

## MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Melvin Neufeld at 9:00 a.m. on February 19, 2004 in Room 514-S of the Capitol.

All members were present except:

Representative Larry Campbell- excused

Committee staff present:

Alan Conroy, Legislative Research  
J. G. Scott, Legislative Research  
Amy VanHouse, Legislative Research  
Michele Alishahi, Legislative Research  
Audrey Dunkel, Legislative Research  
Melissa Calderwood, Legislative Research  
Julian Efird, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Administrative Analyst  
Shirley Jepson, Committee Secretary

Conferees appearing before the committee:

Roderick Bremby, Kansas Department of Health and Environment (KDHE)

Others attending:

See Attached List.

- Attachment 1 Overview of Kansas Department of Health and Environment (KDHE) by Roderick Bremby, Secretary
- Attachment 2 Testimony on Federal Block Grants by Rae Anne Davis, Department of Social and Rehabilitation Services (SRS)
- Attachment 3 Testimony on Federal Block Grants by Tawny Stottlemire, Kansas Association of Community Action Program
- Attachment 4 Testimony on Federal Block Grants by Steve Weatherford, Kansas Housing Resources Corporation
- Attachment 5 Testimony on Federal Block Grants by Richard Morrissey, Division of Health, KDHE
- Attachment 6 Budget Committee Report on Kansas Public Employees Retirement System (KPERS)
- Attachment 7 Budget Committee Report on Kansas Guardianship Program

Chairman Neufeld recognized Roderick L. Bremby, Secretary of the Kansas Department of Health and Environment (KDHE), who presented an overview of the KDHE FY 2005 budget (Attachment 1). The Committee issued a concern regarding the partnership between KDHE and Kansas State University (KSU) because of the limited funds available to KSU Extension Service, which could affect their ability to keep the counties and communities informed on health issues. In response to a question from the Committee, Secretary Bremby indicated that a plan for the statewide obesity awareness plan should be in place by the end of the year.

### **Hearing - Federal Block Grants**

Chairman Neufeld hereby opened the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services and the Kansas Development Finance Authority.

## CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE at 9:00 a.m. on February 19, 2004 in Room 514-S of the Capitol.

The Chair recognized Rae Anne Davis, Deputy Secretary of Operations, Department of Social and Rehabilitation Services (SRS), who presented information on the Projects for Assistance in Transition From Homelessness Block Grant (PATH), Low Income Energy Assistance Program Block Grant (LIEAP), Community Mental Health Services Block Grant (CMHBG), Prevention and Treatment of Substance Abuse Block Grant (SAPTBG) and the Social Services Block Grant (SSBG) (Attachment 2). The Committee requested a list of the recipients of the Community Mental Health and the Social Services Block Grant, including the amount which they receive. The Committee also requested information on the definition of "minimum allotment state" as referred to on page 6 of the report. In response to a question from the Committee concerning administrative costs of the Social Services block grant, Ms. Davis indicated that no funds are spent from the block grant for administrative costs. Ms. Davis also stated that approximately \$4.2 million will be transferred from TANF to the Social Services block grant in FY 2005.

Chairman Neufeld recognized Tawny Stottlemire, Executive Director, Kansas Association of Community Action Program, who presented testimony on the Kansas Housing Resources Corporation's annual plan for the federal Community Services Block Grant (CSBG) funds (Attachment 3). Responding to a question from the Committee, Ms. Stottlemire noted that they are partnering with SRS to serve counties where SRS offices are being closed.

The Chair recognized Steve Weatherford, President, Kansas Housing Resources Corporation, who presented testimony on the Community Services Block Grant (CSBG) (Attachment 4). The Committee requested updates on the possible enhanced and additional housing for veterans at the Fort Dodge facility.

The Chair recognized Richard Morrissey, Interim Director, Division of Health, KDHE, who presented testimony on the Preventive Health and Health Services (PHB) and Maternal and Child Health Services (MCH) Block Grants (Attachment 5). Mr. Morrissey indicated that the MCH Block Grant funding has remained constant and there has been a slight increase in the amount of funding in the PHB Block Grant. He also noted that the agency is launching a statewide survey on dental health of public school third graders across the State.

Chairman Neufeld closed the public hearing on the proposed use and distribution of funds required as a condition of receipt of funding for federal block grant programs administered by the following state agencies: the Department of Health and Environment, the Department of Social and Rehabilitation Services and the Kansas Development Finance Authority.

Representative McCreary, Chair of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Public Employees Retirement System (KPERs) for FY 2004 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2004 (Attachment 6). Motion was seconded by Representative Klein. Motion carried.

Responding to a Committee concern, the Budget Committee noted that the \$5.1 million shortfall in Item No.2 is a carryover from FY 2003, noting also that the amount is less than the estimated amount after final computation of salaries.

Representative McCreary, Chair of the House Tax, Judicial, Transportation and Retirement Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Public Employees Retirement System (KPERs) for FY 2005 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2005 (Attachment 6). Motion was seconded by Representative Klein. Motion carried.

The Budget Committee indicated that the yearly liability to the State KPERs employee contributions for education is approximately \$120 million and will increase to \$140 million in FY 2006. Glenn Deck, Executive Director of KPERs, stated that the technology funding requested in Item No. 2, is to fund a major technology upgrade of their computer system. The Committee voiced a concern with the under-funding of the death and disability benefits program as addressed in Item No. 5. The Committee also voiced concern with Item No. 3 which prohibits the transfer of \$71,134 in BEST savings from the KPERs trust fund to the SGF,

CONTINUATION SHEET

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indicating that it was felt the savings is a result of work preformed by Information Technology (IT) staff who were directly involved in reducing expenses through improvements to the KPERS technology system.

Representative Shriver moved to delete Item No. 3 from the Budget Committee recommendation for FY 2005 Kansas Public Employees Retirement System report. The motion was seconded by Representative Sharp. Motion failed.

Representative Howell, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Guardianship Program for FY 2004 and moved for the adoption of the Budget Committee recommendation for FY 2004 (Attachment 7). Motion was seconded by Representative Pottorff. Motion carried.

Representative Howell, member of the House General Government and Commerce Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Kansas Guardianship Program for FY 2005 and moved for the adoption of the Budget Committee recommendation with adjustments for FY 2005 (Attachment 7). Motion was seconded by Representative Pottorff. Motion carried.

The meeting was adjourned at 10:45 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 20, 2004.

  
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Melvin Neufeld, Chairman

# HOUSE APPROPRIATIONS COMMITTEE

February 19, 2004

9:00 A.M.

NAME	REPRESENTING
Juda Kenney	KDHE
Diane Poline	KDHE
Steve Weatherford	KHRC
LORNE A. PHILLIPS	KDHE
Ken Hammerschmidt	KDHE
Lois Weeks	SRS
Sharon Kane	Kdhe
Vicki Lynn Delle	Budget
Juda Francisco	KDHE
Michelle Peterson	Ks. Governmental Consulting
Al Dorsey	KHRC
Joshy Homisit	Community Action, Inc - Topeka
Lathyn Vokur	KHRC
Stacy Stoddard	KS Assn of Community Action Progs
Norma Phillips	Kansas Housing Resources Corp.
Barbara E. Starrett	Kansas Health Institute
David Alexander	Wichita State Univ.
Joseph Kleinman	Wichita State University



# K A N S A S

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

## **FY 2005 Agency Budget Overview Testimony Presented To**

### **The House Appropriations Committee**

**By Roderick L. Bremby, Secretary**

### **Kansas Department of Health and Environment**

**February 19, 2004**

Good Morning, Chairman Neufeld and members of the committee, I appreciate very much this opportunity to visit with you to provide an overview of the Kansas Department of Health and Environment's FY 2005 budget.

With me today to provide responses to program-related questions you might have are Doug Farmer – Assistant Secretary, Susan Kang – Policy Director and the KDHE's Operational Leadership Team: Dr. Duane Boline – Director of Health and Environmental Labs, Dr. Ron Hammerschmidt – Director of Environment, Richard Morrissey, acting director of Health, and Dr. Lorne Phillips, Director of Center for Health and Environmental Statistics.

#### **Budget Overview**

The core mission of the Kansas Department of Health and Environment is to "protect and promote the health of Kansans." This is a mission we take very seriously and one we are challenged by each day. Our FY 2005 recommended operating budget is \$193,434,380. This budget can be characterized as a continuation budget as it is some 1.4% less than our FY 2003 actual operating budget and 1.1% above our FY 2004 estimated expenditures. The recommended budget allows the agency to continue our current operations, with a few enhancements we will discuss later.

Over the past year, KDHE staff was challenged to do more with less. They successfully faced a number of public health challenges in response to: SARS, Monkey Pox, West Nile Virus, Cryptosporidiosis, Influenza, Zebra Mussels, and numerous natural disasters requiring agency engagement. Agency epidemiologists, in addition to providing support to the 99 county health departments around the clock, conducted 50 field investigations of possible adverse health events. As Secretary I am proud of the way our men and women responded serving Kansans by helping to prevent further illness and loss of life.

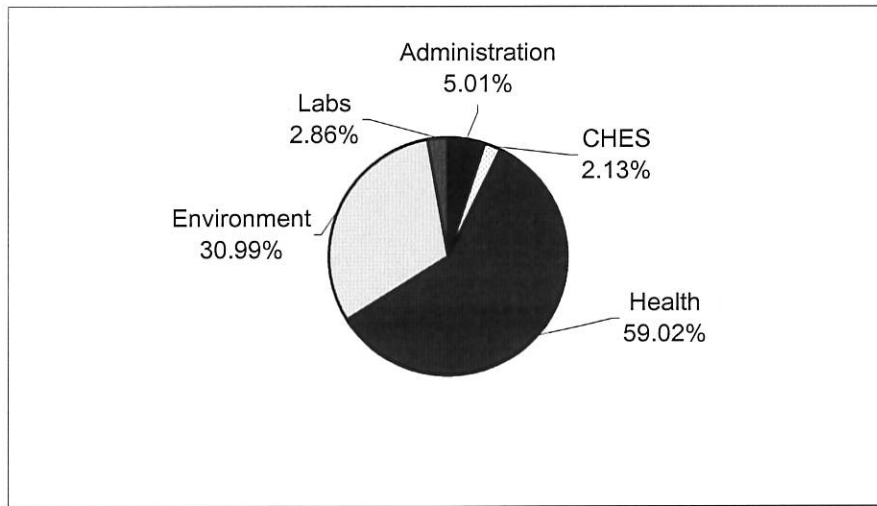
Our recommended budget for Fiscal Year 2005 will be allocated to the programs as follows: CHES will account for 2.13%, Labs 2.86%, Administration 5.01%, Environment 30.99% and Health 59.02%.

**HOUSE APPROPRIATIONS**

CURTIS STATE OFFICE BUILDING, 1000 SW JACKSON ST., STE. 540, TOPEKA  
Voice 785-296-0461 Fax 785-368-6368 <http://www.kdhe.state.ks.us>

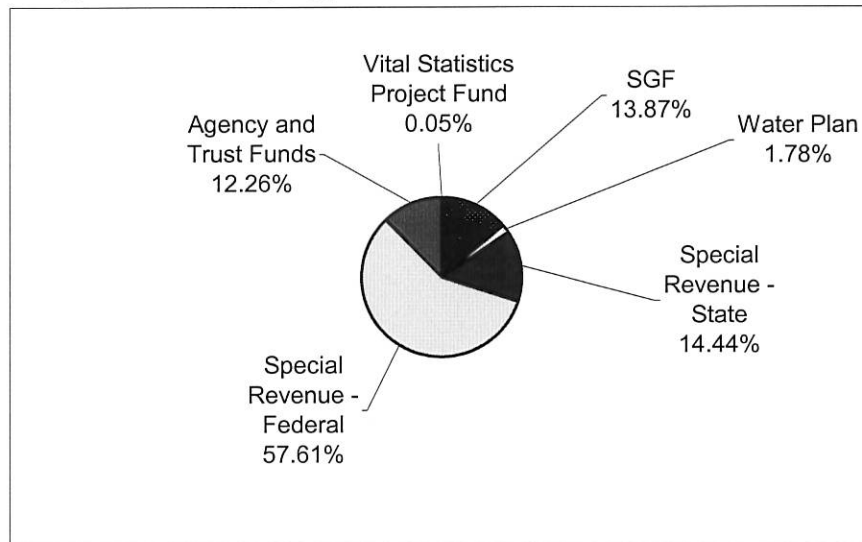
DATE 2-19-2004  
ATTACHMENT 1

Budget Allocation by Division:



There are six primary funding sources for the budget. The largest source of funding for the operating budget is Federal resources (57.6%). State General Fund resources provide 13.8% of the funding for the agency. Of the total dollars allocated for Salaries and Wages, Federal sources provide 42.2% with the SGF resources supporting 24.1%.

Budget Resources by Type:



The recommended budget includes enhancements totaling \$1,153,948, all of which are found in the Environment Division's budget.

As we look to the out years, the agency may be impacted by the increasing federal deficit. The Congressional Budget Office's projection of a \$477 billion deficit this year, increasing to as

much as \$1.9 trillion by 2014, could have a devastating effect on our budget due to our strong reliance on federal resources.

A useful example of the importance of federal funding can be found in the Office of Health Promotion in the Division of Health. We believe that our contribution to efforts to arrest the continuing rise in health care costs can be found in helping Kansans understand the effect of behaviors, smoking, poor nutrition and lack of physical activity on their health. The Office of Health Promotion has been quite successful in building capacity for addressing the leading causes of death and disability (chronic diseases and injury) by effectively leveraging grant funds. The Office was established in 1990 with less than \$300,000 in federal funds and less than 3 full time staff. By 1993, private grant funds had increased to \$2 million dollars, a budget that was comprised of about 70% private grant funds, 30% federal and less than 1% from state funds. By 2004, the Office's budget totals more than \$8 million, with programs that are staffed by nearly 50 personnel assigned to all six district offices and the state office in Topeka. Not only has this budget quadrupled in the past decade, but the distribution of dollars illustrate how the Office has used its initial resources to attract private and federal funds to build basic capacity for assessment, assurance and policy development relating to chronic disease and injury. Today, the Office's budget is comprised of 74% federal funds, 17% private grants funds with the balance comprised of special revenue funds (8%) and state general funds (1%). The aspect of this budget that has remained unchanged is that it continues to be comprised of less than 1% state general funds.

A review of the early investments in building capacity for surveillance of disease and health risk behaviors are key to understanding the leveraging of resources that now contribute to the Kansas public health budget for chronic disease and injury prevention. Initiation of the Behavior Risk Factor Survey in 1992, establishing an epidemiology presence in 1993 and conducting statewide planning processes combined to position us for Kansas' first federal grants in tobacco use prevention, injury surveillance, breast and cervical cancer screening in 1994. Private grant dollars provided required match for the first Cancer Registry grant award from CDC, which resulted in a registry of 70% completeness of reporting to one of 95% completeness. The CDC often cites the Kansas cancer registry as a registry of excellence and also as a model state in which the state health department and University have an excellent and productive working relationship. The accomplishments in improving cancer data in the state, along with a KDHE-led state planning process, positioned us for receipt of a \$150,000 Comprehensive Cancer Planning grant, awarded earlier this year. This is but one example where federal reductions could have a dramatic effect on our work to promote and protect the health of Kansans.

### **Structural Changes**

Over the past year there have been several significant structural changes in the Agency. The current budget provided for the elimination of the Administrative Appeals Section (2.6 FTE), the movement of the Bureau of Health Promotion into the Office of the Director of Health and the elimination of the Bureau of Child Care Licensing. The Child Care Licensing function has been consolidated with the Health Facilities Bureau. All administrative appeals are now performed by the Department of Administration. Last year during your budget deliberations, there were six Bureaus within the Health Division. Today there are four. Perhaps the most significant structural change was

the adult care home transfer.

Pursuant to 2003 SB 261, responsibility, staffing and funding for licensing and certification of all adult care homes was transferred to the Kansas Department on Aging July 1, 2003. This involved program components, funding, and staffing from administration of the Bureau of Health Facilities, the Licensure and Certification Program, Long Term Care Program, Medical Facilities and Survey Support Program and Mental Health and Residential Program. The number of health facilities affected included some 590 adult care homes and over 820 other health facilities, including hospitals and home health agencies.

Accomplishing this program transfer and reorganization was challenging. A transition team consisting of management staff within the Bureau of Health Facilities, legal staff, fiscal staff, and the office of the Secretary and Kansas Department of Aging (KDOA) officials were organized even before the legislation passed, concurrent with the Governors recommendation that the transfer occur. The result of the transfer included moving some 104 total positions, including 6 regional managers, 6 quality improvement positions and 68 positions identified to conduct adult care home surveys and quality assurance activity to KDOA. KDHE retained 20 positions, with 13 assigned to be surveyors for the remaining facilities, the balance are in management and program support.

Because the facilities remaining at KDHE had been dependent on the resources of the adult care home program, it was required that the two agencies agree to share certain functions for some time. These range from occasional support for certain disciplines, such as dietetic consultation, to the ongoing and fulltime receipt and processing of complaints for hospitals, home health and other providers (the actual inspection is of course conducted by KDHE surveyors). These shared responsibilities have been codified through a Memorandum of Agreement between Sec. Betts and me. We both anticipate this shared approach to continue for some time, but not any longer than necessary.

The remaining health facility responsibility of KDHE, hospitals, home health agencies and a multitude of various other providers numbering well over 800, was reorganized into a Medical Facilities Program. This, along with the Health Occupation Credentialing Program, also part of the former bureau, was merged with the Child Care Licensing and Regulation Program on September 23, 2003. As the merging with Child Care progresses, it is hoped some consolidation of the health facilities and child care programs can result. This is more probable in administrative and clerical functions, as the inspection processes are vastly different and integration of these is impractical.

On July 1, 2003, as mentioned, KDOA became responsible for the adult care home program and all staff transferred came, on that date, under the supervision of the Secretary on Aging. Physical relocation, however, has involved long planning. Assuring seamless transfer of information systems and the critical need for hardware and software continuation required careful planning. Office locations and related had to be identified. My understanding is that all arrangements have been made and physical relocation of staff transferred will be completed by the end of February.



## **Changes on the Horizon**

Executive Reorganization Order Number 32 proposes the transfer of several program responsibilities from KDHE to the Kansas Department of Agriculture. As food is produced, processed and transported to consumers, the Kansas Department of Agriculture will be the key authority for safety. This is an appropriate function for KDA and will provide businesses in this state with a single point of contact for food safety regulation. This shift in duties complements KDA's existing authority for dairy, meat and egg compliance checks in grocery stores. KDHE will continue to regulate the 12,000 businesses that prepare food for immediate consumption. KDHE as the state public health agency has the capacity for detecting food-borne illness and conducting appropriate follow up in order to diminish future risks.

This year we began the process of restructuring the Health Care Data Governing Board. The Board was formed by the 1993 Legislature to facilitate the development of Kansas data to support health care policy decisions that affect Kansans. In 2003 over 213 specialized data requests were fulfilled with more than half of the data requested from businesses, 15% from governmental entities and the remaining 30% from local and educational entities. In addition, over 106,000 successful website hits were recorded through the Information Network of Kansas (INK). While the Board's development and operations has been successful, we need to do more to better serve the health needs of Kansans; we need to obtain health utilization data, provider-specific data that includes financial information, quality and outcome data. To that end, we have begun implementing a plan that includes changes to the board structure: the Governor's Office introduced legislation to expand the board by three additional members; the Board has agreed to meet more frequently to focus on the necessary elements required to achieve a useful database that can be used to formulate health policy; and I intend to devote dedicated staff to provide support for the board. Our vision is increased access to the many sources of data within state agencies and those outside to enhance the ability of policy makers to make informed health and health care decisions.

We are actively recruiting a medical director and a state epidemiologist. The traditional method of "post and fill" recruitment for public sector employees is no longer adequate in the competitive marketplace. A plan to develop and maintain a group of well trained epidemiologists is being finalized.

## **DIVISION HIGHLIGHTS**

### **Environment - Livestock Waste Management Program**

In an effort to streamline the permitting process in the Livestock Waste Management Program (LWMP), an engineering unit was established in the Central Office to review and approve all engineering plans. Plans are required to be reviewed and approved by a licensed professional engineer. The LWMP was the only environmental program that delegated the responsibility of plan review and approval to engineers within the district offices. The initial idea of assigning plan review and approval to these engineers was a pilot to test the merits of a decentralized approach. However, with the increasing number of permit modifications, expansions, new applications and renewals and an anticipated influx of large dairies in the southwest, the process needed to be streamlined. An engineering unit of 4 licensed engineers within the LWMP in Topeka allows greater

program direction in setting priorities and should improve consistency in plan reviews and faster turnaround. The unit was created by moving engineering positions from district office to the Topeka office with no long-term fiscal impact to the program. Inspection and site appraisal functions continue to be conducted by district office staff.

### **Environment - Environmental Use Control Program**

On April 21, 2003, Governor Sebelius signed House Bill 2247 which established the Environmental Use Controls (EUC) Program as a method of addressing residual contamination at sites. The EUC Program allows applicants to voluntarily restrict the future use of the contaminated property as a method of protecting the public from residual contaminants rather than relying on remedial efforts alone. KDHE developed the legislation in conjunction with a stakeholder committee which consisted of the following members: Kansas Association of Counties, Sierra Club, Kansas Agricultural Remediation Board, Westar Energy, Kansas Agribusiness Retailers Association, Department of the Army, Kansas Natural Resource Council, Kansas Farm Bureau, Kansas Livestock Association, City of Wichita, Petroleum Marketers Association, Kansas Petroleum Council, and KDHE.

The department has worked with a stakeholder committee to obtain input throughout the development of regulations. The committee, consisting of representatives of the stakeholder group involved in the legislative process, has met on four occasions during the regulations development process. A final draft of the regulations as approved by the committee is undergoing internal review.

Staff continue to work on development of EUC Program procedures, guidance, inspection forms, the tracking system, fact sheets and application forms. The EUC Program will be managed within the KDHE Bureau of Environmental Remediation. Staff has also conducted presentations to interested groups and will initiate a public awareness campaign to educate the public about the program and its benefits.

As of December 12, 2003, the department has received two applications. The applications are being processed in accordance with the statutes. At this time, the department has issued one environmental use control agreement.

### **Environment - Brownfields Program**

With the ever present need for economic growth and re-development, the Brownfields Program offers communities an excellent opportunity to return underutilized properties to productive use. The department has been awarded funding from the EPA to conduct and support brownfields activities in the State of Kansas. The agency conducts assessments of property for local municipalities working to redevelop under-utilized properties within their communities. These assessments are conducted at no cost to the local government to determine the extent of contamination. Assessments can be performed before property transfer. As of December 31, 2003, a total of 29 assessments have been completed with another 7 currently underway. The program also provides technical assistance to support municipalities and other local economic development organizations across the state.

The agency operates a revolving loan program to assist communities with funding to address

properties with environmental contamination. This program is an excellent example of the shift in the agency role from strict regulator to that of a support agency. The outcome for the agency will be cleanup of contaminated properties with a benefit for local communities of redevelopment of underutilized property that will produce jobs, increase the tax base or other benefits such as creating a park or residential area.

### **Environment - Farmland Bankruptcy**

The Department has been actively involved in sites currently owned by Farmland Industries. Staff has worked with EPA, Farmland and the buyers to resolve a number of regulatory issues at all three plants in air, water and waste management programs. The prospective buyers will assume responsibility for both compliance with existing regulatory requirements and closure and post closure care for the facilities. The City of Hutchinson is finalizing settlement at the Farmland site located near 4<sup>th</sup> and Carey. The agency and EPA are settling issues through purchaser agreements and/or a trust fund for the Coffeyville Refinery, the Dodge City Nitrogen Plant, and the Phillipsburg Terminal and former refinery site. One site -- the Double Circle Coop Ranch Supply site in Fort Scott -- will not be addressed by Farmland through the bankruptcy because they no longer own the facility.

In addition, Farmland Industries, Inc. and KDHE are negotiating to arrive at mutually agreeable trust amounts for the unresolved contaminated sites in Kansas owned by Farmland. EPA is formulating a settlement for the Farmland portion of the Obee Road/Fourth and Airport site in Hutchinson. The negotiation of the terms between KDHE, EPA, and the unsecured claim settlement funds are underway. Negotiations between KDHE and Farmland are underway for the South Hutchinson Elevator K, Wichita Elevator W, Topeka Northwest Brickyard Road (Elevator T); and the Lawrence Nitrogen Plant. Farmland had initially proposed a total of \$6,692,235 be placed in trust for these four sites. The agency protested the offer based on several factors including Farmland's own feasibility study estimates, limited documentation of soil conditions, the need for more aggressive cleanup at the Lawrence site, and the evolving vapor intrusion issues at the South Hutchinson site. Farmland responded with a revised proposal of \$8,977,253, addressing some but not all of KDHE's concerns. It seems likely that a successful settlement agreement will be achieved by the confirmation date. Many of the costs of cleanup are poorly defined at this time. Although each site has active remedial action, the remedial plans did not account for the shut down of Farmland's operations, which alters the cleanup process. The responsibility will then lie with KDHE to work within the confines of available trust funding to reach cleanup goals for the sites.

At this time, KDHE is not privy to the administrative details of the proposed trust settlement, but those details will be key in determining whether the trust fund mechanism is successful in attaining the remediation goals. Unknowns at this time include: who will administer the trust, how the funds will be managed, whether the trust will be applied globally to all of the sites or will be earmarked in discrete funds for individual sites, and what overhead and operating costs for the trust will be allowed.

### **Environment - Methamphetamine Lab Cleanup Program**

The Kansas Department of Health and Environment Methamphetamine (Meth) Lab Cleanup Program focuses on the cleanup of illegal meth labs, education, and notification requirements as outlined in the Kansas Chemical Control Act, which became law on July 1, 1999. The program also addresses site investigation and remedial actions for soil, groundwater and surface water that have been contaminated by the chemicals associated with meth labs. The program utilizes staff members and/or an environmental contractor to perform the cleanups. The Meth Lab Cleanup Program has employed two full time equivalent staff members since October of 1999.

The educational and training efforts of the Meth Lab Cleanup Program continue in connection with the Kansas Bureau of Investigation (KBI) to educate law enforcement personnel who may respond to drug lab closures. The program makes additional educational opportunities available for other first responders, chance-encounter occupation personnel, retail store employees, and general public.

The third aspect of the program encourages retail stores and agricultural businesses to participate in the Retailer Meth Watch Program, which is proving useful in curtailing theft and purchase of meth precursor chemicals. The program encourages cooperation with law enforcement, placement of Meth Watch signage, employee education, and proper product placement. Since the inception of the Meth Watch Program in 2000, national interest in the program has been mounting. In recent months, twelve states have shown interest in adopting a meth watch program using the Kansas literature and logo as a pattern. Additionally, the program was sought out to provide consultation to the CBS network series CSI: Crime Scene Investigation.

### **Center for Health and Environmental Statistics – Fee Fund**

Last year the department proposed a change related to the funding of the Center for Health and Environmental Statistics (CHES). We proposed and the legislature agreed, with the passage of SB 268, that the funding of the state's civil registration and health statistics functions should be moved from the state general fund (SGF) to an all fees, contract, and grants funding process. With the passage and signing of SB 268 the civil registration and health statistics fee fund (CRHSFF) was established resulting in the elimination of any SGF dollars to this program. In addition, the Vital Statistics maintenance fee fund was abolished. This fund was established to provide the funds to reimburse the Kansas Development Finance Authority (K DFA) for bonds issued to cover the cost of re-engineering the entire civil registration system including the registration of birth, death, stillbirth, marriage, divorce and induced termination of pregnancy records and certification and issuance of certified copies of selected records. The financing for reimbursement to K DFA is included in the new CRHSFF. Moving of the civil registration and health statistics program from the volatility of SFG funding has allowed the program to concentrate on and improve its responsiveness to meeting the needs of a significant number of Kansas residents who rely on the civil registration system to be able to provide fast and accurate response to their day to day requirements for vital records and to provide timely data necessary for effective public health surveillance and program management.

The budget document attached demonstrates the shift in funding for the CHES from heavy reliance on SGF to a totally self-sustaining program.

## **Health - Local Health Department Funding**

Local health departments (LHD) are taking on significant new work relating to implementing the Bioterrorism Program and developing local capacity to conduct surveillance and respond to communicable disease outbreaks, whether those are natural or the result of a terrorist act. Small health departments are having a difficult time meeting the many demands for a variety of new services with a small staff. (there are 99 local health departments serving all 105 counties). Part of the federal bioterrorism funding has been used to provide incentives for LHDs to form regional groups. This has resulted in the LHDs joining together in 15 regional groups to share resources and coordinate implementation efforts for the bioterrorism program.

At the same time, LHDs are becoming the point of contact for an increasing variety of services in rural communities. While this intake and referral function makes good sense as a means to ensure access to services, it will be important that we maintain and improve the population-based funding (General Health or "formula" grants) provided to LHDs so that smaller LHDs have the capacity to play this vital role.

## **Partnerships**

KDHE continues to partner with other entities around opportunities to better serve Kansans. For example the department is engaged with the Sunflower Foundation in the development of a statewide obesity plan. The Kansas Health Foundation continues to be an invaluable partner in helping to strengthen our state's public health infrastructure. KDHE and the Kansas Department of Education are partnering through a \$200,000 grant for the development of a comprehensive school health program. The grant amount for this work is projected to increase to \$400,000 next year. The United Methodist Health Ministries and K-State Extension Service also continue to serve as excellent partners in our efforts to help Kansans live healthier lives in healthier communities.

Hopefully this briefing has provided you with a sense of the scope of activities KDHE is actively working. Thank you for your time and attention. Are there any questions?

	Actual FY 2002	Actual FY 2003	Estimates FY 2004	Current Services FY 2005	Outyear #1 FY 2006
SGF Annual total customer receipts	3,024,949	3,269,538	0	0	0
Civil Regis & Health Statistics FF customer receipts	0	0	3,334,928	3,401,626	3,469,658
Less transfer to Family & Children's Fund	389,074	411,813	420,049	428,450	437,019
Less transfer to District Coroner's Fund (1)	264,296	437,713	446,468	455,396	464,505
Less transfer to Vital Statistics Fee Fund	368,379	370,121	0	0	0
TOTAL SGF Revenues Remaining	2,003,200	2,049,891	0	0	0
TOTAL CRHSFF Revenues Remaining	0	0	2,468,411	2,517,780	2,568,134
State General Fund Appropriation	1,842,454	1,760,560	0	0	0
Civil Regis & Health Statistics FF (2)	0	0	2,310,383	2,375,908	2,423,426
Other fee and contractual income (3)	2,050,820	5,216,120	1,704,332	1,741,171	1,741,171
Total Revenues	3,893,274	6,976,680	4,014,715	4,117,079	4,164,597
Annual total expenditures (4)	3,893,274	6,976,680	4,014,705	4,117,079	4,164,597
<b>SGF total expenditures</b>	1,842,454	1,760,560	0	0	0
<b>CRHSFF total expenditures</b>	0	0	2,310,383	2,375,908	2,423,426

- (1) Increase represents fee increase for child autopsies beginning in FY 2003
- (2) Increase in amount of CRHSFF over SGF expenditures for FY 2003 to 2004 reflects repayment of K DFA bond
- (3) FY 2003 dramatic increase in fee and contractual income reflects \$2,756,409 of the re-engineering project money and \$470,000 (money transferred from SRS) for indigent burials
- (4) FY 2003 dramatic increase in fee and contractual income reflects \$2,756,409 of the re-engineering project money and \$470,000 (money transferred from SRS) for indigent burials

Kansas Department of

# Social and Rehabilitation Services

Janet Schalansky, Secretary

## House Appropriations

February 19, 2004

### FY 2005 Federal Block Grants

#### Office of the Secretary

Rae Anne Davis, Deputy Secretary of Operations  
(785) 296-3271

For additional information contact:  
Public and Governmental Services  
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HOUSE APPROPRIATIONS

DATE 2-19-2004  
ATTACHMENT 2

**Kansas Department of Social and Rehabilitation Services**  
**Janet Schalansky, Secretary**

House Appropriations  
February 19, 2004

**FY 2005 Federal Block Grants**

Mr. Chairman and members of the Committee, I am Rae Anne Davis, Deputy Secretary of Social and Rehabilitation Services Operations. Thank you for holding this hearing and for the opportunity to provide you information on the Federal Block Grant programs administered by the Department of Social and Rehabilitation Services and to meet our Federal requirements.

Summary information on the following individual federal block grant programs is included in this document.

<b>Federal Block Grant Program</b>	<b>FY 2005 GBR</b>
Social Services Block Grant (SSBG)	\$ 23,254,643
Block Grant for the Prevention and Treatment of Substance Abuse	12,026,289
Community Mental Health Services Block Grant	3,385,388
Low Income Energy Assistance Block Grant (LIEAP)	12,642,509
Projects for Assistance in Transition from Homelessness Block Grant (PATH)	300,000
<b>Total</b>	<b>\$ 51,608,829</b>

The total amount of federal dollars appropriated for these block grant programs is \$51.6 million in FY 2005 or less than 4% of SRS' total federal funding of \$1.4 billion.



### SOCIAL SERVICES BLOCK GRANT

The Social Services Block Grant supports a variety of social service programs SRS administers. For FY 2005, the GBR includes nearly \$23.3 million Social Services Block Grant funds. The estimated expenditures are as follows:

Services	FY 2005 GBR
Child Care Services	\$ 493,912
Developmental Disability Community Support Services	7,563,615
Mental Health Services	3,179,236
Adoption Services	7,379,614
Adult Protective Services	182,829
Field Operations - Child and Adult Protective Services	4,455,437
<b>Total</b>	<b>\$ 23,254,643</b>

Services are provided to individuals who are deemed eligible based on two criteria: 1) personal need; and 2) financial need. Personal need is based on one of the five national goals: 1) helping individuals to become economically self-supporting; 2) helping individuals to reduce dependency and become self-sufficient; 3) providing protective services for those in need (regardless of income); 4) providing services to help persons to remain in their own homes; and 5) when no other alternatives exist, providing services to help persons receive the most appropriate institutional care (i.e., adult care homes, state institutions, private institutions, etc.).

Financial need is based upon an individual's income. The state's established maximum income level for SSBG is 185 percent of the federally established poverty guideline. A two-person family may not have a gross income exceeding \$1,869 per month. This scale is graduated upward according to family size.

The social services block grant funds will continue to be used on a statewide basis to purchase services, to fund direct grants, and to provide direct services by SRS employees.

**BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE**

The Governor's Budget Recommendation includes \$12 million in Substance Abuse Block Grant funds. The funds will be utilized as indicated below:

<b>Services</b>	<b>FY 2005 GBR</b>
Administration	\$ 401,466
Substance Abuse Prevention Services	2,243,702
Substance Abuse Treatment Services	9,381,121
<b>TOTAL</b>	<b>\$ 12,026,289</b>

In our prevention efforts, SRS utilizes a regional approach. Within each of the regions, or SRS Management Areas, data concerning families, youth, and schools is used to target prevention services to communities with high risk factors for substance abuse.

Our treatment approach is to fund programs that provide the least restrictive environment for recovery from alcohol and other drug addictions. The use of five regional assessment centers to accurately assess the level of care needed for each client allows the client to receive the most appropriate and cost effective form of treatment available to the majority of Kansans. Priority populations served are pregnant women, women with children, anyone who has been exposed to or is at high risk for TB and/or HIV, and lastly, those who would not be able to afford treatment otherwise. While clinically sound treatment for all who seek those services is our goal, we also place great emphasis on treatment outcomes and improvement in the delivery system. Treatment services funded by the Block Grant for the Prevention and Treatment of Substance Abuse are projected to provide services for 15,000 persons who seek treatment. In addition, our prevention centers are projected to reach over one million persons during FY 2005.

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**COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT**

The Community Mental Health Service Block Grant is distributed via a performance based system of contracting to the 27 Community Mental Health Centers (CMHCs).

For FY 2005 SRS is budgeted to expend \$3.4 million under this grant.

<b>Services</b>	<b>FY 2005 GBR</b>
Administration	\$ 114,411
Community Mental Health Services	3,270,977
<b>TOTAL</b>	<b>\$ 3,385,388</b>

CMHCs funded under these contracts provide an organized and comprehensive community-based system of supports and services for individuals with severe and persistent mental illness and for children with serious emotional disturbances. CMHCs have a combined staff of over 2,000 and provide mental health services to every county in the state. These independent and locally-operated centers foster a quality system of services for the benefit of citizens needing mental health care and treatment.

A portion of the block grant funds are used by the CMHCs to provide services to the target population of adults with severe and persistent mental illness and children with serious emotional disturbances. Services are provided based on each individual's strengths and needs. Three universal programs funded by the block grant are (1) community support services, (2) community based services, and (3) 24-hour emergency services. The services for the target population also may include: case management, residential programs, vocational programs, drop-in centers, medication management, partial hospitalization, psycho-social rehabilitation programs, mental health services to the homeless, consumer/self-help programs, compeer, and attendant care

The focus of this federal block grant in recent years has turned toward enhancing the state service system for persons with mental health issues. To that end, the other portion of the block grant funds is dedicated to filling service gaps in the Kansas system which have been identified by the Governor's Mental Health Services Planning Council. SRS issues Requests for Proposals (RFPs) to CMHCs to provide specialized services designed to fill the service gaps. Currently the federal block grant money is funding programs across the state focusing on: cultural diversity, forensic services (in partnership with the substance abuse service system, the Department of Corrections and the Juvenile Justice Authority), consumer-run organizations, children's 24-hour crisis mobile response, services for youth transitioning to adulthood.

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## LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP) BLOCK GRANT

The federally funded Low Income Home Energy Assistance Program (LIEAP) Block Grant helps households pay energy costs. Congress has approved the FFY 2004 appropriation and Kansas will receive nearly \$15.1 million. SRS proposes utilization in the following manner:

**1. Energy Assistance (85 percent of the grant)** - The GBR includes \$12.6 million to provide utility or fuel assistance to qualifying households whose income is under 130 percent of poverty. For a one-person household, the income limit is \$973 monthly. At this level, households typically have difficulty paying for basic living costs such as housing, fuel, utilities, food, and medicine. Their vulnerability is worsened by medical conditions, disabilities and other problems. Most LIEAP recipients are older persons with "low-end" Social Security benefits, single parent families living on the minimum wage, or disabled individuals.

As a condition of eligibility, applicants must also demonstrate recent utility payments. This state-added requirement emphasizes the household's responsibility for paying its own fuel costs, promotes the importance of maintaining a regular payment history, and provides positive reinforcement. By supplementing the household's own payments, LIEAP helps elderly and disabled persons continue to stay in their homes, and protects vulnerable families who are at risk.

Applications are mailed to targeted groups of individuals who may need assistance. Completed applications may be mailed without need to visit the SRS Office. About 300 volunteer organizations help distribute outreach information to households who are unaware of the assistance. SRS verifies income by accessing data bases e.g., Social Security, worker's compensation and other systems.

Once the household is determined eligible, benefits are applied to the household's fuel or utility account to ensure that the benefit is used for energy purchases. Benefit levels vary according to household income and size, fuel type, dwelling type, and the household's utility rates. The recipient may split the benefit between two vendors (e.g., natural gas, electric, propane, or wood vendors).

About 38,346 households are expected to receive assistance in FY 2005 with a projected annual benefit averaging \$311.

**2. Weatherization Assistance** (15 percent of the grant) - Federal regulations allow States to use up to 15 percent of the LIEAP grant for weatherization improvements. If funding permits, the Department proposes transferring the maximum allowed level (estimated at \$2.3 million) to the Weatherization Program administered by the Kansas Housing Development Corporation.

**BLOCK GRANT FOR PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS (PATH)**

Kansas is a minimum allotment state under this federal formula grant program. Since 1993, \$300,000 has been received each year.

All funds are distributed to homeless programs at five community mental health centers (CMHCs). The current allocations are as follows:

<b>Program</b>	<b>FY 2005 GBR</b>
Valeo Behavioral Health Care	\$ 80,000
ComCare	95,306
Wyandot Center for Community Behavioral Healthcare	70,094
Bert Nash Community Mental Health Center	26,600
Franklin County Community Mental Health Center	28,000
<b>TOTAL</b>	<b>\$ 300,000</b>

**Valeo Behavioral Health Care (Shawnee County),  
Comcare (Sedgwick County), and  
Wyandot Center for Community Behavioral Healthcare:**

PATH block grant funds at these centers allow staff to provide outreach and case management services to persons who are homeless and mentally ill. Case managers help people secure transitional and permanent housing, health services, and mental health and substance abuse services in appropriate cases.

**Franklin County CMHC, and  
Bert Nash CMHC (Douglas County):**

Both of these centers provide outreach case management and work to link homeless persons with health, mental health and substance abuse services. Case management assists persons with transitional and permanent housing and vocational services.

**Maintenance of effort, matching, and administration limit requirements of the federal block grants**

Maintenance of effort is the minimum amount of the state funds that must be spent in a specific program in order to receive the entire grant award. This provision prevents states from supplanting state funds with federal funds as federal funds increase. The MOE requirements and are determined by the granting agency.

Matching funds are state funds that must be guaranteed in order to receive a grant award. Matching funds are calculated using a percent of the federal award.

Administration limit is the maximum amount of a grant that can be spent on grant administration.

Grant Name	Admin Limit	Maintenance of Effort and/or Match	FY 2005 GBR MOE and Match (State funds)
SSBG - Social Services Block Grant	None	Neither Required	\$0
SAPTBG - Substance Abuse Prevention and Treatment Block Grant	5%	MOE required- avg of prior 2 years	\$8,321,123
CMHBG - Community Mental Health Block Grant	5%	MOE required- avg of prior 2 years	\$70,278,195
LIEAP - Low Income Home Energy Assistance Program	10%	Neither Required	\$0
PATH - Projects for Assistance in Transition for Homelessness Block Grant	4%	MOE required- avg of prior 2 years and 25% State match required	\$100,000

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**Testimony of**

**Tawny Stottlemire, Executive Director**

**Kansas Association of Community Action Programs**

837 NW Harrison, Topeka, Kansas 66608

(785) 234-0878

**Key Issue(s):**

1. **Supports Kansas Housing Resources Corporation's annual plan for federal Community Services Block Grant (CSBG) funds**

**Highlights:**

1. The federal CSBG program addresses the causes and conditions of poverty throughout the nation
2. Through legislative design, CSBG is the core-funding source for eight primary entities in Kansas. These entities are called, "Community Action Agencies." (CAAs)
3. CSBG core funding enables CAAs to leverage additional federal, state, local, and private dollars in order to meet community needs. Kansas CAAs leverage approximately \$12 for every single dollar of CSBG funding they receive.
4. CSBG funding is allocated within each CAA according to locally identified needs – Kansas' community action network does not approach poverty prevention through a "cookie cutter" approach.
5. CSBG related services are now available in 70 Kansas counties and that number will soon increase to 80 counties. This represents over 93 percent of Kansas' low-income population.
6. Over the next 11 months, our network will be:
  - a. Developing a plan to **extend CSBG-related services to all 105 Kansas counties**. This will be accomplished through the existing block grant resources.
  - b. Fully implementing an **outcomes-based accountability system** for CSBG sub-grantees as well as for KHRC's CSBG program. Anticipated partnerships between our Association and KHRC will result in necessary updates to the program's administrative systems and procedures, as well as develop our capacity to qualify actual service delivery outcomes versus outputs.
  - c. Developing and disseminating a **report on the state of poverty in Kansas**. The report will include important statistical data about the State's poverty population and will explore potential structural and systemic changes that will streamline state-sponsored social service programs and lead Kansas towards an intentional, comprehensive agenda to end poverty in our state.
  - d. Hosting the second annual **Kansas Conference on Poverty**, July 14 – 16.
  - e. Providing **direct assistance to Kansas' low-income people and communities** in their continued fight against the causes and conditions of poverty.

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**TESTIMONY BEFORE THE HOUSE COMMITTEE ON APPROPRIATIONS  
ON COMMUNITY SERVICES BLOCK GRANT**

**STEVE WEATHERFORD, PRESIDENT  
KANSAS HOUSING RESOURCES CORPORATION**

Mr. Chairman and honorable members of the Committee, I am honored to be here today to discuss with you our plans for the Community Services Block Grant (CSBG) program for the coming year. My name is Steve Weatherford, President of the Kansas Housing Resources Corporation. The Governor's Executive Reorganization No. 30 transferred housing functions from the Kansas Department of Commerce & Housing to the Kansas Development of Finance Authority (K DFA). The Kansas Housing Resources Corporation is a subsidiary corporation of K DFA. I am President of both corporations.

The federal CSBG statute requires that we present plans for the development of the State's CSBG State Plan and Application in at least one legislative hearing every three years. My testimony will give you a brief overview of the program and two ways we intend to improve the program, working with our local agencies.

**Overview of the Program**

The Community Services Block Grant (CSBG) program is designed to encourage community responses to the problems of poverty. The guiding principles of CSBG are that local communities are best equipped to develop solutions to the problems of poverty, and that these solutions work best when they are developed by a broad spectrum of community members. Local organizations receiving CSBG funding are required to "provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community." Therefore, local agencies are given wide latitude to select activities that best fit local needs.

Eight community action agencies are the recipients of the CSBG funding from the Kansas Housing Resources Corporation. These eight agencies, shown on an attachment, provide services to low-income people in the areas of:

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- **Employment**
- **Education**
- **Making better use of available income**
- **Housing**
- **Nutrition**
- **Emergency assistance**
- **Transportation**
- **Health**

Although federal law limits our ability to alter allocations or to require specific services, the state does have discretion in other areas. The remainder of my remarks will address two such areas on which we will be placing particular emphasis in the coming year.

### **Expansion of Service Territory**

The expansion of the Community Services Block Grant program into presently under-served counties remains a high priority. At present CSBG related services are available in 70 counties. The U. S. census figures tell us that nearly 93 per cent of Kansas' low-income population resides in the CSBG designated counties.

In order to provide equitable distribution of CSBG coverage across the state, expansion of the program is necessary. We believe that it is important to expand the geographic range of the program so that other areas can be served by this unique, effective approach to poverty. The State CSBG office is working closely with the Kansas Association of Community Action Programs (KACAP) to develop a plan to provide more services in these under-served areas.

Because our state allocation will remain the same regardless of the number of counties we serve, expansion will have to be undertaken with existing funds. This means that existing agencies will have to serve a greater geographic area with the same funding they currently receive. We will work with those agencies to develop a process, which meets our goal of expansion while minimizing the financial burden on those agencies.

### **Outcome Measures**

For several years CSBG staff has worked with our subgrantee agencies to develop a system to measure the changes produced in clients' lives as the result of CSBG services and activities. Progress is measured, using a five-level scale, in nine different areas of families' lives: housing, employment, education, transportation, nutrition, health, income and budget, family relations, and community involvement.

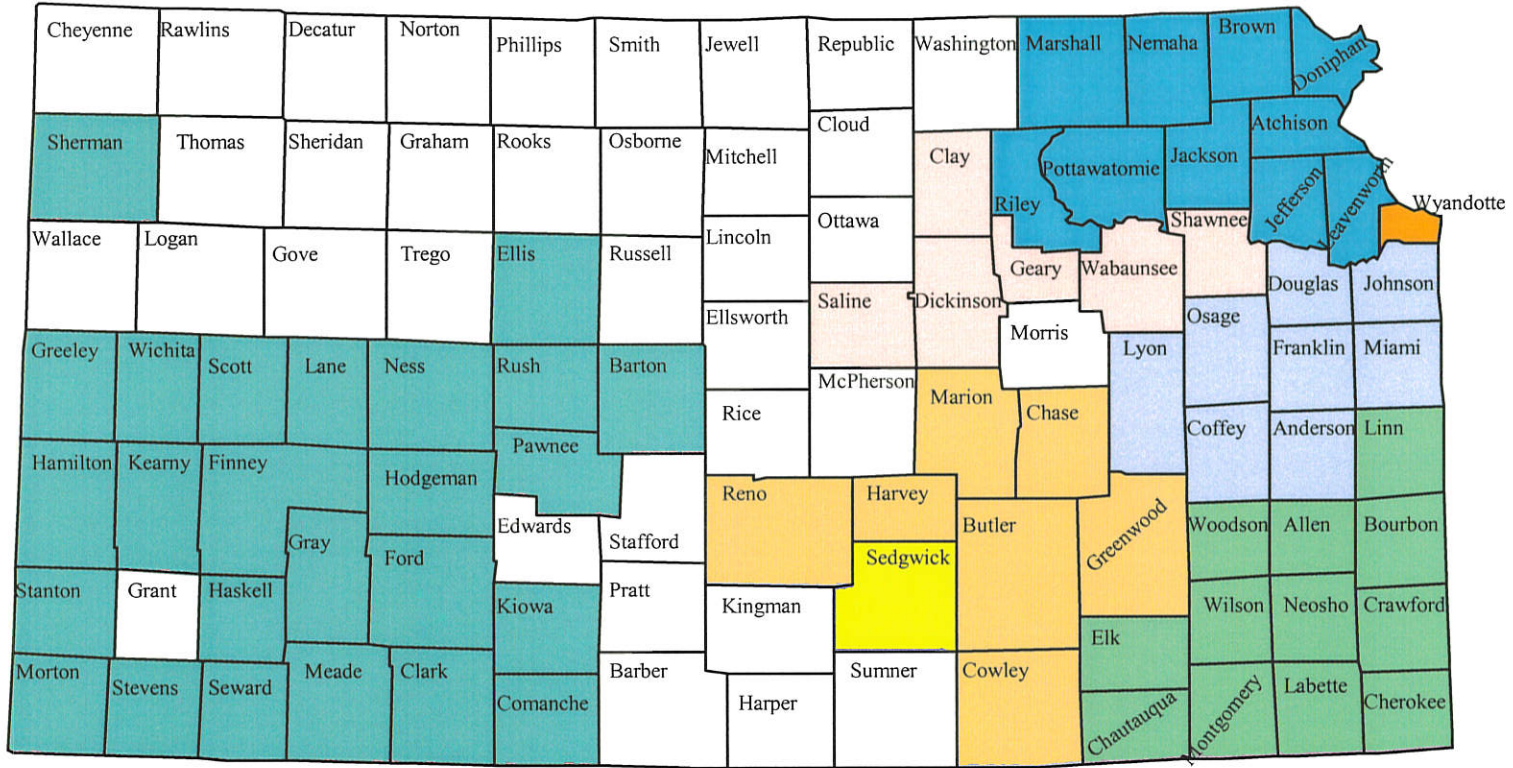
By the end of this year, we expect to have results from the new outcome measurement system that will better demonstrate the benefits and change that CSBG intervention or involvement makes on the clients' lives and their communities, and that will lead to more effective agency programs.









**FY 2003 Community Services Block Grant**

<b>County</b>	<b>City</b>	<b>Project</b>	<b>Coverage</b>	<b>Units</b>	<b>Funds</b>
Brown	Hiawatha	<b>Northeast KS Community Action Program (NEK-CAP)</b>	9-county area	1,497 units of service 863 persons	\$428,067
Butler	El Dorado	<b>Mid-KS Community Action Program (MID-KAP)</b>	7-county area	1,572 units of service 1172 persons	332,823
Crawford	Girard	<b>Southeast KS Community Action Program (SEK-CAP)</b>	12-county area	2,661 units of service 1,871 persons	755,460
Franklin	Ottawa	<b>East Central KS Economic Opportunity Corporation (ECKAN)</b>	8-county area	2,581 units of service 1,932 persons	689,840
Sedgwick	Wichita	<b>City of Wichita</b>	Sedgwick County	2,173 units of service 2,467 persons	1,014,637
Shawnee	Topeka	<b>Community Action, Inc. (CAI)</b>	5-county area	2,305 units of service 814 persons	404,344
Wyandotte	Kansas City	<b>Harvest America Corporation (HAC-WY)</b>	7-county area	2,013 units of service 2,154 persons	371,062
Wyandotte	Kansas City	<b>Economic Opportunity Foundation (EOF)</b>	Wyandotte County	1,822 units of service 1,540 persons	724,656
<b>TOTALS</b>				<b>16,624 units 12,813 persons</b>	<b>\$4,720,889</b>

**There are 33 counties that are currently not being served by the CSBG program**

### COUNTIES SERVED, COMMUNITY SERVICES BLOCK GRANT, 2004



- |   |  |   |   |
|---|--|---|---|
|  | Sedgwick County                                |  | Northeast Kansas Community Action Program |
|  | Southeast Kansas Community Action Program      |  | Community Action, Inc.                    |
|  | Economic Opportunity Foundation                |  | Mid-Kansas CAP, Inc.                      |
|  | East Central Kansas Economic Opportunity Corp. |  | Harvest America Corp.                     |



**K A N S A S**

RODERICK L. BREMBY, SECRETARY

DEPARTMENT OF HEALTH AND ENVIRONMENT

KATHLEEN SEBELIUS, GOVERNOR

**Testimony on  
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT  
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT**

**to  
House Appropriations Committee  
Presented by**

**Richard Morrissey  
Interim Director, Division of Health**

**February 19, 2004**

Chairperson Neufeld and members of the House Appropriations Committee, I am pleased to appear before you today to discuss the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant.

In the early 1980's, the federal block grant programs were initiated. Funding from a number of programs was consolidated into Block Grants to provide centralized administrative oversight. The Kansas Department of Health and Environment participates in two federal block grant programs, the Preventive Health and Health Services Block Grant (PHB) and the Maternal and Child Health Services Block Grant (MCH). By federal regulation, public hearings are required for both Block Grants. This hearing meets public review and comment requirements for these grant programs for public input into expenditure of block grant funds toward priority state health needs.

**The Preventive Health and Health Services Block Grant**

This Block Grant supports preventive health programs that address preventable risk factors that contribute to the leading causes of premature death and disability. Program objectives and activities must be consistent with the Year 2010 Health Objectives for the nation. A 1992 amendment to Title

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XIX, Part A, of the PHS Act significantly changed the Block Grant application process and reporting rules, limiting previous state flexibility in spending from this grant and requiring linkage of program activities to the National Health Objectives. Beginning with the fiscal year 1993 application, KDHE responded to the new requirements by:

1. Establishing a process to assess Kansas health status relative to the Healthy People objectives and targets;
2. Using these data to establish a state implementation plan to respond to critical preventive health needs and provide support for priority activities not adequately supported from categorical funding sources;
3. Providing a description of the programs and projects that are funded with the PHHS block grant and estimating the number of individuals to be served;
4. Establishing a state Preventive Health Block Advisory Committee, chaired by the state health officer, to make recommendations relative to the state plan, and holding public hearings on the state plan as stipulated by law;
5. Establishing an ongoing process for public review and comment; and
6. Measuring progress towards meeting preventive health objectives, including developing the necessary surveillance systems.

Current law stipulates that Preventive Health and Health Services Block Grant funds be used to supplement and increase the level of state, local and other non-federal funds; supplantation of non-federal funds is not allowed. State expenditures for the selected health activities are to be maintained at a level that is not less than the average level of the two years preceding the fiscal year for which federal funds to supplement that activity are requested.

Section 1904 of the governing law stipulates that Preventive Health Block Grant funds may be used for the following:

- a. Activities consistent with making progress toward achieving the National Health Objectives for the health status of the population;
- b. Preventive health service programs for the control of rodents and for community and school based fluoridation programs;
- c. Feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems;
- d. Providing services to victims of sex offenses and for prevention of sex offenses; and
- e. Program activities related to planning, administration and education, including evaluation of the Year 2010 Health Objectives addressed in the state plan.

A state may not use the Block Grant funds to:

- a. Provide inpatient services;
- b. Make cash payments to intended recipients of health services;
- c. Purchase or improve land, purchase, construct, or permanently improve any building or other facility, or purchase major medical equipment;
- d. Satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or,
- e. Provide financial assistance to any entity other than a public or non-profit private entity.

### **The Maternal and Child Health (MCH) Services Block Grant**

The Maternal and Child Health Services Block Grant is authorized under Title V of the Social Security Act. It is intended to support activities to promote and improve the health of all Kansas mothers and children. As the recipient agency for these funds, KDHE's role is to provide leadership and to work in partnership with communities, public-private partners, and families to strengthen the maternal and child health (MCH) infrastructure, assure the availability and use of "medical homes", and build knowledge and human resources in order to assure continued improvement in the health, safety, and well-being of the maternal and child health population. The MCH population includes all Kansas women of reproductive age, infants, children, adolescents, and their families including fathers. Programs for children with special health care needs are specifically identified as part of the MCH block grant scope. Funds are allocated to Kansas through the national MCH block grant formula. In recent years, enhanced planning and reporting requirements have been implemented in order to improve accountability for these funds. As part of that accountability state grants and plans are posted to the federal website: <https://performance.hrsa.gov/mchb/mchreports/tvisreports.asp>.

MCH block grant rules require that every five years each recipient State must conduct an assessment of State maternal and child health needs. There are detailed requirements concerning the conduct of the state needs assessment. Based on this detailed review of data from multiple sources, the State must specify between 7 and 10 priority needs. Kansas completed its five year needs assessment ([www.kdhe.state.ks.us/jsna](http://www.kdhe.state.ks.us/jsna)) in July, 2000. The priority Kansas maternal and child health (MCH) needs identified through this process, reviewed and revised in 2002 are:

1. Improve access to health care services for Kansas women and children.
2. Reduce health disparities in the MCH population
3. Improve data infrastructure, epidemiologic capacity and analyses for state and community problem solving.
4. Decrease preventable childhood injuries.
5. Decrease family violence and youth suicide.
6. Improve nutritional status and physical activity to address obesity

7. Improve oral health status and access to oral health services
8. Address the need for mental health and substance abuse services for women and children.
9. Improve systems coordination and remove barriers to services.

Through 2005, allocation of resources from the Kansas MCH block grant must reflect these priorities. To facilitate a better response, KDHE has reduced categorical barriers to use of available resources through consolidation of a number of funding streams into local MCH Block Grants to local agencies. Local agencies utilize state needs assessment data and other data to prioritize their own needs. Funds may be spent for local priority maternal and child health needs. Reporting is structured to retain accountability while providing flexibility for communities. In 2004, a panel of experts from around the state will be convened to determine MCH priorities for 2005 to 2010.

#### **Description of Services Funded in SFY 2004**

##### **A. Aid to Local Agencies**

MCH and PHB - *Maternal and Child Health Grants* - All 105 Kansas counties provide maternal and child health services to optimize the health of Kansas families, in particular for uninsured families and those with limited access to care. Counties must provide comprehensive services by coordinating with all available community resources. Based on a community health assessment, counties provide services, including prenatal care coordination, home visits, child health services, and others. Up to 30 percent of the funding can be used flexibly to address state and locally identified MCH priorities through appropriate interventions.

PHB - *Chronic Disease Risk Reduction (CDRR) Grants*- These grants are awarded to support development and implementation of community-based programs to decrease premature death and disability due to cardiovascular disease and cancer, the two leading causes of death in Kansas. Program interventions are designed to decrease the leading modifiable risk factors for cardiovascular disease and cancer, including tobacco use, physical inactivity, and nutrition. Currently, PHB funds support CDRR activities in 37 counties. Interventions are delivered through schools, work sites, churches, community organizations and other community settings.

MCH - *School Health Services Grants* - These funds partially support four local projects that provide health services including preventive and primary care in the school setting. These funds are awarded on a competitive basis after review of responses to a formal Request for Proposals.

MCH - *Disparities Projects* - Funds are used for two projects (Sedgwick and Ford Counties) with the goal of reducing disparities in health status for racial and ethnic groups through community-based interventions.



PHB - *Special Health Promotion Grants* - Health Promotion projects fund specific services based on identified need. Funds will be awarded to Pittsburgh State University for facilitation of a statewide initiative to promote physical activity and to the Center for Health and Wellness for the Black Churches Hypertension/Cholesterol reduction project in Sedgwick County.

MCH - *School Health Assessments* - Full or partial reimbursement to local health departments and community health centers for school entry assessments.

MCH - *Immunization* - Supplements local health department funding for immunization initiatives.

B. Transfers of Funding to Other State Agencies

PHB - *Rape and Sexual Offenses Prevention Education* - A specified amount of PHB funding awarded to Kansas is designated, per federal mandate, for sexual offenses programming. To avoid duplication and inefficiency KDHE transfers the funds to the Governor's Office to be used for local programs.

C. State Operations

MCH - *Center for Health and Environmental Statistics* - Data support to the MCH programs per memorandum of agreement.

MCH and PHB - *Division of Health* - Offsets costs for program and fiscal support to MCH and PHB programs.

MCH - *Oral Health Initiative* - Dental hygienist coordinates open mouth survey of Kansas children, and other maternal and child health education and interventions.

MCH and PHB - *Local Health Department Support Services* - Support services for local health departments including but not limited to consultation, education and technical assistance provided by community nurse/public health specialists for maternal and child health and risk reduction/health promotion activities.

PHB - *Immunization Program* - Portion of operating expenses for the Bureau of Epidemiology and Disease Prevention.

MCH - *Child Care Regulation* - support for a portion of operating expenses for the Child Care Facilities Licensor and Registration program.

MCH - *Children with Special Health Care Needs* - Salaries and operating expenses to assure care

coordination and reimbursement to health care providers for medical specialty services

MCH - *Nutrition* - Nutrition consultation to MCH programs.

MCH - *Newborn Screening* - Case management for newborns with out-of-range screens

MCH - *Compliance Monitoring* - Portion of salaries and operating expenses to provide clinical and administrative oversight of local agency contractual compliance in providing maternal and child health services.

PHB - *Chronic Disease and Injury Prevention/ Health Promotion* - Portion of salaries and operating expenses for Office of Health Promotion (OHP). OHP staff play a key role in assessing the current chronic disease burden and in facilitating consensus development of statewide goals and strategies to alleviate that burden in Kansas. Staff facilitated a series of workgroup meetings involving more than 40 partners to develop a Comprehensive Cancer Control Plan and to identify strategies for implementation of consensus recommendations. Staff facilitate activities of the SAFE KIDS Coalition, a private/public partnership that provides leadership for decreasing unintentional injuries (number one cause of death) in the 0-14 age group. Activities include facilitating the BUCKLE UP program and the Mobile Child Safety Seat Check Up Van which provide safety seats to low income families and provide checks of installation of seats (finding a misuse rate of 86%), and the CYCLE SMART program which has provided low-cost bicycle helmets to more than 45,000 Kansans. Similarly, the Block Grant represents the only source of funds dedicated to prevention of cardiovascular disease, the number one over all cause of death among Kansans. Activities include promotion of proper nutrition and increased physical activity.


Thank you for the opportunity to appear before the House Appropriations Committee. With the assistance of my staff, I will be happy to respond to any questions you may have on these matters.

**TAX, JUDICIAL, TRANSPORTATION AND RETIREMENT BUDGET  
COMMITTEE**

**Kansas Public Employees Retirement System (KPERs)**


FY 2004 and FY 2005

  
\_\_\_\_\_  
Representative Bill McCreary, Chairperson

  
\_\_\_\_\_  
Representative Larry Campbell

  
\_\_\_\_\_  
Representative Tom Klein

  
\_\_\_\_\_  
Representative Mike O'Neal

  
\_\_\_\_\_  
Representation Tom Sawyer

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## House Budget Committee Report

**Agency:** Kansas Public Employees Retirement System

**Bill No.**

**Bill Sec.**

**Analyst:** Efird

**Analysis Pg. No.** 569

**Budget Page No.** 285

Expenditure	Agency Est. FY 04	Governor Rec. FY 04	Budget Adjustments
<b>Operating Expenditures:</b>			
Agency Operations	\$ 6,968,732	\$ 6,976,306	\$ 0
Technology Project	655,520	655,520	0
Investment Expenses	18,214,866	18,214,866	0
Benefit Payments*	683,018,125	683,018,125	0
<b>TOTAL</b>	<b>\$ 708,857,243</b>	<b>\$ 708,864,817</b>	<b>\$ 0</b>
<b>Financing:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds*	708,857,243	708,864,817	0
<b>TOTAL</b>	<b>\$ 708,857,243</b>	<b>\$ 708,864,817</b>	<b>\$ 0</b>
 FTE Positions	 85.0	 85.0	 0.0

\* **Note:** Nonreportable benefit payments also included.

### Agency Request/Governor's Recommendation

The **agency's** revised request includes a net reduction of almost \$13.6 million in expenditures approved by the 2003 Legislature. Reductions of almost \$14.7 million for benefit payments and of approximately \$257,000 for agency operations are offset by an increase requested for investment-related expenses of slightly more than \$1.3 million. A revised technology project includes expenditures of \$655,520. The **Governor** concurs with revised FY 2004 estimates and adds \$7,574 in KSIP funds for expenditures.

### House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation in FY 2004, except for the following items:

1. Request a Governor's Budget Amendment to add \$895,682 KPERS funds and \$17,747 non-KPERS funds for investment-related expenses because of higher investment earnings.
2. Alert the Education Budget Committee in its review of the Department of Education budget that KPERS estimates a shortfall in the Governor's recommended expenditures for the KPERS School payments in FY 2004 and FY 2005. KPERS estimates the SGF financing shortfall at \$5.1 million in FY 2004.

## House Budget Committee Report

**Agency:** Kansas Public Employees Retirement System

**Bill No.**

**Bill Sec.**

**Analyst:** Efird

**Analysis Pg. No.** 569

**Budget Page No.** 285

Expenditure	Agency Req. FY 05	Governor Rec. FY 05	Budget Adjustments
<b>Operating Expenditures:</b>			
Agency Operations	\$ 6,807,942	\$ 6,861,058	\$ 0
Technology Project	1,783,707	756,207	0
Investment Expenses	19,606,429	19,609,685	0
Benefit Payments*	718,305,457	718,305,457	0
<b>TOTAL</b>	<b>\$ 746,503,535</b>	<b>\$ 745,532,407</b>	<b>\$ 0</b>
<b>Financing:</b>			
State General Fund	\$ 3,212,624	\$ 3,212,624	\$ 0
Other Funds*	743,290,911	742,319,783	0
<b>TOTAL</b>	<b>\$ 746,503,535</b>	<b>\$ 745,532,407</b>	<b>\$ 0</b>

FTE Positions 85.0 85.0 0.0

\* **Note:** Nonreportable benefit payments also included.

### Agency Request/Governor's Recommendation

The **agency's** request includes an increase of almost \$37.7 million in expenditures, including increases of almost \$35.3 million for benefit payments, of approximately \$968,000 for agency operations, and of approximately \$1.4 million for investment-related expenses. A recast Technology Project includes expenses of \$1,783,707. SGF financing of \$3.2 million is included for bond payments. The **Governor** concurs with most FY 2005 items, except no enhancement funding is recommended for the technology project and only a base amount of \$756,207 is recommended by the Governor. In addition, the Governor adds funding for a 3.0 percent salary plan adjustment and reduces funding associated with BEST recommendations for agency savings. The Governor proposes a transfer of \$71,134 in BEST savings to the SGF in FY 2005.

### House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation in FY 2005, except for the following items:

1. Request a Governor's Budget Amendment to add \$ 1,290,101 from KPERS funds and \$15,695 non-KPERS funds for investment-related expenses because of revised higher investment earnings.
2. Request a Governor's Budget Amendment to add \$1,027,500 for a technology project that is partially funded with \$756,207 from KPERS funds. The Committee understands that the Executive Chief Information Technology Officer must review and approve the agency's implementation plan, and after that approval is achieved, the Committee anticipates the Governor will reconsider addition of this funding.

3. Prohibit transfer of \$71,134 in BEST savings to the SGF, and retain the funds in order to partially finance the Governor's recommended 3.0 percent salary increase of \$127,506 in this agency. Note that contributions and other money deposited into the KPERS Trust Fund are reserved for the exclusive benefit of the members, and absent either a statutory change in current law or authorization for transfer to the SGF as a legitimate expense of operating the agency, transferring money from the Trust Fund might be considered a diversion of funds lawfully collected for one purpose and used for another inappropriate purpose.
4. Alert the Education Budget Committee in its review of the Department of Education budget that KPERS estimates a shortfall in the Governor's recommended expenditures for the KPERS School payments in FY 2004 and in FY 2005. KPERS estimates the SGF financing shortfall at \$4.6 million in FY 2005.
5. Note a problem with future financing of the death and disability benefits program in FY 2006 if the present statutory contribution rate of 0.6 percent is not increased. KPERS participating employers, including the state and local units, make contributions to the death and disability fund (the Group Insurance Reserve Fund) based on a statutory assessment of 0.6 percent. The Legislature has suspended contributions at times, including three quarters in FY 2003 and four quarters in FY 2004, in order to address budget revenue shortfalls. As a result, the reserves have been reduced as over \$100 million in state and local employer contributions have not been made in recent years, and expenditures have depleted the fund's balance.

### Death and Disability Benefits Issue

The agency provided an updated cashflow table as of January 30, 2004. For FY 2006, absent any increase in revenue or reduction in benefit payments, the fund is projected to have a negative balance.

Death and Disability Fund Resource Estimate	Revised Actual FY 2003	Agency Rev. Est. FY 2004	Agency Rev. Est. FY 2005	Agency Estimate FY 2006
Beginning Balance	\$ 108,817,519	\$ 73,072,511	\$ 26,331,026	\$ 8,685,916
Net Receipts	9,813,459	330,643	32,128,156	32,938,034
Total Funds Available	\$ 118,630,978	\$ 73,403,154	\$ 58,459,182	\$ 41,623,950
Less: Expenditures	45,558,467	47,072,128	49,773,265	53,461,857
Ending Balance	\$ 73,072,511	\$ 26,331,026	\$ 8,685,916	\$ (11,837,907)
Ending Balance as Percent of Expenditures	160.4%	55.9%	17.5%	(22.1)%


A 1.0 percent rate in FY 2006 would generate approximately \$55 million from state and local employers for the fund, compared with the current statutory rate of 0.6 percent which is estimated at \$33 million in FY 2006. The Budget Committee recommends a bill be introduced to raise the rate to 1.0 percent, effective July 1, 2005. The fiscal note for the bill, based on KPERS estimates, is shown below. Approximately 85 percent of the state cost is financed from the SGF, and the FY 2006 SGF increase is estimated at \$15 million, from \$21 million in FY 2005 to \$36 million in FY 2006 with a rate increase from 0.6 to 1.0 percent.

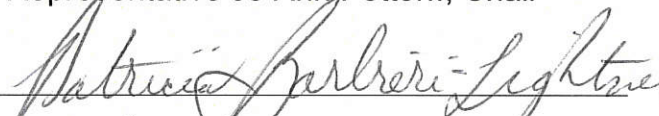
Death and Disability (in Millions)	Estimated 0.6% FY 2005	Projected 1.0% FY 2006	Difference
State Contributions	\$ 24.8	\$ 42.5	\$ 17.7
Local Contributions	7.2	12.3	5.1
Totals	\$ 32.0	\$ 54.8	\$ 22.8

**FY 2004 and FY 2005**


**General Government and Commerce Budget Committee**

Kansas Guardianship Program


  
\_\_\_\_\_  
Representative Jo Ann Pottorff, Chair

  
\_\_\_\_\_  
Representative Patricia Barbieri-Lightner

  
\_\_\_\_\_  
Representative Andrew Howell

  
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Representative Annie Kuether

  
\_\_\_\_\_  
Representative Joe Shriver

  
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Representative Tom Sloan

  
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Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 2-19-2004  
ATTACHMENT 7



# House Budget Committee Report

**Agency:** Kansas Guardianship Program **Bill No.**

**Bill Sec.**

**Analyst:** Calderwood

**Analysis Pg. No.** Vol. II-1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
State General Fund:			
State Operations	\$ 1,032,854	\$ 1,032,854	\$ 0
Employee Positions*	12.0	12.0	0.0

\*Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

## Agency Estimate/Governor's Recommendation

**The agency's current year estimate** for operating expenditures of \$1,032,854 is consistent with the budget approved by the 2003 Legislature.

**The Governor concurs** with the agency's current year estimate.

## House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2004.

## House Budget Committee Report

**Agency:** Kansas Guardianship Program    **Bill No.** \_\_\_\_\_    **Bill Sec.** \_\_\_\_\_  
**Analyst:** Calderwood    **Analysis Pg. No.** Vol. II-1114 **Budget Page No.** 169

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State General Fund:			
State Operations	\$ 1,069,800	\$ 1,027,513	\$ 0
Employee Positions*	12.0	12.0	0.0

\*Staff of the Kansas Guardianship Program are not state employees but are listed for informational purposes.

### Agency Request/Governor's Recommendation

**The agency** requests FY 2005 operating expenditures of \$1,069,800, an increase of \$36,946 or 3.6 percent, from the current year estimate. The request includes \$535,739 for salaries and wages, \$521,213 for contractual services, and \$12,248 for commodities. The request includes an enhancement request of \$50,943 to restore full funding of volunteer stipends decreased by the agency reduced resources target of \$50,943.

**The Governor** recommends FY 2005 operating expenditures of \$1,027,513, which is a decrease of \$5,341 or 0.5 percent from the current year recommendation. The recommendation includes \$549,812 for salaries and wages, \$466,583 for contractual services, and \$11,118 for commodities. The Governor recommends the addition of \$14,073 for a 3.0 percent pay plan increase and the reduction of \$5,417 for BEST reductions in contractual services, commodities, and capital outlay. The Governor did not recommend the enhancement. The Governor did not recommend FY 2005 reduced resources for the agency.

Under the Governor's FY 2005 **statutory budget** recommendation, the Governor's recommendation for this agency's budget would have to be reduced by an additional \$152,177 State General Fund.

### House Budget Committee Recommendation

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

1. The Budget Committee expresses concern about the issue of liability protection for the agency's volunteers. The Budget Committee notes that liability issues may hinder the agency's volunteer recruitment efforts. The Budget Committee recommends the introduction of legislation to amend the Kansas Tort Claims Act (K.S.A. 75-6101 *et seq.*), to provide liability protection to the volunteers of the Kansas Guardianship Program.

The Budget Committee notes that during FY 2003, the Kansas Guardianship Program volunteers provided guardianship/conservatorship services to 1,617 wards and conservatees. As of June 30, 2003, approximately 825 volunteers were serving in the program and over the years approximately 3,276 Kansans have been recruited to serve in the program. The Budget Committee further notes that fifteen volunteers have served for 20 or more years as guardians and conservators in this program.

2. The Budget Committee notes the availability of a gift and donations fund, established by the 2003 Legislature, to supplement funding when state resources are reduced. The Budget Committee notes that the agency was unable to submit a capital outlay budget request due to its allocated funding. The Budget Committee encourages the program to explore fund raising opportunities and the availability of surplus equipment to address the agency's capital outlay requirements.
3. The Budget Committee recognizes that program volunteers, in their legal capacity as guardians and conservators, advocate for or take action on behalf of the ward or conservatee to access services that include care and treatment, monitor the quality of these supports and services, provide consents and maintain communications with service providers such as case managers and facility staff, and assume responsibility for the paperwork necessary to access benefits like Social Security. The Budget Committee cites agency testimony that indicated that 55 to 60 percent of wards and conservatees are served in a community/residential setting. The Budget Committee requests that the agency provide a report to the 2005 Legislature detailing the changing role of the guardian, from the institutional model of service to the community-based model of service. The Budget Committee requests that the agency provide information in the report regarding the impact of these changes on the program.