

Approved: 4 / 21 / 94
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 12:00 p.m. on March 28, 1994 in Room 514-S of the Capitol.

All members were present except: Rep. Delbert Gross, excused

Committee staff present: Alan Conroy, Legislative Research Department
Debra Duncan, Legislative Research Department
Scott Rothe, Legislative Research Department
Kathy Porter, Legislative Research Department
Pat Mah, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee:

Gene Johnson, Kansas Alcohol Safety Action Projects Coordinators Association
Wendall Roscoe, Smoky Hill Foundation
Senator Lana Oleen, 22nd District
Debra Lieb, Common Cause
Carole Williams, Commission on Governmental Standards and Conduct
Jolene Grabill, Corporations for Change
Carolyn Hill, Department of Social and Rehabilitation Services
Jack Shipman, Director, Department of Administration, Division of Purchases
Bob Wunsch, University of Kansas Medical Center
Ted Ayers, Kansas Board of Regents
Dr. Bob Harder, Department of Health and Environment
Dennis Shockley, Department of Commerce and Housing
Secretary Donna Whiteman, Department of Social and Rehabilitation Services

Others attending: See attached list

Chairman Chronister opened the hearing on **SB 719**. Gene Johnson, Kansas Alcohol Safety Action Projects Coordinators Association was the first conferee on the bill in support of its passage. (See Attachment 1). Wendall Roscoe, Smoky Hill Foundation, also appeared as a proponent of the bill. (See Attachment 2). Jim Olson, a third proponent to the bill was scheduled to speak but was unable to appear. Roscoe did provide written testimony for the committee. (See Attachment 3). The hearing was closed.

Senator Lana Oleen, 22nd District, testified in support of **SB 658**. (See Attachment 4). Debra Lieb, Common Cause, also appeared in favor of the bill. (See Attachment 5). Carole Williams, Commission on Governmental Standards and Conduct, appeared as a conferee neither for or against, but to provide clarification for committee members about what the bill would accomplish. (See Attachment 6). The hearing was then closed.

The hearing on **SB 400** was opened. Jolene Grabill, Corporation for Change, testified in support of the bill. (See Attachment 7). Grabill had raised questions for committee members about positions the Department of Social and Rehabilitation (SRS) was taking as to her requests of the committee. Carolyn Hill, SRS, responded to questions and comments. She told the committee that SRS had prioritized its goals and that the provisions in the bill addressed those priorities. Hill said SRS had requested assistance from the Corporation for Change in getting SB 400 through the legislature. Furthermore, she said SRS disagreed with Grabill's request of earmarking funds for the department as it would result in a loss of spending flexibility. The hearing

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S of the Capitol, at 12:00 p.m. on March 28, 1994.

on the bill was then closed. Chairman Chronister assigned the bill to a subcommittee composed of Rep.s Heinemann, Carmody and Helgerson and requested they bring a recommendation to the committee by Wednesday (03/30/94) at the latest.

The hearing for Sub. for SB 531 was opened. Jack Shipman, Division of Purchases, requested amendments to the bill restoring the original SB 531. (See Attachment 8). Bob Wunsch, KU Medical Center, also appeared supporting the bill's passage. (See Attachment 9). Wunsch said he was not endorsing Shipman's testimony requesting passage of the original bill as it underwent considerable opposition from the Senate. Ted Ayers, Board of Regents was the final conferee on the bill. (See Attachment 10). He stated that he supported the management concept contained in the bill, but would also urge the committee to take into consideration the testimony from Shipman. The hearing was closed. Chairman Chronister referred the bill to a subcommittee consisting of Rep.s Pottorff, Bradley and Teagarden.

Rep. Pottorff moved to pass and favorably recommend SB 658. Rep. Teagarden seconded the motion. Rep. Hochhauser made a substitute motion to change the contributory amount in the bill to \$1,000 from \$2,000. Rep. Bradley seconded the motion and it failed. The Pottorff motion carried.

Rep. Kline made a motion to pass and favorably recommend SB 719. Rep. Minor seconded the motion and it was carried by the committee.

Chairman Chronister opened the scheduled hearings for Community Service Block Grant Funding. Secretary Bob Harder, Department of Health & Environment offered testimony on the agency's grant monies. (See Attachment 11). Dennis Shockley, Department of Commerce & Housing, testified before the committee on his agency's allocations of federal grant dollars. (See Attachment 12). Rep. Helgerson requested Shockley to provide information to the Budget Committee over the interim on what the federal monies accomplish, plans for grants in the future and measurable outcomes the department has for the federal money appropriated to Commerce and Housing. Secretary Donna Whiteman, presented testimony to the committee on block grant funding for the department. (See Attachment 13). Opportunity for public input was provided, but no one aside from committee members commented on the federal block grants.

No further business appearing before the committee, the meeting was adjourned at 2:00 p.m. The next meeting is scheduled for March 29, 1994.

1994 Appropriation Committee Guest List

1	NAME	ORGANIZATION
2	Kathie Sparks	DOB
3	Carl Williams	KCBS
4	Kay Farley	OJA
5	Bob Wunsch	KJMC
6	ERIC Sexton	Wichita State
7	Jack R. Shipman	Division of Purchases
8	GARY D. LINK	WICHITA STATE
9	Gene Puckett	THE UNIVERSITY OF KANSAS
10	Raena Miller	DOA - Div of Purchases
11	Les E. Vogel	Div of Purchases
12	Rae Galt	KDOT
13	Carolyn Kistley Hill	SRS
14	David Scott	SRS
15	Wendell Reese	SMOKEY HILL FOUNDATION HAYS, KS
16	Gene Johnson	Ks Comm ASAP Coordinator Cass N - Topeka
17	Debra Kirk	Common Cause
18	Stefferson	DoA
19	TED D. AYRES	Board of Regents
20	Scott Anglemeyer	KDOCFH
21	Jacqueline Landon	KPCDD
22	Robin Walker	SRS
23	Julie Bremer	KDOCFH
24	Chris Starfield	KDHE
25	Susan Wheatley	Community Action Inc. Topeka, KS.
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Mon, Mar 28, 1994

**Testimony
House Appropriation Committee
March 28, 1994**

Senate Bill 719

Good Afternoon, Madame Chairman and Members of the Committee,

My name is Gene Johnson and I represent the Kansas Community of Alcohol Safety Action Project Coordinators Association, the Kansas Alcoholism and Drug Addiction Counselors Association and the Kansas Association of Alcohol and Drug Program Directors. We have asked for the introduction of Senate Bill 719 in order for our community based alcohol safety action projects located in each judicial district in the State of Kansas, to continue to follow the guidelines as set forth in KSA8-1008.

This governing body, in 1982, made drastic changes in the DUI laws in the State of Kansas. It was their intent at that time for the DUI offender to start taking responsibility for his or her criminal actions and being financially responsible for their evaluation, education and treatment. Since this law went into effect we have reduced the alcohol related fatalities in the State of Kansas by approximately fifty percent. At one time those fatalities were averaging around 250 deaths per year and at the present time, during 1993, that total was found to be 112. We know that DUI law cannot take all responsibility of this reduction but we feel that public attitude towards the drinking driver has been an influencing factor in reducing those fatalities and also alcohol related crashes.

During the 1982 session this legislature established an Evaluation Fee of \$85 for those people who conduct the evaluation of the DUI offender and presenting that evaluation to the sentencing court. In addition, evaluation includes the monitoring of the DUI offender throughout the term of probation or to the extent in which the sentencing court directs.

In 1985 this legislature, knowing full well the costs of doing business for these non-profit agencies, raised the initial Evaluation Fee from \$85 to the present cost of \$110. This was welcomed by the Kansas community alcohol safety action projects as they were finding it exceedingly difficult to follow the direction of the statute and perform in a proficient manner.

Testimony
Senate Bill 719
page 2

This Evaluation Fee is paid by the defendant directly to the Court as part of his or her sentence, within 90 days of that sentencing date. After this Evaluation Fee is paid to the court, the court then, in a normal fashion, reimburses the alcohol safety action project for this service.

Throughout the thirteen year history of this Bill research has indicated the local alcohol safety action project would only be able to recoup an average of 70% of the \$110 due to them. The court and the prosecutors have the ability to waive this \$110 Evaluation Fee in the case of an indigent defendant. In addition, for those of you who are familiar with court systems, some offenders do not pay their court costs and the matter is just simply forgotten as time goes on. Also, the statute presently allows the administrative courts to retain 10% of the \$110 Evaluation Fee for administrative costs. Some jurisdictions do withhold this 10% and others do not. It would be my estimation that approximately one out of three will not withhold this 10% but two out of three probably will.

Due to normal inflation rates, we are requesting this Committee to raise this \$110 Evaluation Fee to \$125 in this proposed legislation. We feel that the \$15 increase over a period of nine years is not absorbant. In 1985 court costs for a traffic case were \$26. Presently the court costs are \$37. This constitutes a 42% increase in court costs which are borne by the offender. This request for a \$15 increase of the present \$110 Evaluation Fee, constitutes a 13% increase over the 1985 amount set by the legislature.

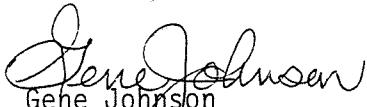
Additionally, since 1989, our programs have been directed by the legislature to notify the Division of Motor Vehicles whether the defendant has followed through and successfully completed their alcohol and drug education or their alcohol and drug treatment program as directed by the sentencing court. Currently the community based alcohol safety action projects must report to the Division of Motor Vehicles all offenders who fail to comply with State law. This does take time to check various treatment programs and schools to determine whether that offender has completed what was ordered by the sentencing court.

Testimony
Senate Bill 719
page 3

At this time we ask this Committee to take positive action on our request for an increase in the Evaluation Fee in order for us to continue to do high quality of work for the courts and the citizens of Kansas.

Thank you. I'll now attempt to answer any questions you may have.

Respectfully submitted,



Gene Johnson
Legislative Liaison
Kansas Alcoholism and Drug Addiction Counselors Association
Kansas Association of Alcohol and Drug Program Directors
Kansas Community Alcohol Safety Action Project Coordinators Association

Smoky Hill Foundation

FOR CHEMICAL DEPENDENCY, INC.

TESTIMONY ON S.B. 719

WENDELL ROSCOE

EXECUTIVE DIRECTOR

SMOKY HILL FOUNDATION FOR CHEMICAL DEPENDENCY, INC.

HAYS, KANSAS

I HAVE BEEN INVOLVED IN CHEMICAL DEPENDENCY AS A PROFESSIONAL FOR TWENTY YEARS. SMOKY HILL FOUNDATION SERVES TWELVE COUNTIES IN NORTHWEST KANSAS. WE WERE ESTABLISHED IN 1974 AS A NON-PROFIT CORPORATION SERVED BY AN ALL VOLUNTEER BOARD OF DIRECTORS. WE SERVE APPROXIMATELY 700 PEOPLE YEARLY, PROVIDING EVALUATIONS, REFERRAL FOR TREATMENT, INDIVIDUAL AND GROUP COUNSELING, AND PROVIDING DRUG FREE WORK PLACE TRAININGS TO EMPLOYERS IN NORTHWEST KANSAS.

SMOKY HILL HAS BEEN A LEADER IN EVALUATION AND TREATMENT IN NORTHWEST KANSAS AND WORKING WITH PEOPLE WITH THESE TYPES OF PROBLEMS FOR NEARLY TWENTY YEARS. WE ARE ASKING THAT YOU SUPPORT S.B. 719 AND RAISE THE FEE FOR AN EVALUATION. THIS FEE HAS NOT BEEN RAISED SINCE 1985. THE COLLECTION PERCENTAGE IS APPROXIMATELY 73% AS NOT ALL PEOPLE PAY FOR THEIR EVALUATION SOME ARE INDIGENT AND THE COURT DOES COLLECT THIS FEE AS A RESULT. THIS WOULD HELP OFFSET THOSE FEES THAT ARE NOT COLLECTED BY THE COURTS.

2209 Canterbury Road, Suite C - Hays, Kansas 67601 - 913-625-5521

ATTACHMENT 2

WE HAVE ALSO SUFFERED A LOSS OF REVENUE IN" 888" THE LIQUOR TAX MONIES. MORE AND MORE PROGRAMS HAVE APPLIED FOR THIS REVENUE WHICH PLACES A BURDEN ON PROGRAMS SUCH AS OURS THAT HELP THE COURTS WITH EVALUATIONS. A RAISE IN FEES WOULD HELP OFFSET THIS LOSS OF REVENUE AND HELP KEEP VALUABLE PROGRAMS FINANCIALLY VIABLE.

SO WE URGE YOU TO SUPPORT THIS BILL AND TO HELP KEEP OUR PROGRAMS FINANCIALLY STRONG AND EFFECTIVE. THANK YOU FOR ALLOWING ME TO SPEAK TO YOU IN REGARDS TO THIS IMPORTANT MATTER.



Topeka-Shawnee County
Alcohol-Drug Abuse
Advisory Council

1000 South Kansas Avenue, Suite 103
Topeka, KS 66612-1359
(913) 233-1365



3/28/94

TESTIMONY

Presented to Appropriations Committee

REGARDING SENATE BILL NO. 719

An act concerning certain alcohol and drug safety action programs; relating to certain assessments; amending K.S.A. 8-1008 and repealing the existing section.

Presented by
James L Olson
representing

**The Topeka-Shawnee County
Alcohol-Drug Abuse Advisory Council**

On behalf of the Topeka-Shawnee County Alcohol-Drug Abuse Advisory Council, we provide this testimony in support of SB 719, increasing ADSAP assessment fees from the current level of \$110.

In our review of local ADSAP funding in mid-1993, the Council concluded that fee levels established by statute in prior years may not be adequate to address current and future program costs. At that time the Council expressed its willingness to support legislation raising ADSAP assessment fees to a more reasonable level, or to allow each supervising court to establish fee levels at its own discretion.

While we believe a court-determined fee, or an inflation-adjusted fee schedule has merit, the Topeka-Shawnee County Alcohol-Drug Abuse Advisory Council supports the proposed legislation in its current form.

STATE OF KANSAS

LANA OLEEN
SENATOR, 22ND DISTRICT
RILEY AND GEARY COUNTIES



TOPEKA

SENATE CHAMBER

LEGISLATIVE HOTLINE
1-800-432-3924

COMMITTEE ASSIGNMENTS

CHAIR: FEDERAL AND STATE AFFAIRS
VICE-CHAIR: CHILDREN AND FAMILIES
LEGISLATIVE EDUCATIONAL PLANNING
COMMITTEE
MEMBER: EDUCATION
JUDICIARY
LEGISLATIVE POST AUDIT
KANSAS CHAIR: AMERICAN LEGISLATIVE
EXCHANGE COUNCIL (ALEC)

Chairman Chronister and Members of the House Appropriations Committee:

Thank you for affording me a few minutes to speak with you today on Senate Bill 658 which establishes a public reporting procedure for contributions to gubernatorial inaugurals.

This bill had hearings and input from Governors Bennett, Carlin and Hayden (or their representatives), as well as public input. There was no opposition to the bill, and a strong bi-partisan vote of 40-0 from the Senate sent it to the House of Representatives.

The contributory limits are set at \$2,000 per person, the guidelines for deadlines of reporting and any overage of funds are contributed to the Adjutant General's budget for costs associated with future inaugurals. Once those expenses are met, any remaining funds which are raised by the Committee, would be contributed to the Commission on Governmental Standards and Conduct.

As we move towards the election process of our next governor, this bill sets the guidelines as to how those inaugural fundraising efforts would be monitored and used.

I would stand for questions on the bill.

Senator Lana Oleen

March 28, 1994

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OFFICE
STATE CAPITOL, ROOM 136-N
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ATTACHMENT 4

Testimony before the
Committee on Appropriations
Kansas State House of Representatives

March 28, 1994

by

Debra R. Leib
Executive Director, Kansas Common Cause

Madam Chair and members of the House Committee on Appropriations, my name is Debra Leib and I am executive director for Common Cause in Kansas. I want to thank you for the opportunity to testify in support of Senate Bill No. 658, which would require reporting of inaugural contributions and expenditures. This bill would also place a limit on the amount that could be given for such purposes.

Common Cause is a nonprofit, nonpartisan citizens' lobbying organization that works to make our government more open, accountable and accessible to ordinary men and women. We have over 2,100 members in Kansas and our state board includes members from Dodge City to Overland Park and from Marysville to Wichita.

For a number of years it has been evident that large sums of money have been raised and spent for inaugural festivities. However, this fundraising, the sources and the dollars involved have always been cloaked in secrecy.

In our judgment people give money for such activities for the same reasons that they give to candidates -- to achieve access and influence. It is about time that such fundraising was disclosed and reasonable limits placed on the amounts given.

Although we wholeheartedly support the intent of the bill, we would favor a return to the original contribution limit set at \$500. We think for the funding of inaugural festivities that this is a more reasonable amount than the amended limit of \$2000.

Again, thank you for the opportunity to speak with you.

**KANSAS COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT****Testimony Before House Appropriations Committee
Senate Bill 658
by Carol Williams, Executive Director**

Senate Bill 658 which is before you this morning would require inaugural committees to maintain and report all financial activity occurring for the inaugural event in the same manner and format as candidates and committees that currently fall within the purview of the Campaign Finance Act.

The Commission does not take a position on this bill. I am appearing before you this morning to provide some background information on how the Commission has interpreted inaugural events in the past, and to answer any questions you might have on the reporting of inaugural financial activity.

In Advisory Opinion No. 74-55 the Commission opined that since donations given to an inaugural committee do not accrue to the personal financial benefit of a specific state officer, that donations made by registered lobbyists to this event would not be construed as lobbying expenditures.

In Advisory Opinion No 78-38, the Commission stated that in analyzing the definition of contribution contained in the Campaign Finance Act, as long as the donations to the inaugural fund were intended to be used, and were, in fact, solely used for that purpose, donations to the event would not constitute contributions under the Campaign Finance Act.

Based on these two opinions, inaugural events are not reportable under either campaign finance or lobbying laws. Therefore, there has never been any public disclosure made of any of the monies received by or expenditures made on behalf of any inaugural committee since the inception of the Commission in 1974. If these events became money making ventures, the public has never been privy to what became of the residual funds from any inaugural.

After each gubernatorial election, the Commission receives many calls and inquiries from individuals wanting to have access to information concerning the financing of the inaugural event. Many individuals have been quite frustrated that there is no accountability or disclosure of this event.

ATTACHMENT 6

As amended, SB 658 would require periodic reports to be filed on behalf of any gubernatorial inaugural committee. These reports would contain an itemization of all contributions and expenditures received by the committee over \$50. No person would be permitted to contribute more than \$2000 to the inaugural (person is defined in the Campaign Finance Act to be any individual, committee, corporation, partnership, trust, organization or association). Any residual funds after the event would have to be remitted to the Adjutant General's Office to reimburse that office for actual costs incurred for the inaugural, with the remainder of the residual funds being remitted to the Commission's fee fund.

*Testimony on Senate Bill 400
before House Appropriations Committee, Rep. Rochelle Chronister, Chairperson
by Jolene M. Grabill, Executive Director, Corporation for Change
March 28, 1994*

About the Corporation for Change

The Corporation for Change is a non-profit corporation organized by the State of Kansas to coordinate and implement reform of children's services in Kansas. To accomplish this mission, the Corporation builds partnerships between government, business, parents, children's advocacy and service groups to develop a comprehensive and coordinated strategy for investing in the future of Kansas children and families. Our major role is to see connections, test out what works and what doesn't work, experiment with new strategies, and to develop the consensus to reinvest our resources in more comprehensive strategies that do achieve the outcomes we all desire for children and families.

The Board of Directors of the Corporation for Change is a seventeen member body of public and private sector individuals appointed by the following: the Governor; the Chief Justice of the Supreme Court; the Senate President; Senate Minority Leader; House Speaker; and House Minority Leader; and the Chair of the State Board of Education. Among the board members must be representatives of the Kansas business community; child and family advocates; and at least one parent of a child with disabilities.

History of the Bill

I appear today to support SB 400 and to briefly explain the need for this bill. Over the course of the past year, the Corporation for Change has been involved in a detailed analysis of state spending on services to children and families. The goal of that effort is to define a program and fiscal strategy for reforming children's services which will, in fact, achieve the outcomes for children and families we all desire. That fiscal strategy, then, will inevitably shift our spending emphasis to preventive, community-based, family-focused, decategorized services for children and families in Kansas.

As a first step in that process, we must be sure that the money now spent on children is put to the best possible use. In some cases, the state of Kansas now spends state general funds on programs and services which could be financed with federal funds.

The subject of this specific bill is services provided to juvenile offenders in both the court system and SRS. The state currently provides services to juvenile offenders in both systems which are reimbursable with federal funds under Title IVE of the Social Security Act (foster care). SRS estimates approximately 40% of

their juvenile offender caseload is IV-E eligible. In those cases, the state could claim a reimbursement under Title IVE for eligible juvenile offenders and free up the existing state general fund expenditures for other uses. Although this shift might require some changes in reporting techniques, it is largely a change in the way the state claims reimbursements.

The Corporation has discussed this statutory change over the past year and received encouragement to move ahead both from our partners at SRS and our partners at OJA.. In fact, SB 400 was introduced by SRS.

House Judiciary Committee Action

A hearing was held in House Judiciary and the committee discussed and agreed to the following amendments which require your formal action. Judiciary approved the amendments but did not take formal action so that the bill could be rereferred to your committee, Madame Chair, for consideration of the appropriations issues. These amendments are specifically designed to facilitate the "claiming" of the new Title IV-E funds.

(1) Reasonable efforts have been made to prevent or eliminate the need for out-of-home placement or *reasonable efforts are not possible due to* an emergency ~~exists~~ threatening the safety of the juvenile offender or the community. ~~and requiring juvenile offender's immediate removal out of home placement, and~~

(2) Out-of home placement is in the best interests of the juvenile offender.

Furthermore, it is not just important the determinations in (1) and (2) be made, but they also must be reflected in the written court order.

The amendments "approved" by House Judiciary are specifically designed to facilitate the "claiming" of the new Title IV-E funds. If we aren't successful in the "claiming" process, there is no need for the bill. Those amendments will require formal action by Appropriations as part of the balloon.

Creating the link between new federal funding and appropriation of the resulting displaced SGF

We are here today to request that you establish such a linkage between this requirement for the new "reasonable efforts" finding and the needed method of spending the resulting funds.

At the request of the Corporation, the state level Court/Education/SRS Liaison Committee, chaired by Shawnee County Judge Dan Mitchell, has worked

extensively on this bill since the original Senate hearing. Both the court procedure and SRS practice will be effected by this change in "reasonable efforts" requirements. Education may also be affected if the new standard requires more juvenile offenders to be diverted from out-of-home placement and remain in their current schools. As a result, there has been active discussion of this legislation over the past two months by the Court/Education/SRS Liaison Committee.

The primary issue is that the courts don't trust SRS to spend the state general funds which will be supplanted by the federal revenues this bill allows the state to claim- in a way that will enhance the court's ability to implement this new reasonable efforts standard in juvenile offender cases. At a special meeting of the Court/Education/SRS Liaison Committee, they identified the following prerequisites to passage of SB 400:

Prerequisites to SB 400

1. Intake/Identification/Assessment of Family Needs (Statewide)
2. Reduce Court Service Officer Caseloads and Youth Service Social Worker Caseloads (Statewide)
3. Increase Dispositional Alternatives including creating statewide standards and providing the funding for Intensive Supervision Options
4. Expand Mental Health Services for children and families.

However, there is not uniform agreement on which of the several prerequisites identified should be funded first, given that the estimated \$1.7M in displaced SGF won't fund all four items.

- The courts would still prefer that the displaced SGF funds be appropriated directly to the courts for reduction of court-service officer caseloads.
- The Corporation for Change Board of Directors has identified intake and assessment for juvenile offenders as the highest priority.
- Your own Youth Center Subcommittee has identified a need for \$176,240 of the new federal funds generated by SB 400 to be spent for a pilot project to provide community corrections services to juvenile offenders; for which DOC would set the criteria and establish ISP programs for juveniles released from the youth centers. (Page 5 of the Systemwide Recommendations)

Because this disagreement is not likely to be resolved in the short weeks that remain in this legislative session, I am here today asking you to take the following actions which all parties do agree on:

1. Establish a separate fund for the SGF funds displaced by the new federal revenues which will result from SB 400.

2. Create a mechanism to capture the displaced SGF funds.
3. Make the fund available for specified purposes for enhancing the children's delivery system.
4. Provide for administration of the new fund by an entity which has representation from all the affected parties.

The creation of a mechanism to capture the displaced SGF is the most difficult and the most critical action. As much as possible, it should be a factual process of reporting the new federal funds received and the SGF displaced as a result of the new funds. Then the amount of the displaced SGF should be certified to the Director of Accounts and Reports for transfer to the new fund. (Note: The way I understand IVE "claiming" for juvenile offenders, there will be revenue for services performed both in SRS and in the courts. However, given that there is only one designated IV-E agency for a state, SRS will receive all the federal funds. Therefore, all the SGF displacement for SB 400 will happen in the SRS budget.) Given our accountability mission, the Corporation for Change respectfully requests a role in that certification process.

Looking Ahead

It is this lack of ability to capture the displaced SGF and transfer them to a fund outside of SRS that has resulted in dissatisfaction with previous refinancing efforts. In the FY 94 and FY 95 budget process, the state of Kansas was successful in generating \$23.8 M in new federal funds. The purposes of securing these new federal funds is was intended to allow redirection of the supplanted SGF into comprehensive strategies that do achieve the outcomes we all desire for children and families. However, that was not the result.

The experience of the past year with the \$23.8 M has made the Corporation and many legislative partners keenly aware of the difficulty in refinancing the children's service delivery system without such a mechanism to capture the displaced SGF and transfer it to a fund specifically established to fund reform of the children's service delivery system and enhancement of the strategies which work to improve outcomes for children and families.

I do want to alert the Committee that SB 400 will not likely be the last time you hear a discussion of the need for a mechanism to capture SGF and a separate fund outside of the agency receiving new federal funds.

Summary

In summary, I respectfully ask the committee to formally approve the amendments to the bill discussed in House Judiciary committee and add provisions which will establish a separate fund for the SGF funds displaced by the new federal revenues which will result from SB 400; create a mechanism to capture the

displaced SGF funds; make the fund available for specified purposes for enhancing the children's delivery system; provide for administration of the new fund by an entity which has representation from all the affected parties.

The Corporation for Change stands ready to assist in any way you and your committee members see fit, Madame Chairperson. I will be happy to answer any questions of your or the committee members.

TESTIMONY OF JACK R. SHIPMAN
DIRECTOR, DIVISION OF PURCHASES
SB NO. 531
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

I am here to offer testimony in regard to 1994 SB 531 on behalf of the Department of Administration, Division of Purchases. This bill affects the authority of the Director of Purchases as well as the operation of the Division of Purchases within the Department of Administration. For clarification, I have handed out copies of SB 531 as originally drafted and as supported by the Secretary of Administration and the Director of the Division of Purchases. I respectfully request the House Appropriations Committee to consider the bill as originally drafted and as a replacement to the amended version as adopted by the Senate on final action.

In its original form, SB 531 would amend K.S.A. 75-3738 to allow the Director of Purchases to require agencies to provide justification for the procurement of goods or services under appropriate circumstances.

At the heart of this change is the capability of insuring the appropriateness of certain procurements. In the past, various agencies of the State have requested procurements which were thought by the director to be cost detrimental to the agencies and taxpayers. The ability to seek justification is not meant to be exercised on every purchase as neither staff time nor administrative time would allow for such misuse of effort. Instead, the intent is simply to avoid expenditures for items which may not be necessary or are excessive, in order to meet the needs of the day to day operation of an agency.

In K.S.A. 75-3739, as originally drafted, the dollar amount of purchases processed by the Division of Purchases for \$10,000 or more is increased to \$50,000 before sealed bids are required to be solicited by mail. It will still be required that purchases of over \$50,000 be made only after bids have been mailed to prospective bidders and ten business days notice has been given, posted on an electronic bulletin board in the office of the Director of Purchases. It should be noted that the requirement that bids be advertised is stricken. This would eliminate the requirement for one report to the appropriate legislative bodies titled "Waiver of Advertising". It should be pointed out that the advertising for bids costs the Division of Purchases between \$7,000 and \$8,000 annually. The number of requests for bids by vendors reading these advertisements have been minimal and therefore not considered cost effective.

Starting on the top of page two, after the word notice, the rest of Subsection B and old Subsection C are eliminated as they are addressed later in this proposed legislation.

The intention of the new Section C is to streamline the acquisition of items costing less than \$50,000. The changes in this section are to provide faster and better service by the Division of

Purchases to agencies facing emergency situations and for "small purchases".

Subsection D is aimed at increasing the current delegated authority from \$10,000 to \$25,000 for local agency purchases. The \$25,000 authority, when delegated to agencies with the approval of the Secretary of Administration by the Director of Purchases, will allow those agencies to competitively bid those items most commonly required for day to day operation and rapid acquisition need. The delegation of purchase authority of up to \$25,000 to various agencies of the State will be prescribed in a manner that will include training, review, audit and augmentation by Division of Purchases staff. All agencies receiving delegated authority in any amount will be required to submit reports to the Director of Purchases for inclusion with that office's reports of emergency and sole source expenditures to the legislature. As noted, the Director of Purchases will be authorized to perform audits at any State agency to determine each agency's compliance with the conditions and procedures for delegated authority under this subsection. The findings of those audits and reviews shall be reported to the Legislative Coordinating Council, the Chairperson of the Senate Committee on Ways and Means and the Chairperson of the House Committee on Appropriations. The implementation of this section will enable the Division of Purchases to become more service oriented in assisting those agencies with purchasing problems and resolving problems. This does not, however, eliminate the authority of the Director of Purchases to summarily withdraw the delegated authority of any agency which fails to come into compliance with required procedures.

The changes provided in K.S.A. 75-3740 are mainly devised to streamline the language of the statute and to make consistent all aspects of the statute and the changes requested in SB 531.

The legislative changes before you in SB 531 have been discussed with the Board of Regents Council of Business Officers, the Board of Regents Purchasing Officers and various administrative personnel of agencies across the state. There has been unanimous support voiced for the passage of this legislation. The Secretary of Administration has stressed her support for SB 531 as it is also pointed towards quality management initiatives and issues of Reinventing Kansas Government. This bill is aimed at allowing the Department of Administration, Division of Purchases to become more responsive to the public and to the customer satisfaction of agencies served by the Division of Purchases. I urge your support for Senate Bill No. 531 as originally drafted and welcome any questions. Thank you for this opportunity to speak on behalf of the Department of Administration, Division of Purchases.

K.S.A. 75-3738. Powers and duties of the director of purchases. The director of purchases shall:

- (a) Purchase, rent or otherwise provide for the furnishing of supplies, materials, equipment or contractual service for all state agencies.
- (b) Have power to authorize any state agency to purchase directly certain specified supplies, materials, equipment or contractual services under prescribed conditions and procedures.
- (c) Prescribe the manner in which supplies, materials and equipment shall be purchased, delivered and distributed.
- (d) Prescribe the time, manner and authentication of making requisitions for supplies, materials, equipment and contractual services *including justification from state agencies as to need.*
- (e) Establish standards of quality and quantity and develop standard specifications in consultation with the several state agencies.
- (f) Prescribe the manner of making chemical and physical test of samples submitted with bids and samples of deliveries to determine compliance with specifications and the manner in which state agencies shall inspect all deliveries of supplies, materials and equipment.
- (g) Prescribe the amounts and form of, accounting for and disposition of any deposit or bond required to be submitted with a bid or contract and the amount of any such deposit or bond to be given for the faithful performance of a contract.
- (h) Require reports by state agencies of stocks of supplies, materials and equipment on hand and prescribe the form of such reports and deliver copies of such reports to the director of purchases and the director of accounts and reports.

K.S.A. 75-3739. Competitive bids, exceptions; reports of purchases without bids; ~~waivers of bid solicitation publication and delegations of purchasing authority; highway contracts exemption; state agency contracts exemption; prior approval or real property leases.~~ In the manner as provided in this act and rules and regulations established thereunder:

(a) All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment and contractual services to be acquired for state agencies shall be based on competitive bids, except that competitive bids need not be required: (1) For contractual services when, in the judgment of the director of purchases, no competition exists; or (2) when, in the judgment of the director of purchases, chemicals and other material or equipment for use in laboratories or experimental studies by state agencies are best purchased without competition, or where rates are fixed by law or ordinance; or (3) when, in the judgment of the director of purchases, an agency emergency requires immediate delivery of supplies, materials or equipment or immediate performance of services; and (4) when any statute authorizes another procedure or provides an exemption from the provisions of this section.

The director of purchases shall make a detailed report at least once in each calendar quarter to the legislative coordinating council and the chairpersons of the senate committee on ways and means and the house of representatives committee on appropriations of all contracts for goods, supplies, materials, equipment or contractual services entered into without competitive bids under subsections (a)(1), (a)(2), (a)(3) and (g).

(b) If the amount of the purchase is estimated to exceed approximately ~~\$10,000~~ \$50,000, sealed bids shall be solicited by ~~notice published once in the Kansas register no less than 10 days before the date stated therein for the opening of such bids. The director of purchases may waive this publication of notice requirement when the director determines that a more timely procurement is in the best interest of the state. The director of purchases also may designate a trade journal for such publication. The director of purchases also shall solicit such bids by sending notices by mail to prospective bidders.~~ mail to prospective bidders and following at least 10 *business* days' notice posted on a public bulletin board in

the office of the director of purchases before the date stated therein for the opening of such bids. All bids shall be sealed when received and shall be opened in public at the hour stated in the notice. ~~The director of purchases shall make a detailed report at least once in each calendar quarter to the legislative coordinating council and the chairpersons of the senate committee on ways and means and the house of representatives committee on appropriations of all cases when the publication of notice of bid solicitations in the Kansas register have been waived under this section.~~

~~(e) All purchases estimated to exceed approximately \$5,000 but not more than \$10,000, shall be made after receipt of sealed bids following at least three days' notice posted on a public bulletin board in the office of the director of purchases. The director of purchases also may solicit sealed bids by mail in such cases in like manner as provided in subsection (b).~~

~~(d)~~ (c) All purchases estimated to be less than ~~\$5,000~~ \$50,000 may be made after the receipt of three or more bid solicitations by telephone, by facsimile transmission or by sealed bid following at least three *business days'* notice posted on a public bulletin board in the office of the director of purchases. Such bids shall be recorded as provided in subsection (e) of K.S.A. 75-3740 and amendments thereto.

(d) With the approval of the secretary of administration, the director of purchases may delegate authority to any state agency to make purchases of less than ~~\$10,000~~ \$25,000 either on the open market or under certain prescribed conditions and procedures. The director of purchases shall make a report at least once in each calendar quarter to the legislative coordinating council and the chairpersons of the senate committee on ways and means and the house of representatives committee on appropriations of all current and existing delegations of authority under this subsection to state agencies. *Each state agency which has received delegated authority in any amount allowed under this subsection shall make a report at least once in each calendar quarter to the director of purchases of all contracts for goods, supplies, materials, equipment or contracted services entered into without competitive bids under subsection (a)(1), (a)(2), (a)(3) and (g). In addition, the director of purchases is authorized to perform audits at any state agency to determine such agency's compliance with the conditions and procedures for delegated authority under this subsection and the director of purchases shall report the findings of such an audit to the legislative coordinating council and the chairperson of the senate committee on ways and means and the house of representatives committee on appropriations.*

(e) Subject to the provisions of subsection (d), contracts and purchases shall be based on specifications approved by the director of purchases. When deemed applicable and feasible by the director of purchases, such specifications shall include either energy efficiency standards or appropriate life cycle costs formulas, or both, for all supplies, materials, equipment and contractual services to be purchased by the state. The director of purchases may reject a contract or purchase on the basis that a product is manufactured or assembled outside the United States. No such specification shall be fixed in a manner to effectively exclude any responsible bidder offering comparable supplies, materials, equipment or contractual services.

(f) Notwithstanding anything herein to the contrary, all contracts with independent construction concerns for the construction, improvement, reconstruction and maintenance of the state highway system and the acquisition of right-of-way for state highway purposes shall be advertised and let as now or hereafter provided by law.

(g) The director of purchases may authorize state agencies to contract for services and materials with other state agencies or with federal agencies, political subdivisions of Kansas, agencies of other states or subdivisions thereof, or private nonprofit educational institutions, without competitive bids.

(h) Except as otherwise specifically provided by law, no state agency shall enter into any lease of real property without the prior approval of the secretary of administration. Such state agency shall submit to the secretary of administration such information relating to any such proposed lease as the secretary may require. The secretary of administration shall either approve, modify ~~and approve~~, or reject any such proposed lease.

K.S.A. 75-3740. Competitive bids; in-state preference on identical bids; preliminary considerations on building construction contracts; records. (a) All contracts and purchases

made by or under the supervision of the director purchases or any state agency for which competitive bids are required shall be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the ~~call~~ request for bids.

(b) The director of purchases shall have power to decide as to the lowest responsible bidder for all purchases, but in cases where the dollar amount of the bid received from the lowest responsible bidder from within the state is identical to the dollar amount of the bid received from the lowest responsible bidder from without the state, the contract shall be awarded to the bidder from within the state.

(c) Any or all bids may be rejected, and a bid shall be rejected if it contains any material alteration or erasure. The director of purchases may reject the bid of any bidder who is in arrears on taxes due the state, who is not properly registered to collect and remit taxes due the state or who has failed to perform satisfactorily on a previous contract with the state. The secretary of revenue is hereby authorized to exchange such information with the director of purchases as is necessary to effectuate the preceding sentence notwithstanding any other provision of law prohibiting disclosure of the contents of taxpayer records or information. Prior to determining the lowest responsible bidder on contracts for construction of buildings or for major repairs or improvements to buildings for state agencies, the director of purchases shall consider: (1) The criteria and information developed by the secretary of administration, with the advice of the state building advisory commission to rate contractors on the basis of their performance under similar contracts with the state, local governmental entities and private entities, in addition to other criteria and information available, and (2) the recommendations of the project architect, or, if there is no project architect, the recommendations of the secretary of administration or the agency architect for the project as provided in K.S.A. 75-1254 and amendments thereto. ~~In any case where competitive bids are required and where all bids are rejected, new bids shall be called for as in the first instance, unless otherwise expressly provided by law.~~

(d) Before the awarding of any contract for construction of a building or the making of repairs or improvements upon any building for a state agency, the director of purchases shall receive written approval from the state agency for which the building construction project has been approved, that the bids generally conform with the plans and specifications prepared by the project architect, by the secretary of administration or by the agency architect for the project, as the case may be, so as to avoid error and mistake on the part of the contractors. In all cases where material described in a contract can be obtained from any state institution, the director of purchases shall exclude the same from the contract.

(e) All bids with the names of the bidders and the amounts thereof, together with all documents pertaining to the award of a contract, shall be made a part of a file or record and retained by the director of purchases for five years, unless reproduced as provided in K.S.A. 75-3737, and amendments thereto, and shall be open to public inspection ~~at all reasonable times~~ under the Kansas Open Records Act without exception thereto.

(f) As used in this section and in K.S.A. 75-3741, and amendments thereto, "project architect" shall have the meaning ascribed thereto in K.S.A. 75-1251, and amendments thereto.

FISCAL NOTE - SENATE BILL NO. 531 JANUARY 19, 1994

(1) How the bill would affect your operation.

The enactment of this bill would provide the Division of Purchases with the authority to increase our local purchasing authority from \$10,000 to \$25,000. Additionally, this bill will allow us to discontinue advertizing certain bids in the Kansas Register. Both of these factors would be viewed as positive improvements by the University community in general and this office in particular.

(2) The economic impact on your budget -- expenditures and receipts, short-term and long term.

The additional work-load created by a higher purchasing authority could be absorbed by our present staff and budget. The elimination of the requirement to advertise in the Kansas Register would not only improve the purchasing cycle turn-around time but result in reduced expenditures.

The reduced advertising expenditures would off-set the additional costs created by the higher purchasing authority (printing and mailing additional bid requests and purchase orders).

(3) The methodology you employed in arriving at those budgetary figures.

Reviewed the historical number of requisitions falling in the \$10,000 to \$25,000 range, the costs for local processing of requisitions, and the costs associated with advertising in the Kansas Register.

(4) If the above referenced bill were enacted, would that require you to increase your current staff and/or your operating expenditure levels ?

No. Answered in (2) above.

(5) A position statement reflecting your opinion of the proposal's impact on the University.

We are for the adoption of this bill. From our viewpoint there is not a negative factor associated with it. With greater local purchasing authority the lead-time and processing times will be greatly improved for those purchases between \$10,000 and \$25,000. With the elimination of the requirement to advertise in the Kansas Register the processing time for grant purchases over \$10,000 will be improved.

The University of Kansas

Purchasing Office



FAX TRANSMISSION

DATE February 7, 1994
FAX # (913) 296-7240
NAME Jack Shipman
ORGANIZATION Division of Purchases
VOICE # (913) 296-2376
FROM FAX # (913) 864-3454
NAME Gene Puckett
ORGANIZATION UNIVERSITY OF KANSAS, PURCHASING OFFICE
VOICE # (913) 864-3416
PAGES 2
MESSAGE: Response to your request to Dorothy Grant.

"Member National Association of Educational Buyers"

150 Carruth-O'Leary Hall, P.O. Box 489 • Lawrence, Kansas 66045-1524 • (913) 864-3416 • FAX (913) 864-3454

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION
Division of Purchases

JOAN FINNEY,
Governor
JACK R. SHIPMAN
Director of Purchases

Landon State Office Building
900 Jackson, Room 102 N
Topeka, Kansas 66612-1286
(913) 296-2376

M E M O R A N D U M

TO: Gloria M. Timmer, Director of Budget
FROM: Jack R. Shipman, Director of Purchases
DATE: January 27, 1994
RE: Fiscal Note for Senate Bill No. 531

Section 2, 3 and 4 of Senate Bill No. 531 amends K.S.A. 75-3738 et. seq. to improve services by streamlining the procurement process and thereby improving the efficiency of securing goods and services. The proposed changes are aimed at reducing the cost and amount of time required to purchase necessary items for the ongoing operation of state government and its day to day service to the citizens of Kansas. The passage of this bill would allow the Director of Purchases to work more closely with the agencies of the state in a cooperative system of procurement. This bill increases the intended delegated limits of spending to \$25,000.00 per purchase to local agencies positioned to respond to their own immediate needs. Those immediate purchases would still require competition through the bid process.

Limits for telephone and facsimile bids would be raised also to \$50,000.00 and coupled with the elimination of the advertising requirement, would allow larger purchases to be accomplished in a more timely manner. The intent of this addition to the statute would be to relieve many of the emergency purchases currently being made, sometimes without the benefit of competition. To this end, on page three, line 22, it should be noted that the words "facsimile transmission" should be inserted after the word "telephone" and before the words "or by sealed bid". Use of telephone and/or facsimile transmission is intended to shorten the length of time required for bids under \$50,000.00 but at the same time utilizing competition to lower costs while securing the required specifications to meet the agencies' needs.

With the proposed changes comes the opportunity for the Division of Purchases to spend more time initiating and bidding the open-end contracts which represent total higher dollars and should result in greater savings of dollars, time required for ordering and delivery while also providing reduction in administrative overhead costs. Operationally, the Division of Purchases will become more involved in state agency operation through awareness of needs, capabilities at the local level and participation in the agency's purchasing operation. This will be accomplished through review and auditing of delegated authority while also providing instruction and support when deficiencies are noted rather than strict control as in the past. This does not mean that delegated authority cannot be withdrawn by the Director of the Purchases if continual deficiencies are found and corrective actions not taken by the agency. Annual reports of audit findings will be submitted to the appropriate administrative bodies for review. The main thrust, however, will be on corrective rather than punitive measures.

In order to effect the changes in this bill, the contracting officers as well as support staff of the Division of Purchases will be called upon to visit the agencies under their purview in order to conduct field audits and reviews as well as training sessions. While these field audits and reviews are expected to be time consuming initially, they should only serve to improve working relations for the future. The familiarization of agencies needs and staff capabilities should serve to enhance the ability of the Division of Purchases to better serve those agencies as well as the citizens of our state.

At the present time, it is not possible to fully addresses the changes in the expenditures of funds that the legislative changes described above will require. However, it is planned that the reduction in staff time, copying and postage costs will initially offset the added cost of travel for field audits and reviews. There is the possibility that additional facsimile machines and their required telephone lines will occur in the future. The perception for the present time is that by offsetting closing times throughout the day, current equipment will presently suffice.

There does not appear to be any need to implement current staff at the present time. However, some shifting of job duties may be required at the support level in order to prevent the working out of class of certain employees. At the present time, it is not possible to fully document or extrapolate those staff changes. They are, however, expected to be within normal range of changes for this type of employee.



**Vice President
for Administration and Finance**

105 Anderson Hall
Manhattan, Kansas 66506-0116
913-532-6226

February 3, 1994

Mr. Jack Shipman, Director
State Division of Purchases
Landon State Office Building
900 S.W. Jackson
Topeka, Kansas 66612

Dear Jack:

I am writing as Chair of the Regents Council of Business Officers in support of Senate Bill 531. This bill modifies the state's appraisal requirements when real property is purchased or sold, permits more flexibility in soliciting bids from vendors, provides for the delegation of additional purchase authority to individual state agencies, and allows for greater latitude in using on-call architects and engineers for capital improvement projects.

Currently, state agencies wishing to procure or dispose of real property must obtain separate appraisals from three disinterested appraisers appointed by the judicial administrator. Section 1 of Senate Bill 531 would significantly reduce the cost of such transactions by requiring an appraisal from only one disinterested appraiser appointed by the judicial administrator. Although universities are not frequently involved in the purchase or sale of real property, we welcome the opportunity to reduce costs.

Sections 2-4 of Senate Bill 531 offer the potential for significant reductions in the time and expense required to process many routine purchases. Specifically, these sections of the bill permit greater use of telephone and facsimile machine bids, change the advertising requirements for sealed bids for items costing less than \$50,000 and permit delegation of purchasing authority to state agencies for items costing less than \$25,000. This portion of the bill also provides for increased accountability by requiring quarterly reports on all purchases made under the delegated authority and by authorizing the Director of Purchases to perform periodic compliance audits.

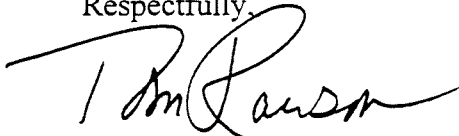
Finally, Sections 5-7 of Senate Bill 531 give additional authority to the Secretary of Administration when procuring architectural, engineering or other technical services during emergency situations, increase the threshold for using on-call architectural and engineering services, and authorizes the use of qualified state

employees to provide engineering services for projects costing less than \$250,000. These changes would provide the Regents universities more flexibility to address technical needs associated with small and medium-sized capital improvement projects.

Under Senate Bill 531, the State Division of Purchases will assume more responsibility for monitoring, assisting and overseeing state agency purchasing procedures, be asked to provide additional professional training and development opportunities for agency procurement staff and conduct performance audits of agency purchasing offices. The Regents universities recognize the provisions of S.B. 531 may require changes in campus purchasing procedures and additional professional development for university purchasing office staff. Since funding to support any additional costs would likely come from internal reallocation, many universities would probably move at a deliberate rate in seeking the delegation of additional purchasing authority.

As of this date, neither the Council of Presidents nor the Board of Regents has been asked to take a position on this bill. However, the Council of Business Officers supports the progressive measures included in Senate Bill 531 and believes passage of this bill will result in more timely purchasing services for our campuses, provide the potential for cost savings and maintain an appropriate degree of accountability for state resources. Speaking on behalf of Kansas State University, I am excited with the potential benefits of this bill.

Respectfully,

A handwritten signature in black ink, appearing to read "Tom Rawson", written over a horizontal line.

Thomas M. Rawson
Vice President
Administration and Finance

cc: Mr. Ted Ayres
Members, Council of Business Officers

TESTIMONY BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

SUBSTITUTE FOR SENATE BILL 531

ROBERT S WUNSCH

MARCH 28, 1994

Thank you Madam Chairperson. My name is Robert Wunsch and I am here today on behalf of the University of Kansas Medical Center to testify in support of Substitute for Senate Bill 531.

Substitute for Senate Bill 531 is basically Section 2 of original Senate Bill 531, which was introduced by the Senate Committee on Ways and Means at the request of the Secretary of Administration.

Under K.S.A. 75-3739 (d) the Director of Purchases, with the approval of the Secretary of Administration, may delegate authority to a state agency to make purchases of less than \$10,000 under conditions and procedures prescribed by the Director of Purchases. This has been the law since 1987. In 1987 such authority was delegated to the University of Kansas Medical Center. This authority has on various occasions, likewise been delegated to the University of Kansas (Lawrence Campus), Wichita State University, and the Department of Transportation. This delegated authority allows these agencies greater flexibility in competitively bidding those items most commonly required for day to day operation. The Director of Purchases, with the concurrence of the Secretary of Administration, may at any time withdraw this authority. To my knowledge, the authority delegated to these four agencies has never been withdrawn. Attached to my testimony is a copy of the delegated purchasing authority guidelines under which the Medical Center operates.

Original Senate Bill 531 and the present Substitute for Senate Bill 531 increases the purchasing authority which may be delegated under K.S.A. 75-3739 (d) from \$10,000 to \$25,000. As you have already heard from the testimony of the Secretary of Administration, it is the opinion of the Secretary and the Director of Purchases that they believe it appropriate and desirable to increase this delegable purchasing authority to \$25,000. Undoubtedly, part of this request to increase the authority is due to inflation. We would like to think it is more importantly due to those agencies having the need for such additional purchasing latitude.

The Senate, by floor amendment, limited increasing the delegated authority to \$25,000 only to the Medical Center. We are very much appreciative of the Senate's willingness to give the Director of Purchases this increased discretionary authority. If the Medical Center is granted this increased authority, lead time and processing time in our purchasing process will be greatly improved. Such increased purchasing authority parallels

ATTACHMENT 9

one of the recommendations found in the recent Arthur Andersen Report on the Medical Center.

The Senate likewise amended the bill to provide for audits, as well as prescribing certain reporting requirements. The Medical Center welcomes this control. Additionally, this authority, once granted, will include training, review and augmentation by the Division of Purchases staff. Again, the Medical Center has no objection to this assistance and oversight on the part of the Director of Purchases.

The Medical Center is aware that the Secretary of Administration will make a request of you to extend this increased delegable authority to other Regent institutions. It certainly is not the Medical Centers's desire to be the exclusive recipient of this increase in delegated authority. We would urge the Legislature to allow the Director of Purchases, upon approval of the Secretary of Administration, to have the discretion of extending this additional delegated authority to other Regent institutions determined by them to be appropriate recipients thereof.

In summary, we are encouraged by the Secretary of Administration's initiation of this request for increased delegable authority. We are hopeful that the Legislature will grant her request. The Medical Center knows, and accepts that it must work within the guidelines of the Director of Purchases; that its activities will be subject to audits and reporting procedures and that this authority may be withdrawn at the discretion of the Secretary of Administration and the Director of Purchases.



DEPARTMENT OF ADMINISTRATION
Division of Purchases

MIKE HAYDEN,
Governor
NICHOLAS B. ROACH,
Director of Purchases

Landon State Office Building
900 Jackson
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Topeka, Kansas 66612-1220
(913) 296-2376

DELEGATED PURCHASING AUTHORITY
GUIDELINES
DECEMBER 1, 1987

K.S.A. 75-3739(D) provides that, "with the approval of the Secretary of Administration, the Director of Purchases may delegate authority to any state agency to make purchases of less than \$10,000 either on the open market or under certain prescribed conditions and procedures". The following guidelines represent the "prescribed conditions and procedures".

1. The agency requesting increased delegated purchasing authority must have one or more full-time permanent positions dedicated to the procurement function. Ideally, this function should be separate from Accounts Payable, Accounting, Controller, etc., to eliminate the potential for fraud or collusion. Competition must be sought by the purchasing person or staff, as opposed to the user/requisitioner, in all instances where cost exceeds the "no competition required" level of \$500, as set forth in Division of Purchases Memorandum 29-E.
2. All records of the transaction, including the requisition, record of prices solicited, copy of the resultant Purchase Order, and all relevant correspondence, must be retained centrally, together, by the agency purchasing office, consistent with the Kansas Open Records Act, and be made available for on-site review by the staff of the Division of Purchases.
3. No delegation of authority may exceed \$10,000.
4. All sole source procurements must have prior approval of the Division of Purchases, except for procurements of less than \$500.

DELEGATED PURCHASING AUTHORITY - GUIDELINES

Page 2

December 1, 1987

5. All procurements must be consistent with Division of Purchases Memorandum 29-E and subsequent revisions, as set forth in Section II, Guidelines for Agency Purchasing Authority (PPM, 2.18 through 2.35). In instances where delegated purchase authority has been authorized in excess of Memorandum 29-E, agencies are subject to the same requirements statutorily required of the Division of Purchases, specifically:

<u>VALUE OF ORDER</u>	<u>PROCEDURE</u>
Less than \$5,000	Post bid on agency bulletin board, in agency purchasing office, for three days. Telephone quotes may also be taken.
\$5,000 to \$10,000	Post bid on bulletin board, in agency purchasing office, for three days. Bids also solicited by mail.

6. Delegated purchasing authority may be withdrawn from any agency, at the discretion of the Director of Purchases (subject to the concurrence of the Secretary of Administration).
7. Regardless of delegated purchasing authority, any agency may send a prospective acquisition to the Division of Purchases for processing.

The Testimony of

Ted D. Ayres
General Counsel and
Director of Governmental Relations
Kansas Board of Regents

before
HOUSE COMMITTEE ON APPROPRIATIONS
1994 Legislative Session

in re
Substitute for Senate Bill 531

March 28, 1994
Room 514-S
Kansas Statehouse

Thank you, Madam Chairperson. My name is Ted D. Ayres, General Counsel and Director of Governmental Relations for the Kansas Board of Regents. I am here to speak in support of the management concept embodied by Substitute for Senate Bill No. 531.

We are certainly appreciative of the increased flexibility which this bill potentially provides to the University of Kansas Medical Center. However, I would strongly urge the Legislature to allow the Director of Purchases, upon approval of the Secretary of Administration, to have the discretion of extending an increased delegated authority to the other Regents institutions determined, by the Director, to be appropriate recipients thereof.

Twenty-five thousand dollars is a much more appropriate amount in today's economic environment. Further, the Department of Administration and the Director of Purchases retain control over the purchasing function while providing for beneficial decentralization and increased flexibility. Likewise, the Director of Purchases's ability to audit provides assurance that each institution complies with the conditions and procedures for delegated authority with a mechanism to assure a flow of information to the Legislature.

Your attention to my testimony is appreciated. I would be happy to stand for questions.

Testimony presented to
HOUSE APPROPRIATIONS COMMITTEE
LEGISLATIVE HEARING
PREVENTIVE HEALTH AND HEALTH SERVICES BLOCK GRANT
MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

by

The Kansas Department of Health and Environment

March 28, 1994

In the early 1980's, the federal block grant programs were initiated in order to provide states greater flexibility in administering federal funding to provide needed services. Funding from a number of programs was consolidated into block grants to provide centralized administrative oversight. The Department of Health and Environment was awarded two federal block grants, the Preventive Health and Health Services Block Grant (PH) and the Maternal and Child Health Services Block Grant (MCH).

By federal regulation, a legislative hearing is required for the Preventive Health and Health Services Block Grant. OBRA '89 amendments to the Social Security Act require public review and comment for the Maternal and Child Health Services Block Grant. This hearing meets legislative hearing and public review and comment requirements for these grant programs which are intended to ensure public input into expenditure of block grant funds toward priority state health needs.

The Preventive Health and Health Services Block Grant is to support preventive health programs and services that address preventable health problems that contribute to the state's leading causes of premature death and disability and that are consistent with the Year 2000 Health Objectives for the nation. The 1992 amendment to Title XIX, Part A of the PHS Act significantly changed both the application process and reporting requirements in order to better respond to the National Objectives. Beginning with the fiscal year 1993 application, KDHE responded to the new requirements by:

- facilitating a process for identifying preventable health priorities for Kansas that are compatible with National Priorities. The Healthy Kansans 2000 Plan identified seven priority health areas for Kansas. More than 200 people have participated in the process, which will produce a state plan that includes target populations for which activities are to be carried out, populations with disparate need for such activities, strategies for implementation of the activities and strategies for how such activities are to make progress toward improving the health status of the population;
- providing a description of the programs and projects that are funded with PHHS block grant funds and an estimate of the number of individuals to be served;
- established a state preventive health advisory committee, chaired by the state health officer, to make recommendations regarding development and implementation of the state plan and to hold public hearings on the State plan as stipulated by law;
- establishing an ongoing process for public review and comment;
- developing strategies for measuring progress towards meeting the state preventive health objectives, including recruiting the expertise into the Office of Chronic Disease and Health Promotion to develop the necessary

ATTACHMENT 11

surveillance systems for measuring progress towards meeting the state's objectives and submission of required uniform data items.

The revision to the law continues the stipulation that the state agree to use funds to supplement and increase the level of state, local and other non-federal funds and will in no event supplant state, local and other non-federal funds. State expenditures for activities should be maintained at a level that is not less than the average level of such expenditures maintained by the State for the 2-year period preceding the fiscal year for which the State is applying.

Section 1904 of the revised law stipulates that funds may be used for the following:

- activities consistent with making progress toward achieving the year 2000 health objectives for the health status of the population;
- preventive health service programs for the control of rodents and for community and school based fluoridation programs;
- feasibility studies and planning for emergency medical services systems and the establishment, expansion, and improvement of such systems;
- providing services to victims of sex offenses and for prevention of sex offenses;
- program activities related to planning, administration and education, including monitoring evaluation of the Year 2000 Health Objectives addressed in the state plan.

A state may not use the funds to:

- a) provide inpatient services;
- b) make cash payments to intended recipients of health services;
- c) purchase or improve land, purchase, construct, or permanently improve any building or other facility, or purchase major medical equipment;
- d) satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or,
- e) provide financial assistance to any entity other than a public or nonprofit private entity.

Section 1905, part C further stipulates that the state agree to use funds to supplement and increase the level of state, local, and other non-federal funds and will in no event supplant state, local, and other non-federal funds.

The Maternal and Child Health Services Block Grant under Title V of the Social Security Act supports activities to improve the health of all mothers and children consistent with applicable national goals and objectives established under the U.S. Public Health Services Act for the Year 2000. In 1989, Congress adopted the Omnibus Budget Reconciliation Act (OBRA '89) which contained a number of important amendments affecting access to comprehensive health care for women and children including children with special health care needs. Those amendments consisted of new requirements for states in planning, service delivery and reporting. Specifically, the changes were designed to improve planning and accountability, targeting federal funds to priority populations and explicitly linking Title V MCH services block grant program purposes to applicable goals and objectives for the future for the Year 2000. Kansas is currently in compliance with these amendments.

The OBRA 89 amendments to Title V redefined the program mission (in section 501 of the law): "to improve the health of all mothers and children, consistent with

the applicable national health status goals and objectives established by the secretary under the Public Health Service Act for the Year 2000."

Funds will be allocated to Kansas by a block grant formula enabling the State to:

- provide and assure mothers and children (particularly those with low income or with limited access to services) access to quality maternal and child health services;
- reduce infant mortality and the incidence of preventable diseases and handicapping conditions among children;
- reduce the need for inpatient and long-term care services;
- increase the number of children (especially preschool children) appropriately immunized against disease and the number of low income children receiving health assessments and follow-up diagnostic and treatment services;
- promote the health of mothers and infants by providing prenatal, delivery, and postpartum care for low-income, at-risk pregnant women;
- promote the health of children by providing preventive and primary care services for low-income children;
- provide rehabilitation services for blind and disabled individuals under the age of 16 receiving benefits under Title XVI (of the Social Security Act), to the extent medical assistance for such services is not provided under Title XIX; and,
- provide and promote family-centered, community based, coordinated care (including care coordination services) and facilitate the development of community-based systems of service for children with special health care needs and their families.

The MCH block application process was changed significantly under OBRA '89. Beginning with fiscal year 1991, the Kansas application was required to address the following:

- public review and comment;
- new requirement for expending federal funds (30-30) - states must dedicate at least 30% for preventive and primary care for children, at least 30% for services for children with special health care needs, and no more than 10% of federal grant may be spent for administration;
- plan for meeting the needs identified in the statewide assessment;
- state-specific goals and objectives consistent with the national health objectives for Year 2000;
- description of services to be provided and categories of individuals to be served;
- description of activities to promote improved access to MCH services that are family centered, community-based and coordinated;
- identification of areas of the state where services will be provided;
- maintenance of effort (states must maintain the same level of state support as in 1989);

- services which support and complement the major expansions of medicaid eligibility for pregnant women and children up to age 6; and,
- a description of the information the state will collect for its annual report.

Attached to this material are two tables exhibiting actual expenditures for state FY 1993, and projected expenditures for state FY's 1994 and 1995.

The tables show data for each of the block grants separately.

The tables exhibit PH and MCH funding for Aid to Local (primarily local health department) grant programs. An amount to be used to purchase vaccines for local health departments is also exhibited on this table. Almost fifty percent of expenditures are for Aid to Local (primarily local health department) grants.

The tables also show PH and MCH funding for state operations by program/subprogram. Over eighty percent of funding in the Children with Special Health Care Needs Program is for direct payment of medical specialty services, pharmaceuticals and equipment for children with disabling conditions.

DESCRIPTION OF SERVICES TO BE FUNDED IN FY 95:

Aid to Local Agencies:

MCH and SGF - Maternal and Infant Health (M&I) provides funding for services in 78 Kansas counties. Each county provides care coordination services for uninsured, high-risk pregnant women and their infants and those with other access barriers. Services include the following: physician and nursing pre-natal and post-natal supervision; nutrition assessment; consultation and intervention; social work services; health maintenance; perinatal and parenting education; family planning referrals; and, follow-up of the mother and infant for the first year post delivery.

MCH, PH, and SGF - Healthy Start Home Visitors provide information, support and referrals to pregnant women and families with newborns. The goal is to promote the use of preventive health resources and to prevent family stress which can lead to abuse and neglect of children. Services are provided during home visits and hospital visits by trained paraprofessionals. Services are available in 80 counties.

MCH - The Child Health grants fund local health departments that provide comprehensive child health assessments for non-Medicaid eligible, uninsured and underinsured children in 43 counties. In addition, dental health services are funded in Wichita.

PH - Cardiovascular Risk Reduction - grants are awarded to support development and implementation of community-based programs to decrease premature death and disability due to cardiovascular disease, the number one cause of death in Kansas. Program interventions are designed to decrease the leading modifiable risk factors for cardiovascular disease, including tobacco use, physical inactivity, and nutrition. Currently, 25 counties, representing over 50% of the state's population are included in the program. Interventions are delivered through schools, worksites, churches, community organizations and in other community settings.

MCH and SGF - Six Adolescent Health projects: two school-linked preventive and primary care clinics and four teen pregnancy prevention community education projects. These focus on high risk adolescent health issues.

MCH and SGF - Black Infant Mortality projects: community health education

projects for high risk adolescents and their families in Wyandotte and Sedgwick Counties.

MCH and PH - Health Prevention projects fund specific services based on identified need. Funds will be awarded to the Governor's Council on Fitness, a Black Hypertension/ Cholesterol reduction project in Sedgwick County, the Heartland Health Conference and the Coalition of Aging Conference.

PH - Provides funding for purchase of vaccine to be distributed to local health departments.

Transfers of MCH and PH funding to other State agencies:

MCH - Phenylketonuria and hypothyroidism diagnostic and control clinic services are funded at the University of Kansas School of Medicine. These services are mandated by KDHE by statute.

PH - A portion of PH funding to Kansas is designated, per federal mandate, for rape prevention programming and is granted to the Crime Victims Compensation Board.

State Operations:

MCH - Data processing costs for data reports related to maternal and child health services.

MCH - Portion of operating expenses for Vital Statistics, providing health status indicators related to maternal and child health.

MCH - Portion of operating expenses for Child Care Facilities Licensure and Registration Program.

MCH - Operating expenses for Services for Children with Special Health Care Needs section to include direct provider payments for medical specialty services for children with disabling conditions.

MCH - Minor portion of operating expenses for Nutrition and WIC services section to develop nutrition resources and services that contribute to the prevention and correction of health problems related to nutrition for women, infants and children.

MCH - Portion of operating expenses for Children and Families section to provide program oversight to local agencies providing maternal and child health services.

MCH and PH - Portion of operating expenses for Health and Environmental Education which disseminates education and public information materials relating to maternal and child health and other appropriate subjects.

MCH and PH - Portion of operating expenses for the Office of Local and Rural Health Systems for consultation, education and support services by community nurse/public health specialists relating to maternal and child health and risk reduction/health promotion activities.

MCH and PH - Minor portion of operating expenses for Bureau of Disease Control immunization program.

PH - Operating expenses for Office of Chronic Disease and Health Promotion, and dental health programs.

KANSAS DEPARTMENT OF HEALTH & ENVIRONMENT

Preventive Health Block Grant - Direct Expenditures

FUND # 3614

PROGRAM NAME	PRG NO	Actuals FY 93 P H B G	Approved FY 94 P H B G	G B R FY 95 P H B G
Gov't & Commun Relations	0161	\$93,046	\$99,015	\$101,491
Off of Communication Servs	0212	0	0	1,845
Healthy Start / Home Visitor		198,814	200,556	200,556
Teen Pregnancy Reduction		52,000	52,000	52,000
C/V Risk Reduction		168,236	150,800	150,800
Vaccine Purchases		14,250	79,256	79,256
Health & Prevention Projects		0	42,113	42,113
Child Health Assessments		63,727	66,000	66,000
Aid to Counties - Subtotal	3010	497,027	590,725	590,725
Director of Health	6010	496,503	0	0
Office of Chronic Disease	6030	0	361,295	371,922
Office of Rural & Local Health	6040	0	142,030	145,410
Disease Control	6400	11,997	11,973	0
Microbiology Lab	8430	26,436	0	0
AGENCY TOTAL DIRECTS		\$1,125,009	\$1,205,038	\$1,211,393
AGENCY TOTAL Non-Reportables		106,389	103,549	103,549
AGENCY TOTAL		\$1,231,398	\$1,308,587	\$1,314,942

KANSAS DEPARTMENT OF HEALTH & ENVIRONMENT

Maternal Child Health Block Grant - Direct Expenditures

FUND # 3616

PROGRAM NAME	PRG NO	Actuals FY 93 M C H	Approved FY 94 M C H	G B R FY 95 M C H
Gov't & Commun Relations	0161	\$65,635	\$69,868	\$71,249
Office of Communications	0212	71,759	\$77,917	\$66,893
Vital Statistics	0220	43,344	\$47,948	\$48,695
Mothers and Infants		\$1,008,347	\$1,008,856	\$1,008,856
Healthy Start / Home Visitor		133,824	135,203	135,203
Black Infant Mortality		48,554	49,115	49,115
Child Health		775,768	782,185	782,185
Adolescent Health Promotion		117,762	148,394	117,783
Immunization Incentive Pool		0	125,975	189,810
Aid to Counties - Subtotal	3010	2,084,255	2,249,728	2,282,952
Director of Health	6010	68,376	57,747	60,673
Early Childhood Coord Council	6020	\$2,704	4,000	4,000
Office of Local & Rural Health	6040	0	61,061	65,622
Childcare Facil Licensing	6220	244,784	236,367	236,367
Disease Control	6400	16,989	17,695	11,949
Child w/Spec Needs	6510	1,311,154	1,578,857	1,578,857
Nutrition & WIC	6520	2,744	14,170	18,690
Children & Families	6530	226,238	432,427	439,018
AGENCY TOTAL		\$4,137,982	\$4,847,785	\$4,884,965

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COMMUNITY SERVICES BLOCK GRANT

The following testimony relates to the proposed 1994 Kansas Community Services Block Grant State Plan, which grants funds during SFY 1995.

The Community Services Block Grant (CSBG) provides grants to states to reduce the causes of poverty in communities within the state. Services are provided through a network of community action agencies and migrant and seasonal farmworker organizations. Funds are available for the following activities:

- to secure and retain employment,
- to attain an adequate education,
- to make better use of available income,
- to obtain and maintain adequate housing,
- to obtain emergency assistance,
- to remove obstacles to self-sufficiency,
- to achieve greater participation in the community, and
- to make use of other poverty programs.

During SFY 1993 (the last complete fiscal year) 42,894 low-income Kansans received services through the CSBG program. Local agencies provide a range of services which aim at increasing economic self-sufficiency in low-income households. Historically, local providers have found that their clients' needs run the gamut from affordable housing to adequate income to food to emergency services. In emphasizing supportive services which result in self-sufficiency, local staff is able to assist people make connections with existing resources and train them to use those resources effectively. Housing needs can be addressed with direct housing assistance, assistance in obtaining weatherization, counseling to use money more effectively, etc.

In November, the U.S. Department of Health and Human Services notified KDOC&H that Kansas was to be awarded \$1.013 million in supplemental CSBG funds for flood relief activities. These funds have been allocated to seven agencies covering most of the counties declared disaster areas during last summer's flooding. These funds will be used to locate and provide services to low-income flood victims. The services are designed to supplement assistance available from other sources.

The Kansas Community Services Block Grant allocation is \$3,166,650. Federal regulations require that no less than 90 percent of the funds available be used to fund existing community action agencies and migrant and seasonal farmworker organizations. No more than five percent can be used for administrative costs at the state level. The remaining five percent can be used at the State's discretion for projects consistent with the purposes of the federal CSBG Act.

In response to changes in population noted in the 1990 Census, and at the suggestion of federal monitors, KDOC&H intends to use distribute funds to community action agencies and migrant and seasonal farmworker organizations using a new formula in SFY 1995. Since some of these

changes significantly affect the size of many agencies' allocations, subgrantee agencies were notified of the proposed changes last May, giving them more than a year to plan for decreased or increased funding. The SFY 1995 allocations follow:

City of Wichita, Human Services Department	\$586,971	(20.60%)
Southeast Kansas Community Action Program	439,940	(15.44%)
Economic Opportunity Foundation	455,623	(15.99%)
East Central Kansas Economic Opportunity Corporation	455,095	(15.97%)
Northeast Kansas Community Action Program	205,969	(7.23%)
Mid-Kansas Community Action Program	194,894	(6.84%)
Community Action, Inc.	302,018	(10.60%)
Harvest America Corporation	209,474	(7.35%)

For SFY 1995, these agencies will make available a full range of services in the city of Wichita and the following counties:

Allen	Cherokee	Franklin	Lyon	Sherman
Anderson	Coffey	Greenwood	Miami	Wichita
Atchison	Crawford	Harvey	Montgomery	Wyandotte
Bourbon	Doniphan	Jackson	Nemaha	
Brown	Douglas	Labette	Osage	
Butler	Finney	Linn	Shawnee	

In addition, services will be provided on a limited basis to residents of several other counties. KDOC&H proposes to begin expanding the area served by CSBG, beginning with SFY 1996. Administrative activities for SFY 1995 will include developing procedures for expansion, including identifying target counties and locating potential subgrantees to serve these counties.

Department of Commerce & Housing
Office of the Secretary

Date: March 28, 1994

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES
Donna L. Whiteman, Secretary

Testimony on the SRS Federal Block Grant Programs
House Appropriations Committee
March 28, 1994

"The Kansas Department of Social and Rehabilitation Services empowers individuals and families to achieve and sustain independence and to participate in the rights, responsibilities and benefits of full citizenship by creating conditions and opportunities for change, by advocating for human dignity and worth, and by providing care, safety and support in collaboration with others."

I am providing you information on the Federal Block Grant programs administered by the Department of Social and Rehabilitation Services. Included in the attached packet is information on the following block grants:

- Social Services Block Grant (SSBG)
- Block Grant for the Prevention and Treatment of Substance Abuse
- Community Mental Health Services Block Grant
- Low Income Energy Assistance Block Grant (LIEAP)
- Projects for Assistance in Transition from Homelessness Block Grant (PATH)
- Child Care and Development Block Grant (CCDBG)

The total amount of federal dollars provided by these block grant programs was over \$54 million in FY 1994. Most of these grants are expected to remain rather stable in FY 1995. The LIEAP block grant is anticipated to be significantly reduced. The attached summaries are submitted for your review and each provides information specifically on each block grant.

I am available to answer any questions on these programs.

Thank you.

DLW:RLW:SDP:sdp

SUMMARY
REPORT ON THE PROPOSED USE OF THE
KANSAS SOCIAL SERVICE BLOCK GRANT
July 1, 1994 to June 30, 1995

The Department of Social and Rehabilitation Services formulates and carries out a program of social services designed to promote the welfare of targeted needy persons by enhancing the opportunity to develop their capabilities to the greatest extent possible.

Historical Perspective

This is the fourteenth year of the social services block grant program. The Omnibus Reconciliation Act of 1981 replaced the Title XX social services funding with the social services block grant. Along with the block grant system came a severe reduction in the amount of social service funds available. Consequently, most social service programs funded under Title XX were carried forward under the social service block grant, but with reduced federal funding.

The biggest change in adult day and community living services has been the switch from purchase of services for handicapped persons to a grant program. This system provides the same high caliber of service to the recipients with a significant reduction in paperwork and bureaucratic red tape.

Eligibility and Requirements

Individual eligibility for social service block grant funding is based on two criteria: 1) There must be a need for the services; and 2) income levels must be met. A single individual may not have a gross income exceeding \$920 per month. This scale is graduated upward. For example, for a family of four, the gross income may not exceed \$1,850 per month. The scale is set at 150% of the federally established poverty level.

All services must relate to one of the five national goals: 1) helping individuals to become economically self supporting; 2) helping individuals to reduce dependency and become self-sufficient; 3) providing protective services for those in need (regardless of income); 4) providing services to help persons to remain in their own homes; and 5) when no other alternatives exist, providing services to help persons receive the most appropriate institutional care (i.e., adult care homes, state institutions, private institutions, etc.).

For FY 1995, the Kansas Social Service Block Grant Program allocation is \$29,861,123. The estimated expenditures per service are as follows:

Direct Staff Services/Homecare Staff	\$ 4,800,527
Purchased Services:	\$16,067,158
Child Care Services/Grants/Contracts	\$6,625,232
Foster Care Residential	\$8,107,920
Youth and Family Support Grants	\$1,334,006
Adult Day and Community Living Grants	\$8,993,438
Total	\$29,861,123

Social Service Block Grant

Page 2

July 1, 1994 to June 30, 1995

Social service block grant funds will continue to be used on a statewide basis to purchase services where appropriate, to give direct grants where appropriate, and to provide direct services by SRS employees where appropriate.

The Kansas Social Services block grant plan will be presented later this spring and a thirty-day public comment period will follow. The plan is scheduled to be adopted by the Secretary in June and submitted to the federal government later that month.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994

SUMMARY
REPORT ON THE PROPOSED USE OF THE BLOCK GRANT
FOR THE PREVENTION AND TREATMENT OF SUBSTANCE ABUSE
July 1, 1994 to June 30, 1995

The Block Grant for the Prevention and Treatment of Substance Abuse is authorized by Public Law 102-321. The Substance Abuse and Mental Health Services Administration (SAMHSA) is the administrative agency within the Public Health Service of Health and Human Services.

The current estimate of Kansas' share of the block grant is \$8.75 million. The Governor's Budget Recommendation calls for:

<u>Services</u>	<u>Funding Amount</u>	<u>Minimum No. of Grants</u>
Substance Abuse Prevention Services	\$2.50 million	10
Substance Abuse Treatment Services	\$6.25 million	38

In our prevention efforts we utilize a regional approach. Within each of the regions, or SRS Management Areas, high risk data concerning families, youth, and schools is used to target prevention services to communities with high risk factors for substance abuse.

Our treatment approach is to fund, whenever possible, the least restrictive environment in which to recover from addiction to alcohol and other drugs. Most of the new block grant dollars will be devoted to day treatment and outpatient care, the most cost effective forms of treatment for the majority of Kansans. We are, however, responsible for many socially and economically disadvantaged people who do not have the work skills or family support to sustain them while in outpatient care. For these people and, in particular, women addicts with children, a greater investment in time and money is needed to help them develop lasting skills at a job, in parenting, and in other social and family responsibilities. Overall, treatment services funded by the Block Grant for the Prevention and Treatment of Substance Abuse are projected to provide services to over 10,000 persons during FY 95.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994

SUMMARY
REPORT ON THE PROPOSED USE OF THE
COMMUNITY MENTAL HEALTH SERVICES BLOCK GRANT
July 1, 1994 to June 30, 1995

Public Law 102-321 split the previous Alcohol, Drug Abuse and Mental Health Services Block Grant to Kansas into two separate block grants, one for substance abuse and one for mental health services, each with its own distribution formula. The mental health block grant is now called the Community Mental Health Services (CMHS) Block Grant. The application for this block grant now includes requirements for a State Plan to be developed. The Kansas State Plan (and subsequent revisions) are available for public comment. To obtain a copy of the plan, please contact:

Mike Horan, Director of Planning
Mental Health and Retardation Services
5th Floor - Docking State Office Building
Topeka, Kansas 66612
Phone # (913) 296-3471

The Kansas State Plan for Community Mental Health Services proposes that the Block Grant funds will help provide comprehensive mental health services to specifically targeted populations with the intent of preventing unnecessary institutionalization. The funding is targeted to community services for adults with severe and persistent mental illness, services for severely emotionally disturbed children and adolescents, and for 24-hour emergency services.

CMHS Block Grant funds are distributed to licensed community mental health centers and their affiliates for the provision of services in the least restrictive environment. Services must be offered regardless of the client's ability to pay and must be readily accessible and must assure continuity of care in a manner which preserves human dignity.

Proposed distribution of funds for FY 1995 is:

-Community support services (for adults with severe and persistent mental illness)	\$1,377,781
-Community-based services (for children and adolescents with severe emotional disturbance)	\$ 324,281
-MH&RS administration	\$ 112,174

Each of the 27 Mental Health Centers in Kansas receive funding from this Block Grant. These funds helped to provide services to over 8,000 adults with severe and persistent mental illness and over 4,000 children/adolescents with severe emotional disturbance.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994

**SUMMARY REPORT ON THE PROPOSED USE OF THE
LOW INCOME HOME ENERGY ASSISTANCE PROGRAM BLOCK GRANT
JULY 1, 1994 TO JUNE 30, 1995**

The Low Income Energy Assistance Program (LIEAP) block grant is authorized by the Omnibus Budget Reconciliation Act of 1981. Its stated purpose is to "assist eligible households to meet the costs of home energy".

Most LIEAP recipients are elderly persons with minimal Social Security, disabled persons on SSI, and ADC or GA families. Recipient income averages at 77% of the poverty level. At this level, utility bills represent one-fourth of household income, about four times the share paid by median income households. Low income people frequently must choose which of their essential needs to pay, resulting in instability and possible homelessness or premature entry into Medicaid funded nursing homes. By helping with essential energy costs, LIEAP protects and stabilizes households and helps keep them in their homes.

In addition to having income under 110% of poverty, LIEAP applicants must demonstrate a stable energy payment pattern, a state-added requirement which encourages positive payment habits. Two types of assistance are available:

- 1) Heating Assistance - 37,771 households receive this annual benefit which varies by income, dwelling type, fuel type, utility rates, and family size.
- 2) Cooling Assistance - Eligibility is limited to elderly, disabled, and medically needy persons who are most vulnerable to hot weather extremes. Last summer 16,474 households received cooling utility assistance.

Since 1986, Congress has cut LIEAP funding by 34% resulting in deep benefit cuts and income eligibility limits which are the most restrictive levels allowed by law. Reduced benefits now pay only 12% of residential energy costs.

Part of the LIEAP funds have been transferred annually to the Department of Commerce and Housing for weatherization of low income homes, in accordance with a block grant option. This option allows up to 15% of LIEAP funds to be used to supplement the Department of Energy (DOE) Weatherization Program. Since 1982, LIEAP has provided a total of \$24,243,724 for weatherization of homes occupied by low income persons.

The President's FY 1995 budget would reduce LIEAP block grant funding by an additional 51%. This in combination with a continued transfer to Weatherization, would cut LIEAP benefits in half and pay only 6% of household energy costs.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994

SUMMARY
REPORT ON THE PROPOSED USE OF
PROJECTS FOR ASSISTANCE IN TRANSITION FROM
HOMELESS (PATH) BLOCK GRANT
July 1, 1994 to June 30, 1995

For the Federal fiscal year beginning October 1, 1994 and ending September 30, 1995, the State of Kansas will receive \$300,000 for the Projects for Assistance in Transition from Homelessness grant (PATH).

SRS/Mental Health and Retardation Services proposes to serve the following target population:

Individuals who are suffering from serious mental illness; or dually diagnosed individuals suffering from serious mental illness and from substance abuse; and are homeless or at imminent risk of becoming homeless.

This target population conforms to the federal target population for these funds.

PATH funds will be used to provide outreach, crisis assistance, case management, housing assistance, referrals, screening and diagnostic treatment services, and other community support services to homeless individuals with severe and persistent mental illness. The services will be designed to assist homeless individuals to control the symptoms of their mental illness and to develop the skills and acquire the support necessary to help them live as independently and productively in the community as possible.

PATH grant recipients are licensed community mental health centers in three urban areas of Kansas: Kansas City, Topeka, and Wichita. Proposed distribution of FFY 95 PATH funds would continue as follows:

Sedgwick County Department of Mental Health	\$ 95,306
Shawnee Community Mental Health Center	\$109,981
Wyandot Mental Health Center	\$ 94,713

PATH grant funds will provide support services to approximately 1,225 PATH eligible clients during the next grant year.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994

SUMMARY
REPORT ON THE PROPOSED USE OF THE
CHILD CARE AND DEVELOPMENT BLOCK GRANT
July 1, 1994 to June 30, 1995

The Omnibus Budget Reconciliation Act of 1990 entitled the Child Care and Development Block Grant Act of 1990 was enacted to increase the availability, affordability and quality of child care. The funds are available to provide child care services for low-income families with a parent who is working or attending a training or educational program.

Some of the funds are also available to improve the availability and quality of child care and for early childhood development and before and after school services.

The Act provides parents with specific options regarding the selection of child care providers.

Of the \$7.9 million available, approximately \$5.2 million will be used for direct service child care assistance to families. It is estimated that these funds will serve an average of 2,298 children per month during the next year.

The remaining funds (\$1.7 million) will be used to improve the availability and quality of child care. Grants to public and/or non-profit organizations will be made for the following:

<u>Activity</u>	<u>Estimated # of grants</u>
-Center based establishment or expansion	25
-School age child care establishment of expansion	25
-Head Start Wrap-around services	2
-Provider training & technical assistance	4
-Employee awareness campaign	3
-Child care resources and referral	8
-Family resource center projects	1
-Provider Recruitment	1

Additionally, approximately \$700,000 will be provided to the Department of Health and Environment to improve State child care licensing.

Department of Social and Rehabilitation Services
Office of the Secretary
March 28, 1994