

Approved: 03/29/94
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 12:30 p.m. on March 23, 1994 in Room 514-S of the Capitol.

All members were present except: Rep. Betty Jo Charlton, excused
Rep. Fred Gatlin, excused

Committee staff present: Kathy Porter, Legislative Research Department
Laura Howard, Legislative Research Department
Pat Mah, Legislative Research Department
Leah Robinson, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee: none

Others attending: See attached list

The committee was to consider subcommittee reports for those agency budgets contained in **SB 633**. Rep. Lowther read the FY 94 and FY 95 recommendations of the subcommittee for the Kansas Healthy Kids Corporation. (See Attachment 1). Rep. Lowther made a motion to adopt the subcommittee reports. Rep. Reinhardt seconded the motion and it carried.

Rep. Allen read the Corporation for Change subcommittee budgetary recommendations for FY 94 and FY 95. (See Attachment 2). Rep. Allen moved both reports, seconded by Rep. Helgerson and carried.

The FY 94 and FY 95 subcommittee recommendations for the Kansas Soldiers Home were given by Rep. Lowther. (See Attachment 3). Rep. Lowther made a motion adopting the reports. The motion was seconded by Rep. Dean and carried.

The Commission on Veterans' Affairs FY 94 and FY 95 subcommittee recommendations were read by Rep. Lowther. (See Attachment 4). Rep. Lowther moved to adopt both reports. His motion was seconded by Rep. Reinhardt and carried.

Rep.s Gregory and Helgerson read the subcommittee reports for the Department on Aging's FY 94 and FY 95 budgets. (See Attachment 5). Rep. Helgerson made a motion for a technical amendment taking into account legislation being considered during the Omnibus session. Rep. Mead seconded the motion and it carried. Rep. Reinhardt moved to strike FY 95 recommendation #5 from the report. Rep. Hochhauser seconded the motion and it failed 8-9. Rep. Helgerson moved the FY 94 and FY 95 reports as amended. Rep. Mead seconded his motion and it carried.

Rep. Lowther read the FY 94 and FY 95 subcommittee reports for the Homestead Property Tax Refund budgets. (See Attachment 6). Rep. Reinhardt made a motion to adopt the reports. His motion was seconded by Rep. Dean and carried by the committee.

Rep. Dean gave the subcommittee report for the Department of Human Resources FY 94 and FY 95 budgets. (See Attachment 7). Rep. Dean made a motion to adopt both reports, seconded by Rep. Heinemann and carried.

Rep. Glasscock read the FY 94 report for the Department of Health and Environment. Rep.s Glasscock and Mead gave the FY 95 report with Rep. Helgerson reading the report of the minority for the agency's budget.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S of the Capitol, at 12:30 p.m. on March 23, 1994.

(See Attachment 8). Rep. Edlund moved to reinstate \$50,000 in recommendation 10 of the FY 95 report. Rep. Hochhauser seconded the motion and it carried. Rep. Helgersen moved the FY 94 report, seconded by Rep. Glasscock and carried. Rep. Mead made a motion for adoption of the majority report. His motion was seconded by Rep. Glasscock. Rep. Helgersen moved to adopt the minority report. Rep. Gregory seconded the motion and it carried 10-8. Rep. Helgersen made a motion to pass and favorably recommend **SB 633** as amended. Rep. Teagarden seconded his motion and it carried with Rep. Gross dissenting.

No further business appearing before the committee, the meeting was adjourned at 2:00 p.m. The next meeting is scheduled for March 24, 1994.

1994 Appropriation Committee Guest List

1	NAME	ORGANIZATION
2	Kathy Lewis	KDHE
3	Russ Frey	KUMA
4	Miss Knatt	KDOA
5	Jeanne Auer	KDOA
6	Lynne Durr	KDOA
7	Sam Koning	KDHB/ W. Comp
8	Bob Molen	DDHR
9	Gerald Schmid	KDHR
10	Eva Pereira	KDHR
11	Jim Langford	DAB
12	Janet	ICDHE
13	CARL STANTFIELD	KDHE
14	Jacqueline Gordon	KPCDD
15	Josie Torres	Families Together, Inc
16	Sydney Hardman	K5 Action for Children
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Wed, Mar 23, 1994

SUBCOMMITTEE REPORT

Agency: Kansas Healthy Kids Corporation

Bill No. 718

Bill Sec. New

Analyst: Howard

Analysis Pg. No. 843

Budget Page No. 268

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 170,303	\$ 170,303	\$ (60,000)
Special Revenue Fund	43,441	43,441	--
Subtotal -- State	\$ 213,744	\$ 213,744	\$ (60,000)
Private Gifts and Grants	--	--	--
TOTAL	<u>\$ 213,744</u>	<u>\$ 213,744</u>	<u>\$ (60,000)</u>
FTE Positions	2.0	2.0	--

Agency Estimate/Governor's Recommendation

The Corporation estimates expenditures of \$213,744 in FY 1994, a reduction of \$63,029 from the amount approved by the 1993 Legislature. However, the agency's estimate from state funds exceeds the estimate by \$4,609. The 1993 Legislature assumed expenditure of \$67,638 in private funds. Actual FY 1993 expenditures were \$79,642, a reduction of \$79,097 from the approved amount. The Corporation was approved No Limit expenditure authority from the Healthy Kids Trust Fund for FY 1994. No position limitation was established for the agency.

The Governor concurs with the agency estimate for FY 1994.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. The Subcommittee received testimony from the Executive Director of the Kansas Healthy Kids Corporation stating the Corporation's recommendation that the Kansas Healthy Kid's Corporation statute be repealed effective July 1, 1994 due to the Corporation's inability to meet its fundraising goals to support the three pilot projects which had been scheduled for implementation in FY 1995. Although the Corporation received commitments of \$246,171 towards three pilot projects (estimated at a total cost of \$650,000), this amount of funding is sufficient only to operate a pilot project in Shawnee Mission. The Corporation estimates it would need an additional \$400,000 to conduct the other two pilot projects (in Abilene and Hutchinson) and to evaluate the program.

The Corporation reports that it made contact with more than 120 private fundraising donors, but experienced significant fundraising limitations. These limitations include:

- the prospect of a national health plan;
- no long-term commitment to continue the program;
- commitments to the Caring Program for Children by the two largest health foundations in Kansas;
- lack of state Medicaid expansion for children; and
- unavailability of federal demonstration funds.

The Board of Directors directed the Executive Director in December to seek funding of \$400,000 from the Legislature for the pilot projects. However, discussion before the Joint Committee on Health Care Decisions for the 1990s indicated little support for funding for the pilot projects. On January 26, 1994, the Board of Directors approved a resolution calling for dissolution of the corporation.

The Executive Director is currently working on "spinning off" the Shawnee Mission school district pilot project with agreements from the school district to move forward on the project. The Corporation is currently waiting to hear from Humana Health Care and the Overland Park Regional Medical Center, the major donors, to see if they will go forward with the project. If the project continues, the Executive Director of the Corporation has volunteered to handle outreach, enrollment and eligibility determination. Subsequently, she will be involved in tasks associated with closing the office and dissolving the non-profit corporation, with plans to have the office closed by June 1, 1994.

1994 Senate Bill 746 would repeal the Kansas Healthy Kids Program Act and transfer moneys in the Healthy Kids Trust Fund to the State General Fund.

The Subcommittee recommends the deletion of \$60,000 from the State General Fund at this time and would note for the Committee that approximately \$127,500 will be transferred from the Trust Fund to the State General Fund as of July 1, 1994 upon passage of S.B. 746.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

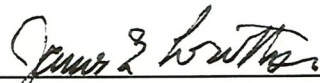
Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.


Expenditure Summary	Senate Adj. FY 94	Senate Rec. FY 94	House Subcommittee Adjustments
State Operations:			
State General Fund	\$ (60,000)	\$ 110,303	\$ --
Special Revenue Fund	--	43,441	--
Subtotal -- State	\$ (60,000)	\$ 153,744	\$ --
Private Gifts and Grants	--	--	--
TOTAL	<u>\$ (60,000)</u>	<u>\$ 153,744</u>	<u>\$ --</u>
FTE Positions	--	2.0	--

House Subcommittee Recommendation

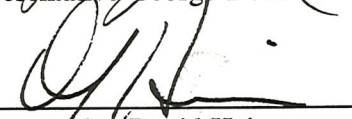
The House Subcommittee concurs with the recommendations of the Senate.



Representative Jim Lowther
Subcommittee Chair



Representative George Dean



Representative David Heinemann



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Kansas Healthy Kids Corporation

Bill No. 633

Bill Sec. 7

Analyst: Howard

Analysis Pg. No. 843

Budget Page No. 268

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 0*	\$ 135,205	\$ (135,205)
Special Revenue Fund	217,621	82,316	(82,316)
Subtotal -- State	\$ 217,621	\$ 217,521	\$ (217,521)
Private Gifts and Grants	430,222	429,314	(429,314)
TOTAL	<u>\$ 647,843</u>	<u>\$ 646,835</u>	<u>\$ (646,835)</u>
FTE Positions	2.0	2.0	(2.0)

* The agency requests a transfer of \$135,205 from the State General Fund to the Healthy Kids Trust Fund in FY 1995.

Agency Request/Governor's Recommendation

The Corporation requests expenditures of \$217,621 from state funds in FY 1995, including expenditure of \$82,216 in funds carried forward from FY 1994, and \$135,205 in new state funds transferred to the Healthy Kids Trust Fund. The agency also estimates expenditure of \$430,222 in private funds for the implementation of pilot projects in three school districts. The agency requests No Limit Expenditure authority for the Healthy Kids Trust Fund and asks that the requested state funding be transferred to that Trust Fund.

The Governor recommends total expenditures in FY 1995 of \$646,835, a reduction of \$1,008 from the agency request. The reduction reflects a change to salaries and benefits due to revised health insurance rates. The recommendation includes \$217,521 in state funds, including expenditure of \$82,316 in funds carried forward from FY 1994, and \$135,205 in a new direct State General Fund appropriation. The recommendation estimates expenditures of \$429,314 in private funds in FY 1995. The recommendation is made with the intention of the Corporation meeting the statutory goal of developing and funding three pilot projects that would provide school based health insurance programs to 464 uninsured children in FY 1995.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. Strike this section from the bill since the Healthy Kids Corporation will not be operational in FY 1995. This recommendation will reduce SGF expenditures by \$135,205 from the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.


Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.


<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (135,205)	\$ 0	\$ --
Special Revenue Fund	(82,316)	0	--
Subtotal -- State	\$ (217,521)	\$ 0	\$ --
Private Gifts and Grants	(429,314)	0	--
TOTAL	<u>\$ (646,835)</u>	<u>\$ 0</u>	<u>\$ --</u>
FTE Positions	(2.0)	--	--

House Subcommittee Recommendation

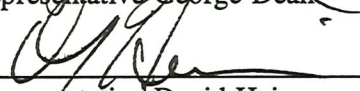
The House Subcommittee concurs with recommendations of the Senate.



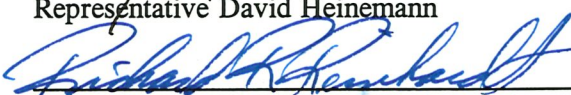
Representative Jim Lowther
Subcommittee Chair



Representative George Dean



Representative David Heinemann



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 848

Budget Page No. 146

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 591,204	\$ 591,204	\$ --
Aid to Locals	774,362	774,362	--
Total -- Operating	<u>\$ 1,365,566</u>	<u>\$ 1,365,566</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ --
Aid to Locals	189,090	189,090	--
	<u>\$ 189,090</u>	<u>\$ 189,090</u>	<u>\$ --</u>
FTE Positions	--*	--*	--

- * The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

Agency Request/Governor's Recommendation

The Corporation estimates expenditures of \$1.4 million in FY 1994, including \$189,090 from the State General Fund as approved by the 1993 Legislature. The estimate includes \$310,212 from marriage license fees and federal funds for the family and children's trust fund; \$221,620 from birth certificate fees for the permanent families fund; and \$636,816 from private foundation funding.

The 1993 Legislature approved no limit expenditure authority for the Corporation from the Family and Children Investment Fund, into which the agency's revenues are deposited. The Legislature established certain expenditure limits on the family and children trust account (\$750,000) and the permanent families account (\$450,000) of the Fund, but established those limits at approximately twice the amount of estimated expenditure in order to allow the agency flexibility in receipt and expenditure of private funds.

The Governor concurs with the agency's estimated expenditures in FY 1994.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

ATTACHMENT 2

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

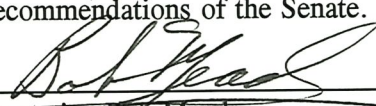
The Senate Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 94</u>	<u>Senate Rec. FY 94</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 591,204	\$ --
Aid to Locals	--	774,362	--
Total -- Operating	<u>\$ --</u>	<u>\$ 1,365,566</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ --
Aid to Locals	--	189,090	--
	<u>\$ --</u>	<u>\$ 189,090</u>	<u>\$ --</u>
FTE Positions	--	--*	--

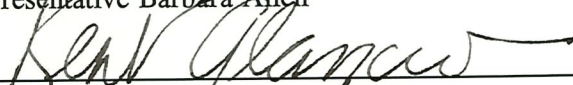
- * The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate.


Representative Bob Mead
Subcommittee Chair


Representative Barbara Allen


Representative Kent Glasscock


Representative Gilbert Gregory


Representative Henry Helgersen

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. 633

Bill Sec. 8

Analyst: Howard

Analysis Pg. No. 848

Budget Page No. 146

Expenditure Summary	Agency Req. FY 95	Gov. Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 589,014	\$ 585,192	\$ 74,873
Aid to Locals	1,788,594	807,049	--
Total -- Operating	<u>\$ 2,377,608</u>	<u>\$ 1,392,241</u>	<u>\$ 74,873</u>
State General Fund:			
State Operations	\$ 179,177	\$ --	\$ 74,873
Aid to Locals	1,159,290	177,745	--
	<u>\$ 1,338,467</u>	<u>\$ 177,745</u>	<u>\$ 74,873</u>
FTE Limit	--*	--*	5.0

* The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

Agency Request/Governor's Recommendation

The Corporation requests a budget of \$2,377,608 in FY 1995, an increase of \$1,012,042 from the FY 1994 estimate. The request includes funding of \$1,338,467 from the State General Fund, \$523,537 from marriage license and birth certificate fees, \$68,951 from federal child abuse funds, and \$446,652 from private grant funds. The State General Fund request includes \$189,090 associated with continuation of family and children trust fund grants, \$970,200 for four pilot family court projects, and \$179,176 in State General Fund dollars for a portion of the Corporation's operating costs in FY 1995.

The Governor recommends expenditures of \$1,392,241 in FY 1995, a reduction of \$958,367 from the agency request. The recommendation includes \$177,745 from the State General Fund for the family and children trust fund grants to match federal funds (\$68,951), and the remainder from special revenue (\$523,537) and private (\$622,008) funds. The Governor's recommendation makes four adjustments to the agency's request:

- The Governor does not recommend \$970,200 from the State General Fund requested by the agency for family courts.
- The Governor does not recommend State General Fund of \$179,176 to fund a portion of the Corporation's operating budget, but recommends the Corporation continue managing its overhead from grant funding.
- The Governor reduces State General Fund support for family and children trust fund grants by \$11,345 to \$177,745, which would match federal child abuse prevention grants.

- The Governor reduces salary and wage expenditures by \$3,822 to adjust for differences in fringe benefit calculation.

The Governor's recommendation assumes operation of 40 local *Blueprint* planning councils in FY 1995 (an increase from 35 in FY 1994 and 28 in FY 1993), 4,500 technical assistance contacts (an increase from 3,500 in FY 1994 and 2,500 in FY 1993) and funding of 32 prevention projects, the same number as in FY 1993 and FY 1994.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Establish an FTE limit of 5.0 positions for this agency (Executive Director, Director of Research and Accountability, Business Manager, Director of Local Initiatives, and Model Projects Coordinator). This reflects the core staffing of the Corporation which should be consistent over the life of the agency. Remaining staff (currently the equivalent of 2.5 positions) would be authorized as special project positions as specific needs and projects arise.
2. Reduce the limit on expenditures from the family and children trust account of the family and children investment fund from \$750,000 to \$500,000, and reduce the limit on the permanent families account of that fund from \$450,000 to \$350,000. The revised limits more accurately reflect projected expenditures and still provide the agency some added flexibility.
3. Add \$74,873 from the State General Fund for Corporation for Change operations in FY 1995. The recommended amount would fund the rental overhead costs of the agency (\$29,877), the salary of the business manager (\$30,996), and travel expenditures associated with the Board and Advisory Committee (\$14,000). The recommendation is intended to demonstrate the state's commitment to systems reform to the foundations providing the majority of funding for the Corporation. The Subcommittee would note that these State General Fund dollars are in addition to over \$500,000 in dedicated fees used to fund grants for child abuse prevention, foster care review boards and court appointed special advocate programs.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

Expenditure Summary	Senate Adj. FY 95	Senate Rec. FY 95	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 74,873	\$ 660,065	\$ 140,704
Aid to Locals	--	807,049	--
Total -- Operating	<u>\$ 74,873</u>	<u>\$ 1,467,114</u>	<u>\$ 140,704</u>
State General Fund:			
State Operations	\$ 74,873	\$ 74,873	\$ 40,704
Aid to Locals	--	177,745	--
	<u>\$ 74,873</u>	<u>\$ 252,618</u>	<u>\$ 40,704</u>
FTE Limit	5.0	5.0	(5.0)

* The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Senate with the following adjustments:

1. The Subcommittee commends the Corporation for Change for its instrumental role in assisting the state to claim an additional \$23.8 million in federal revenues in the Department of Social and Rehabilitation Services. We are appreciative of the consultants which the Corporation for Change retained to meet with state agencies and facilitate these efforts. The Corporation for Change essentially provided the genesis for claiming of these funds. We are very much aware that this additional federal revenue, which essentially replaced State General Fund dollars in the SRS budget, helped to alleviate pressure faced due to the loss of disproportionate share funding.
2. Add \$40,704 from the State General Fund to fully fund the Corporation's revised request for state operations funding from the State General Fund. This recommendation is intended to demonstrate to the private foundations, which provide most of the funding for Corporation for Change operations, the state's commitment to systems reform. We believe this is a very small investment for the state to make in light of the assistance in claiming additional federal funds already facilitated through the Corporation for Change.
3. Delete the FTE limitation of 5.0 positions recommended by the Senate. By statute, the Corporation's staff are neither classified nor unclassified, and do not share in many of the rights of regular state employees. We do not believe that an FTE limit is appropriate, nor would it have any effect on Corporation for Change operations.
4. Add \$100,000 from the State Budget Stabilization Fund to contract for an independent evaluation of the impact of the SRS Family Agenda, including family

preservation services. In designing this study, we recommend that the Corporation for Change work collaboratively with SRS, local courts, and child advocates.

The Subcommittee reviewed two study options from the Corporation for Change. The first option, which the Corporation indicated it believed would be sufficient to address the scope of concerns regarding child protective services expressed by the House Appropriations Committee, was estimated by the Corporation to require expenditure of approximately \$155,000. If additional funding beyond that recommended by the Subcommittee is necessary, we recommend that the Corporation for Change seek private sources and explore the potential use of new federal IV-B funds authorized through the Omnibus Budget Reconciliation Act of 1993. First year funding under these provisions may be available for this type of research. According to the Corporation for Change, a more comprehensive study of the child protective services system would require expenditure of at least \$200,000. We do not recommend this additional funding.

The Subcommittee recommends that the scope of the study include the following:

- o the effects of family preservation and the family agenda on children and families; that is, have these services in Kansas helped families to keep their children at home safely?
- o the status of implementation of the Family Agenda statewide;
- o barriers to reaching the goals of the Family Agenda and specific strategies SRS should take to overcome these barriers, including an analysis of the experience of other states;
- o Analysis of the costs and benefits of the Family Agenda; and
- o policy options available to the Legislature to assure the best outcomes for families and the best use of state resources.


The Subcommittee recommends that results be reported by the beginning of the 1995 Session.

5. The Subcommittee heard testimony that the Corporation for Change has a Children's Budget Committee which is considering ways in which to redirect current funding for children's services. It is our understanding that recommendations will be made to the 1995 Legislature regarding ways in which current funding can be targeted to the most effective programs. We believe that it is essential that as funding is identified for redeployment, that it be maintained in the children's services system. We also recommend that the Legislative Budget Committee study ways in which to build incentives for agencies to seek additional federal funds. Within the context of services to children and families, if additional federal funds are claimed, and State General Fund dollars saved through the process are not redirected within the children's services system, there is a real possibility that the private partners will not continue their system reform efforts in Kansas. We recommend that the Legislative

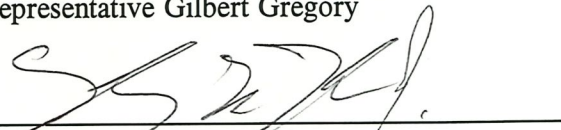
Budget Committee review this topic in general, as well as specifically with regard to enhanced and redirected funding for services for children and families.


Representative Bob Mead, Chair


Representative Barbara Allen


Representative Kent Glasscock


Representative Gilbert Gregory


Representative Henry Helgersen

HOUSE SUBCOMMITTEE RECOMMENDATIONS

Kansas Commission on Veterans Affairs

Kansas Soldiers' Home

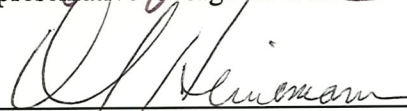
S.B. 633



Representative James E. Lowther
Subcommittee Chairperson



Representative George R. Dean



Representative David J. Heinemann



Representative Richard R. Reinhardt

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 837

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Est. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,606,342	\$ 1,602,366	\$ --
General Fees Fund	2,557,201	2,557,201	--
Benefit and Gift Fund*	14,660	14,660	--
Fed. Oil Overcharge Fund	--	--	--
Subtotal	\$ 4,178,203	\$ 4,174,227	\$ --
Capital Improvements:			
State Inst. Bldg. Fund	\$ 780,414	\$ 780,414	\$ --
State General Fund	--	--	--
GRAND TOTAL	<u>\$ 4,958,617</u>	<u>\$ 4,954,641</u>	<u>\$ --</u>
FTE Positions	134.8	134.8	--
Average Census	220	233	--

* Since FY 1992, the agency has paid for cable television for the Home's residents from the agency Benefit and Gift Fund.

Agency Estimate/Governor's Recommendation

The Kansas Soldiers' Home estimates FY 1994 operating expenditures of \$4,178,203, a reduction of \$404 from the amount approved by the 1993 Legislature as adjusted for State Finance Council action.

The Governor recommends FY 1994 expenditures of \$4,174,227, a reduction of \$3,976 from the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate Committee of the Whole.

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 633

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 837

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Req. FY 95</u>	<u>Governor's Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,783,160	\$ 1,578,052	\$ 14,041
General Fees Fund	2,567,407	2,607,408	--
Benefit and Gift Fund*	17,160	17,160	--
Fed. Oil Overcharge Fund	--	--	--
Subtotal	\$ 4,367,727	\$ 4,202,620	\$ 14,041
Capital Improvements:			
State Inst. Bldg. Fund	\$ 403,440	\$ 200,000	\$ 50,000
State General Fund	--	--	--
GRAND TOTAL	<u>\$ 4,771,167</u>	<u>\$ 4,402,620</u>	<u>\$ 64,041</u>
FTE Positions	137.8	137.8	
Average Census	220	237	

* Since FY 1992, the agency has paid for cable television for the Home's residents from the Agency Benefit and Gift Fund.

Agency Request/Governor's Recommendation

The agency requests FY 1995 expenditures of \$4,367,727, an increase of \$189,524, or 4.5 percent, above the FY 1994 estimate.

Included in the FY 1995 request are 3.0 additional FTE positions, a licensed nursing home administrator and 2.0 FTE Health Care Assistant positions. Funding for the nursing home administrator and half year funding for 4.0 FTE Service Assistant positions was approved by the 1993 Legislature, but the positions were designated as special projects positions rather than FTE.

The Governor recommends FY 1995 expenditures of \$4,202,620, a reduction of \$165,107 from the agency request. Reductions are recommended from the agency requests for salaries and wages (\$101,549), utilities (\$5,858), and capital outlay (\$57,700). The Governor recommends the 3.0 FTE positions requested by the agency to replace special projects positions approved by the 1993 Legislature.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Add \$14,041 from the State General Fund to reduce the salaries and wages turnover rate from 4.6 percent to 4.2 percent. The Subcommittee notes that this adjustment will bring the agency turnover rate closer to the rate of turnover experienced in previous years and will help to offset the effect of retirements anticipated in FY 1995.
2. Add \$50,000 from the State Institutions Building Fund (SIBF) for capital improvements for the Soldiers' Home. The Subcommittee notes that the Governor's recommendation of \$200,000 is a reduction of \$203,440 from the agency request of \$403,440 for capital improvement projects. The Subcommittee further notes that this additional capital improvements funding may supplant some state operations expenditures for maintenance and repair at the Soldiers' Home. The Subcommittee intends that, as funding permits, the Soldiers' Home will utilize \$15,000 of funding approved for the Soldiers' Home to purchase laptop computers, software, and related equipment for the Kansas Commission on Veterans Affairs. The Commission had requested \$26,995 for its ongoing computerization project, but the Governor does not recommend any funding for this purpose.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

<u>Expenditure</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 14,041	\$ 1,592,093	\$ 17,584
General Fees Fund	--	2,607,408	--
Benefit and Gift Fund*	--	17,160	--
State Budget Stabilization Fund	--	--	20,000
Fed. Oil Overcharge Fund	--	--	--
Subtotal	\$ 14,041	\$ 4,216,661	\$ 37,584
Capital Improvements:			
State Inst. Bldg. Fund	\$ 50,000	\$ 250,000	\$ --
State General Fund	--	--	--
GRAND TOTAL	<u>\$ 64,041</u>	<u>\$ 4,466,661</u>	<u>\$ 37,584</u>

FTE Positions

Average Census

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate Committee of the Whole with the following adjustments:

1. Add \$17,584 from the State General Fund to provide ongoing funding for member help. For the past 12 or more years, the agency budget has included funding in approximately this amount to provide funding for approximately 8 to 12 residents of the Home who are paid \$2.25 per hour to work in the library, dietary program, and other areas of the Home. The Governor's recommendation for FY 1995 includes no funding for this purpose. The Subcommittee received testimony that this program is considered to be of therapeutic benefit, as well as economic benefit, to the Home's residents. The Subcommittee further notes that, without member help, the agency would be placed in the position of having to request FTE positions to accomplish the work currently performed by these residents.
2. The Subcommittee received testimony on the ongoing issue of the licensure status of the Soldiers' Home. The nursing care facility at the Home is currently licensed as a recuperative care facility. In order to continue to meet federal Department of Veterans Administration (VA) nursing standards and continue to receive VA reimbursement funds, the agency proposed that the nursing care facility be licensed as an intermediate care facility (ICF) rather than as a recuperative care facility. The 1993 Legislature added FY 1994 funding for a nursing home administrator position and six months funding for two service assistant positions to allow the Home to attempt to accomplish the ICF licensure. The agency anticipates that, within 30 to 60 days, it may be ready to apply for ICF licensure for the nursing care facility.

The agency states that the Kansas Department of Health and Environment (KDHE) has questioned the status of the Home's dormitories, which provide some assistance for residents who need minimal care and supervision. Currently, the dormitories are not licensed. Depending on the recommendations of KDHE, the agency may find it necessary to seek either personal care facility or assisted care facility licensure for the dormitories.

The Subcommittee recommends that the agency continue to work with KDHE on the licensure issue and report any requirements related to licensure during the 1994 Omnibus session.

3. The Subcommittee notes that the agency has been notified by the VA that veterans residing in the cottages of the Home will no longer be considered eligible for VA reimbursement at the domiciliary (dormitory) rate of \$13.25 per day. The agency is currently working with the Wichita regional VA office to determine if there is any possibility that this decision can be reversed; however, if the decision is not reversed, the agency will experience a fee fund shortfall of approximately \$160,000 in FY 1995. Preliminary negotiations appear favorable; however, a final decision from the VA is still pending. The Subcommittee recommends that the agency report on the progress of its negotiations with the VA and any anticipated fee fund shortfall during the 1994 Omnibus session.

4. Add \$20,000 from the State Budget Stabilization Fund for capital improvement and capital outlay items for the Home. The agency requested FY 1995 capital outlay funding of \$58,900 and capital improvement funding of \$403,440. The agency's FY 1995 budget currently includes no funding for capital outlay and funding of \$250,000 for capital improvements.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 832

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Est. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,477,369	\$ 1,466,719	\$ --
Federal Funds	102,367	102,367	--
Total	<u>\$ 1,579,736</u>	<u>\$ 1,569,086</u>	<u>\$ --</u>
FTE Positions	54.0	54.0	--

Although appropriations for the Kansas Commission on Veterans Affairs (KCVA) and the Kansas Soldiers' Home are combined, the two agencies are separated for purposes of the budget analysis. The KCVA has supervisory authority over the Soldiers' Home.

Agency Estimate/Governor's Recommendation

The agency estimates FY 1994 total expenditures from all funds of \$1,579,736, a reduction of \$7,551 from the \$1,587,287 approved by the 1993 Legislature. The Division of the Budget recommendation for the FY 1994 pay plan reduced \$7,627 from the approved State General Fund appropriation for this agency; however, the State Finance Council does not make negative adjustments. The FY 1994 estimate reflects an increase of \$76 above the FY 1994 approved level as adjusted for the FY 1994 pay plan, as recommended by the Division of the Budget. The estimated expenditures from federal funds remain at \$102,367, which is the level approved by the 1993 Legislature. The estimate reflects an FY 1994 salaries and wages turnover rate of 4.0 percent.

The Governor recommends FY 1994 expenditures of \$1,569,086, which reflects a reduction of \$10,650 from the agency estimate for salaries and wages. The recommendation includes a salaries and wages turnover rate of 4.6 percent and also reflects a reduction of \$1,104 pursuant to 1993 H.B. 2211 due to an FY 1994 retirement.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

ATTACHMENT 4

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate Committee of the Whole.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. 633

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 832

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Req. FY 95</u>	<u>Governor's Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,589,755	\$ 1,457,568	\$ 5,934
Federal Funds	98,000	98,000	--
Total	<u>\$ 1,687,755</u>	<u>\$ 1,555,568</u>	<u>\$ 5,934</u>
FTE Positions	57.0	54.0	--

Although appropriations for the Kansas Commission on Veterans Affairs (KCVA) and the Kansas Soldiers' Home are combined, the two agencies are separated for purposes of the budget analysis. The KCVA has supervisory authority over the Soldiers' Home.

Agency Request/Governor's Recommendation

The Commission requests FY 1995 expenditures of \$1,687,755, an increase of \$108,019, or 6.8 percent, above the FY 1994 estimate. The majority of the requested increase (\$103,883) is for salaries and wages. The request includes 3.0 additional FTE positions: a Veterans Service Representative I (\$23,037, including fringe benefits), an Office Assistant II (\$18,542, including fringe benefits), and a Management Analyst II (\$35,834, including fringe benefits). The request reflects a salaries and wages turnover rate of 3.0 percent. For FY 1995, the agency requests \$26,995 to continue its agency computerization project. The 1993 Legislature approved \$40,362 (not adjusted for the 1.0 percent SGF reduction) for agency computerization in FY 1994. As of January 1994, the agency notes that it has made only minor expenditures for computer equipment to date in FY 1994 because of a concern about the agency salaries and wages turnover rate.

The Governor recommends FY 1995 expenditures of \$15,555,568, a reduction of \$132,187 from the agency request. The Governor does not recommend any of the requested new positions and does not recommend funding for the requested computer equipment. The recommendation includes a salaries and wages turnover rate of 4.6 percent.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Add \$5,934 from the State General Fund to reduce the salaries and wages turnover rate from 4.6 percent to 4.2 percent. The Subcommittee notes that this adjustment will bring the agency turnover rate closer to the rate of turnover experienced in previous years and will help to offset the effect of retirements anticipated in FY 1995.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Senate Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

<u>Expenditure</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Sub. Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 5,934	\$ 1,463,502	\$
Federal Funds	--	98,000	
Total	<u>\$ 5,934</u>	<u>\$ 1,561,502</u>	<u>\$</u>
FTE Positions	--	54.0	

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate Committee of the Whole with the following adjustment:

1. The Subcommittee recommends that the agency review its mission, objectives, strategies toward achieving its objectives, and non-financial barriers that might prevent program success. The agency should present this information for both the Commission on Veterans Affairs and the Kansas Soldiers' Home to the 1995 Legislature.

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 718

Bill Sec. 16

Analyst: Robinson

Analysis Pg. No. 803

Budget Page No. 50

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,884,330	\$ 1,888,572	\$ --
Aid and Other Assistance	16,417,233	16,417,233	--
TOTAL	<u>\$ 18,301,563</u>	<u>\$ 18,305,805</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 1,027,346	\$ 1,031,588	\$ --
Aid and Other Assistance	4,456,778	4,456,778	--
TOTAL	<u>\$ 5,484,124</u>	<u>\$ 5,488,366</u>	<u>\$ --</u>
FTE Positions	31.0	31.0	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1994 expenditures of \$1,884,330 for state operations, a reduction of \$6,409 from the amount approved by the 1993 Legislature, as adjusted for Finance Council action. The State General Fund estimate of \$1,027,346 is a reduction of \$4,242 from the approved amount. The estimate of expenditures from federal funds totals \$856,984, a reduction of \$2,167 from the approved amount. The agency estimates FY 1994 expenditures of \$16,417,233 for local aid and other assistance, a reduction of \$1,097,359 from the amount approved by the 1993 Legislature.

The Governor recommends FY 1994 state operations expenditures of \$1,888,572, an increase of \$4,242 over the amount estimated by the agency, and concurs with the agency's revised FY 1994 estimate for local aid and other assistance expenditures.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

ATTACHMENT 5

<u>Expenditure Summary</u>	<u>Senate Adj. FY 94</u>	<u>Senate Rec. FY 94</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 1,888,572	\$ --
Aid and Other Assistance	--	16,417,233	--
TOTAL	<u>\$ --</u>	<u>\$ 18,305,805</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 1,031,588	\$ --
Aid and Other Assistance	--	4,456,778	--
TOTAL	<u>\$ --</u>	<u>\$ 5,488,366</u>	<u>\$ --</u>
FTE Positions	--	31.0	--


House Subcommittee Recommendation

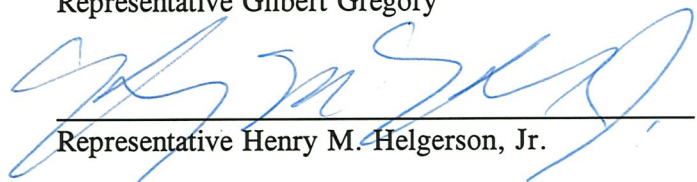
The House Subcommittee concurs with the recommendation of the Senate.


 Representative Bob J. Mead
 Subcommittee Chair


 Representative Barbara Allen


 Representative Kent Glasscock


 Representative Gilbert Gregory


 Representative Henry M. Helgerson, Jr.

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 633

Bill Sec. 6

Analyst: Robinson

Analysis Pg. No. 803

Budget Page No. 50

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,097,715	\$ 1,806,456	\$ (15,000)
Aid and Other Assistance	17,590,477	16,241,270	41,716
TOTAL	<u>\$ 19,688,192</u>	<u>\$ 18,047,726</u>	<u>\$ 26,716</u>
State General Fund:			
State Operations	\$ 1,255,756	\$ 965,349	\$ (15,000)
Aid and Other Assistance	5,930,373	4,540,868	41,716
TOTAL	<u>\$ 7,186,129</u>	<u>\$ 5,506,217</u>	<u>\$ 26,716</u>
FTE Positions	34.5	32.0	(1.0)

Agency Request/Governor's Recommendation

The agency requests total FY 1995 expenditures of \$19,688,192, an increase of \$1,386,629 from the revised FY 1994 estimate. The request includes \$2,097,715 for state operations and \$17,590,477 for local aid and other assistance. The agency's state operations request includes funding for 3.5 new FTE positions: 1.0 Computer Systems Analyst II; 1.0 Social Service Administrator II; 1.0 Office Specialist; and a 0.5 FTE Secretary I. The agency's FY 1995 request for local aid and other assistance includes funding of \$5,930,373 from the State General Fund and \$11,660,104 from other funds.

The Governor recommends FY 1995 expenditures of \$18,047,726, a reduction of \$1,640,466 from the amount requested by the agency. The Governor recommends FY 1995 state operations expenditures of \$1,806,456, a reduction of \$291,259 from the agency's request. The recommendation includes funding for the addition of 1.0 FTE Computer Systems Analyst II position. The Governor's FY 1995 recommendation for local aid and other assistance totals \$16,241,270, a reduction of \$1,349,207 from the amount requested by the agency. The recommendation includes funding of \$4,540,868 from the State General Fund and \$11,700,402 from other funds.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. Reduce the agency's FTE position limitation by 1.0 FTE. The agency indicated that the Computer Systems Analyst II position, requested by the agency and recommended by the Governor, would assist the agency in developing an integrated management information services plan. The goal of the plan would be to allow the

agency to integrate data from the area agencies and data within the Department into an electronic system. The new position would spend a great deal of time in the field providing technical assistance to the area agencies and their grantees. The agency indicated that this system should be at least partially operational within one year. It is the recommendation of the Subcommittee, therefore, that the Computer Systems Analyst II position be a special projects position, and that the progress of the project be revisited by the 1995 Legislature for a determination as to the continued need for the position.

2. Add \$21,716 from the State General Fund for capital outlay at nutrition sites. The agency requested \$150,000 for this item in FY 1995, and the Governor did not recommend any funding. The amount of \$21,716 matches the revised FY 1994 estimate for capital outlay at nutrition sites. The Subcommittee was informed that, with no money available for capital outlay, funding for any necessary equipment replacement at nutrition sites would have to come from funding designated for meals.
3. Delete funding of \$15,000 from the State General Fund for operational costs associated with the Healthy Lifestyle promotion. The agency indicated that it has budgeted \$27,000 for evaluation of the promotion. The Subcommittee encourages the agency to explore a more economical method of evaluation of the project.
4. Add \$20,000 from the State General Fund for the Retired Senior Volunteer Program (RSVP). The Subcommittee notes that \$17,820 is budgeted from the State General Fund for support of the program in FY 1994. While this is a small portion of the total funding for the program, the Subcommittee is of the opinion that the program is worthy of continued State General Fund support.
5. The Subcommittee reviewed the recent evaluation of the Senior Care Act (SCA) for FY 1993. The report noted that, overall, 27 percent of the SCA clients interviewed indicated that they would not be able to remain in their homes without SCA services. The report indicated that the total cost of the SCA program during FY 1993 was \$761,122. The evaluation calculated savings to the state by determining the number of days that the state did not have to pay its share of the Medicaid reimbursement because SCA programs were keeping disabled elderly out of nursing homes. With a savings of \$15.91 per day, it was determined that SCA prevented 67,473 total days of institutionalization. This a savings to the state of \$1,073,495. When compared to the total cost of the SCA program for the state, the net savings to Kansas during FY 1993 was \$311,373.

The Subcommittee commends the Department on Aging for its operation of the Senior Care Act. The SCA is clearly in the vanguard of programs designed to keep elderly Kansans in their homes as long as possible. The results of the study indicate that the program has been a positive factor in improving the quality of life for older Kansans.

6. The Subcommittee notes that a study is currently being conducted to address long term care in Kansas. The Subcommittee hopes that the study will focus on ways to improve the currently fragmented service delivery system and eliminate any potential duplication of administrative costs. In addition, it would be helpful if the issue of

shifting funding or programs from the Department of Social and Rehabilitation Services (SRS) to the Department on Aging were addressed. The Subcommittee urges the Secretaries of Aging and SRS and staffs to take active roles in the direction the study takes, as those agencies will ultimately be responsible for implementing the recommendations of the study.

Senate Committee Recommendation

Concur.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Senate Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations	\$ (15,000)	\$ 1,791,546	\$ (33,863)
Aid and Other Assistance	41,716	16,282,986	13,863
TOTAL	<u>\$ 26,716</u>	<u>\$ 18,074,442</u>	<u>\$ (20,000)</u>
State General Fund:			
State Operations	\$ (15,000)	\$ 950,349	\$ (33,863)
Aid and Other Assistance	41,716	4,582,584	(8,298)
TOTAL	<u>\$ 26,716</u>	<u>\$ 5,532,933</u>	<u>\$ (42,161)</u>
FTE Positions	(1.0)	31.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate, with the following adjustments and observations:

1. The Subcommittee recommends that the long term care funding removed from the budget of the Department of Social and Rehabilitation Services (SRS) be restored to the SRS budget through a new section in S.B. 633. The Subcommittee deleted that funding pending consideration of the Department on Aging budget and review of the consultant's study on long-term care which was funded by the 1993 Legislature. The preliminary findings and recommendations of the study, prepared by the National Long Term Care Resource Center, was submitted to the Secretaries of Aging and SRS on March 8, 1994. The preliminary recommendations of that study support a gradual consolidation and shift of long-term care services from SRS to KDOA. Pending development and implementation of that plan, the Subcommittee recommends the restoration of funding to the SRS budget.

2. The Subcommittee recommends that the Kansas Department on Aging (KDOA), the Department of Social and Rehabilitation Services (SRS), and, where appropriate, the Kansas Department of Health and Environment (KDHE) begin work on a strategic plan for the consolidation of all long-term care services within KDOA.

While there may be compelling reasons to consolidate the long-term care services within SRS, the Legislature appears to have embarked on a course of action which would ultimately lead to this consolidation within KDOA. As an example, Sub. H.B. 2581 would, beginning January 1, 1995, shift preadmission assessment and referral responsibilities to KDOA from SRS. In addition, there is a general perception that the current system is not working. Many factors contribute to this perception, not the least of which is that SRS is often viewed as a "welfare" agency while KDOA is viewed as an advocate for older Kansans.

The Subcommittee stresses that, for this effort to succeed, all of the entities involved with the long-term care system in Kansas have to be included and involved in the preparation of the strategic plan. It is essential that KDOA, SRS, and KDHE, as well as advocates and recipients of services, have input in this process. The Subcommittee is committed to the consolidation of these services, but recommends that it be completed in a manner which ensures an orderly transfer of services. For this reason, the Subcommittee directs the agencies and others involved in the preparation of the strategic plan to have a preliminary report prepared for review by the House Subcommittee by October 1, 1994, and a final report ready by January, 1995 for review by the 1995 Legislature.

3. The 1993 Legislature approved a shift of funding totaling \$2,272,727, including \$1,000,000 from the State General Fund, from SRS to KDOA for the expansion of community based long-term care services provided by KDOA. The agency provided the Subcommittee with a breakdown of how the State General Fund financing was utilized, but noted that it had been unable to work out the details of the match for Medicaid funding which had been envisioned by the Subcommittee. KDOA staff indicated that, contrary to testimony presented by SRS, one of the items, environmental modification, would be matchable under the existing HCBS waiver. The other item, custom care, should also be covered by the existing waiver. The Subcommittee directs KDOA and SRS to once again attempt to overcome the obstacles necessary to achieve matching funds for continued expansion of community based long-term care services and report their progress to the Subcommittee during the Omnibus session.
4. Add \$22,161 from the Budget Stabilization Fund (BSF). The intrastate funding formula used by the agency to allocate Older Americans Act (OAA) funds to the area agencies on aging is based on one factor: the ratio of persons age 60 and over in the Planning and Service Area (PSA) to that of the state. This factor is influenced strongly by population shifts. Data from the 1990 Census indicates that most of the growth of the age 60 and over population occurred predominantly in three PSAs, but only two of the 11 PSAs actually experienced a decrease in population. As a result the agency requested funding of \$77,764 from the State General Fund for one year to allow those PSAs which lost funding under the formula to plan for future reductions. The Subcommittee was informed that,

because of an increase in federal funding, the amount needed to hold the affected PSAs harmless for one year has been reduced to \$22,161. Because this expenditure would represent a one-time expenditure, the Subcommittee recommends the expenditure from the BSF.

5. Delete \$20,000 from the State General Fund recommended by the Senate for the RSVP program.
6. The Subcommittee reviewed the progress of the Senior Care Act (SCA) and its implementation statewide. The Senior Care Act authorizes the Secretary of Aging to establish a program of in-home services for older Kansans who are unable to perform activities of daily living. The goal of SCA is to prevent inappropriate or premature institutionalization of persons who were facing difficulty with self care and independent living. The SCA calls for the in-home services to be administered by Area Agencies on Aging (AAAs) in their respective Planning and Service Areas (PSAs).

In 1992, the Legislature expanded the Senior Care Act to include the entire state during FY 1993. Instead of only the three pilot PSAs that had been part of the program during the first three years, all eleven PSAs are now included. Although all eleven PSAs are included in the SCA program, not all counties are able to fully participate. There are currently 90 counties with an SCA program, and six additional counties, while having no SCA program, are partially served by neighboring providers.

The Subcommittee believes that the programs provided by the SCA program are obviously good for the people served and advantageous to the state budget. There is a definite need for expansion of the program. The Subcommittee believes that KDOA and SRS should work to secure a federal HCBS waiver for use in the program. The request should include waiver of the 300 percent cap to allow for the continuation of services to all based on a graduated payment schedule. Testimony from the agency indicated that the state was saving an estimated \$1.40 for every \$1.00 spent on the SCA program. Given the fact that the SCA services are directed at those most at risk of institutionalization, and therefore, at risk of becoming Medicaid eligible, there would be equal or greater savings of federal Medicaid funds. As noted in the FY 1993 evaluation of the Senior Care Act submitted by Kansas State University, SRS is charged \$51.24 per day for nursing home admissions. The average Medicaid payment is \$38.04 after the patient's payment share is deducted from the initial charge. Under the federal Medicaid match rate, the state pays \$15.91 of the \$38.04 daily cost, while the federal share would be \$22.13. Based on the evaluation's finding that the state was saving an estimated \$1.40 for every \$1.00 spent on the Senior Care Act, federal Medicaid savings would amount to \$1.95 for every \$1.00 spent. The Clinton Administration has indicated a willingness to provide waivers for programs of this type. The Subcommittee encourages the agencies to submit this waiver request prior to the Omnibus session, and to seek the assistance of the Kansas Congressional delegation. The Subcommittee intends to review the progress of the plan for submission of the waiver request with SRS and KDOA during the Omnibus session.

7. Add \$78,137 from the State General Fund for case management services. The agency listed increased case management funding as its second overall priority. In addition, the provisions of Sub. H.B. 2581, which would shift administration of the preadmission assessment and referral program from SRS to KDOA would, in the agency's estimation, cause a greater demand for case management services from people who are at a great risk of institutionalization.
8. Delete total funding of \$100,298 from the State General Fund recommended by the Governor for the Healthy Lifestyle program. The agency recognizes that the demonstration program's goal, to better educate the targeted populations about the benefits of nutrition and exercise, is a worthy one. The Subcommittee notes that the two models proposed for the program, however, would target unimpaired individuals age 60 and over and slightly impaired individuals age 60 and over. The Subcommittee is of the opinion that, while preventive programs are important and should be encouraged, the limited financial resources of the agency and the state should be dedicated to providing assistance for those most at risk of institutionalization and believes that the additional funding for case management services is a higher priority. In response to a Subcommittee request to list priorities, the agency indicated that increased case management services were the second overall priority while the healthy lifestyle promotion was ranked sixth. The Subcommittee notes that the Governor's recommendation for the program totaled \$230,598, including \$115,298 from funds other than the State General Fund. One possible source of funding mentioned was a grant from the Kansas Health Foundation. The Subcommittee encourages the agency to seek other sources for funding the program and, therefore, does not recommend a reduction in the amount of other funding recommended for the program.
9. The Subcommittee notes that when asked to list priorities, the agency indicated that a single point of access system for all long-term care services would be the first priority. The agency requested \$273,049 from the State General Fund in its FY 1995 budget to implement four single point of access demonstration projects. The funding was not recommended by the Governor, and the Senate made no adjustment to that recommendation. The agency now indicates, however, that with the initial recommendations from the long-term care study approved by the 1993 Legislature, it believes it will be able to implement some facets of a single entry point system with no additional funding. Some of the recommendations of the study include co-location of KDOA and SRS staff, use of a uniform assessment tool and joint contracting between KDOA and SRS. The agency indicated that, while the consultant's recommendation differs from the models proposed by the agency, the options mentioned by the consultant are workable and cost effective. The agency indicated, however, that because the consultant's study is preliminary, and has not yet addressed a detailed implementation plan, the agency will have to wait to determine what, if any, costs would be incurred in implementation. The Subcommittee encourages the agency to follow through on the single point of entry system and report the results to the 1995 Legislature.
10. The Subcommittee notes that two pieces of legislation currently under consideration could potentially have significant impact on the budget and operations of KDOA. The first, Sub. H.B. 2581, would, beginning January 1, 1995, shift preadmission assessment and referral responsibilities from SRS to KDOA. KDOA has indicated

that additional funding and staffing might be necessary to implement the provisions of the bill. In addition, SRS has indicated that the provisions of the bill could result in a shortfall of \$4,904,775 in its long-term care budget during FY 1995.

The other legislation, H.B. 3070, would increase the amount of funds transferred from the State Highway Fund to the Elderly and Handicapped Coordinated Public Transportation Assistance Fund. Currently, the amount designated in statute for expenditure from this fund for this purpose is \$390,000. As introduced, H.B. 3070 would increase this amount to \$600,000. Amendments in the House Transportation Committee increased the amount of the transfer to \$1,000,000.

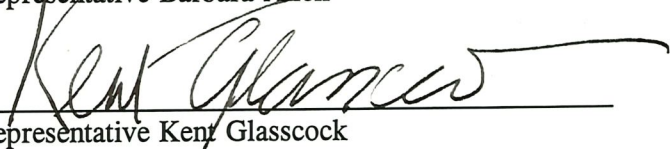
Should either of these bills be enacted, the impact on KDOA and SRS should be considered during the Omnibus session.




Representative Bob J. Mead
Subcommittee Chair



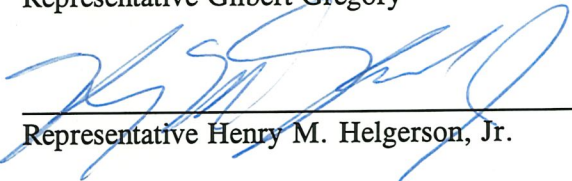
Representative Barbara Allen



Representative Kent Glasscock



Representative Gilbert Gregory



Representative Henry M. Helgerson, Jr.

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 718

Bill Sec. 13

Analyst: West

Analysis Pg. No. 817

Budget Page No. 512

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State General Fund: Homestead Tax Refunds	\$ 8,920,000	\$ 8,920,000	\$ --
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

The agency's current year estimate of \$8,920,000 is an increase of \$505,000 from the budget approved by the 1993 Legislature. The increase in estimated expenditures is primarily attributable to a \$10.54 increase in the amount of the average FY 1994 refund compared to the estimate utilized by the 1993 Legislature. A State General Fund supplemental appropriation of \$1,572,021 is requested in order to finance the current year estimate. The difference in the increase in estimated expenditures (\$505,000) and the requested supplemental (\$1,572,021) is attributable to increased FY 1993 expenditures above the approved FY 1993 estimate. The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following comment:

1. The Subcommittee recommends that the House Subcommittee for this agency review year-to-date expenditures to determine if all of the recommended supplemental appropriation is required.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.


ATTACHMENT 6

<u>Expenditure Summary</u>	<u>Senate Adj. FY 94</u>	<u>Senate Rec. FY 94</u>	<u>House Sub. Adjustments</u>
State General Fund:			
Homestead Tax Refunds	\$ --	\$ 8,920,000	\$ --
FTE Positions	--	--	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate, with the following observation:

1. The Subcommittee has reviewed year-to-date expenditures which appear to be consistent with the recommended level of expenditures. The Subcommittee notes, however, that 26.4 percent of FY 1993 expenditures occurred in March and recommends that year-to-date expenditures be reviewed again for Omnibus.



Representative James E. Lowther
Subcommittee Chair



Representative David J. Heinemann



Representative George R. Dean



Representative Richard R. Reinhardt

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 633

Bill Sec. 2

Analyst: West

Analysis Pg. No. 817

Budget Page No. 512

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State General Fund: Homestead Tax Refunds	\$ 8,700,000	\$ 8,700,000	\$ --
FTE Positions	--	--	--

Agency Request/Governor's Recommendation

The agency requests \$8,700,000 for Homestead Property Tax refunds in FY 1995, representing an estimated decrease of 1,200 (2.6 percent) in the number of refunds claimed and a 12 cent increase in the amount of the average refund. The agency's estimate is based on the number of returns filed for the previous calendar year (CY 1992) and estimated changes in income levels and tax levies. The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1995 recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation


The Senate Committee of the Whole concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Sub. Adjustments</u>
State General Fund: Homestead Tax Refunds	\$ --	\$ 8,700,000	\$ --
FTE Positions	--	--	--

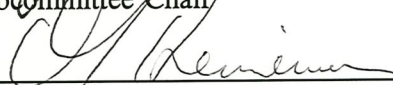
House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate, with the following observation:

1. The Subcommittee has been informed that 1992 amendments to the Homestead Act permitting filers to assign their Homestead refund to the county for payment of real estate taxes has resulted in some persons owing the state for payments to counties when it is subsequently determined that the claimant is not entitled to a Homestead refund. The Subcommittee notes the agency is developing proposals to eliminate this problem and suggests that this issue be reviewed by the Legislative Budget Committee.



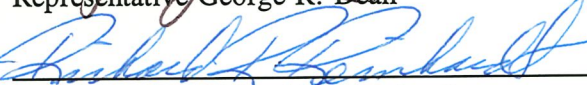
Representative James E. Lowther
Subcommittee Chair



Representative David J. Heinemann



Representative George R. Dean



Representative Richard R. Reinhardt

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill Nos. 528,718

Bill Secs. 12,15

Analyst: West

Analysis Pg. No. 819

Budget Page No. 302

Expenditure	Agency Est. FY 94	Governor's Rec. FY 94	Subcommittee Adjustments
All Funds:			
State Operations	\$ 43,743,658	\$ 43,545,212	\$ 31,284
Local Aid	--	--	--
Other Assistance	269,504,938	299,504,938	--
Subtotal	\$ 313,248,596	\$ 343,050,150	\$ 31,284
Capital Improvements	492,050	492,050	--
TOTAL	\$ 313,740,646	\$ 343,542,300	\$ 31,284
State General Fund:			
State Operations	\$ 1,034,847	\$ 1,028,942	\$ --
Other Assistance	4,938	4,938	--
TOTAL	\$ 1,039,785	\$ 1,033,880	\$ --
FTE Positions	925.5	916.5	--

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 1994 operating expenditures of \$313,248,596 is a net decrease of \$12,852,236 from the approved budget.

The Governor's recommendation for FY 1994 operating expenditures of \$343,050,150 is a net increase of \$29,801,544 from the agency's estimate including a \$30,000,000 increase in unemployment insurance payments and a decrease of \$198,446 in state operations.

State General Fund. The agency's estimate of FY 1994 State General Fund (SGF) expenditures reflects the approved budget. The Governor's current year recommendation of SGF expenditures is a decrease of \$5,905 from the agency's estimate.

Other Funds. The agency estimates that FY 1994 expenditures from federal and special revenue funding sources will be \$312,208,881, a net decrease of \$12,852,236 from the approved budget. Unemployment insurance benefits are estimated to be \$251,000,000, a reduction of \$22,000,000. Grants under the federal Job Training Partnership Act (JTPA) are increased from \$10,100,000 to \$18,400,000 due to a special discretionary grant primarily associated with flood relief efforts. Special revenue fund financed state operations are increased by \$847,764, with the major change being a \$929,666 increase in employment security administration expenditures. Net other changes decrease total expenditures by \$81,902.

ATTACHMENT 7

The Governor recommends FY 1994 expenditures from federal and special revenue fund financing of \$342,016,270, a net increase of \$29,807,389 from the agency's estimate. Recommended unemployment insurance payments of \$281,000,000 are a \$30,000,000 increase from the agency's estimate. Salaries and wage financing is reduced by \$202,541 for revised fringe benefits calculations and retirement reductions pursuant to the provisions of H.B. 2211. Other operating expenses are increased from the agency's estimate by \$10,000. The Governor recommends an expenditure limitation increase of \$15,596, from \$283,006 to \$298,602, on the Federal Indirect Cost Offset Fund.

FTE Positions. The agency's estimate of 925.5 FTE positions is the approved level of staffing. The Governor's recommendation of 916.5 reflects the elimination of 9.0 FTE positions due to the retirement reduction provisions of H.B. 2211.

Capital Improvements. The agency's current year estimate of \$492,050 for FY 1994 capital improvements includes a requested supplemental appropriation of \$150,000 from the Penalty and Interest Fund for handicapped accessibility renovations to the agency's facilities statewide.

The Governor concurs with the agency's capital improvement estimate, including the requested supplemental appropriation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustment:

1. As a technical adjustment, restore \$31,284 from the Employment Security Administration Fund to restore a special project position inadvertently omitted from the Governor's recommendation.
2. The Subcommittee notes that capital improvements for this agency will be addressed by the Senate Subcommittee on S.B. 528.

Senate Subcommittee on S.B. 528 Recommendation

The Senate Subcommittee on S.B. 528 concurs with the recommendation of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittees.

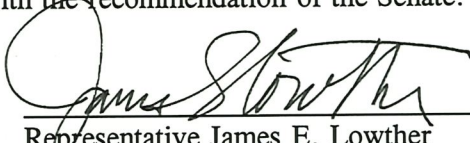
Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendation of the Committee.

Expenditure	Senate Adj. FY 94	Senate Rec. FY 94	House Sub. Adjustments
All Funds:			
State Operations	\$ 31,284	\$ 43,576,496	\$ --
Local Aid	--	--	--
Other Assistance	--	299,504,938	--
Subtotal	\$ 31,284	\$ 343,081,434	\$ --
Capital Improvements	--	492,050	--
TOTAL	\$ 31,284	\$ 343,573,484	\$ --
State General Fund:			
State Operations	\$ --	\$ 1,028,942	\$ --
Other Assistance	--	4,938	--
TOTAL	\$ --	\$ 1,033,880	\$ --
FTE Positions	--	916.5	--

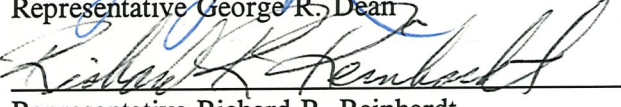
House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate.


Representative James E. Lowther
Subcommittee Chair


Representative David J. Heinemann


Representative George R. Dean


Representative Richard R. Reinhardt

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill Nos. 528, 633

Bill Secs. 12, 3

Analyst: West

Analysis Pg. No. 819

Budget Page No. 302

Expenditure	Agency Req. FY 95	Governor's Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 46,383,348	\$ 45,156,921	\$ 8,889
Other Assistance	228,105,000	228,105,000	--
Subtotal	\$ 274,488,348	\$ 273,261,921	\$ 8,889
Capital Improvements	201,276	201,276	--
TOTAL	<u>\$ 274,689,624</u>	<u>\$ 273,463,197</u>	<u>\$ 8,889</u>
State General Fund:			
State Operations	\$ 1,196,929	\$ 998,516	\$ 4,625
Other Assistance	5,000	5,000	--
TOTAL	<u>\$ 1,201,929</u>	<u>\$ 1,003,516</u>	<u>\$ 4,625</u>
FTE Positions	960.5	929.5	--

Agency Request/Governor's Recommendation

New Initiatives. The agency's FY 1995 budget request includes the following new initiatives and program expansions:

- **Workers Compensation.** The agency requests \$1,327,604 from the Workmen's Compensation Fee Fund for 33.0 FTE new positions for further implementation of workers compensation reform passed by the 1993 Legislature. The request includes \$1,008,256 for salaries for the 33.0 positions and other operating expenses of \$319,348. The Governor recommends \$502,325 from the Workmen's Compensation Fee Fund for salaries (\$437,325) and other operating expenses (\$65,000) for 13.0 FTE new positions for the Workers Compensation program.
- **Apprenticeship.** State General Fund financing of \$53,324 is requested for 1.0 FTE new position (\$35,429) and other operating expenses (\$17,895) for increased enforcement of the state's child labor laws. The Governor does not recommend funding for the requested new position.
- **Hispanic Affairs.** State General Fund financing of \$29,235 is requested to restore staffing for the Hispanic Affairs program to the FY 1992 level of 4.0 FTE positions. The Governor does not recommend funding for the requested new position.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. Attach a proviso on the no limit Employment Security Administration Fund and each of the Job Training Partnership Act (JTPA) Funds which would limit expenditures on those funds to 25 percent of estimated FY 1995 expenditures. On October 1, the funds would return to a no limit status provided that the Department of Human Resources submits to Kansas Inc. a comprehensive plan for the creation of pilot projects in four separate areas of the state to consolidate training and employment services in one office in each area under complete authority of a regional manager to be effective on October 1, 1994; and provided that the Department of Human Resources reorganizes the JTPA's service delivery areas (SDA) and reconfigures all regional and service delivery areas to conform with these new boundaries, including the establishment of new regional employment and training councils to coordinate all applicable programs to be effective October 1, 1994.

In its presentation to the Joint Committee on Economic Development, Kansas Inc. noted that coordinated workforce training is perhaps the key to the state's future economic well being, but that training and employment services often are provided in an uncoordinated manner which results in wasted resources, both human and economic. The recommendation of a Kansas Inc. workforce training task force are incorporated in the proviso and have been recognized by the Department of Human Resources, Division of Employment and Training, as appropriate strategies.

2. As a technical adjustment, amend S.B. 633 to reflect the Governor's recommendation of 929.5 FTE positions.
3. Reduce Workmen's Compensation Fee Fund financing for the new positions recommended by the Governor by \$29,258. The Subcommittee has been informed that the funding recommended by the Governor would support 13.0 FTE Special Investigator positions. The agency has proposed that three of the new positions be used for clerical and support staff instead.
4. Add \$33,532 from the Workmen's Compensation Fee Fund to correct errors in the agency's budget submission on the salaries of the Medical Administrator and Attorney II positions in the Workers Compensation program.
5. The Subcommittee notes that K.S.A. 74-715 creates the Workmen's Compensation Fee Fund. The Subcommittee recommends an amendment to an appropriate bill to statutorily change the name to the Workers' Compensation Fee Fund.
6. Add \$4,625 from the State General Fund to permit the Commission on Disability Concerns to expand their office space at 1430 S.W. Topeka. The Subcommittee reviewed the office space currently used and needed by the Commission and concurs with the Commission that the existing space is inadequate. The Subcommittee has been informed that additional space is available at the Commission's current location.

7. The Subcommittee notes that the performance analysis of the Advisory Committee on Hispanic Affairs recommended by the 1993 Legislature should be completed around March 15 and recommends that the study's findings and recommendations be considered by the House Subcommittee or in the Omnibus bill, as well as the request to restore staffing to the FY 1992 level.
8. The Subcommittee has reviewed the methods for calculating overtime at the agency and notes that the agency bases any overtime compensation on actual hours worked and does not allow employees to pyramid overtime claims through the use of annual leave.
9. The Subcommittee notes that FY 1995 capital improvements for this agency will be addressed by the Senate Subcommittee on S.B. 528.

Senate Subcommittee on S.B. 528 (Capital Improvements)

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittees, with the following adjustment:

1. In lieu of Subcommittee recommendation No. 1, the Senate Committee recommends a proviso to the Employment Security Administration Fund which would limit expenditures to 75 percent of estimated FY 1995 expenditures from the fund. The fund would return to a no limit status provided that prior to January 1, 1995, the Department of Human Resources submits to the Joint Committee on Economic Development a comprehensive plan for the creation of pilot projects in four separate areas of the state to place the current personnel of Job Service, KanWork, JTPA, and other DHR training and employment programs under complete authority of a regional manager and provided that the agency also submit a plan to the Senate Commerce and House Economic Development Committees before March 1, 1995, that will reorganize the JTPA's service delivery areas as recommended in the Kansas Inc. report to the Joint Committee on Economic Development, effective July 1, 1995.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee, with the following adjustment:

1. Modify the proviso recommended by the Senate Committee on the Employment Security Administration Fund to eliminate the March 1, 1995 deadline and change the effective date of the SDA realignment to July 1, 1996.

Expenditure	Senate Adj. FY 95	Senate Rec. FY 95	House Sub. Adjustments
All Funds:			
State Operations	\$ 8,889	\$ 45,165,810	\$ 179,631
Other Assistance	--	228,105,000	--
Subtotal	\$ 8,889	\$ 273,270,810	\$ 179,631
Capital Improvements	--	201,276	--
TOTAL	\$ 8,889	\$ 273,472,086	\$ 179,631
State General Fund:			
State Operations	\$ 4,625	\$ 1,003,141	\$ 5,943
Other Assistance	--	5,000	--
TOTAL	\$ 4,625	\$ 1,008,141	\$ 5,943
FTE Positions	--	929.5	--

House Subcommittee Recommendation


The House Subcommittee concurs with the recommendation of the Senate, with the following adjustments:

1. Add \$5,943 from the State General Fund to allow the Commission on Disability Concerns to hold eight meetings a year instead of four.
2. Strike the proviso added by the Senate on the Employment Security Administration Fund and return the fund to no limit status. The Subcommittee notes that while the directives included in the proviso may be a good idea, the proviso as drafted would risk the potential loss of federal funds and could strictly limit almost all of the agency's operations. The Subcommittee would also note that recently announced federal initiatives may very well obviate the need for changes recommended by the Senate before the July 1, 1996, effective date included in the proviso.
3. The Subcommittee notes that the agency has a federal grant to expand the placement of terminals to access job listings and recommends that the agency consider placement of the terminals in areas accessible to the public 24 hours a day or at least outside normal working hours.
4. The Subcommittee has received the report commissioned by the 1993 Legislature entitled Special Needs of Minority Groups in Kansas. While the study appears to be very thorough, the late date of its receipt does not permit adequate time for the agency to respond nor time to pass legislation. The Subcommittee recommends that the report, its findings, and conclusions be the topic of an interim study.
5. In reviewing the implementation of workers compensation reform, the Subcommittee has been informed that litigation appears to be reduced but that it is too early to determine if this is a permanent reduction. The Subcommittee notes that the accident

prevention and safety aspects of reform are also underway but that the agency is facing several barriers to implementation, including the reported reluctance of some insurance companies to provide safety review services to firms who pay under \$50,000 per year in premiums. The Subcommittee has also been informed that it has been difficult to recruit qualified personnel for the accident prevention and safety program due to the disparity of pay between the private sector and the state. The Subcommittee notes that it is vital to the long term success of workers compensation reform that the agency has well qualified professionals on board. The Subcommittee strongly recommends that the Division of Personnel Services review the current qualifications and pay ranges for professional industrial safety and health personnel and make the needed salary adjustments.

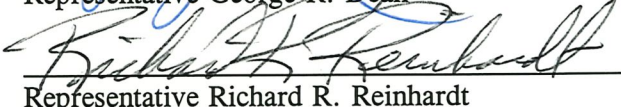
6. The Subcommittee believes that the classified Administrative Law Judge positions are underpaid. These positions perform specialized advanced legal work conducting quasi-judicial hearings under the provision of the Kansas Workers Compensation Law. The Subcommittee notes that the following are some of the requirements included in the job description for Administrative Law Judge:
 - a. knowledge of laws and legal interpretations applicable to cases arising under the state's Workers Compensation Law;
 - b. knowledge of judicial and quasi-judicial procedures and rules of evidence;
 - c. knowledge of the provisions of the Kansas Workers' Compensation Law and regulations;
 - d. ability to read and understand medical reports and depositions relating to both physical and psychological trauma and disease;
 - e. ability to summarize clearly a large volume of evidence and to write a clear explanation of the reasoning used in arriving at findings of fact and conclusions of law;
 - f. ability to maintain order in adversary court room situations; and
 - g. ability to exercise sound judgement and to maintain effective working relationships with claimants, court officials, and the general public.

Administrative Law Judges, however, are paid less than a classified attorney five years out of law school. The agency testified that this has resulted in fewer qualified applicants applying for position openings. The Subcommittee has been informed that the agency has requested the Division of Personnel Services to review this pay inequity and recommends the addition of \$173,688 from the Workmen's Compensation Fee Fund to finance the needed salary increase.


Representative James E. Lowther
Subcommittee Chair


Representative David J. Heinemann



Representative George R. Dean


Representative Richard R. Reinhardt

DEPARTMENT OF HEALTH AND ENVIRONMENT

FY 1994 -- Senate Bill No. 718 (Section No. 14)


FY 1995 -- Senate Bill No. 633 (Section No. 5)



Representative Bob J. Mead
Subcommittee Chair



Representative Barbara P. Allen



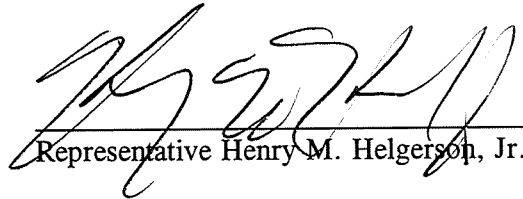
Representative Kent Glasscock

Representative Gilbert Gregory

Representative Henry M. Helgersen, Jr.

MINORITY REPORT

The minority of the subcommittee believes that the \$115,514 for expanded school-linked projects should be reinstated.



Representative Henry M. Helgersen, Jr.



Representative Gilbert Gregory

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 718

Bill Sec. 14

Analyst: Mah

Analysis Pg. No. 990

Budget Page No. 234

Expenditure	Agency* Est. FY 94	Governor's Rec. FY 94	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 84,058,878	\$ 84,627,947	\$ 34,200
Aid to Local Units	21,690,855	21,590,855	(29,743)
Other Assistance	25,570,000	25,570,000	--
Total	<u>\$ 131,319,733</u>	<u>\$ 131,788,802</u>	<u>\$ 4,457</u>
State General Fund:			
State Operations	\$ 19,835,709	\$ 19,801,046	\$ --
Aid to Local Units	5,867,184	5,867,184	--
Other Assistance	--	--	--
Total	<u>\$ 25,702,893</u>	<u>\$ 25,668,230</u>	<u>\$ --</u>
FTE Positions	764.0	762.0	--
Special Projects Positions	158.6	158.6	1.0

* Includes two special projects positions and \$1,884,650 from mostly federal funds approved by the State Finance Council after the budget document was submitted.

Agency Estimate/Governor's Recommendation

After adjustments to include mostly federal funds approved by the State Finance Council for three items, the Department's total estimated budget for the current year is \$131.3 million, an increase of \$2.7 million over the approved budget. The Department anticipates expenditures of \$29.8 million instead of the \$27.7 million approved for the federal supplemental food program for Women, Infants, and Children (WIC). The funds are used for nutrition education as well as for monthly food vouchers of prescribed foods. Also, besides small amounts of additional expenditures in several fee and federal funds, the Department is requesting \$317,244 in additional expenditures from fees imposed on those owning facilities that emit air pollution. The moneys would be expended from the Air Quality Fee Fund and would be used for paying the salaries of existing staff. The Department reports that these additional moneys are needed for two reasons. First, anticipated federal receipts will be about \$76,000 less than originally budgeted for the current year. The second reason is that financing shifts have been made which have created the need for additional funds to pay for this program. The Department has gone through a significant reorganization in the last year, the result being that duties have been shifted so that two subprograms, the Water Quality and the Right-To-Know subprograms, have been abolished and four new subprograms have been created.

The four new subprograms are: Administrative Appeals, Early Childhood Council, Office of Science and Support, and District Operations. The Department also reports that, as a result of passage of 1993 S.B. 118 last session, a new subprogram called Office of Health Care Information has been established. The legislation created a seven-member health care governing board for developing policy with regard to the collection of health data and procedures for ensuring confidentiality and security of the data collected. Presently, only one existing staff member has been assigned to this subprogram. For the upcoming fiscal year, the Department requests 6.0 new FTE staff positions for this subprogram, including two who would have duties relating to the subprogram but would be assigned for administrative purposes to another subprogram. Finally, the Department reports that the current year will complete the Department's two-year mass campaign project called "Operation Immunize." The focus of the campaign has been age appropriate immunizations of newborn to two year olds. The current year estimate for vaccine purchases of \$2.9 million will drop to a more historic amount of \$1.3 million next fiscal year.

The Governor recommends total expenditures of \$131.8 million for the current year, an increase of \$469,069 from the Department's revised estimate. These additional moneys include new federal receipts for assistance due to the 1993 flood and for two new three-year grant programs. A total of \$1.7 million in federal flood related grants was approved by State Finance Council for the Department's budget since last session. The Governor also recommends additional federal flood relief moneys of \$750,120 that have been allocated to the Department by the federal government since the State Finance Council met in December, 1993. The Governor concurs with the agency's request for additional expenditure authority of \$317,244 from the Air Quality Fee Fund and from four other funds for smaller amounts. The recommendation includes additional expenditure authority of \$7,259 that was not part of the agency's request. Also, the recommendation includes expending receipts of moneys received from the two new three-year federal grants mentioned above that were approved by the Governor through Executive Directives issued late last year. One is for a statewide Breast and Cervical Cancer Control program and the other is for a statewide program to prevent the use of tobacco and its subsequent negative health impact. One major change from the agency's revised estimate is a reduction of \$500,000 in expenditures from the Department's Water Plan Special Revenue Fund. The Governor's recommendation reflects a carryforward balance of the \$500,000, which is then used to fund FY 1995 recommended expenditures totaling to \$4.1 million. Of the amount reduced, \$100,000 is in the local environmental grants to counties and the remaining is in the Department's Bureau of Environmental Remediation.

Position Changes. The agency's revised current year estimate provides for 764.0 FTE positions, the same number as was approved by the Legislature last session. The estimate also provides for 158.6 special projects positions (adjusted to reflect two positions added by State Finance Council action) for an increase of 24.6 positions above those reviewed by the 1993 Legislature. The Department reports that most of the positions are federally or fee funded. Only six positions are identified by the Department as being funded in part or all by the State General Fund.

The Governor concurs with the agency's request for special projects positions. However, the Governor's recommendation provides for additional special projects positions above the Department's estimate through moneys approved by Executive Directives. The recommendation reflects \$224,216 being added for salary expenses to be expended for the previously mentioned Tobacco Control and Breast and Cervical Cancer programs. The number of positions to be funded from these moneys is left up to the Department. With regard to FTE positions, the Governor reduces the Department's approved FTE count by 2.0 positions. The positions are reduced due to legislation passed last year that limits the filling of positions left vacant by employees who retire. The recommendation reflects two positions that have been permanently lost by the Department due to the legislation. Salary savings from these and other positions temporarily left vacant by employees who retired are recouped in the Governor's recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete \$30,543 in federal funds for the aid program for adolescent health promotion and teen pregnancy prevention. The Department reports that the current year estimate was overstated by this amount.
2. Add \$35,000 from federal funds for expenditures related to the Department's program for technical and financial support to local health departments that provide AIDS testing and counseling. The agency reports that the \$35,000 of grant moneys was inadvertently left out of the Department's budget request. Of the \$35,000, \$800 is to be used to provide more aid to local health departments and \$34,200 is to pay for salary and operating expenses of a new special projects position. The agency indicates that the special projects position would be for one year unless federal funding is available to continue the position.
3. Shift recommended financing of \$62,500 for aid to local units for the Hazardous and Solid Waste Collection program from the Environmental Permit Fee Fund to the Hazardous Waste Collection Fund. The agency reports that the request for financing from the Environmental Permit Fee Fund was inadvertent.
4. Make any technical amendments to the appropriations bill necessary to reflect the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendation.

Expenditure	Governor's Rec. FY 94	Senate's Rec. FY 94	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 84,627,947	\$ 84,662,147	\$ --
Aid to Local Units	21,590,855	21,561,112	--
Other Assistance	25,570,000	25,570,000	--
Total	<u>\$ 131,788,802</u>	<u>\$ 131,793,259</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 19,801,046	\$ 19,801,046	\$ --
Aid to Local Units	5,867,184	5,867,184	--
Other Assistance	--	--	--
Total	<u>\$ 25,668,230</u>	<u>\$ 25,668,230</u>	<u>\$ --</u>
FTE Positions	762.0	762.0	--
Special Projects Positions	158.6	159.6	--

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate's recommendations.

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 633

Bill Sec. 5

Analyst: Mah

Analysis Pg. No. 990

Budget Page No. 234

Expenditure	Agency Req. FY 95	Governor's Rec. FY 95	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 92,728,795	\$ 86,354,399	\$ (164,903)
Aid to Local Units	23,878,643	22,894,889	220,000
Other Assistance	27,420,000	27,470,000	(50,000)
Total	<u>\$ 144,027,438</u>	<u>\$ 136,719,288</u>	<u>\$ 5,097</u>
State General Fund:			
State Operations	\$ 24,426,881	\$ 20,022,775	\$ (438,107)
Aid to Local Units	7,309,646	5,875,892	--
Other Assistance	--	--	--
Total	<u>\$ 31,736,527</u>	<u>\$ 25,898,667</u>	<u>\$ (438,107)</u>
FTE Positions	912.5	931.1	(96.5)
Special Projects Positions	113.6	12.5	96.5

Agency Request/Governor's Recommendation

The Department requests a total budget of \$144.0 million in FY 1995, an increase of \$12.7 million over the current year revised estimate. Of the increase, \$8.7 million (\$4.6 million from the State General Fund) is for state operations and \$2.2 million is requested to provide for additional aid to local governments (\$1.4 million from the State General Fund). The additional aid would be used by several of the Department's programs, including the Home Visitor/Healthy Start program, the Primary Health Care Projects program, and the General Environmental Health Grants program. The Department requests several initiatives for FY 1995, including some that relate to proposed new or increased fees. Some of the proposed initiatives are enhancing the Department's new Office of Health Care Information subprogram; collecting proposed fees to charge for expedited vital statistics information services; establishing a new Community Based Health Promotion program; expanding the Department's Food, Drug, and Lodging subprogram; establishing a new Childhood Lead Poisoning Prevention subprogram; expanding the Department's Immunization program; implementing a Tuberculosis Elimination Plan; collecting fees to cover costs of newborn screening services for metabolic diseases; establishing a lead abatement certification program; expanding the Department's Air Quality program; and collecting fees to expand several of the Department's water related programs.

The Governor recommends a total budget of \$136.7 million in FY 1995, a reduction of \$7.3 million from the agency's request. Of the \$7.3 million, the recommendation reduces \$5.8 million from the State General Fund. Requested operating expenditures are reduced by \$6.4 million and local aid expenditures by almost \$1.0 million. Included in the Governor's recommendation are moneys to finance

an inventory of existing services to be used in the development of a health care information database and proposed fees which are to be used to finance an initiative for recovering costs of screening newborn infants for metabolic diseases. Also, the Governor's recommendation provides moneys for implementing a Tuberculosis Elimination Plan; expanding the Department's Air Quality program; and establishing a lead abatement certification program. Finally, with regard to two new three-year federal grants approved by Executive Directive in the current year, the FY 1995 recommendation provides for expending federal moneys for a Tobacco Control program, but the continued use of federal grant moneys for the statewide Breast and Cervical Cancer Control program is not part of the recommended expenditures.

Position Changes. The Department requests a total of 912.5 FTE positions and 113.5 special projects positions in FY 1995 as compared to 764.0 FTE positions and 158.6 special projects positions in the current year. The drop in special projects positions reflects a proposed shift of 43 approved positions to FTE positions. Also, two special projects positions approved by the State Finance Council in the current year were not budgeted for in FY 1995 by the Department. Included in the request are 105.5 new FTE positions and one special projects position. The positions are requested to provide staffing for the Department's various proposed initiatives.

The Governor recommends a total of 26.0 new FTE positions in FY 1995. However, seven of these positions are recommended to provide for continuing staff that were added in the current year by State Finance Council action (two positions) and an Executive Directive issued for a Tobacco Control program (five positions). Further, the Governor shifts all but 12.5 existing special projects positions to FTE positions in FY 1995. The result of the Governor's recommendation is 931.1 FTE positions and 12.5 special projects positions. Information from the Governor's staff says that low morale and high turnover have occurred with the current system because individuals who are in special projects positions are not getting paid as much as those in the classified service even though job duties and responsibilities are the same. Finally, the Governor recommends that the position limitation for the Department be removed for FY 1995. According to the Governor's staff, this recommendation will provide the Department with flexibility to respond to federal funding opportunities and take away the present system that fails to reflect an accurate number of full-time positions in the Department.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Shift financing of \$372,000 for operating expenses from the State General Fund to other funding sources that are to be determined by the Department. The Subcommittee notes that there has been significant growth in this Department with regard to federal and fee generated receipts collected without the benefit of reducing the amount of State General Fund moneys used to finance this agency. The Subcommittee knows that shifts are possible because the Department has made shifts in the current year which have resulted in a request that the expenditure limitation for the Air Quality Fee Fund be increased by \$317,244. These additional moneys from the Air Quality Fee Fund are for no new enhancements; rather the moneys are needed to pay for salaries of staff that last year the Legislature fully funded. Some of the moneys (\$76,000) are needed because of a shortfall in federal receipts, but the Department created the need for most of the additional Air Quality Fee Fund moneys because various approved funding revenues were shifted to pay for other operating expenditures of the Department. Further, the Subcommittee notes that the Legislature has given this agency financing flexibility by placing expenditure limitations of "no limit" on a large portion of the Department's many funds. A

review of the Department's budget has shown the Subcommittee that the Department can be creative in using this flexibility. The Subcommittee asks the Department to use its creativity to make shifts that will result in savings to the State General Fund and to report to the Legislature during the 1994 Session on its plans to accomplish the task. Certainly one option for creating savings is in the Department's communication expenditures. Expenditures for communications are estimated at \$1,559,956 in the current year, an increase of \$334,193 or 27.3 percent over actual FY 1993 expenses.

2. Instead of shifting 143.1 special projects positions to FTE positions as was recommended by the Governor, the Subcommittee recommends that 56.6 special projects positions be shifted to FTE positions. A table showing the Subcommittee's recommended position shifts is attached to the back of this report. The Subcommittee reviewed each special projects position and does not believe that sufficient reason exists to authorize all of the recommended shifts. Further, the Subcommittee notes that some positions the Governor recommends for shifting were added by the Department through its own initiative and that some State General Fund moneys are used to finance the positions. (Just for the current year, the amount of funds needed from the Department's various funds to finance positions added by the Department is significant. Using a rough figure of \$25,000 for the annual salary cost of each position added indicates that the fiscal impact is \$615,000.) Also, the Subcommittee observes that the Governor includes in her recommendation shifts of positions paid for from short-term grants or federal programs. Therefore, the Subcommittee further recommends that 7.0 new FTE positions recommended by the Governor in FY 1995 be special projects positions instead. The positions are to provide for staffing of defined new projects which are based on financing from two three-year federal grants (five for a tobacco control project and two for a maternal and child state systems development initiative). When all of the recommended positions changes in the FY 1995 report are included, the net result of the Subcommittee's recommendation is 834.6 FTE positions and 109.0 special projects positions as compared to the Governor's recommendation of 931.1 FTE positions and 12.5 special projects positions. Also, the Subcommittee recommends that an FTE position limitation be included in the appropriations bill. The Governor recommended that no FTE position limitation be imposed for the Department in FY 1995. The Subcommittee believes that the position limitation is necessary to provide for oversight over the number of FTE positions for this Department. The Department already can add special projects positions over those approved by the Legislature and has done so frequently. Information indicates that the Department added in the current year 24.6 special projects positions above those approved by the Legislature last year. (The Department's ability to add special projects positions would not be affected by the Subcommittee's recommended position limitations.) Finally, the Subcommittee recommends that a proviso be added to the appropriations bill which specifies that 111.5 of the total number of FTE positions (834.6) being recommended by the Subcommittee are limited-term FTE positions. The Subcommittee understands and expects that these positions will be abolished and the FTE count for the Department subsequently lowered as the respective funding source for each position is no longer available.
3. Shift financing of \$65,873 from the State General Fund to the Sponsored Project Overhead Fund. The moneys are for costs associated with moving the Department's database files from the mainframe computer of the Division of Information Systems and Communications of the Department of Administration to the Department's AS

400 computer. The Governor's recommendation allows for use of State General Fund moneys for this project, but the Department proposed financing this one-time cost from the Sponsored Project Overhead Fund.

4. Add \$146,412 and three special projects positions in FY 1995 to reflect the Department's anticipated expenditures from a "no limit" fund (Breast and Cervical Cancer Program--Federal Fund) established by the Governor in November, 1993, through Executive Directive No. 93-213. The Executive Directive authorizes the agency to expend new federal grant moneys to establish a statewide Breast and Cervical Cancer Control program. The grant is for a three-year period. The Governor's recommendation includes expenditures for the grant moneys in the current year, but no expenditures are included in FY 1995.
5. Delete \$139,582 (\$139,348 from a proposed new special revenue fund and \$234 from the State General Fund) and 3.0 new FTE positions recommended by the Governor to provide for a newborn cost recovery program for the state mandated screening of newborn infants for inborn error of metabolism diseases (phenylketonuria and galactosemia) and for congenital hypothyroidism. The Governor finances the initiative mostly from new revenues that would be generated through the passage of legislation that currently is pending (\$139,348 from the new revenues). Since the recommended financing for this initiative depends on passage of legislation (1994 S.B. 519), the Subcommittee wishes to give further consideration to this item during the Omnibus session if the legislation that will actually generate the revenues to pay for it is enacted.
6. Delete \$171,733 (\$46,051 from the Sponsored Project Overhead Fund and \$125,682 from potential federal moneys) for contractual services for implementing a new certification program for those whose jobs involve abatement of lead-based paint. The Governor's recommendation finances most of this new initiative from a federal grant that the agency has yet to receive. The agency is in the process of completing its application for federal grant moneys from the Environmental Protection Agency (EPA). The agency reports that once a state certification program is in place, the state will be eligible to receive moneys from the United States Department of Housing and Urban Development (HUD). The Subcommittee was told that information from the Governor's staff indicates that financing for this initiative in future years is to come from fee revenues generated as a result of legislation being proposed to the 1994 Legislature (1994 H.B. 2667). Since recommended and future financing for this initiative is uncertain at this time, the Subcommittee recommends that financing for this initiative be reviewed during the Omnibus session if there is passage of legislation that will assure a financing source for future funding.
7. Shift financing of \$55,000 for the aid program for health and prevention projects from the Governor's Council on Fitness Gift and Donation Fund to a new fund called the Capacity Building for Tobacco Prevention and Control--Federal Fund. The agency reports that the \$55,000 will come from a new federal grant just received. The grant moneys are to be credited to this new federal fund which the Governor created through an Executive Directive in December, 1993.
8. Add \$220,000 from fee funds for the District Coroners Grant program, which was established by passage of 1993 H.B. 2008 last year. Moneys come from surcharges imposed on death certificate copies and are to be used to pay for district coroner expenses. The law requires that these moneys be collected by the Department of

Health and Environment and distributed to counties for district coroner expenses. Neither the Governor or the agency budgeted for this program in FY 1995.

9. Delete \$50,000 from the Water Plan Special Revenue Fund for the aid program for the Rural Water Association. The recommendation will provide for total funding of \$150,000 (all from the Water Plan Fund) in FY 1995. This will be the fourth year for this on-site technical assistance program for public water supplies. This program is intended to be self-supporting on a fee basis after five years of state assistance. Therefore, the Rural Water Association needs to become more dependent on other funding sources.
10. Shift recommended financing of \$50,000 for aid to local units for the Hazardous and Solid Waste Collection program from the Environmental Permit Fee Fund to the Hazardous Waste Collection Fund. The agency reports that the request for financing from the Environmental Permit Fee Fund was inadvertent.
11. Review during the Omnibus session the amount of federal flood relief moneys that have been received and expended by the agency. The expenditure authority given to the agency assumes that all of the moneys will be expended in the current year. However, the moneys were given on a federal fiscal year basis, which means that the grant moneys could extend over more than one state fiscal year. The expenditure authority given in the current year may need to be shifted to FY 1995 to allow the agency to continue to make use of the grant moneys.
12. Amend the appropriations bill to continue the current practice which provides for a separate State General Fund account for each approved aid-to-local units program. The Governor lumped the State General Fund appropriations for all but one of the approved aid programs into one line item.
13. Amend the appropriations bill so that eleven existing funds remain as separate funds. The Governor combined four existing funds into one new fund and another seven existing funds into a second new fund. The Subcommittee finds no benefit to the Legislature or the State of Kansas by merging these funds.
14. Amend the appropriations bill so that, like all other funds, total recommended expenditures from the Department's State Water Plan Fund are reflected in the bill instead of just the amount of recommended new receipts that are to be expended. Further, delete the proviso on this Fund which gives the agency the authority to expend all prior year receipts in this Fund. The proviso is not necessary since both new and old receipts to the Fund are expected to be expended in FY 1995. Like the Governor's recommendation, the Subcommittee's recommendation provides for a carry-forward balance of \$0 at the end of FY 1995.
15. Amend the appropriations bill so that a new fund called Other Grants Fund can receive new grants of only up to \$150,000 instead of \$250,000. The Other Grants Fund was recommended by the Governor in an effort to reduce the need to create a new fund for each new grant that the Department receives. Since the Subcommittee is unsure as to the number of grants that is likely to be credited to this fund in any one year, the Subcommittee wishes to reduce the size of grants that will go to the fund in order to evaluate in the next year whether the commingling of new grants will still allow for acceptable tracking of each grant's anticipated expenditures.
16. Make any technical amendments to the appropriations bill necessary to reflect the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations, with the following adjustments:

1. Place a proviso on the agency's State General Fund operating appropriations so that the agency cannot raise by more than 10 percent for FY 1995 any of the current wastewater permit fees which are established by K.A.R. 28-16-56b. The recommendation does not change the agency's State General Fund appropriation. If additional revenues are collected, they are to be credited to the State General Fund like all fee revenues collected in the past.

The Committee also recommends that a 1994 interim study be conducted regarding the Department's wastewater permit programs, with specific attention given to any changes made or proposed by the Department in the amount of fees collected for these programs. Further, the Committee recommends that the fee structure for any other programs that are administered by the Department's Bureau of Water be included in the interim study.

2. Add \$57,792 from the State General Fund to provide in FY 1995 partial state funding for two existing Teen Pregnancy Prevention Projects, one in Shawnee County (\$31,709) and the other in Cowley County (\$26,083). The Committee's recommendation provides for a fourth year of state funding for the projects at half of their current year amount of state funds. Both projects began three years ago with state funding because of passage of 1991 H.B. 2531. The legislation authorizes the Secretary of the Department of Health and Environment to award three-year competitive grants to local public and private community groups and agencies.

The Committee asks the Department of Health and Environment to report to the 1995 Legislature on the achievements of the projects in Shawnee and Cowley counties as well as on plans that could provide for financing the projects in future years completely from private funding sources. Further, the Committee recommends that the State General Fund moneys for the two grants each be appropriated as a separate line item with a proviso that the grant recipient provide a dollar for dollar cash match of the state moneys.

Senate Committee of the Whole Recommendation

The Senate concurs with the Committee's recommendations.

Expenditure	Governor's Rec. FY 95	Senate's Rec. FY 95	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 86,354,399	\$ 86,189,496	\$ (19,940)
Aid to Local Units	22,894,889	23,172,681	(83,805)
Other Assistance	27,470,000	27,420,000	--
Total	<u>\$ 136,719,288</u>	<u>\$ 136,782,177</u>	<u>\$ (103,745)</u>
State General Fund:			
State Operations	\$ 20,022,775	\$ 19,584,668	\$ 352,060
Aid to Local Units	5,875,892	5,933,684	(83,805)
Other Assistance	--	--	--
Total	<u>\$ 25,898,667</u>	<u>\$ 25,518,352</u>	<u>\$ 268,255</u>
FTE Positions	931.1	834.6	--
Special Projects Positions	12.5	109.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the Senate's recommendations, except for the following adjustments:

1. Change financing so that \$372,000 for the agency's operating expenses is from the State General Fund instead of from other funding sources. The Senate asks the Department to make financing shifts to save the State General Fund \$372,000 and to report to the Legislature during the 1994 Session on its plans to accomplish the task. The Subcommittee fails to understand the specific cuts made or the alternative funding sources available to support the Senate's recommendation.
2. The Subcommittee notes that the agency refused to provide a list of its priorities, goals, and objectives in response to a request from the Subcommittee, due to the Legislature's move toward a performance based budgeting system. The agency informed the Subcommittee that it did not feel compelled to provide the requested information. The Subcommittee does not think this decision is constructive to the budgeting process. This agency's unwillingness to provide the requested information placed the Subcommittee in a position of not understanding the priority of the services within the agency's budget. The Subcommittee expects complete information next year from the agency on its priorities, goals, and objectives.

Because the Subcommittee did not know the priorities, goals, and objectives of any of the agency's current programming or services within its budget, the Subcommittee did not feel justified in adding a new school-linked project. Therefore, the Subcommittee deleted \$115,514 from the State General Fund for financing the requested new school-linked project. Currently, there are two school-linked

projects, one in Sedgwick County and the other in Geary County. These projects provide preventive and primary health care services at clinics that must be located near schools. The Subcommittee does not advise embarking on a new project at this time.

3. The Subcommittee calls attention to H.B. 2769. The bill, which is still in the first house, would create a Vital Statistics Improvement Fee Fund. Receipts to the new fund would be generated by charging an additional \$1 for each certified copy of a vital statistics record. The Department reported that equipment in the Vital Statistics program needs to be improved.
4. Delete \$2,000 from the State General Fund for operating expenditures in the Department's budget for the Governor's branch office in Wichita. The recommendation is in response to a motion approved by the House Appropriations Committee in late February, 1994.
5. Concur with the Senate's recommendation which shifts 56.6 special projects positions to FTE positions, but ask the Legislative Budget Committee during the 1994 interim to review policy and establish direction for the Legislature with regard to shifting special projects positions to FTE positions. (The Governor shifted all but 12.5 special projects positions to FTE positions, a total of 143.1 positions shifted.) Attached to the back of this report is a list of the 56.6 positions being recommended for the shift by the Subcommittee. Of the 56.6 special projects positions being recommended, a total of 38.0 positions are recommended as limited-term FTE positions. The agency provided for review a signature notice form which is used for those who are hired to fill limited-term FTE positions. The notice lays out the criteria for which a person accepts employment as a limited-term FTE position. Also, the agency indicates that in order to fill special projects positions, the agency has had to pay starting salaries which are up to 10 percent higher than like FTE positions. The Subcommittee asks the agency to provide documentation of this salary differential.
6. Like the Senate, the Subcommittee plans to consider restoring \$139,582 (\$139,348 from a proposed new special revenue fund and \$234 from the State General Fund) and 3.0 new FTE positions recommended by the Governor to provide for a newborn cost recovery program for the state mandated screening of newborn infants for inborn error of metabolism diseases (phenylketonuria and galactosemia) and for congenital hypothyroidism. The Governor financed the initiative mostly from new revenues that must be generated through the passage of legislation (1994 S.B. 519). The Subcommittee was told that S.B. 519 has now been amended into H.B. 2740 and passed out of the second house committee.
7. Amend the appropriations bill so that the State General Fund appropriations for eight existing aid programs are in one line item. The Subcommittee's recommendation is the same as the Governor's recommendation. The Senate maintained the current practice which provides for a separate State General Fund account for each approved aid-to-local units program. The Subcommittee makes its recommendation in order to move toward a performance based budgeting system. However, the recommendation was not unanimous among the Subcommittee members. A minority of Subcommittee members said that since the agency refused to provide

a list of funding priorities, they were not prepared to take a step, which appears to give the agency more flexibility with respect to its activities, and makes the agency less accountable to the Legislature. The minority is prepared to move the agency toward performance based budgeting, but believes in order to reach that goal, the agency must cooperate in providing funding priorities to the Subcommittee.

8. Amend the appropriations bill so that four existing funds are combined into one new fund and another seven existing funds into a second new fund. The Subcommittee's recommendation is the same as the Governor's recommendation. The Senate maintained the current practice, leaving eleven existing funds as separate funds. A minority of Subcommittee members were concerned about this recommendation, expressing the same concerns that were discussed in item No. 7 directly above.
9. Amend the appropriations bill to change the name of a new fund from Other Grants Fund to Other Federal Grants Fund. The fund was recommended by the Governor in an effort to reduce the need to create a new fund for each new federal grant that the Department receives. The Subcommittee's recommendation clarifies that the new fund is for federal moneys only.
10. Concur with the Senate's recommendation for deleting \$50,000 from the State Water Plan Fund for the aid program for the Rural Water Association, but request that the Department and the Rural Water Association provide to the 1995 Legislature information with regard to funding proposals in future years. Information gathered from past documents indicates that the program is intended to be self-supporting on a fee basis after five years of state assistance. The recommended FY 1995 funding of \$150,000 will be the fourth year of state funding for the program. Further, the Subcommittee believes that discussions should take place in the 1994 Conference Committee with regard to whether the state should continue to fund this program or whether the program should become self-supporting. If the program should become self-supporting, the Legislature must decide what steps should be taken to ensure a revenue source, including establishing or increasing fees.
11. Concur with the Senate's recommendation of \$31,709 from the State General Fund for the Shawnee County Teen Pregnancy Prevention project, but add another \$31,709 from the State General Fund to maintain current year state funding. Further, the Subcommittee recommends that, instead of a dollar for dollar match for the State General Fund moneys as was recommended by the Senate, match requirements be consistent with K.S.A. 65-1,158. This statute for the state's grant program for Community-Based Teenage Pregnancy Reduction Projects requires a match of 30 percent from the community for the state dollars. The match may be satisfied on a cash or in-kind basis from private or public sources. The Subcommittee believes that continued state support for the Shawnee County project is justified given the high success rate of the project. Information from the Department and the Teen Pregnancy Shawnee County project indicates that there has been a 23 percent reduction in the teen pregnancy rate from January 1, 1992 to December 31, 1992. In the same period, there was a statewide increase in teen pregnancy rates of 14 percent. Recent information indicates a potential success rate of an additional 10 percent reduction in teen pregnancy from January 1, 1993 to

December 31, 1993, a total overall reduction of 33 percent over the first full two years of funding. The Subcommittee's recommendation makes no change to the Senate's recommendation for partial state funding of a Teen Pregnancy Prevention project in Cowley County, since the Subcommittee understands that the project has not reduced the teen pregnancy rate in Cowley County. The Subcommittee requests that additional information on the results of this project be provided to the Subcommittee and the Conference Committee before the 1994 Omnibus session.

Further, the Subcommittee calls attention to its recommendation found in the welfare reform bill (H.B. 2929). The Subcommittee recommended the addition of \$400,627 from the State General Fund for an appropriation to the Department of Health and Environment for teen pregnancy prevention activities. The Department is to give a high-priority to AFDC recipients, and maximize federal matching funds which are available for this population. The Subcommittee understands that the Department recommends targeting approximately 6,000 young women known to have become pregnant. The agency reported that once young women get pregnant, chances for a second pregnancy are much higher. The Subcommittee calls upon the Department to explore confidentiality issues related to obtaining vital statistics information on these young women. Further, should the recommended \$400,627 be intact at the end of the appropriations process, either as part of H.B. 2929 or as an item included in the Omnibus bill, the Subcommittee asks the Department to detail in writing how it plans to distribute the moneys, including proposals providing information on the types of model projects that could receive the moneys. The agency should review the teen peer counseling model as one type of program that can be used in this endeavor. Finally, for each teen pregnancy prevention project receiving state funds, including those in Cowley and Shawnee counties, the Subcommittee expects the agency to provide to the 1995 Legislature an analysis of the costs as compared to the benefits received.

12. Delete a proviso in the appropriations bill on the agency's State General Fund appropriation. The proviso was recommended by the Senate to prohibit the agency from raising by more than 10 percent for FY 1995 any of the current wastewater permit fees which are established by K.A.R. 28-16-56b. Since the Senate made its recommendation, S.B. 800 has been amended to include statutory restrictions on some of the wastewater permit fees (confined animal feedlots). The Subcommittee further recommends review of this issue during the Omnibus session should S.B. 800 not be enacted by the 1994 Legislature.
13. Change the Title I -- P.L. 99-457 Child Development -- Federal Fund so that it is a "no limit" expenditure fund. The Department indicates that its needs additional expenditure authority because two years of federal funding will be available in FY 1995.
14. Delete \$17,940 from the State General Fund to reduce recommended FY 1995 communication expenditures to the current year level of \$1,559,956. This current year amount is an increase of \$334,193 or 27.3 percent over actual FY 1993 expenses. The Subcommittee believes that, with this significant increase, no additional moneys are necessary for FY 1995. Further, the Subcommittee notes

that the agency agreed to make this reduction during legislative hearings on its budget.

Positions Recommended for Shift from Special Projects Positions to FTE

Program	Positions	Number	
		Regular	Limited Term
General Management			
General Services	Shift to regular FTE 1.0 Accountant II and shift to limited-term FTE 1.0 Office Assistant II	1.0	1.0
Legal Services	Shift to regular FTE 1.0 Attorney II and 1.0 Attorney I. Also, shift to limited-term FTE 1.0 Secretary II	2.0	1.0
Administrative Appeals	Shift to regular FTE 1.6 Attorneys	1.6	0.0
Division of Information			
Communication Services	Shift to limited-term FTE 1.0 Computer Systems Analyst created by Omnibus 1992 for Tuberculosis work	0.0	1.0
Division of Health			
Chronic Disease and Health Promotion	Shift to limited-term FTE 2.0 Epidemiologists	0.0	2.0
Health Facil. Licensure	Shift to regular FTE 1.0 Attorney I and 1.0 Office Specialist	2.0	0.0
Bureau of Disease Control	Shift to limited-term FTE 1.0 Epidemiologist, 1.0 Disease Intervention Specialist, and 1.0 Public Health Nurse V	0.0	3.0
Children with Special Needs	Shift to limited-term FTE 1.0 Public Health Nurse V	0.0	1.0
Maternal, Infant, Child	Shift to limited-term FTE 1.0 Public Health Nurse VI	0.0	1.0
Division of Environment			
Waste Management	Shift to regular FTE 11.0 positions (1.0 Engineer Associate I, 2.0 Geologist II, 2.0 Environmental Scientist I, 1.0 Environment Scientist V, 3.0 Environmental Technician II and III, 1.0 H&E Program Analyst, and 1.0 Water Consultant Engineer)	11.0	0.0
Bureau of Water	Shift to limited-term 1.0 Environmental Technician III	0.0	1.0
Surface Mining	Shift to regular FTE 1.0 Environmental Technician IV	1.0	0.0
Bureau of Remediation	Shift to limited-term FTE 9.0 positions (5.0 Environmental Geologist I, 3.0 Environmental Technician III, and 1.0 Environmental Technician IV)	0.0	9.0
District Operations	Shift to limited-term FTE 13.0 positions (6.0 Environmental Engineer III and 1.0 Environmental Technician IV for Solid Waste and 6.0 Environmental Scientist V for Water Plan)	0.0	13.0
Laboratory			
Laboratory Improvement	Shift to limited-term FTE 5.0 positions (4.0 Laboratory Improvement Specialists and 1.0 Research Analyst II)	0.0	5.0
TOTAL		<u>18.6</u>	<u>38.0</u>

COMBINED TOTAL -- 56.6