Approved	ganuary	29	1990
	Date 0	,	

MINUTES OF THE SENATE COMMITTEE ON	WAYS AND MEANS
The meeting was called to order bySENATOR AUGUST	"GUS" BOGINA at
11:10 a.m./p.XX on JANUARY 18	, 19_90 room <u>123-S</u> of the Capitol.
All members were present except:	

Committee staff present:

Research Department: Diane Duffy, Leah Robinson

Revisor: Norm Furse

Committee Staff: Judy Bromich, Administrative Assistant

Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Melissa Ness, Kansas Childrens' Coalition

Bruce Linhos, Executive Director of Kansas Licensed Private Child Care

Services (KALPCCA)
Mary Ella Simon, League of Women Voters

Senator Bogina called the meeting to order for the purpose of continuing discussion regarding  $\underline{SB}$  442,  $\underline{SB}$  413 and budget cuts within the Department of Social and Rehabilitation Services (SRS).

Attachments 1, 2, and 3 were distributed to Committee members.

Melissa Ness, Director of Advocacy and General Council for Kansas Childrens' Service League, appeared before the Committee on behalf of Kansas Childrens' She reviewed Attachment 4, urging the restoration of services at Coalition. the levels set by the 1989 Legislature.

Bruce Linhos, Executive Director of Kansas Association of Licensed Private Child Care Services (KALPCCA) reviewed Attachment 5. Mr. Linhos answered an inquiry about the number of children in need by saying that families of the drug culture and teen pregnancy are primary causes for the increase. Mr. Linhos stated that he did not know how to respond to the numbers except by providing more facilities. He said because of the numbers, emergency shelter homes are having to develop waiting lists; some who cannot be accommodated are placed in detention or are being left in their homes.

Mary Ella Simon, League of Women Voters, reviewed Attachment 6.

Senator Bogina noted that he had met with the Governor as well as with many members of the Committee to discuss the issue of the SRS budget cuts. It was his feeling that not all the cuts should remain as they are for the balance of the year, but that developing a workable program for the balance of this year and for next year could not be done in a short length of time. Therefore, he recommended that <u>SB 413</u> remain in Committee for consideration, and that an appropriation be made in <u>SB 442</u> for \$5,250,000 to fund Medikan and the General Assistance program as it is, with no modifications until He further recommended using bonds to fund \$5,250,000 of the April 1, 1990. prison improvements, thereby freeing that amount of the State General Fund for the purpose of continuing these SRS programs. Senator Bogina noted that the Governor will accept this funding, and, if the Committee takes action today, the Governor will advise the Secretary of Administration not to notify SRS clients about the budget cuts.

Senator Allen questioned why Foster Care was not included in Senator Bogina's recommendation. Senator Bogina noted that Foster Care received a 5% increase as of July, 1989. Senator Salisbury asked whether the 1989 Legislature based its appropriation for the Foster Care program on zero growth and questioned whether reducing appropriations and eliminating the study of childrens'

#### CONTINUATION SHEET

SI	ENATE		WAYS	AND	<b>MEANS</b>	
MINUTES OF THE	COMN	IITTEE ON				 ,
123-S	11:10	XX	JANU	JARY	18	90
room, Statehouse	e, at a.n	n./p.m. on				 , 19

services was good planning for the future. Senator Bogina reminded the Committee that there is a \$4.3 million regular supplemental which is part of the Governor's recommendation to accommodate the caseload growth. Discussion followed regarding the financial decisions with which the Committee will be faced. In answer to a question, Senator Bogina said that he had not discussed a 5% increase in Foster Care with the Governor.

Senator Winter noted his concern regarding the availability of room for the rising Foster Care caseload. Senator Bogina reminded him of the \$4.3 million appropriation recommended by the Governor for this purpose. Senator Winter moved to appropriate \$6,250,000 with \$5,250,000 designated for Medikan and General Assistance as a line item, \$908,000 for granting the 10% increase to Foster Care from January 1, 1990 as a line item, and \$16,000 for ACIL as a line item. He further moved using bonds to fund \$6,250,000 of the prison improvements, thereby freeing that amount of the State General Fund for the purpose of continuing these SRS programs. Senator Allen seconded.

Senator Bogina expressed reluctancy in appropriating \$16,000 for three persons for three months who could be accommodated in another fashion.

Senator Kerr made a substitute motion to appropriate \$5,250,000 which would fund Medikan and General Assistance until April 1, 1990 and \$375,000 to fund Foster Care increase at a rate of 5% for 5 months, starting February 1, 1990 and continuing through the end of the fiscal year. Senator Gaines seconded. Senator Kerr told the Committee that his concern was rollbacks in 1991 and, for that reason, felt it was better not to increase Foster Care the full 10%.

Senator Johnston questioned the ability of the Committee to come up with solutions to the budget problems in six weeks and recommended restoring the rescissions for the balance of the year to give the Committee time to consider solutions. Senator Bogina noted that he could not recommend using all the funds available at this point because funding priorities have not been determined. He noted that because of the \$3. increase for Aid to Families with Dependent Children (AFDC) and General Assistance (GA) on July 1 and the increased housing allowance in all but two counties, it was not accurate to say that there had been a \$9 per capita decrease in monthly AFDC benefits and in GA.

In answer to a question, it was noted that the cost of extending Medikan and General Assistance for one month would be approximately \$1.2 million.

Senators Winter and Allen noted their opposition to the substitute motion; Senator Rock said he would support the substitute motion because he felt it would not be vetoed. The substitute motion failed on a show of hands.

Senator Johnston offered a substitute motion to restore Foster Care services from January 1 to June 30, 1990, and to restore Medikan, General Assistance, Aid to Families with Dependent Children, and Attendant Care for Independent Living until May 1, 1990. He moved that bonds be used to fund the prison construction, thereby relieving the State General Fund of construction costs for the purpose of funding these programs. Senator Feleciano seconded. Senator Bogina stated that he could not support the substitute motion because it is contrary to what the Governor would accept and contains no modifications whatsoever.

The substitute motion passed on a show of hands. Senator Bogina noted that he would not carry the bill.

Senator Johnston moved to amend SB 442 with his substitute motion but not tie it to the appropriation for Fort Hays State University. Senator Bogina noted his concern that this bill would have difficulty moving through both houses quickly and the funding for Fort Hays State would be in jeopardy.

Senator Doyen offered a substitute motion to amend this legislation into SB

#### CONTINUATION SHEET

	ENATE		WAYS AND			
MINUTES OF THE	COMN	MITTEE ON				
123-S	11:10	XX	JANUARY	18	90	
room, Statehouse	e, at a.r	n./p.m. on			, 19	
413. Senator Alle	en seconded.	The motion	passed on a show	of hands	5.	
Senator Felecian	o moved and S	Senator Dove	n seconded that	SB 413 as	s amended b	)e
			motion passed on			
			-			
			seconded that S			<u>)e</u>
recommended favo	<u>rable for pas</u>	sage. The	motion passed on	a roll ca	all vote.	
The meeting was	adjourned at	12:27 P.M.				

### GUEST LIST

COMMITTEE: SENATE WAYS AND MEA	ATE:	
NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
THOMAS a (Tim) Owens	D50B	5R5
Katin Klassen.	-SRDSOB	: 5RS
GREG LEE	500 SW 10711	SUPER D DRUES
brorge Dugger	Toute	13. Doy on Agina
Sherottolday	Capreol.	Budget
Muse woo energy	TOPEKA	BUDGET
WALT DARLING	Topeka	DIVISION OF BUDGET
Bruce Links	Lawrence	XALACCA
Man Elle Dimo	touba	Le of Women Voter
Melisa Nen	Voxeba	RCSL
Paul Johnson	15 -	PACK
Marilyn Brackt	Laurence	KINH
Joseph Power	Topela	KDHE
Within Schume	Tucha	KOHE
Bill CRAWFORD	HOR7ON	HORTON KANSAS INS
-EFFTETER	HORTON	1/1/
Doug Johnston	Lowrence	jutern
MARRY Rute	TOPPELCA	Khs
Tom DAY	TOPEKA	KCC
Marchell Conther	harrence	KPERS
Trak Howa	Topeka .	<i>f</i> )
JAMOS A Zoold	Cent.	KS77A
Chais Starfield	TOPELA	SAS
Dalph South Jana	To Peka.	Kwo
Lary Stulet	Topeha	Gavernov's Office.
Sopher George	//	for . Helinas
Here Johnson	Topola	Ko aleal & Deug Hog
	Topette	KS alculate Dog Pray
		V 0

## SENATE WAYS AND MEANS COMMITTEE Testimony Senate Bill 413

January 16, 1990

Due to proposed cutbacks in allocations which are scheduled to become effective on February 1, 1990, the following alcohol/drug rehabilitation programs will receive less funding for the balance of the fiscal year 1990. In addition, these same programs, using the same formula will also receive less funding in 1991.

PROGRAMS AFFECTED	EST. LOSS OF FUNDS TO JUNE 30, 1990	EST. LOSS OF FUNDS FISCAL YEAR 1991
Corner House Emporia, Kansas	\$ 9,583.00	\$ 23,000.00
Crossroads Garden City, Kansas	10,417.00	25,000.00
D.R.A.G. Club Alcohol Center, Inc. Kansas City, Kansas	15,000.00	36,000.00
Johnson County Substance Abuse Services, Inc. Shawnee, Kansas	10,833.00	26,000.00
First Step House Lawrence, Kansas	9,167.00	22,000.00
Recovery Services Council, Inc. Wichita, Kansas	26,250.00	63,000.00
Salvation Army Shield of Service Kansas City, Kansas	10,833.00	26,000.00
Substance Abuse Center of Eastern Kansas Kansas City, Kansas	8,333.00	20,000.00
Services for Alcohol Related Problems Topeka, Kansas	18,750.00	45,000.00
Southwest Kansas Alcohol & Drug Addiction Foundation, Inc. Liberal, Kansas	5,833.00	14,000.00

SWAM Gan. 18 Attachment 1

Sunrise House, Inc.	12,083.00	29,000.00
Larned, Kansas		
Estimated Total Reduction	\$ 137,082.00	\$ 329,000.00

These programs are part of the Continum of Care concept developed by the Alcohol and Drug Abuse Section of SRS for the treatment and reintergration of persons that are afflicted with alcoholism and drug addiction. These people are without health insurance or financial means to pay for their own treatment. They could be classified as indigent or the "working poor."

The Kansas Association of Alcohol and Drug Programs Directors are in support of legislation that will provide the necessary funds to maintain these programs at the current level for the balance of the fiscal year 1990.

In addition, the Kansas Alcoholism and Drug Addiction Counselors Association and the Kansas Alcohol Safety Action Project Coordinators Association also support legislation to restore the projected cuts to their current level.

Gene Johnson

Lobbyist for the Kansas Association of Alcohol and Drug Programs Directors

1300 Topeka Avenue • Topeka, Kansas 66612 • (913) 235-2383 Kansas WATS 800-332-0156 FAX 913-235-5114

January 17, 1990

T0:

Senate Ways and Means Committee

FROM:

Kansas Medical Society Chiple Sullin

SUBJECT:

Senate Bill 413, As Introduced

The Kansas Medical Society appreciates this opportunity to express our support for the provisions of SB413.

On December 1, 1989, we corresponded with the Secretary of Social and Rehabilitation Services expressing our opposition to proposed temporary regulations which abolished the State's MediKan program. On December 22, 1989, we corresponded with the Chairman of the State Rules and Regulations Board (with copies to members) urging the Board to not approve adoption of the regulations in order for the Legislature to consider an emergency supplemental appropriation to prevent interruptions in health care services for MediKan participants.

Our opposition to those revised regulations was for the obvious reasons. We believe that prevention of human suffering because of illness should be one of the State's most important funding priorities regardless of the budget dilemma. Although some physicians would likely continue to provide services to former MediKan patients, a charity care diagnosis serves little purpose when the patient cannot afford the prescribed medication.

We urge you to recommend passage of SB413. Thank you for considering our concerns.

CW: 1g

SWAM Gan. 18, 1990 Attachment 2



#### Donald A. Wilson President

January 16, 1990

TO:

Senate Ways and Means Committee

FROM:

Kansas Hospital Association

RE:

MediKan Program

The Kansas Hospital Association appreciates the opportunity to comment regarding the proposed elimination of the MediKan program. This is an extremely difficult issue, because the state has legitimate fiscal problems. On the other hand, many needy Kansans have serious medical problems that will worsen without continued attention.

We wish to emphasize that the most important concern over the elimination of the MediKan program must continue to be the effects that will be felt by individual Kansans. These potentially disastrous effects have been well documented. Legislators have heard numerous accounts of how some Kansans with medical problems will suffer if the program is cut. All agree this must remain the first priority of legislators.

In addition, however, the elimination of the MediKan program will have other important ramifications. For example, health care providers who have treated MediKan providers will no longer be reimbursed for the services they provide. In some cases, this will have a substantial financial impact. If the program is eliminated, patients will obviously not stop getting sick. On the contrary, their conditions will worsen and in many cases people will wait as long as possible before seeking treatment. The hospital emergency room will be their entry point into the health care system. Emergency and follow-up treatment will likely be more intense, more acute and more expensive than it would have been if the program were still operating. In reality, then, it is probable that the overall costs to the system will be more, not less, if the MediKan program is eliminated. The only difference is that entities other than the state will be picking up most of the extra expense. In large part, providers will be forced to absorb these costs. However, where possible, some costs will be shifted to health insurers and other private payers.

Many speak of the "safety net" that ensures access to health care services for those unable to afford it. This safety net is fashioned by both the public and private sectors, including the state and federal government, health care providers, insurers and private employers. We are concerned that elimination of the Medikan program will put further strain on this safety net. The indigent care problem, which the state has spent much time and effort studying, will only increase under the proposal. SWAM Jan. 18, 1990

TLB/pj

## CHILDREN'S COALITION

P.O. Box 5314 Topeka, Kansas 66605 913-232-0543

## TESTIMONY BEFORE SENATE WAYS AND MEANS 1/17/90

RE: SB 413--Appropriations for FY 90 for Department of Social and Rehabilitation Services restoring the MediKan Program

THE CHILDREN'S COALITION is a statewide advocacy organization comprised of 31 organizations who provide services or advocate for children and families in Kansas. We recognize that every child has certain basic needs which must be met by their families and/or their communities. Consequently, our mission is to promote laws, policies and services that help children:

\*to be provided food, shelter, clothing, health care, education and recreation.

\*to be recognized as individuals and to have their legal rights as individual citizens protected.

\*to have a stable living environment which provides security, permanence, and a sense of belonging and being loved.

\*to be safe from abuse, neglect, and exploitation.

The 1989 Legislature made great strides in moving us toward accomplishment of that mission. The work that was done placed families and children in need on center stage and demonstrated the understanding of the importance of investing in our future work force. However, it is clear to us, that the elimination of MediKan, the cutbacks in General Assistance and Aid to Families with Dependent Children, the elimination of the 10% foster care rate, the loss of the professional assessment in SRS have placed families once again in jeopardy. This most vulnerable population, the majority of whom do not vote, are being told they must again tighten their belts.

In a recent Children's Defense Fund report, this Washington based advocacy organization stated that even though we get an "A [as a nation] for our capacity to care for our children, we get an F in actually doing so. Kansas, unfortunately contributes to that bleak picture. This report took twenty indicators of trends in children's status and state program investments and rated each on whether their progress was adequate or inadequate. Candidly, only 2 states rated above a score of 50%, 100% being an A. However, Kansas was rated with a mere 15% score with three other states. In short, Kansas was making adequate progress in only three of the twenty areas CDF reviewed.

SWAM Jan. 18, 1990 Attachment 4 We strongly believe that the progress made by last year's Legislature in protecting children and families were steps toward making adequate progress. That is why we are asking for restoration of:

The 10% increase in foster care rates scheduled for implementation on January 1st, 1990. Amount: \$1.2 Million

The \$225,000 appropriated by the Legislature for a professional assessment of SRS programs aimed at children at risk.

The 7 1/2% cut in cash grants for ADC and GA. Amount: \$2.1 Million

Reinstatement of the MediKan program. Amount: \$4.7 Million

It is important to note that even though many of these cuts are continually referred to as welfare payments or welfare cuts, from our perspective these represent losses in a family's basic survival needs budget. For example, of the 75,000 individuals being served through Aid to Families with Dependent Children, 51,000 of those are children. The loss of foster care funding jeopardizes the providers in this state to continue to accept children into their care when they can no longer remain safely at home. In addition many of those children suffer from abuse and neglect and drug or substance abuse problems and desperately need treatment.

We hope that cuts in these vital survival needs programs are not a message that the level of obligation to the poor and disadvantaged in this state is only as strong as our ending balances.

The impact of these cuts will be felt by countless Kansas children and families. We believe the 1989 Legislature knew what the losses would be without the level of investment you ultimately gave in these areas. We stand convinced that unless we invest in basic survival needs now we pay a heavier price later.

We urge restoration of the vital services in FY 90 at the levels set by the 1989 Legislature.

#### Children's Defense Fund 1990 State Fact Sheet

#### How Kansas Treats Its Children

Number of children in state (1987) Children as a percent of total state population (1987)

650,000 26.3

	Total State S	core	151	(ADEQUATE* ON 3 OF 20 )	
Trends in Children's Status	State Rank in Most Recent Tear	Trend in KS	State Comp with U.S Average	Making Adequate	Number of States Making Adequate Progress
1. Early Prenatal Care (1978-1987)	14	Better	Better	No	0
2. Infant Mortality (1978-1987)	20	Better	Better	ïes	30
3. Low-Birthweight Births (1978-1987)	19	Worse	Better	No	5
4. Teen Birth Rate (1980-1986)	31	Better	Worse	ïes	34
5. Births to Unmarried Women (1980-1987)	10	Worse	Better	No	22
6. Paternities Established (1981-1987)	36	Worse	Worse	No	23
7. Children in Poverty (1979-1985)	7	Worse	Better	No	2
8. Affordability of Housing (1979-1989)	29	Worse	NA	No	1
9. High School Graduation (1982-1987)	9	Better	Better	Мо	29
10. Youth Unemployment (1982-1988)	. 19	Worse	Better	No	25
State Program Investments		¥	te Compared ith U.S. Average	Is State Making Adequate Program Investments?	Number of States Making Adequate Investments
11. Medicaid Coverage of Babies and Pregna	ant Women		NA	No	15
12. Medicaid Coverage of Poor Children			NA	No	17
13. Nutritional Assistance for Mothers and	d Children		NA	No	10
14. Support for Early Childhood Education			Nλ	No	29
15. Child Care Quality: Staff Ratio			Better	ïes	30
16. Child Support Collection Efforts			Worse	No	19
17. AFDC Benefits Compared to Inflation			Worse	Но	2
18. Rents vs. AFDC Benefits			NA	No	Û
19. Students per Teacher Ratio			Better	No .	8
20. State Youth Employment Initiatives			NA	No	28

<sup>\*</sup> Definitions of adequate progress and adequate program investment are on the back of this sheet. Additional information is included in the Children's Defense Fund publication, Children 1990, available from CDF, 122 C Street, N.W., Washington, D.C. 20001, (202) 628-8787.

NA = Not Applicable

#### "finitions of Adequate State Pi ss in Children's Status

- 1. Barly Prematal Care: Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 year of ensuring 90 percent of all infants are born to women who begin prematal care in the first three months of pregnancy?
- 2. Infant Mortality: Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing the infant mortality rate to nine or fewer deaths for every 1,000 births?
- 3. Low Birthweight Births: Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing the proportion of infants born at low birthweight to no more than 5 percent of all births?
- 4. Teen Birth Rate: Has the state achieved a reduction in the number of teens giving birth (per 1,000 females ages 15-19) by more than the national rate of reduction?
- 5. Births to Unmarried Women: Has the state had a smaller increase in the percent of births that were born to unmarried women than has the nation as a whole?
- 6. Paternities Established: Has the state increased the number of paternities established per 1,000 births to unmarried women at a rate greater than the national average?
- 7. Children in Poverty: Has the state achieved any reduction in the percentage of children living in poverty?
- 8. Affordability of Housing for the Poor: In 1989, was the fair market rental price for a two-bedroom apartment in the state's metropolitan region with the lowest such rent, 30 percent or less of the 1989 federal poverty level income for a family of four?
- 9. High School Gradation Rate: Has the state increased its graduate rate (the percent of minth minth graders finishing high school four years later) by an amount greater than the mational average?
- 10. Youth Unemployment Rate: Has the state reduced the percent of unemployed youths (those looking for work but unable to find a job) by more than the national rate of reduction?

#### Definitions of Adquate State Program Investments

- 11. Medicaid Coverage of Babies and Pregnant Women: Is the state one of the 15 that by the end of 1989, provided as much Medicaid coverage to babies under age one and pregnant women as federal law allowed?
- 12. Medicaid Coverage of Children: Is the state one of the 17 that by the end of 1989, provided as much Medicaid coverage to children under age 6 and living in poor families as federal law allowed?
- 13. Mutritional Assistance for Nothers and Children: Is the state one of the 10 providing additional women and children with food benefits by supplementing federal funds for WIC (the Special Supplemental Food Program for Women, Infants, and Children)?
- 14. Support for Early Childhood Education: Is the state one of the 29 that supplement federal Head Start funds, or allocate state revenues to fund its own preschool education program?
- 15. Child Care Quality: Staff Ratio: Is the state one of the 30 that require state-licensed child care centers to limit the number of nine-month old babies for every caregiver to no more than four-to-one?
- 16. Child Support Collection Efforts: Is the state one of 19 doing better than the national average on collecting amounts due from absent parents who owe child support?
- 17. AFDC Benefits Compared to Inflation: Is the state one of the two that raised maximum Aid to Families with Dependent Children (AFDC) benefit levels enough to keep pace with inflation between 1970 and 1989?
- 18. Rents vs. AFDC Benefits: Does the state's maximum AFDC benefit level allow families to rent housing for no more than 30 percent of their monthly income, as recommended by the federal government?
- 19. **Students-per-Teacher Ratio:** Is the state one of the eight that has reduced the student-to-teacher ratio in public school classrooms to 15-to-one or less, as recommended by the National Education Association?
- 20. State Youth Employment Initiatives: Is the state one of the 28 that allocate funds to find or create jobs for young people not going on to college?



## **KALPCCA**

## KANSAS ASSOCIATION OF LICENSED PRIVATE CHILD CARE AGENCIES Testimony

**EXECUTIVE COMMITTEE** 

PRESIDENT Sherry Reed T.L.C. Box 2304 Olathe, Kansas 66061 913-764-2887 Senate Ways and Means Bruce Linhos
Box 3658
January 17, 1990
Lawrence, Kans

EXECUTIVE DIRECTOR Bruce Linhos Box 3658 Lawrence, Kansas 66046 913-749-2775

PRESIDENT ELECT Wayne Sims Wyandotte House 632 Tauromee Kansas City, Kansas 66101 913-342-9332

VICE PRESIDENT Judy Culley The Shelter, Inc. Box 647 Lawrence, Kansas 66044 913-843-2085

TREASURER
Phil Krueger
Wyandotte House
632 Tauromee
Kansas City, Kansas 66101
913-342-9332

SECRETARY Don Harris The Villages, Inc. Box 1695 Topeka, Kansas 66601 913-267-5905

> POLITICAL ACTION Joyce Allegrucci 2411 S.W. 35th Terrace Topeka, Kansas 66611 913-266-4061

TELEPHONE TREE Sally Northcutt Booth Memorial Box 2037 Wichita, Kansas 67203 316-263-6174

MEMBERSHIP Frank Hebison St. Francis Box 1340 Salina, Kansas 67401 913-825-0541

> AT LARGE John Bozich Residential Center for Youth 30th & Michigan Pittsburg, Kansas 66762 316-232-1500

**Ray Kelly** 226 N. C Street Arkansas City, Kansas 67005 316-442-8229

Phil Kolodziej Youthville Box 210 Newton, Kansas 67114 316-283-1950

PAST PRESIDENT
Peg Martin
The Farm
612 Union Emporia, Kansas 66801
316-343-6785

We appreciate the opportunity to appear before the Senate Ways and Means Committee today. We also appreciate the difficulty confronting this committee in addressing the funding problems facing S.R.S.

The Kansas Association of Licensed Private Child Care Agencies is composed of 34 agencies offering residential care and treatment to children in S.R.S. custody. Funding for these programs represents one component of the foster care budget. The other principle component of that budget is family foster care.

PROBLEM: Increasing caseloads in foster care and other parts of S.R.S. have prompted that agency to rescind the 10% reimbursement increase, authorized by last years legislature, and scheduled to go into effect this month. This decision is a real blow to foster parents and residential agencies who saw the 10% as critical to the maintenance of an already burdened foster care system in Kansas.

The 10% increase represents \$1.2 million for the balance of FY 90. The loss of this money will have a serious effect on all of foster care, and will see the state confronted with fewer beds at a time of rising and more difficult caseloads.

To give an example; an agency in Southeastern Kansas was projecting a deficit of \$30,000 this year. Removal of the 10% reimbursement reduces their revenue by \$39,650 and gives them a deficit of \$70,000 to deal with in an already bare bones budget. This agency has operated at capacity with a waiting list for the past five years.

At the last meeting of our association six agencies present indicated that they had or were in the process of talking with their Boards of Directors about having to pull out of residential care. This amounted to 186 beds which would be lost to this State.

SWAM Jan. 18, 1990 Attachment S As you have heard, the caseloads in foster care are now projected at \$2.5 million over FY 90 funding levels. The Governor recommended a \$2.8 million supplemental to cover the foster care case load adjustment this fiscal year. The problem however, is not only case load but also how far the private sector can continue to go in supplementing the States foster care program. Without the 10% increase in reimbursement level scheduled for January, its going to be extremely difficult for foster families and agencies to serve an increasing numbers of difficult children.

Legislators last session voted for a 15% increase in foster care funding, 5% in July and 10% in January to shore up the foster care system. The retraction of that 10% after budgets have been set has created a serious problem for the service delivery network.

The attached chart outlines how foster care has fallen behind in buying power over the past decade. It also I hope makes it clear the maintenance of the 10% cut can not help but to adversely effect the services than can be provided to children.

We further hope that this Committee will recognize that all and any of the proposed cuts, be they in Medi-Kan, AFDC, General Assistance, or foster care will most assuredly have serious consequences on the States most vulnerable citizens.

Submitted by:

Bruce Linhos

Buce Links

Executive Director

# Foster Care Rates Comparison to the Consumer Price Index

<u>Year</u>	Foster Care Reimbursement Increase	<u>C.P.I.</u>
1980	0	13.5%
1981	5%	10.3%
1982	5%	6.2%
1983	2%	3.2%
1984	5%	4.3%
1985	0	3.6%
1986	15% family F.C. 8% July, 2% Jan. Group and Residential.	1.9%
1987	5% July, reduced by 3.8% in January.	3.6%
1988	3.8% July, 2% Jan 89.	4.4%
1989	3.2%	4.7%
1990	5% July (10% Jan Rescinded)	4.5%
Total	43.4%	60.2%
Compounded Total	53%	79%

#### LEAGUE OF WOMEN VOTERS OF KANSAS

Jan. 18, 1990

To: Senate Ways and Means Committee, Sen. Gus Bogina, Chairman

I am Mary Ella Simon speaking for the League of Women Voters of Kansas in support of restoring funding to the SRS programs affected by the Governor's budget cuts.

The League has already testified on this issue at the SRS hearing in December and before the Governor's panel on rules and regulations. We also met with members of the Governor's staff to disucss our priorities for the 1990 legislative session and funding for programs for children and families in need was one of them.

We believe that most of us are convinced of the need for full funding of SRS programs, but we would like to add one point that came to our attention when we compiled the results of our voter advocacy survey this fall after some 4,000 interviews across the state.

That is that the higher the income and education levels of the individual, the more likely it is that the person will vote. That's not exactly news, but it does bring into question whether cutting the SRS budget was the politically expedient thing to do because these people don't vote, particularly since a majority of the recipients are children.

We would like to commend the Legislature for its action last year in increasing funding and we hope that you will work speedily towards restoring these cuts.

Thank you.

SWAM Jan 18, 1990 Attachment 6