

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chair Melvin Neufeld at 9:00 a.m. on March 6, 2003, in Room 514-S of the Capitol.

All members were present except: Representative JoAnn Pottorff, Excused

Committee staff present: Alan Conroy, Legislative Research Department  
J. G. Scott, Legislative Research Department  
Amy Deckard, Legislative Research Department  
Becky Krahl, Legislative Research Department  
Amy VanHouse, Legislative Research Department  
Audrey Nogle, 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: Dr. Lorne A. Phillips, Director and State Registrar  
Center for Health and Environmental Statistics

Others attending: See Attached

**Hearing on HB 2423 – Center for Health and Environment Statistics fee funding**

Becky Krahl, Legislative Research Department, presented an overview on **HB 2423** which implements the Governor's recommendation to fund the Center for Health and Environmental Statistics (CHES) in the Department of Health and Environment entirely through fee funds. Currently, CHES receives a State General Fund appropriation in addition to receipts from certified copies of vital event records. The Governor's FY 2004 budget recommendation does not include a State General Fund appropriation for CHES.

The current fee structure provides for the receipts for copies of birth, death, marriage and divorce certificates to be divided among four funds: the District Coroner's Fund; the Family and Children Investment Fund, the Vital Statistics Maintenance Fee Fund and the State General Fund.

The bill would provide that, after the transfers to the District Coroner's Fund and the Family and Children Investment Fund, the balance of the receipts would be transferred into the newly created Civil Registration and Health Statistics Fee Fund. Expenditures from the new fund are to be for operating expenditures of the CHES and maintenance of the Vital Statistics Integrated Information System.

For FY 2003 the transfer to the State General Fund (SGF) is estimated to be approximately \$2,000,000. The FY 2003 recommended SGF appropriation for the Center for Health and Environmental Statistics is approximately \$1,800,000.

Dr. Lorne A. Phillips, Director and State Registrar, Center for Health and Environmental Statistics, recommends favorable consideration of **HB 2423** (Attachment 1). Establishment of the Civil Registration and Health Statistics Fee Fund (CRHSFF) is the principal feature of this bill. Fundamentally, it's moving the funding of the CHES from heavily SGF funded to a fee funded base and creation of the CRHSFF. Numerous individuals rely on responsiveness of the civil registration system to meet their day-to-day needs for vital records. This bill would relieve the critical functions of the CHES from the volatility of the SGF allocations and it will eliminate some confusing language that exists in the statute at this time.

Chair Neufeld announced the hearing on **HB 2423** closed.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Corporation Commission for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Osborne. Motion carried.

Representative Schwartz, Chair of the Agriculture and Natural Resources Committee, presented the Budget

CONTINUATION SHEET

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

Committee report on the Governor's budget recommendations for the State Corporation Commission for FY 2004 and moved for the adoption of the Budget Committee recommendations with notations for FY 2004 (Attachment 2). Motion was seconded by Representative Gatewood.

The committee discussed reports of inefficiencies in the State Corporation Commission Conservation Division's district office located in Chanute. A number of the producers in that vicinity have asked their files be worked out of Wichita. The committee discussed the viability of the Chanute office, which carries one of the largest well-plugging caseloads in the state. It is the understanding of the Budget Committee that there are no lawyers assigned to the Chanute office. The files originally start with the paperwork being instigated in Chanute and then shifted to Wichita for the lawyers to proceed after the basic information is processed. The Budget Committee requested information regarding concerns or information others might share regarding the Chanute office situation.

Representative Feuerborn moved to amend the report by recommending the introduction of legislation prior to or at Omnibus which would prohibit anyone entering into a contract with the state if the person has any on-going liability issues with the State. He also requested language be added to require appropriate and adequate staffing for the State Corporation Commission Conservation Division's district office located in Chanute. Motion was seconded by Representative Schwartz. Motion carried.

Representative Schwartz renewed her motion for adoption of the Budget Committee report as amended. Motion was seconded by Representative Gatewood. Motion carried.

Representative Gatewood, Member of the Agriculture and Natural Resources Committee, presented the Budget Committee report on the Governor's budget recommendations for the Citizens' Utility Ratepayer Board for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Schwartz. Motion carried.

Representative Gatewood, Member of the Agriculture and Natural Resources Committee, presented the Budget Committee report on the Governor's budget recommendations for the Citizens' Utility Ratepayer Board for FY 2004 and moved for the adoption of the Budget Committee recommendations for FY 2004 (Attachment 2). Motion was seconded by Representative Schwartz. Motion carried.

Representative Bethell, Member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 3). Motion was seconded by Representative Newton. Motion carried.

Representative Bethell, Member of the Social Services Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department on Aging for FY 2004 and moved for the adoption of the Budget Committee recommendations with adjustments for FY 2004 (Attachment 3). Motion was seconded by Representative Landwehr.

The committee discussed the raising of the Pre Admission Screening and Resident Review (PASARR) from 26 to 40 for FY 2004 and grandfathering Medicaid clients currently receiving services through the nursing facilities or HCBS/FE waiver programs. Typical conditions of those with PASARR score of 26 or 27 are those with difficulty in ADL or IDL (bathing, dressing, self-medicating). Adult care home entry would be limited those with a score around 70. Also discussed was the option of requesting a waiver lowering the PASSAR scores for Medicaid recipients to receive Home and Community Based Services. It was reported that most cuts are still recurring in FY 2003 and that grandfathering is not included in the FY 2004 budget.

Representative Bethell moved to amend the report to insert as Item 10: "The Budget Committee urges the Secretary of Aging to continue efforts to educate Kansans about planning for future long-term care insurance and retirement plans." He included in his amendment the request to move Item 10 to be Item 11 in the budget report. Motion was seconded by Representative Ballard. Motion carried.

Representative Bethell renewed his motion for adoption of the Budget Committee report as amended. Motion

CONTINUATION SHEET

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

was seconded by Representative Ballard. Motion carried.

The meeting was adjourned at 10:35 a.m. The next meeting is scheduled for March 7, 2003.



Melvin Neufeld, Chair

**APPROPRIATIONS COMMITTEE GUEST LIST**

DATE: *March 6, 2003*

NAME	REPRESENTING
<i>Lucas Bell</i>	<i>Rep. Neufeld's Intern</i>
<i>Don M. Ryan</i>	<i>S. E. A. R.</i>
<i>Dave Spryng</i>	<i>Curb</i>
<i>LORNE PHILLIPS</i>	<i>KONE</i>
<i>Bluff</i>	<i>KCC</i>
<i>Michael L. White</i>	<i>Kearney Assoc.</i>
<i>Craig Kobel</i>	<i>KAAAA</i>
<i>Nancy Pierce</i>	<i>KHCA</i>
<i>Mickey Mouse</i>	<i>Walt Disney</i>



# KANSAS

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

## Testimony on Establishment of the Civil Registration and Health Statistics Fee Fund (HB No. 2423)

To

House Appropriations Committee

Presented by Dr. Lorne A. Phillips  
Director and State Registrar  
Center for Health and Environmental Statistics

March 6, 2003

Chairperson Neufeld and members of the House Appropriations Committee, I am pleased to appear before you today to discuss House Bill No. 2423.

Establishment of the Civil Registration and Health Statistics Fee Fund (CRHSFF) is the principal feature of this Bill. Numerous individuals rely on responsiveness of the civil registration system to meet their day-to-day needs for vital records. The civil registration system is also the staple of effective public health surveillance and management. However, during the current and recent fiscal years, volatility of State General Fund (SGF) allocations has substantially hampered ability of the Center for Health and Environmental Statistics (CHES) to fulfill its goals to:

- Produce accurate and timely vital records to meet individuals' present or future day-to-day life needs for proving identity, establishing or preserving benefit or property rights or providing proof of United States citizenship, and
- Ensure quality health data is available and accessible for administrative and research purposes of National, State and local program managers, policy makers, researchers and the general public.

Many civil registration system processes are centralized and automated. However, human intervention is an essential bridge between the system and needs of customers. Since the preponderance of CHES' budget and expenditure requirements relate to salaries, virtually no opportunity exists to distribute reduced SGF allocations to other operating expenses. Consequently, CHES' salary shrinkage (turnover) rate has been used to cover the gap between declining, and often volatile, SGF budget allocations and public demand for services. For example, to meet the FY 2002 Budget SGF allocation, CHES' salary shrinkage (turnover) rate was increased to 10.7%. Output of the civil registration system is achieved through a variety of production processes. Consequently, depending on the type of process, each position vacancy may delay or backlog service to customers

HOUSE APPROPRIATIONS

CENTER FOR HEALTH AND ENVIRONMENTAL STATISTI  
CURTIS STATE OFFICE BUILDING, 1000 SW JACKSON ST., STE. 110, TOF  
Voice 785-296-1415 Fax 785-296-8869 <http://www.kdhe.sta>

DATE 3-6-03

ATTACHMENT 1

in a different manner, i.e., a worker needing a birth record to begin work with a new employer, the survivor needing rapid registration of a death record to initiate survivor benefits, a student needing a birth record to begin attendance at a new school, etc. Clearly, customers' needs are real, and given the revenue generated, the expectation that these needs will be met on a timely basis is valid. During FY 2002, the monthly average of customer requests was 14,696 (282 received by Fax, 369 by the Internet, 1,873 by customer walk-in, 2,375 by telephone and 10,797 by U.S. Mail), for a Fiscal Year total of 176,352.

- The Bill includes another key feature, amendment of K.S.A. 65-2418. Section 2. is simply cleanup language to eliminate cumbersome and confusing duplication of provisions in K.S.A. 65-2418. and K.S.A. 65-2418d., which relate to authority to issue and charge fees for certified abstracts of vital records, and to eliminate the need for the Vital Statistics Maintenance Fee Fund, since it will become part of the CRHSFF when this Bill is enacted.

A chart which shows projected FY 2004 expenditures and revenue, including the \$1 increase for issuance of each certified copy or abstract, is attached.

- Therefore, House Bill No. 2423:
  - • Relieves mission critical functions of CHES from uncertainty and volatility of annual SGF allocations; and,
  - • Eliminates cumbersome and confusing structure and content in K.S.A. 65-2418. and K.S.A. 65-2418d. *statute at this time*
- Consequently, I recommend favorable consideration of House Bill No. 2423.

Thank you for the opportunity to appear before the House Appropriations Committee. I will be pleased to respond to any questions members of the Committee may have regarding this Bill.

Attachment

030403

## CIVIL REGISTRATION AND HEALTH STATISTICS FEE FUND

	Estimated Copies Processed	Current Fees	Governor Fee Recommend	Fees Generated	New Fee	Scenario #2 Increased Receipts	New Fee	Scenario #3 Increased Receipts	New Fee	Scenario #4 Increased Receipts
Births	166,200	\$11/\$6	\$12/\$7	\$166,200	\$13/\$8	\$332,400	\$14/8	\$448,740	\$15/\$9	\$614,940
Marriage	11,750	\$11/\$6	\$12/\$7	\$11,750	\$13/\$8	\$23,500	\$14/8	\$32,900	\$15/\$9	\$44,650
Divorce	1,400	\$11/\$6	\$12/\$7	\$1,400	\$13/\$8	\$2,800	\$14/8	\$4,020	\$15/\$9	\$5,420
Deaths	189,200	\$12/\$7	\$13/\$8	\$189,200	\$13/\$8	\$189,200	\$14/8	\$227,040	\$15/\$9	\$416,240
<b>TOTAL</b>	<b>368,550</b>			<b>\$368,550</b>		<b>\$547,900</b>		<b>\$712,700</b>		<b>\$1,081,250</b>

	Governor Recommend	Scenario #2 FY 2004	Scenario #3 FY 2004	Scenario #4 FY 2004
1 Projected Annual Customer Receipts	\$3,209,550	\$3,209,550	\$3,209,550	\$3,209,550
Proposed fee increase	\$368,550	\$547,900	\$712,700	\$1,081,250
Less transfer to Family & Childrens Fund	(\$393,000)	(\$393,000)	(\$393,000)	(\$393,000)
Less transfer to District Coroner's Fund	(\$427,500)	(\$427,500)	(\$427,500)	(\$427,500)
Subtotal Receipts Available	\$2,757,600	\$2,936,950	\$3,101,750	\$3,470,300
2 Proposed CRHSFF Expenditures	(\$2,258,373)	(\$2,258,373)	(\$2,258,373)	(\$2,258,373)
3 Office Space Rental	(\$296,125)	(\$296,125)	(\$296,125)	(\$296,125)
Proposed 1.5% Salary increase	(\$37,822)	(\$37,822)	(\$37,822)	(\$37,822)
Proposed Expenditure Totals	(\$2,592,320)	(\$2,592,320)	(\$2,592,320)	(\$2,592,320)
<b>CASH BALANCE</b>	<b>\$165,280</b>	<b>\$344,630</b>	<b>\$509,430</b>	<b>\$877,980</b>

1 ALL CUSTOMER RECEIPTS

2 BUDGETED STATE GENERAL FUND AND VITAL STATISTIC MAINTENANCE FEE FUNDS EXPENDITURES

3 OFFICE RENTS FOR FY 2003 ARE BUDGETED IN ADMINISTRATION; RENTS FOR FY 2004 ARE NOT CURRENTLY BUDGETED


FY 2003 and FY 2004

**Agriculture and Natural Resources Budget Committee**

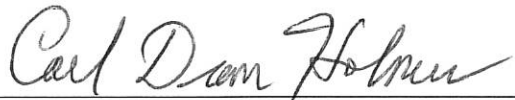
**State Corporation Commission**


**Citizens' Utility Ratepayer Board**

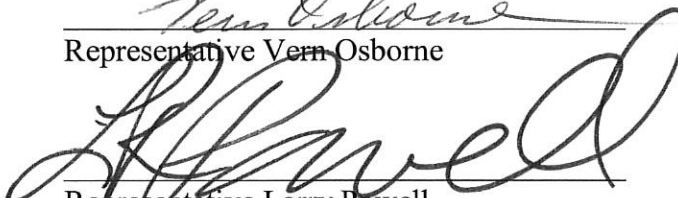
  
Representative Sharon Schwartz, Chair

  
Representative Vaughn Flora

  
Representative Doug Gatewood

  
Representative Carl Holmes

  
Representative Vern Osborne

  
Representative Larry Powell

  
Representative Tom Thull

HOUSE APPROPRIATIONS

DATE 3-6-03  
ATTACHMENT 2



## Senate Subcommittee Report

**Agency:** State Corporation Commission **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2-1462

**Budget Page No.** 107

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 16,929,114	\$ 16,929,114	\$ 0
Aid to Local Units	601,195	601,195	0
Other Assistance	0	0	0
TOTAL	<u>\$ 17,530,309</u>	<u>\$ 17,530,309</u>	<u>\$ 0</u>
FTE Positions	210.0	210.0	0.0
Non FTE Uncl. Perm. Pos.	5.5	5.5	0.0
TOTAL	<u>215.5</u>	<u>215.5</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The State Corporation Commission's estimate for FY 2003 operating expenditures is \$17,530,309, which is an increase of \$170,352 (1.0 percent) from the approved budget. The agency's estimate includes: \$10,789,756 for salaries and wages, \$5,848,108 for contractual services, \$188,150 for commodities, \$103,100 for capital outlay, and \$601,195 for aid to local units.

The Governor concurs with the agency's estimate.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

### Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

### Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

## House Budget Committee Report

**Agency:** State Corporation Commission **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2-1462

**Budget Page No.** 107

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
<b>Special Revenue Funds:</b>			
State Operations	\$ 16,929,114	\$ 16,929,114	\$ 0
Aid to Local Units	601,195	601,195	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b><u>\$ 17,530,309</u></b>	<b><u>\$ 17,530,309</u></b>	<b><u>\$ 0</u></b>
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<b>TOTAL</b>	<b><u>215.5</u></b>	<b><u>215.5</u></b>	<b><u>0.0</u></b>

### Agency Estimate/Governor's Recommendation

The State Corporation Commission's estimate for FY 2003 operating expenditures funding is \$17,530,309, which is a an increase of \$170,352 (1.0 percent) from the approved budget. The agency's estimate includes: \$10,789,756 for salaries and wages, \$5,848,108 for contractual services, \$188,150 for commodities, \$103,100 for capital outlay, and \$601,195 for aid to local units.

The Governor concurs with the agency's estimate.

### House Budget Committee Recommendation

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

## Senate Subcommittee Report

**Agency:** State Corporation Commission **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2-1462

**Budget Page No.** 107

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Report Adjustments
Special Revenue Funds:			
State Operations	\$ 17,062,494	\$ 15,227,635	\$ 0
Aid to Local Units	591,436	591,436	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 17,653,930</b>	<b>\$ 15,819,071</b>	<b>\$ 0</b>
FTE Positions	214.0	212.0	0.0
Non FTE Uncl. Perm. Pos.	5.5	5.5	0.0
<b>TOTAL</b>	<b>219.5</b>	<b>217.5</b>	<b>0.0</b>

### Agency Request/Governor's Recommendation

The State Corporation Commission requests for FY 2004 operating expenditures of \$17,653,930, which is an increase of \$123,621 (0.7 percent) from the FY 2003 estimate. The request includes an enhancement request of \$172,217 for an additional 4.0 FTE positions. The request includes: \$11,118,437 for salaries and wages, \$5,644,807 for contractual services, \$183,650 for commodities, \$115,600 for capital outlay, and \$591,436 for aid to local units.

The Governor recommends for FY 2004 operating expenditures of \$15,819,071, which is a decrease of \$1,711,238 (9.8 percent) from the FY 2003 recommendation. The recommendation includes \$86,178 for an additional 2.0 FTE positions. The recommendation includes: \$11,036,399 for salaries and wages, \$4,844,807 for contractual services (includes the deletion of \$400,000 transfer from State Water Plan Fund and deletion of \$400,000 transfer from State General Fund, both in the Conservation Program), \$183,650 for commodities, \$111,600 for capital outlay, \$591,436 for aid to local units and a reduction of \$948,821 for a 5.9 percent operating adjustment.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

### Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

**Senate Committee of the Whole Recommendation**

The Senate Committee of the Whole has not yet considered this budget.

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**House Budget Committee Report**

**Agency:** State Corporation Commission    **Bill No.**    **Bill Sec.**

**Analyst:** Krahl    **Analysis Pg. No.** Vol 2 - 1462    **Budget Page No.** 107

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Report Adjustments
Special Revenue Funds:			
State Operations	\$ 17,062,494	\$ 15,227,635	\$ 0
Aid to Local Units	591,436	591,436	0
Other Assistance	0	0	0
<b>TOTAL</b>	<b>\$ 17,653,930</b>	<b>\$ 15,819,071</b>	<b>\$ 0</b>
FTE Positions	214.0	212.0	0.0
Non FTE Uncl. Perm. Pos.	5.5	5.5	0.0
<b>TOTAL</b>	<b>219.5</b>	<b>217.5</b>	<b>0.0</b>

**Agency Request/Governor's Recommendation**

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The Governor recommends for FY 2004 operating expenditures of \$15,819,071, which is a decrease of \$1,711,238 (9.8 percent) from the FY 2003 recommendation. The recommendation includes \$86,178 for an additional 2.0 FTE positions. The recommendation includes: \$11,036,399 for salaries and wages, \$4,844,807 for contractual services (includes the deletion of \$400,000 transfer from State Water Plan Fund and deletion of \$400,000 transfer from State General Fund both in the Conservation Program), \$183,650 for commodities, \$111,600 for capital outlay, \$591,436 for aid to local units and a reduction of \$948,821 for a 5.9 percent operating adjustment.

**House Budget Committee Recommendation**

The House Budget Committee concurs with the Governor's recommendation with the following notations:

1. The House Budget Committee recommends an Interim Committee study on motor carrier inspections. Motor carriers currently have contact with KDOT, the Highway Patrol, Department of Revenue and the State Corporation Commission, to name a few. The Budget Committee recommends a study to clarify the roles of these different entities and to determine if motor carrier oversight by state agencies could be accomplished in a more efficient manor.
2. The Budget Committee wishes to commend the agency for their efficient, prompt and safe programs of plugging abandoned oil and gas wells and of cleaning polluted sites. The agency plugged 753 abandoned wells in FY 2002 and expects to plug at least 775 in FY 2003 and FY 2004 which is a dramatic increase from 508 wells in FY 1999.
3. The Budget Committee suggests the agency review future staffing needs against current vacant positions in the agency and perhaps use these in lieu of requesting additional FTE positions.

## Senate Subcommittee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2-1482

**Budget Page No.** 85

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 654,683	\$ 654,683	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$654,683, is an increase of \$41,063 (6.7 percent) from the approved budget. The increase is the carry forward balance for consulting fees. The agency was allowed to "carry forward" to FY 2003 any unused balances in the Utility Regulatory Fee Fund for consulting fees from the previous years as stated in 2002 SB 17. The estimate includes: \$298,261 for salaries and wages, \$347,116 for contractual services, \$4,735 for commodities, and \$4,571 for capital outlay.

The Governor concurs with the agency's estimate.

### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

### Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

### Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

### House Budget Committee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2 -1482

**Budget Page No.** 85

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
Special Revenue Funds:			
State Operations	\$ 654,683	\$ 654,683	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

#### Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$654,683, is an increase of \$41,063 (6.7 percent) from the approved budget. The increase is the carry forward balance for consulting fees. The agency was allowed to "carry forward" to FY 2003 any unused balances in the Utility Regulatory Fee Fund for consulting fees from the previous years as stated in 2002 SB 517. The estimate includes: \$298,261 for salaries and wages, \$347,116 for contractual services, \$4,735 for commodities, and \$4,571 for capital outlay.

The Governor concurs with the agency's estimate.

#### House Budget Committee Recommendation

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

## Senate Subcommittee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.**

**Bill Sec.**

**Analyst:** Krahl

**Analysis Pg. No.** Vol. 2-1482

**Budget Page No.** 85

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Special Revenue Funds:			
State Operations	\$ 616,952	\$ 580,552	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	5.0	5.0	0.0

### Agency Request/Governor's Recommendation

The agency's request for FY 2004 operating expenditures of \$616,952, is a decrease of \$37,731 (5.8 percent) from the FY 2003 estimate. The agency request includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, and \$3,300 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$580,552, which is a decrease of \$74,131 (11.3 percent) from the FY 2003 recommendation and \$36,400 less than the agency request. The recommendation includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, \$3,300 for capital outlay and a reduction of \$36,400 for a 5.9 percent operating adjustment.

### Senate Subcommittee Recommendation

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

1. The Senate Subcommittee commends the agency's prompt and congenial transition of leadership. The Subcommittee also notes and commends the willingness of the agency to manage reductions within the agency's budget. Finally, the Subcommittee is pleased to bring to the attention of the full Senate Ways and Means Committee the outstanding job this agency is doing in carrying out its daily operations.



### Senate Committee Recommendation

The Senate Committee concurs with the Senate Subcommittee recommendation.

### Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not yet considered this budget.

### House Budget Committee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.** **Bill Sec.**

**Analyst:** Krahl **Analysis Pg. No.** Vol 2 -1482 **Budget Page No.** 85

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Funds:			
State Operations	\$ 616,952	\$ 580,552	\$ 0
FTE Positions	5.0	5.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>5.0</u>	<u>5.0</u>	<u>0.0</u>

### Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$616,952, which is a decrease of \$37,731 (5.8 percent) from the FY 2003 estimate. The agency request includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, and \$3,300 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$580,552, which is a decrease of \$74,131 (11.3 percent) from the FY 2003 recommendation and \$36,400 less than the agency request. The recommendation includes: \$306,355 for salaries and wages, \$303,047 for contractual services, \$4,250 for commodities, \$3,300 for capital outlay and a reduction of \$36,400 for a 5.9 percent operating adjustment.

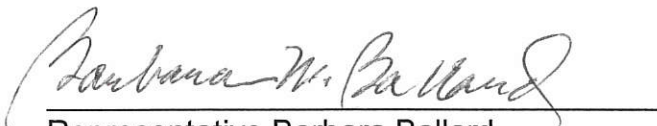
**House Budget Committee Recommendation**

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

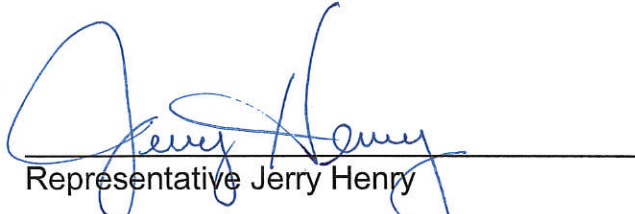
# 2003 SOCIAL SERVICES BUDGET COMMITTEE

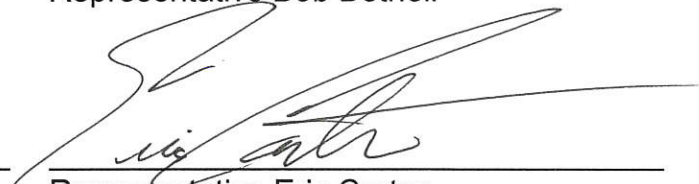
Department on Aging

  
Representative Brenda Landwehr,  
Chairperson

  
Representative Barbara Ballard


  
Representative Bob Bethell

  
Representative Jerry Henry

  
Representative Eric Carter  
4/27-5

  
Representative Jerry Williams

  
Representative Willa DeCastro

  
Representative John Edmonds

  
Representative Melvin Neufeld

HOUSE APPROPRIATIONS

DATE 3-6-03  
ATTACHMENT 3

**House Budget Committee**

**Agency:** Department on Aging

**Bill No.** Sub. For HB 2026

**Bill Sec.** 14

**Analyst:** Nogle

**Analysis Pg. No.** 521

**Budget Page No.** 35

Expenditure Summary	Agency FY 03	Governor's Recommendation FY 03	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 9,579,254	\$ 9,326,763	\$ 0
Aid to Local Units	9,607,671	9,519,121	0
Other Assistance	386,691,677	374,336,037	0
<b>TOTAL</b>	<b>\$ 405,878,602</b>	<b>\$ 393,181,921</b>	<b>\$ 0</b>
<b>State General Funds:</b>			
State Operations	\$ 4,533,518	\$ 4,473,987	\$ 0
Aid to Local Units	2,307,510	2,218,960	0
Other Assistance	138,473,968	133,045,453	0
<b>TOTAL</b>	<b>\$ 145,314,996</b>	<b>\$ 139,738,400</b>	<b>\$ 0</b>
FTE Positions	157.0	157.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>161.0</b>	<b>161.0</b>	<b>0.0</b>

**Agency Estimate**

The agency estimates operating expenditures of \$405.9 million all funds and \$145.3 State General Fund for FY 2003. The estimate is an increase of \$11.8 million (3.0 percent) all funds and \$4.5 million (3.2 percent) State General Fund.

**Governor's Recommendation**

The Governor recommends operating expenditures of \$393.2 million all funds and \$139.7 million State General Fund for FY 2003. The recommendation is a decrease of \$12.7 million (3.1 percent) all funds and \$5.6 million (3.8 percent) State General Fund from the agency's FY 2003 estimate.

**Budget Committee Recommendation**

The Budget Committee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Department on Aging

**Bill No. --**

**Bill Sec. --**

**Analyst:** Nogle

**Analysis Pg. No. 521**

**Budget Page No. 35**

Expenditure Summary	Agency FY 04	Governor's Recommendation FY 04	Budget Committee Adjustments
<b>All Funds:</b>			
State Operations	\$ 9,484,863	\$ 14,392,534	\$ 0
Aid to Local Units	9,561,518	9,524,518	0
Other Assistance	426,440,925	393,931,093	0
<b>TOTAL</b>	<b>\$ 445,487,306</b>	<b>\$ 417,848,145</b>	<b>\$ 0</b>
<b>State General Funds:</b>			
State Operations	\$ 4,397,024	\$ 4,646,960	\$ 0
Aid to Local Units	2,307,510	2,270,510	0
Other Assistance	173,339,893	156,558,847	0
<b>TOTAL</b>	<b>\$ 180,044,427</b>	<b>\$ 163,476,317</b>	<b>\$ 0</b>
FTE Positions	157.0	233.0	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>161.0</b>	<b>237.0</b>	<b>0.0</b>

### Agency Estimate

The agency estimates operating expenditures of \$445.5 million all funds and \$180.0 State General Fund for FY 2003. The estimate is an increase of \$39.6 million (9.8 percent) all funds and \$34.7 million (23.9 percent) State General Fund.

### Governor's Recommendation

The Governor recommends operating expenditures of \$417.8 million all funds and \$163.5 million State General Fund for FY 2003. The recommendation is an increase of \$24.7 million (6.3 percent) all funds and \$23.7 million (17.0 percent) State General Fund from the FY 2003 recommendation.

### Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee expresses concern with the Frail Elderly Waiver reimbursement rate disparity between self-directed and agency directed services. The Budget Committee notes that the disparity between these rates is even greater in the Department of Aging budget than it is in the SRS budget. It is the public policy of the State of Kansas to support the independence and dignity of people with disabilities to control their own lives and self-direct their own care if they choose. Moreover, the budget committee believes that there is a broader public policy consideration of whether there should be greater equalization of the reimbursement rates for all the waiver programs for similar services. The budget committee believes that this is an important issue and will review the disparity in reimbursement rates and other global issue prior to omnibus.
2. As a matter of public policy, the Budget Committee would like to review the provision of case management service for FE, DD , and PD waivers with state agencies (SRS, KDOA) and providers (Centers for Independent Living, Area Agencies on Aging, Community Developmental Disability Organizations, etc.). The Budget Committee recommends that the review of case management include discussion of the development of a regional peer review system for quality assurance purposes among these providers, along with more global talks about how the quality of case management services can be improved statewide. This review shall be done prior to Omnibus.
3. The Budget Committee recommends that the Department on Aging address nursing facility reimbursements by using FY 2001 as the base year for rate setting, then collecting cost data for each ensuing year. Using the data collected the agency shall randomly choose a new base year.

Currently the agency uses the cost reports from the previous year and applies a formula that takes into account the facilities' occupancy rates, case mix by severity of condition, and Medicaid versus private pay clients, and applies a percentage increase for inflation.

The Budget Committee recommends the addition of the following proviso language to the bill to make the policy change:

- a. "Provided. That the Secretary on Aging implement a base-year model of reimbursement for nursing facilities beginning in state fiscal year 2004: *Provided further*, That information from the 2001 cost reports be used to calculate the base year: *Provided further*, That increases in reimbursement rates for nursing facilities be made annually on an incremental basis, and that the Secretary on Aging use a nationally recognized source to determine an appropriate inflationary factor in calculating such increases: *Provided further*, That the base year model allows for incentives and pass-through mechanisms to encourage desired behaviors from the nursing facility industry, and to recognize potential increases beyond the rate of normal inflation: *Provided further*, that any decision by the Secretary on Aging to initiate an incentive or pass-through mechanism will be done only in concert with direct appropriations."

4. The Budget Committee recommends that Aging and SRS review combining all of the waivers into one waiver program and report back before Omnibus. The single waiver would provide the following three services:
  - a. Training, to assist consumers in performing tasks independently
  - b. Personal Assistance Services (PAS), to provide services for people who cannot perform tasks due to their level of disability
  - c. Assistive Services, which would include durable medical equipment and other devices to allow consumers to perform tasks more independently

The single waiver program would include review for Plans of Care by a neutral third party to assure that all efforts to utilize local natural support have been made, training options are used whenever possible, and every effort is being made to increase consumer independence.

5. The Budget Committee recommends that Aging and SRS review increasing the pool for healthcare and report back before Omnibus. There are two options to do this. The first option would increase the number eligible to get a medical card, by allowing consumers to pay premiums for the card. The second option would be to allow consumers of state services and as well as other providers (not for profit organizations like CDDO's are already allowed to participate) to become part of the state health care system. The working poor who currently cannot afford insurance for themselves or their families often end up utilizing expensive emergency room services for lack of other options.

If the pool cannot be increased in the current fiscal year, the Budget Committee recommends interim review of the topic.

6. The Budget Committee recommends Aging and SRS review and report back before Omnibus on establishing regulations that allow dollars to follow clients as they move from institutions to community-based services and guarantee excess dollars from those clients remain in the waiver program.
7. The Budget Committee recommends that Aging and SRS review shifting Adult Protective Services from SRS to Aging and report back before Omnibus.
8. The Budget Committee notes the Governor's recommendation to transfer the nursing facility regulation function from the Department of Health and Environment to the Department on Aging and that the two agencies have formed a transition team to work on the details and logistics of the transfer. The Budget Committee requests a report from this transition team prior to Omnibus in order to more clearly understand the policy implications and budgetary effects of the move before making a final decision. The Budget Committee suggests that any FTE positions involved in the transfer be designated as unclassified positions so that adjustments to staffing levels may be made in the future if necessary.

In addition, the Budget Committee notes the funding differential in the Governor's recommendation concerning this transfer (see table below) and requests that information on the funding be included in the transition team's report.

	<u>SGF</u>	<u>All Funds</u>
Removed from KDHE	\$ 568,750	\$ 6,069,202
Added to Dept. On Aging	\$ 1,197,965	\$ 6,848,288

9. The Budget Committee recommends review, prior to Omnibus, of raising the PASARR (Pre Admission Screening and Resident Review) from 26 to 40 for FY 2004 and grand fathering those currently receiving services through the Nursing Facilities or HCBS/FE waiver program. There are an estimated 170 persons in Nursing Facilities and 824 persons in the Frail Elderly waiver with PASARR scores below 40. The savings generated from raising the PASARR score would be approximately \$4.6 million all funds, \$1.8 million State General Fund. The Budget Committee recommends that the additional funds go back into the FE waiver to address waiting lists.

In addition, the Budget Committee recommends that the agency report back prior to Omnibus regarding the possibility of receiving a waiver from the federal government allowing the agency to use a lower PASARR score for the HCBS/FE waiver than for Nursing Facilities.

10. The Budget Committee recognizes the dramatic effect the budget cuts have had on elderly Kansans. The Budget Committee recommends that if and when any additional funds become available for FY 2004, they be used to address the needs of the most vulnerable Kansans, those who have been most affected by budget cuts, namely the elderly and disabled. Conversely, if further budget reductions should become necessary, the Aging and SRS budgets should be exempted, each having contributed more than their fair share in addressing the budget crisis.