

Problem Gambling and Other Addictions Fund (PGAF)

FY 2011, FY 2012 and FY 2013

January 10, 2011

	PGAF	FY2011	FY2012	FY2013
1	Consensus Revenue Estimate for PGAF (Oct 2011)	\$806,747	\$3,570,000*	\$7,314,000
	Governor's Budget Expenditures			
2	SRS Medicaid Addiction Treatment (PHIP)	-	1,450,000	6,450,000
3	SRS Problem Gambling Services	790,836	740,000**	740,000***
4	Total Expenditures	790,836	2,190,000	7,190,000

FY2011. Most of the Problem Gambling and Other Addictions Grant Funds (PGAF) received for FY 2011 were expended on SRS Problem Gambling Services.

FY2012. The 2011 Legislature swept \$900,000* from the FY 2012 PGAF to the SGF to help balance the State budget. For FY 2012 SRS was requested by the Legislature to reduce the SRS budget by 5%. SRS leadership's strategy to accomplish this goal was to exchange \$1.45 Million in PGAF for SGF through the Medicaid Pre-paid Inpatient Health Plan (PIHP) which provides addiction services to Medicaid eligible Kansas citizens via a contract with Value Options-Kansas, a managed care organization. While this strategy prevented any cuts in addiction services by using PGAF in place of SGF, it did not increase addiction services.

FY2013. The same FY 2012 SRS Problem Gambling Services (PGS) program budget was used for FY 2013. To balance the SRS budget in FY 2013 we will use the same strategy and therefore will exchange \$1.45 Million in PGAF for SGF to fund our Medicaid PIHP. The Governor's Budget Recommendation based on the Consensus Revenue Estimates of \$7,190,000 for the PGAF for FY 2013 allowed for a \$5 Million exchange in PGAF for SGF to fund Medicaid PIHP in the SRS budget for a total of \$6.45 Million which helped balance the state budget.

Summary

The deadline to submit our program budget was prior to beginning work on our SRS Problem Gambling Services (PGS) strategic plan and related assessments and calculations of the future demand of services. Based on the current projections and the preliminary work on our PGS strategic plan we recognize the necessity of making adjustments to our budget.

- 1) For FY 2012 and 2013 we plan to use the estimated increase in the Consensus Revenue Estimates for the PGAF (2%) for problem gambling and other addictions services. For FY 2012 there is an estimated increase of \$480,000** and for FY 2013 there is currently an estimated increase of \$124,000***.