakeholders, community organizations, and family members. A list of the working group is attached to this report as Appendix B.

The schedule sets fees beginning at 201% of the federal poverty level using a sliding schedule that is adjusted based on family size. This method was used so the fee would be based on the families' ability to pay. The fee schedule is attached to this report as Appendix C.

In accordance with the proviso, the Working Group agreed that special circumstances may exist that would prevent or limit some families from paying the fee established by the schedule. It was recommended that SRS inform all families that they could apply for a reduction or a complete waiver of the fee. The circumstances the Working Group felt should be considered for a fee reduction or waiver included such things as loss of job or unusually high out of pocket expenses for items like medical care, child care, or adaptive equipment. However, the Working Group observed it was not possible to develop a comprehensive list of possible circumstances that would warrant a fee reduction or waiver. As a result, applications for fee reduction or waiver are reviewed by a committee of SRS program staff who evaluate the requests and make determinations on a case by case basis.

SRS values the principle of sharing the responsibility for services with the consumers of services. While SRS believes family fees are a reasonable and appropriate policy of shared responsibility, SRS also believes no child should be denied critical services as a result of families not paying their fee. Therefore, SRS does not deny children services if parents do not pay their fees. Instead, if parents fail to pay their fee, SRS may pursue payment through the usual means of collection afforded to the state for delinquent debt. Because of the newness of the program, such collection steps have not yet been taken.

Once the fee schedule was adopted in the summer of 2002, the Secretary sent letters to over

2,100 persons currently being served by the home and community based services waivers for persons with developmental disabilities, technology assistance, and children with a serious emotional disturbance. The letters described the establishment of parent fees and explained the fee schedule. It also described the need for the payment of parent fees to the extent the families are able to do so. The Secretary explained in the letter what steps families should take if they want to pursue a fee reduction or waiver. Included in the letter was a short list of questions that provided the information necessary to establish each family's fee. Parents were asked to answer the questions and return the answers to the SRS central office.

Letters were not sent to families participating in Family Preservation Services last summer, but when families first begin receiving Family Preservation Services or when they enter the home and community based services waivers for the first time, they are provided a copy of the Secretary's letter. At that time they are asked to provide the information needed to establish their family's fee.

The chart below describes the current status of the fees collected as of January 15, 2003, for the family fee program.

Program	Number of Families Served	Number of Families with No Fee	Number of Families Paying Fees	Amount Billed	Amount Received	Approved Budget
Family Preservation	1,065	961	67	\$4,561	\$2,235	\$540,000
DD Waiver	1,095	361	334	\$103,323	\$64,693	\$668,440
TA Waiver	40	8	22	\$11,394	\$6,602	\$22,976
SED Waiver	1,324	354	231	\$34,515	\$22,514	\$496,584
Total	3,524	772	654	\$153,793	\$96,044	\$1,728,000

As the chart shows, not all families have completed the process for establishing a fee. Some families have asked for fee reductions or waivers and those requests are in the process of being considered. Other families have not responded to SRS' request for information necessary to establish a fee. Those families are being re-contacted to secure the needed information.

Also, the chart shows the amount being collected from family fees is not meeting budgeted levels. One reason for this is that the budgeted amount was not reduced to reflect the decision to not collect fees from families with income below 200% of the federal poverty level. The FY 2004 Governor's Budget Recommendation contains \$1.2 million SGF to address this fee collection shortfall.

The family fee program has been fully operational less than six months. SRS believes it has been

a modest success. The program, however, requires considerable added effort on the part of staff. This has necessitated a rearrangement of work priorities, especially in central office where information sheets, billings, and applications for fee reductions and waivers are processed. This has created challenges in completing other priority work, especially given the number of staff vacancies SRS must maintain to help address the current state revenue shortfall.

SRS appreciates this opportunity to up-date the Legislature regarding this new program.

Appendix A
Proviso to Establish a Parent Fee
SB 363

Parent Participation Proviso Language

In addition to the other purposes for which expenditures may be made by the department of social and rehabilitation services from moneys appropriated from the state general fund or any special revenue fund for fiscal year 2003 for the department of social and rehabilitation services as authorized by this or other appropriation act of the 2002 regular session of the legislature, expenditures shall be made by the secretary of social and rehabilitation services for fiscal year 2003 to fix, charge and collect fees from parents for services provided to their children by an institution or program of the department of social and rehabilitation services: *Provided*, That, in accordance with the provisions of federal law, the secretary of social and rehabilitation services shall not deny services to children under the home and community based services programs or the family preservation program based on the failure of any parent to pay such fees: *Provided* further, That such fees shall be fixed by adoption of a sliding fee scale established by the secretary of social and rehabilitation services based on recommendations made by a working group including employees of the department, representatives of stakeholder organizations and family members and such fees shall take into consideration the parents' income and ability to pay, shall be reasonable and shall be fixed in order to recover all or part of the expenses incurred in providing such services: *And provided further*, That such fees shall be waived in cases of demonstrable hardship and for families at or below 200% of the federal poverty level who are receiving home and community based services or family preservation services: *And provided* further, That the secretary of social and rehabilitation services shall prepare and deliver a letter to the parents of every child who is receiving such services to express the need for payment of such fees to be made to the extent of their financial ability to do so: *And provided further*, That all moneys received by the department of social and rehabilitation services for such fees shall be deposited in the state treasury to the credit of the social welfare fund: *And provided further*, That at the beginning of the 2003 regular session of the legislature, the secretary of social and rehabilitation services shall submit a report to the committee on appropriations of the house of representatives, the committee on ways and means of the senate and to other appropriate standing and joint committees of the legislature on the status and the results of the fees collection program.

Appendix B
Family Fee Work Group Members

Name	Organization
Greg Wintle	SRS/Health Care Policy/CSS
Rick Shults	SRS/Health Care Policy/MO
Josie Torrez	Family Member / KS Council on Developmental Disabilities
Michele Heydon	KS Advocacy & Protective Services
Lesli Girard	Families Together
Dale Huffman	Families Together
Deb Wiley	SRS/Economic & Employment Support
Paula Ellis	SRS/Children & Family Policy
Patti Dawson	SRS/Children & Family Policy
Pam Alger	SRS/Health Care Policy/MHSATR
Tom Buell	DCCCA Fam. Pres.
Brad Kirmer	SRS/Health Care Policy/MHSATR
Mike Hammond	Assoc. of Community MH Centers
Kim Miller	InterHab
Jeanne Abraham-Lunz	Self-Advocate Coalition of KS
Kathy Lobb	Self-Advocate Coalition of KS
Jennifer Schwartz	Independence, Inc.
Doug Bowman	Coordinating Council on Early Childhood Dev. Services
Elizabeth Adams	National Alliance for Mentally Ill
Krista Cowger	Family Member / Pawnee Mental Health Center
Jane Adams	Keys for Networking
Sherri Luthe	MH Assoc. of South Central KS

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Appendix C
PARENT FEE SCHEDULE

Per Cent Federal Poverty	Monthly Fee	Family of Two Gross Income		Family of Three Gross Income		Family of Four Gross Income		Family of Five or More Gross Income	
		Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly
100%	\$0	\$11,610	\$968	\$14,630	\$1,219	\$17,650	\$1,471	\$20,670	\$1,723
151%	\$0	\$17,531	\$1,461	\$22,091	\$1,841	\$26,652	\$2,221	\$31,212	\$2,601
176%	\$0	\$20,434	\$1,703	\$25,749	\$2,146	\$31,064	\$2,589	\$36,379	\$3,032
201%	\$10	\$23,336	\$1,945	\$29,406	\$2,451	\$35,476	\$2,956	\$41,547	\$3,462
226%	\$15	\$26,239	\$2,187	\$33,064	\$2,755	\$39,889	\$3,324	\$46,714	\$3,893
251%	\$20	\$29,141	\$2,428	\$36,721	\$3,060	\$44,301	\$3,692	\$51,882	\$4,323
276%	\$26	\$32,044	\$2,670	\$40,379	\$3,365	\$48,714	\$4,060	\$57,049	\$4,754
301%	\$33	\$34,946	\$2,912	\$44,036	\$3,670	\$53,127	\$4,427	\$62,217	\$5,185
326%	\$41	\$37,849	\$3,154	\$47,694	\$3,974	\$57,539	\$4,795	\$67,384	\$5,615
351%	\$49	\$40,751	\$3,396	\$51,351	\$4,279	\$61,952	\$5,163	\$72,552	\$6,046
376%	\$58	\$43,654	\$3,638	\$55,009	\$4,584	\$66,364	\$5,530	\$77,719	\$6,477
401%	\$68	\$46,556	\$3,880	\$58,666	\$4,889	\$70,777	\$5,898	\$82,887	\$6,907
426%	\$79	\$49,459	\$4,122	\$62,324	\$5,194	\$75,189	\$6,266	\$88,054	\$7,338
451%	\$90	\$52,361	\$4,363	\$65,981	\$5,498	\$79,602	\$6,633	\$93,222	\$7,768
476%	\$102	\$55,264	\$4,605	\$69,639	\$5,803	\$84,014	\$7,001	\$98,389	\$8,199
501%	\$115	\$58,166	\$4,847	\$73,296	\$6,108	\$88,427	\$7,369	\$103,557	\$8,630
526%	\$129	\$61,069	\$5,089	\$76,954	\$6,413	\$92,839	\$7,737	\$108,724	\$9,060
551%	\$143	\$63,971	\$5,331	\$80,611	\$6,718	\$97,252	\$8,104	\$113,892	\$9,491
576%	\$159	\$66,874	\$5,573	\$84,269	\$7,022	\$101,664	\$8,472	\$119,059	\$9,922
601%	\$174	\$69,776	\$5,815	\$87,926	\$7,327	\$106,077	\$8,840	\$124,227	\$10,352

The chart will be extended using the method listed for persons above 601% of the federal poverty level

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K A N S A S

JOAN WAGNON, ACTING SECRETARY

DEPARTMENT OF REVENUE
OFFICE OF THE SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

Testimony to House Appropriations
Joan Wagon
Acting Secretary of Revenue

February 6, 2003

Chairman Neufeld and members of the Committee:

The Department will implement a two-phased tax amnesty program, with Phase 1 to begin immediately. Phase 1 will involve an aggressive campaign to pursue settlement negotiations on pending assessments, with the goal of resolving cases which should be settled prior to the end of this fiscal year. Phase 2 will involve a tax amnesty program to be conducted this coming fall, which will require legislative authorization and will offer waiver of penalties and interest to taxpayers with accounts in collection or who are non-filers or under-reporters upon payment in full of the underlying tax liability, if payment is received between October 1, 2003 and November 30, 2003.

Phase 1—Accelerated Settlement Program

Phase 1 of the program will not require legislative authorization. The Department will exercise its existing authority to settle disputed matters. Phase 1 will involve an effort to accelerate reasonable settlement of assessments on a non-principled basis, including those pending before the Office of Administrative Appeals, the Board of Tax Appeals (BOTA) or in the judicial review process.

Purpose

The purpose of Phase 1, the accelerated settlement program, is to bring in as much revenue as possible before the end of FY 03 from disputed assessments, in order to help alleviate the current fiscal situation.

Goal

The goal of the accelerated settlement program is to bring in additional tax revenue in excess of \$7.5 million in FY 03.

HOUSE APPROPRIATIONS

DATE 2-6-03
ATTACHMENT 2

Tax Types Included

The Department will focus on assessments for individual and corporate income tax, as well as state and local sales and compensating use tax, but would welcome inquiries from taxpayers with disputed assessments for privilege tax, estate tax, liquor taxes, cigarette and tobacco taxes, employer withholding and mineral taxes. Included taxes are those owed for tax periods ended by December 31, 2002, except that for income tax, included taxes are only those owed for tax periods ended by December 31, 2001. This would specifically exclude income taxes for tax year 2002, the returns for which are now being processed.

Assessments Included

The assessments to be included in the accelerated settlement program include: those in dispute and pending before the Office of Administrative Appeals, BOTA or under judicial review; and assessments or proposed assessments (under audit).

Matters not included

Not included in the accelerated settlement program are: assessments under appeal or subject to appeal that are not candidates for settlement; assessments for which appeal rights have expired or have been exhausted (in collections); and tax liability from underpayment or nonpayment of amounts declared due on returns.

Settlement Procedures

For assessments that can be reasonably settled, the taxpayer will have the opportunity to resolve the assessment on a non-principled basis, if the negotiated amount is paid in full within a stated time period but prior to June 30, 2003. The taxpayer must agree to waive any further appeal rights with respect to the assessment and must further waive any right to seek a refund of the amount paid. If the taxpayer makes payment on or before the given deadline and pursuant to the settlement terms, then the assessment will be deemed paid in full and resolved. The taxpayer's account with respect to the assessment will be adjusted to reflect the settlement under the accelerated settlement program.

Tracking Procedures

Revenue attributable to acceptances of settlement offers made under the accelerated settlement program will be separately tracked, so that a determination can be made as to whether the \$7.5 million FY 03 goal has been met.

Phase 2

Phase 2 will require legislative authorization. The Department will request introduction in the House Tax Committee of a bill proposing the tax amnesty program for the fall of 2003. Under this proposal, the Department would be given authority to waive penalties and interest for taxpayers with accounts in collection and taxpayers who are non-filers or under-reporters if the unpaid taxes due and owing for tax periods ended by December 31, 2002 (except for income taxes, the tax must be due and owing for tax periods ended by December 31, 2001), are paid between October 1, 2003 and November 30, 2003. Assessments issued by the department's audit staff, which are pending as of today or issued after today, will not be eligible for Phase 2. Taxpayers under audit on or after today will not be eligible for Phase 2. A taxpayer who had the opportunity to participate in Phase 1, the accelerated settlement program, will not be eligible for Phase 2.

Purpose

The purpose of Phase 2, the tax amnesty program, is to convert as many outstanding accounts receivable as possible into much needed revenue during the first half of FY 04.

Goal

The goal of the tax amnesty program is to bring in additional tax revenue in excess of \$4.5 million during the first half of FY 04.

Tax Types included

State and local sales and compensating use tax, employers withholding tax, privilege tax, estate tax, liquor taxes, cigarette and tobacco taxes, and mineral taxes due and owing for tax periods ending on or before December 31, 2002; individual and corporate income taxes due and owing for tax periods ending on or before December 31, 2001. This would specifically exclude income taxes for tax year 2002, the returns for which are now being processed. Taxpayers owing compensating use tax on out-of-state catalog or Internet purchases will have the opportunity to participate in Phase 2 as non-filers.

Timetable

Assuming authorizing legislation has been enacted, during June through August 2003, the Department will identify all taxpayers with delinquent accounts in collection under the above tax types and attempt to notify them that the Department will waive all penalties and interest due with respect to delinquent tax liability, if the underlying tax liability is paid between September 1, 2003 and October 31, 2003. The notices will include payment vouchers marked as part of the amnesty program and return envelopes. Also during that time, the Department will post downloadable information on its website about the tax amnesty program and will seek to publicize the program as much as possible.

Revenue Tracking

Once the notices to delinquent taxpayers are sent, the Department will track payments received under the tax amnesty program through the vouchers.