

SESSION OF 2011

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2296**

As Amended by House Committee on  
Aging and Long Term Care

**Brief\***

HB 2296 would establish the Joint Committee on Oversight of the Closure of the Kansas Neurological Institute and the Kansas Neurological Institute Community Conversion Conservation Fund to review the process of transition of individuals from the Kansas Neurological Institute (KNI) to Home and Community Based Services (HCBS).

**Duties of Joint Committee**

The Joint Committee would be charged to:

- Review the number of individuals who are transferred from KNI to HCBS, the associated cost savings and other outcomes of the Money-Follows-The-Person Program; and
- Review the data and information submitted by the Kansas Facilities Closure and Realignment Commission regarding community placement costs, proposed costs incurred by the KNI transition of their residents to the community, and projected savings in the closure of KNI.

The Joint Committee also would be allowed to consider other data or information it deems necessary to review to fulfill its oversight duties.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Duties of the Joint Committee would include:

- Oversight of savings resulting from the transfer of individuals from KNI to HCBS. "Savings" would be defined as the difference between the average cost of providing services for individuals in an institutional setting and the cost of providing services in an HCBS setting;
- Consideration of whether sufficient funds are provided for the enhancement of wages and benefits and for staff training of direct individual care workers;
- Consideration of whether adequate progress is being made in transferring individuals from KNI and from the waiver waiting list to HCBS; and
- Review and ensure proceeds resulting from successful transfer of individuals is being applied to HCBS.

#### **Joint Committee Membership and Compensation**

The bill would make the following provisions for membership and compensation:

- Twelve members would be appointed to the Joint Committee with nine legislative members, and two members appointed by the Governor. The members appointed by the Governor would be a former KNI employee, and the other would be a parent of a current KNI resident;
- Legislative membership terms would coincide with the terms to which the members are elected or appointed; and
- Members would receive compensation, travel expenses and subsistence expenses or allowance for attending

Joint Committee meetings or authorized subcommittee meetings.

### **Joint Committee Meetings**

The bill would provide that:

- The first meeting of the Joint Committee would be held prior to August 1, 2011 on the call of the member appointed by the Speaker of the House of Representatives, who would be the first chairperson;
- The Joint Committee would be required to meet at least four times per year; and
- Five members would constitute a quorum.

### **Annual Written Report**

The Joint Committee would be required to submit a written report at the beginning of each regular session of the Legislature to the President of the Senate and the Speaker of the House of Representatives. The written report would include the following:

- The numbers of individuals transferred from KNI to HCBS, including the average daily census in the state institutions and long-term care facilities;
- The savings resulting from the transfer certified by the Secretary of Social and Rehabilitation Services (SRS); and
- The current balance in the KNI Community Conversion Conservation Fund of SRS.

### **KNI Community Conversion Conservation Fund**

The bill would establish the KNI Community Conversion

Conservation Fund administered by the Secretary of SRS. The fund would operate in the following manner:

- Savings resulting from the transfer of individuals from KNI to HCBS would be credited to the Fund;
- Proceeds from the sale, lease, mortgage or any other transaction involving KNI real or personal property would be deposited in the State Treasury and credited to the Fund; and
- Expenditures from the Fund would be in accordance with the provisions of appropriations acts upon vouchers approved by the Secretary of SRS or the Secretary's designee.

#### **Certification of Savings Transferred**

The Secretary of SRS would determine the savings attributable to the transfer of each individual from KNI to HCBS and certify the amount of savings to the Director of Accounts and Reports who, upon receipt of certification, would transfer the specified amounts in the certification from the funds and accounts specified to the KNI Community Conversion Conservation Fund. A copy of each certification would be transmitted to the Director of the Budget and the Director of Legislative Research.

Further, at the beginning of each calendar quarter, the Secretary of SRS would be required to certify to the Joint Committee the amount of savings transferred to the KNI Community Conversion and Conservation Fund as a result of the transfer of individuals from KNI to HCBS who had been transferred during the previous calendar quarter.

If provisions creating the KNI Community Conversion Conservation Fund would be repealed or would become null and void, all monies in the Fund would be returned to the HCBS Waiver for individuals with developmental disabilities.

## **Background**

HB 2296 was introduced by the House Committee on Aging and Long Term Care at the request of the Committee Chairman, Representative Bob Bethell. Proponents of the bill before the Committee included representatives of the Disability Rights Center of Kansas (DRC); InterHab, Inc.; the Kansas Council on Developmental Disabilities; and the End the Wait Campaign. A representative of DRC testified the bill would ensure that if KNI closes all of the savings resulting from closure would be tracked in a separate fund and would establish the precedent to ensure that those savings were dedicated toward the HCBS DD Waiver. The DRC representative presented information regarding the number of individuals currently on the HCBS DD waiting list. A representative of InterHab, Inc. stated the importance of providing an organized legislative effort to oversee the reallocation of institutional resources.

There were no opponents to the bill at the House Committee hearing.

The House Committee on Aging and Long Term Care amended the bill to increase the number of members on the Joint Committee on Oversight of the Closure of KNI by two in order to allow for representation from a former KNI employee and a parent of a current resident of KNI. The bill was further amended to provide that all proceeds resulting from a sale, lease, mortgage or any other transaction involving KNI real or personal property be deposited in the State Treasury and credited to the KNI Community Conversion Conservation Fund. Bill language was changed to clarify where the savings resulting from the transfer of individuals from KNI to HCBS are to be credited.

The fiscal note on the original bill prepared by the Division of the Budget states the Department of Social and Rehabilitation Services indicated that the implementation of the bill could be handled within the agency's existing resources. The Legislature estimates that if the Committee

only meets the four times required by the bill, the cost would be approximately \$26,184 from the State General Fund. However, the bill does not place a cap on the number of meetings the Committee may hold. Each meeting is expected to cost \$6,546 and includes expenses related to mileage, subsistence, per diem, and salary and wages for a secretary to staff the meeting. Any fiscal effect associated with the bill is not reflected in *The FY 2012 Governor's Budget Report*.