

MINUTES OF THE SENATE WAYS AND MEANS COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 10:35 A.M. on March 6, 2006, in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Jill Wolters, Revisor of Statutes Office
Michael Corrigan, Revisor of Statutes Office
Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Reagan Cussimano, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Susan Kannarr, Kansas Legislative Research Department
Judy Bromich, Chief of Staff
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Others attending:

See attached list.

Chairman Umbarger 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 Department of Commerce. The Chairman welcomed the following conferees:

Patty Clark, Director of Community Development, Kansas Department of Commerce (Attachment 1). Ms. Clark also submitted copies of the form that is used when Commerce conducts public hearings regarding the Community Development Block Grants to ensure their customers have the opportunity to weigh in on proposed changes at the state level (Attachment 2). She noted that these forms are used so that comments can be mailed into them after the meetings if the attendees choose to do so.

Howard Rodenberg, MD, MPH, Kansas Department of Health and Environment (Attachment 3). Dr. Rodenberg discussed the Preventive Health and Health Services Block Grant and the Maternal and Child Health Services Block Grant. He noted that by federal regulation, public hearings are required for both grants. Dr. Rodenberg explained that 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.

Lois Weeks, Director of the Office of Financial Management, Kansas Department of Social and Rehabilitation Services (Attachment 4). Ms. Weeks noted this hearing was to meet their Federal Block Grant requirements and to provide information on the Federal Block Grant programs administered by their department. The SRS Block Grants are:

- Social Services Block Grant (SSBG) - SRS and Aging Budgets
- Block Grant for the Prevention and Treatment of Substance Abuse (SAPT)
- Community Mental Health Services Block Grant (CMHS)
- Low Income Energy Assistance Block Grant (LIEAP)
- Projects for Assistance in Transition from the Homelessness Block Grant (PATH)

The Chairman welcomed Paul Johnson, Kansas Catholic Conference, who addressed concerns, information and recommendations regarding the Low Income Energy Assistance Program (Attachment 5).

Chairman Umbarger 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:

CONTINUATION SHEET

MINUTES OF THE Senate Ways and Means Committee at 10:35 A.M. on March 6, 2006, in Room 123-S of the Capitol.

the Department of Health and Environment, the Department of Social and Rehabilitation Services and the Department of Commerce.

The Chairman opened the public hearing on:

HB 2574--State board of regents; power to dispose of property acquired by devise

Staff briefed the Committee on the bill.

The Chairman welcomed the following conferee:

Theresa Klinkenberg, Chief Business and Financial Planning Officer, The University of Kansas, who testified in support of the bill (Attachment 6). Ms. Klinkenberg explained that **HB 2574** expedites the sale of property donated to Regents institutions and noted details in her written testimony. She noted that all sales would be made following existing state laws: the property would be appraised by three disinterested appraisers selected by a local judicial administrator, advertised for sale for 30 days in a local paper, and approved by the Board of Regents.

Written testimony was submitted by Reginald Robinson, President and CEO, Kansas Board of Regents (Attachment 7).

There being no further conferees to come before the Committee, the Chairman closed the public hearing on **HB 2574**.

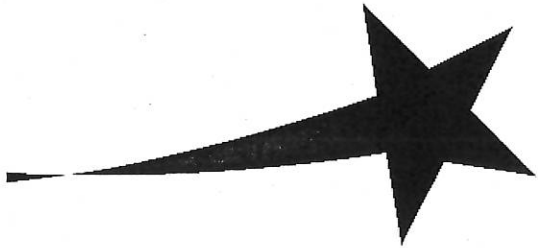
Senator Teichman moved, with a second by Senator Wysong, to recommend **HB 2574** favorable for passage and be placed on the consent calendar. Motion carried on a roll call vote.

The meeting adjourned at 11:35 a.m. The next meeting was scheduled for March 7, 2006.



KANSAS
DEPARTMENT OF COMMERCE

Howard R. Fricke, Secretary



Senate Ways and Means

March 6, 2006

For more information on this topic contact:
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*Senate Ways and Means
03-06-06
Attachment 1*

Good Morning Chairman Umbarger and members of the Committee. I am Patty Clark and I serve as the Director of the Community Development and Ag Marketing Divisions in the Kansas Department of Commerce. I have been asked to report to you regarding our public hearing process for the Community Development Block Grants administered by the agency.

This is timely because today, Tuesday and Wednesday our CDBG staff will be on the road conducting public hearings regarding some proposed changes in the CDBG programs. Today's hearing will be here in Topeka, Tuesday staff will conduct a hearing in Lyons and Wednesday's hearing will be in Scott City. These hearings were announced in the Kansas Register as per our requirements and also were mailed to all our rural communities and grant administrators as a part of our first quarter newsletter. In addition to notification of the hearing dates, we also included the proposed changes so attendees could be prepared for comment.

Each year Commerce conducts public hearings to ensure our customers have the opportunity to weigh in on proposed changes at the state level. Please be mindful that if the changes in the programs occur at the federal level, the federal government conducts its own public hearing process.

I have attached the form we will hand to each attendee so that comments can be mailed in after the meetings if they so choose.

In addition, we work collaboratively with the Kansas Housing Resource Corporation in the public hearing process for the Annual Consolidated Plan, which outlines our respective programs and program goals for public input.

This year the Consolidated Plan calls for the following allocation percentages per program area.

| | |
|------------------------|----------------|
| Water/Wastewater | 29.28% |
| KAN-STEP | 13.37% |
| Community Facilities | 22.41% |
| Housing Rehabilitation | 10.26% |
| Economic Development | 16.66% |
| Urgent Need | 4% |
| Technical Assistance | 1% |
| General Administration | 2% + \$100,000 |

In Federal Fiscal Year 2006 we received \$17,296,519. From that we committed over \$13,000,000 to Water/Wastewater, Housing Rehabilitation and Community Facilities projects in 49 communities. We also have committed to fund six KAN-STEP projects totaling nearly \$2,000,000.

Unfortunately at this time we are unsure of our 2007 federal allocation, but we have been made aware that President Bush's budget has called for a 25% reduction from the 2006 allocation.

On the Road Public Hearing Comments

These Hearings have been planned with you the attendees, in mind.

We are interested in knowing how you feel about these Hearings and what you would like to see done differently.

Please take a few minutes to note your comments of interest or concern regarding proposed CDBG changes below.

When finished please fold in half, tape, and mail to the address listed.

Thank you for your time.

*Senate Ways and Means
03-06-06
Attachment 2*

2-8

**Kansas Department of Commerce
Community Development
Attn: Debbie Beck
Curtis State Office Building
1000 S.W. Jackson Street, Suite 100
Topeka, KS 66612-1354**



K A N S A S

RODERICK L. BREMBY, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

DEPARTMENT OF HEALTH AND ENVIRONMENT

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

**to
Senate Ways and Means Committee**

**Presented by: Howard Rodenberg, MD, MPH
March 6, 2006**

Chairman Umbargar and members of the Senate Ways and Means 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

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*Senate Ways and Means
03-06-06
Attachment 3*

activities must be consistent with the Year 2010 Health Objectives for the nation. A 1992 amendment to Title 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:

- a. Establishing a process to assess Kansas health status relative to the Healthy People objectives and targets;
- b. 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;
- c. Providing a description of the programs and projects that are funded with the PHB Block Grant and estimating the number of individuals to be served;
- d. 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;
- e. Establishing an ongoing process for public review and comment; and
- f. 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. In 2004, a panel of experts from around the state was convened on three separate occasions to determine, based on detailed data, the MCH priorities for 2005-2010. The final report called MCH 2010 is available on the KDHE website at www.kdhe.state.ks.us/bcyf. For the period 2005-2010, the priority Kansas maternal and child health (MCH) needs are:

Pregnant Women and Infants

1. Increase early and comprehensive health care before, during, and after pregnancy
2. Reduce premature births and low birth weight
3. Increase breastfeeding

Children and Adolescents

2. Improve behavioral/mental health
3. Reduce overweight
4. Reduce injury and death

Children with Special Health Care Needs (CSHCN)

2. Increase care within a medical home
3. Improve transitional service systems
4. Decrease financial impact on families

In addition, through 2010, teen pregnancy, oral health, and asthma rated as continued focal areas. Allocation of resources from the Kansas MCH block grant must reflect these priorities.

MCH grants are provided to local agencies and they use state needs assessment data and other data to prioritize their own needs. Grant funds may be spent for local priority maternal and child health needs. Reporting is structured to retain accountability while providing flexibility for communities.

Description of Services Funded in SFY 2006

A. Aid to Local Agencies

MCH - *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 poor nutrition. Currently, PHB funds support CDRR activities in 30 counties. Interventions are delivered through schools, work sites, churches, community organizations and other community settings.

MCH - *School Health Services Grants* - These funds partially support six 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 Initiative* - 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 are awarded to Pittsburgh State University for facilitation of a statewide initiative to promote physical activity among children and to the Center for Health and Wellness to coordinate the Black Churches Hypertension/Cholesterol reduction project in Sedgwick County.

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 support 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 - *Office of Oral Health* - Dental hygienist coordination of open mouth survey of Kansas children, sealant project, 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.

MCH - *Child Care Regulation* - Promotion of health and safety practices in out of home care settings through Child Care Facilities Licensing and Registration program.

MCH - *Children with Special Health Care Needs* - Salaries and operating expenses to assure care coordination and also reimbursement to health care providers for medical specialty services and supplies.

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

MCH - *Newborn Screening* - Followup on 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 65 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 80,000 Kansans since 1993. 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 this Committee. With the assistance of my staff, I will be happy to respond to any questions you may have on these matters.

Kansas Department of

Social and Rehabilitation Services

Gary Daniels, Secretary

Senate Ways and Means Committee
March 6, 2006

FY 2007 Federal Block Grants

Office of Financial Management
Lois Weeks, Director
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Senate Ways and Means
03-06-06
Attachment 4

Kansas Department of Social and Rehabilitation Services
Gary Daniels, Secretary

Senate Ways and Means Committee
March 6, 2006

FY 2007 Federal Block Grants

Mr. Chairman and members of the Committee, I am Lois Weeks, the director of the Office of Financial Management for the Department of Social and Rehabilitation Services (SRS). Thank you for holding this hearing to meet our Federal Block Grant requirements and to provide you information on the Federal Block Grant programs administered by SRS.

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

| Federal Block Grant Programs | FY 2007 GBR |
|--|------------------------|
| Social Services Block Grant (SSBG) ¹ -- SRS and Aging budgets | \$ 23,113,797 |
| Block Grant for the Prevention and Treatment of Substance Abuse (SAPT) | 12,141,703 |
| Community Mental Health Services Block Grant (CMHS) | 3,487,723 |
| Low Income Energy Assistance Block Grant (LIEAP) | 14,177,582 |
| Projects for Assistance in Transition from Homelessness Block Grant (PATH) | 300,000 |
| Total | \$ 53,220,805 |

¹ The SSBG FY 2007 GBR includes \$7.2 million transferred from the TANF grant. States are allowed to transfer up to 10% of the TANF grant to SSBG.

SOCIAL SERVICES BLOCK GRANT

The Social Services Block Grant supports a variety of social service programs administered by SRS and Department on Aging. For FY 2007, the GBR includes over \$23.1 million Social Services Block Grant funds. The estimated expenditures are as follows:

| Services | FY 2007 GBR |
|--|----------------------|
| Child Care Assistance | \$ 493,912 |
| Developmental Disability Community Support Grants | 6,242,851 |
| Child Welfare Reintegration – Adoption Services | 7,114,087 |
| Adult Protective Services | 182,829 |
| Field Operations - Child and Adult Protective Services | 4,580,118 |
| Department on Aging – Senior Care Act | 4,500,000 |
| Total | \$ 23,113,797 |

The SSBG FY 2007 GBR includes \$7.2 million transferred from the TANF grant. States are allowed to transfer up to 10% of the TANF grant to SSBG.

SSBG funded 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. Aging's Senior Care Act and SRS's Child Care Assistance services are offered on a sliding fee scale based on an individual's income and assets. Recipients pay the service provider between 0% and 100% of the cost of the service and the State pays the difference.

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.

Beginning in FY 2006, \$4.5 million of SSBG was transferred to the Department on Aging, Senior Care Act in exchange for \$4.5 million in SGF. The SGF is used as certified match for Community Mental Health Center (CMHC) and Community Developmental Disability

Organization (CDDO) payments.

SRS is concerned about future funding of SSBG. The Federal FY 2007 President's Budget recommends that the SSBG be cut by nearly 30%. This would reduce Kansas' allotment by over \$4.6 million. In addition, \$2.8 million of one-time funding will run out in FY 2007 and the amount of TANF funds transferred may need to be reduced. These reductions would require programs to be cut if not replaced SGF .

BLOCK GRANT FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE

The Governor's Budget Recommendation includes \$12.1 million in Substance Abuse Block Grant funds. The funds will be utilized as indicated below:

| Services | FY 2007 GBR |
|-------------------------------------|------------------------|
| Administration | \$ 516,880 |
| Substance Abuse Prevention Services | 2,243,702 |
| Substance Abuse Treatment Services | 9,381,121 |
| TOTAL | \$ 12,141,703 |

Substance Abuse Prevention Services are delivered using 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.

SRS's treatment approach is to fund programs that provide the least restrictive environment for recovery from alcohol and other drug addictions to low-income citizens who do not qualify for Medicaid. Services are available to persons whose income is at or below 200% of the federal poverty level. 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 injecting drug users, pregnant women, women with children, anyone who has been exposed to or is at high risk for TB and/or HIV, involuntary commitments, 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 annually.

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 2007 SRS is budgeted to expend nearly \$3.5 million under this grant.

| Services | FY 2007 GBR |
|----------------------------------|------------------------|
| Administration | \$ 216,746 |
| Community Mental Health Services | 3,270,977 |
| TOTAL | \$ 3,487,723 |

CMHCs funded under these contracts provide an organized and comprehensive community-based system of supports and services for the target population of individuals with severe and persistent mental illness and for children with serious emotional disturbances.

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, a 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: workforce development, evidence based practices, a housing and homeless pilot project, consumer-run organizations, children's 24-hour crisis mobile response, and a youth transitioning grant through a consumer run organization. The Mental Health Block Grant also is also used to support the Presidents New Freedom Commission Report and transformation activities in Kansas.

A portion of the block grant funds are also used by the CMHCs to provide services to the target population. Services are provided based on each individual's strengths and needs. Three basic 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, psycho-social rehabilitation programs, mental health services to the homeless, consumer/self-help programs, and attendant care.

LOW INCOME ENERGY ASSISTANCE PROGRAM (LIEAP) BLOCK GRANT

The federal Low Income Home Energy Assistance Program (LIEAP) Block Grant helps households pay home energy costs. Congress has approved the FFY 2006 appropriation and Kansas will receive nearly \$16.7 million in block grant funds and \$922,536 in emergency funds. SRS proposes utilization in the following manner:

| Services | FFY 2006 Federal Grant |
|------------------------------------|-----------------------------------|
| SRS Energy Assistance | 14,176,301 |
| KHRC Weatherization Assistance | 2,501,700 |
| Total Block Grant | \$16,678,001 |
| Energy Assistance Emergency Funds | 922,536 |
| Total LIEAP Funds Available | \$17,600,537 |

Energy Assistance - The FY 2007 GBR will provide utility or fuel assistance to qualifying households whose income is under 130 percent of poverty and funds for the associated administrative costs. For a one-person household, the income limit is currently \$1,062 monthly. Increases to the federal award or the availability of emergency funds are not known until after the State budget is submitted. When additional funds become available, more households are served and/or benefits are increased.

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.

Applications are mailed to targeted groups of individuals who may need assistance. 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 55,880 households are expected to receive assistance in FY 2006 with a projected annual benefit averaging \$268.

The FY 2007 Governor's Budget Recommendation includes \$1.0 million state funds to provide additional assistance for this population. The state has realized greater oil and gas severance tax receipts than expected, so the Governor proposes using a portion of the receipts to supplement the federal Low Income Energy Assistance Program.

Weatherization Assistance (15 percent of the block grant) - Federal regulations allow States to use up to 15 percent of the LIEAP grant for weatherization improvements. SRS proposes transferring \$2.5 million to the Weatherization Program administered by the Kansas Housing Resources 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, approximately \$300,000 has been received each year.

| Program | FY 2007 GBR |
|------------------|------------------------|
| PATH Block Grant | \$ 300,000 |

PATH provides funds to each State, the District of Columbia, Puerto Rico, and the U.S. Territories to support services to individuals with serious mental illnesses, as well as individuals with serious mental illnesses and substance abuse disorders, who are homeless or at risk of becoming homeless. PATH funds community-based services, as well as a limited set of housing services.

All Kansas PATH providers use PATH funds only for case management and homeless outreach. They refer clients to other CMHC or community programs to provide other services. Kansas PATH funds are awarded to community mental health centers serving the major Kansas population centers.

In 2005, the Kansas PATH providers outreached 1,663 individuals and provided case management to 407 individuals. A total of 1,864 individuals received mental health services.

SENATE WAYS & MEANS
MARCH 6, 2006
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
BLOCK GRANT HEARING
PAUL JOHNSON – KANSAS CATHOLIC CONFERENCE
CONCERNS/INFORMATION/RECOMMENDATIONS

- 1) The LIHEAP program will provide a benefit of around \$200 to 54,000 households this winter – an increase of 28% over last year. A \$200 benefit represents about 20% of an average natural gas home heating bill for the winter. This committee should be commended for ordering in the warmest January on record. Spot natural gas prices hit a record \$16/mcf last fall but are now down to \$8/mcf. LIHEAP at best serves just half of the eligible households in Kansas.
- 2) The President's 2007 budget request would reduce the LIHEAP block grant by 29% (adjusted for inflation) by 2011.
- 3) 15% of the LIHEAP block grant is transferred to the Kansas Housing Resources Corporation weatherization program. Along with funds from the Department of Energy, Kansas is weatherizing 1450 homes a year. There is a waiting list of 1-2 years. The Governor has proposed using expanded severance tax funds to add \$2 million for weatherization grants, \$2 million for a revolving insulation loan fund and add \$1 million to LIHEAP in 2007. This would be the first time for state funds to be used in these programs. Kansas is last among all states in state or utility funding of conservation.
- 4) The Kansas Corporation Commission cold weather rule ends April 1. Last April, Kansas Gas Service disconnected 13,947 homes. I have included a list of the disconnects by zip code. KGS serves 60% of Kansas homes.
- 5) According to 2000 U.S. Census, Kansas has 1,043,808 households. 128,783 renters and 122,719 homeowners are cost burdened by paying over 30% of their income for housing and utilities. The cost of natural gas in 2000 was half the cost of today's natural gas. Over half of Kansas' housing stock was built prior to 1960.
- 6) The LIHEAP application should be changed by adding a utility bill waiver clause so that SRS could share actual utility bills with the weatherization program. This would assist in identifying the homes and rentals that use excessive energy and these units could be prioritized by the weatherization contractors. Rentals present a special challenge since most renters pay the utility bills but have no control over the unit's efficiency.

Senate Ways and Means
03-06-06
Attachment 5

Kansas Gas Service

April 2005

Disconnections

| ZIP CODE | COUNT |
|----------|-------|
| 66002 | 76 |
| 66006 | 33 |
| 66010 | 4 |
| 66013 | 1 |
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| 66023 | 5 |
| 66030 | 114 |
| 66033 | 3 |
| 66035 | 9 |
| 66041 | 3 |
| 66042 | 4 |
| 66043 | 41 |
| 66048 | 293 |
| 66050 | 5 |
| 66060 | 5 |
| 66064 | 84 |
| 66066 | 12 |
| 66067 | 166 |
| 66070 | 3 |
| 66071 | 63 |
| 66073 | 9 |
| 66076 | 14 |
| 66078 | 3 |
| 66079 | 7 |
| 66080 | 14 |
| 66085 | 18 |
| 66086 | 12 |
| 66087 | 3 |
| 66088 | 9 |
| 66090 | 43 |
| 66092 | 30 |
| 66095 | 12 |
| 66097 | 9 |
| 66101 | 256 |
| 66102 | 430 |
| 66103 | 110 |
| 66104 | 664 |
| 66105 | 15 |
| 66106 | 126 |
| 66109 | 70 |
| 66111 | 2 |
| 66112 | 1 |
| 66202 | 128 |
| 66203 | 194 |
| 66204 | 171 |
| 66205 | 119 |
| 66206 | 25 |
| 66207 | 28 |
| 66208 | 108 |
| 66209 | 22 |
| 66210 | 21 |

| | |
|-------|-----|
| 66211 | 5 |
| 66212 | 202 |
| 66213 | 26 |
| 66214 | 57 |
| 66215 | 111 |
| 66216 | 128 |
| 66217 | 27 |
| 66218 | 8 |
| 66219 | 54 |
| 66220 | 2 |
| 66221 | 3 |
| 66223 | 65 |
| 66224 | 22 |
| 66226 | 12 |
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| 66406 | 3 |
| 66407 | 2 |
| 66411 | 9 |
| 66414 | 8 |
| 66415 | 3 |
| 66424 | 2 |
| 66425 | 1 |
| 66427 | 8 |
| 66429 | 1 |
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| 66436 | 32 |
| 66438 | 1 |
| 66439 | 33 |
| 66441 | 229 |
| 66451 | 17 |
| 66502 | 190 |
| 66503 | 19 |
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| 66515 | 2 |
| 66516 | 1 |
| 66517 | 38 |
| 66521 | 7 |
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| 66528 | 18 |
| 66533 | 7 |
| 66534 | 18 |
| 66535 | 23 |
| 66536 | 14 |
| 66537 | 17 |
| 66538 | 11 |
| 66539 | 13 |
| 66542 | 5 |
| 66547 | 36 |
| 66548 | 3 |

| | |
|-------|-----|
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| 66552 | 4 |
| 66603 | 61 |
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| 66605 | 247 |
| 66606 | 123 |
| 66607 | 180 |
| 66608 | 51 |
| 66609 | 65 |
| 66610 | 15 |
| 66611 | 85 |
| 66612 | 45 |
| 66614 | 176 |
| 66615 | 15 |
| 66616 | 84 |
| 66617 | 13 |
| 66618 | 12 |
| 66619 | 17 |
| 66701 | 131 |
| 66712 | 14 |
| 66713 | 106 |
| 66716 | 8 |
| 66720 | 1 |
| 66724 | 4 |
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| 66733 | 13 |
| 66735 | 7 |
| 66739 | 29 |
| 66743 | 19 |
| 66748 | 1 |
| 66749 | 12 |
| 66751 | 8 |
| 66755 | 11 |
| 66761 | 1 |
| 66762 | 263 |
| 66763 | 30 |
| 66770 | 6 |
| 66771 | 3 |
| 66773 | 17 |
| 66776 | 5 |
| 66780 | 6 |
| 66781 | 19 |
| 66801 | 246 |
| 66840 | 3 |
| 66854 | 10 |
| 66860 | 6 |
| 66865 | 1 |
| 66871 | 5 |
| 66901 | 49 |
| 66937 | 1 |
| 66938 | 3 |

| | |
|-------|-----|
| 66939 | 3 |
| 66940 | 3 |
| 66943 | 2 |
| 66945 | 6 |
| 66952 | 3 |
| 66953 | 1 |
| 66955 | 1 |
| 66956 | 2 |
| 66958 | 1 |
| 66960 | 1 |
| 66966 | 3 |
| 66967 | 6 |
| 66968 | 6 |
| 67002 | 28 |
| 67005 | 146 |
| 67008 | 6 |
| 67010 | 113 |
| 67013 | 7 |
| 67017 | 12 |
| 67019 | 10 |
| 67026 | 14 |
| 67029 | 11 |
| 67030 | 1 |
| 67031 | 19 |
| 67035 | 6 |
| 67037 | 76 |
| 67038 | 4 |
| 67039 | 11 |
| 67042 | 107 |
| 67052 | 27 |
| 67053 | 1 |
| 67054 | 17 |
| 67058 | 11 |
| 67059 | 6 |
| 67060 | 57 |
| 67066 | 2 |
| 67068 | 44 |
| 67070 | 7 |
| 67074 | 14 |
| 67104 | 15 |
| 67108 | 6 |
| 67109 | 4 |
| 67110 | 32 |
| 67112 | 1 |
| 67114 | 119 |
| 67117 | 2 |
| 67119 | 1 |
| 67123 | 10 |
| 67124 | 88 |
| 67127 | 7 |
| 67133 | 12 |
| 67135 | 10 |

| | |
|-------|-----|
| 67144 | 24 |
| 67146 | 6 |
| 67147 | 23 |
| 67152 | 75 |
| 67154 | 5 |
| 67202 | 5 |
| 67203 | 166 |
| 67204 | 141 |
| 67205 | 3 |
| 67206 | 24 |
| 67207 | 122 |
| 67208 | 199 |
| 67209 | 50 |
| 67210 | 115 |
| 67211 | 288 |
| 67212 | 28 |
| 67213 | 318 |
| 67214 | 362 |
| 67215 | 5 |
| 67216 | 304 |
| 67217 | 217 |
| 67218 | 260 |
| 67219 | 160 |
| 67220 | 51 |
| 67226 | 42 |
| 67227 | 1 |
| 67230 | 12 |
| 67235 | 5 |
| 67335 | 54 |
| 67341 | 1 |
| 67346 | 2 |
| 67356 | 16 |
| 67357 | 148 |
| 67401 | 390 |
| 67410 | 48 |
| 67416 | 4 |
| 67418 | 2 |
| 67420 | 20 |
| 67427 | 3 |
| 67428 | 6 |
| 67430 | 3 |
| 67431 | 14 |
| 67432 | 41 |
| 67436 | 5 |
| 67437 | 10 |
| 67439 | 8 |
| 67441 | 10 |
| 67443 | 6 |
| 67444 | 3 |
| 67445 | 3 |
| 67446 | 2 |
| 67448 | 9 |

| | |
|-------|-----|
| 67450 | 4 |
| 67451 | 2 |
| 67454 | 3 |
| 67455 | 6 |
| 67456 | 30 |
| 67459 | 2 |
| 67460 | 156 |
| 67464 | 8 |
| 67466 | 8 |
| 67467 | 17 |
| 67468 | 5 |
| 67473 | 5 |
| 67476 | 1 |
| 67480 | 11 |
| 67484 | 2 |
| 67487 | 9 |
| 67501 | 347 |
| 67502 | 100 |
| 67505 | 22 |
| 67512 | 2 |
| 67514 | 4 |
| 67519 | 3 |
| 67520 | 2 |
| 67522 | 10 |
| 67524 | 9 |
| 67525 | 5 |
| 67526 | 28 |
| 67529 | 5 |
| 67530 | 232 |
| 67543 | 17 |
| 67544 | 38 |
| 67546 | 6 |
| 67547 | 14 |
| 67548 | 10 |
| 67550 | 55 |
| 67552 | 3 |
| 67557 | 5 |
| 67564 | 1 |
| 67565 | 1 |
| 67570 | 5 |
| 67573 | 2 |
| 67575 | 3 |
| 67576 | 5 |
| 67578 | 22 |
| 67583 | 16 |
| 67640 | 1 |
| 67648 | 1 |
| 67665 | 59 |
| 67671 | 4 |
| 67831 | 4 |
| 67834 | 16 |
| 67859 | 1 |

| | |
|-------|-------|
| 67865 | 4 |
| TOTAL | 13937 |

5-23

The University of Kansas

Senate Ways and Means Committee

Hearing on HB 2574

March 6, 2006

Business and Financial Planning

Testimony of Theresa Klinkenberg
Chief Business and Financial Planning Officer
University of Kansas

Chairman Umbarger and members of the Committee, I am Theresa Klinkenberg, Chief Fiscal Officer for the University of Kansas. I appreciate the opportunity to speak today in favor of House Bill 2574 which expedites sale of property donated to Regents institutions.

As many members of this committee know, in 2002 the business officers from the Regents universities made a comprehensive study to identify areas where modifications of state laws, policies or procedures would result in administrative efficiencies and cost savings. The recommendations produced by this study were presented to the Governor and the Department of Administration, and Legislature.

I want to thank this committee in particular for the strong support you provided to enact a number of bills and support other changes in policies and business practices at that time.

Examples of changes enacted based on the 2002 study included:

- full pre-audit authority was delegated to the universities,
- surplus property procedures were modified to allow for local disposition of surplus property,
- local option printing was authorized, and

- the fee structure in the Division of Facilities Management was revised.

We believe each of these changes have been successful and have allowed for more efficient operations at the campuses and in central offices.

In the spirit of continuing the process started in 2002, this year the Universities and Regents have made several additional proposals to improve administrative efficiencies and business practices. HB 2574 is one of those initiatives, and is proposed to you today for that purpose.

Through the generosity of its alumni and other philanthropic individuals, the Board of Regents and Universities from time to time are given tracts of real estate, usually in the form of a bequest. Under current law, a university must seek specific prior authority from the Legislature to sell the donated property. The current law restricts the Board of Regents and Universities from quickly returning the land back to private property status through a sale to a willing buyer if the Legislature has adjourned.

For the Committee's consideration, I would like to highlight how the current law keeps KU from quickly selling donate property. Last summer, a KU supporter bequeathed to the University a quarter section of farm land in Wichita County, Kansas. The adjacent property owner is interested in buying the land. Rather than executing the sale during the summer, KU was forced to delay any transaction until the 2006 legislative session to secure the Legislature's approval to complete the transaction.

As the Committee knows, delays in real estate transactions sometimes discourages potential purchasers. Likewise, transaction delays accompanied by changes in interest rates or land prices can hinder sales. KU and Regents institutions under HB2574 will be able to quickly act if willing buyers express interest in donated property. All proceeds from the sale of bequeathed and donated property are invested in the appropriate manner to continue the benefit to the Regent institution as sought by the generous contributor.

HB 2574 builds on current state law. Right now, state law allows the Board of Regents and institutions to sell real property received from an estate if the property received is half or less of the total interest without seeking further legislative authorization. This bill will allow the Board of Regents to sell any property bequeathed to the Board or one of the state universities.

All sales would be made following existing state laws: the property would be appraised by three disinterested appraisers selected by a local judicial administrator, advertised for sale for 30 days in a local paper, and approved by the Board of Regents.

Thank you for your time this afternoon. I would be happy to answer any questions.



KANSAS BOARD OF REGENTS

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March 6, 2006

Senator Dwayne Umbarger
Chairman
Senate Ways & Means Committee
Statehouse, Room 120-S
Topeka, KS 66612

Senator Jim Barone
Ranking Member
Senate Ways & Means Committee
Statehouse, Room 181-E
Topeka, KS 66612

Dear Chairman Umbarger and Ranking Member Barone:


On behalf of the Board of Regents, I write to you to express the Board's support for House Bill 2574. This bill would allow the Board and the state universities to dispose of property bequeathed to them without having to seek authorizing legislation. Under current law, the Board and the state universities must seek legislation to dispose of land received in a bequest if the agency holds more than one-half interest in the property. This bill would do away with the limit.

House Bill 2574 is the result of a proposal that the University of Kansas (KU) brought before the Board of Regents for consideration this past fall. The Board voted to endorse KU's proposal in November 2005 and it was subsequently introduced by the Legislative Educational Planning Committee. House Bill 2574 was approved by the House Appropriations Committee on January 31 and by the House in a 107-17 vote on February 8.

K.S.A. 74-3254 currently authorizes the Board of Regents to sell partial interests of real estate devised to the Board or its governed institutions and to invest the proceeds in accordance with K.S.A. 76-156a. Frequently, a university is the sole beneficiary of a bequest or trust and the executor or trustee may prefer to transfer the property to a university rather than selling the property and transferring the proceeds to the university. Because state law prevents a state university from selling real estate without approval of the Legislature, the institution can miss opportunities to sell the property while the Legislature is out of session. Current law also prevents the expeditious return of land back to being private property. House Bill 2574 would simply grant institutions greater flexibility in responding to gifts that they receive.

Thank you for your consideration of House Bill 2574.

Sincerely,


Reginald L. Robinson
President and CEO

Senate Ways and Means
03-06-06
Attachment 7