

Approved: 4-24-97
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 10:30 a.m. on April 2, 1997 in Room 514-S of the Capitol.

All members were present except: Representative Packer - Excused
Representative Nichols - Excused

Committee staff present: Eric Milstead, Russell Mills, Legislative Research Department;
Jim Wilson, Mike Corrigan, Revisor of Statutes Office;
Marcia Ayres, Appropriations Secretary; Helen Abramson, Administrative Aide

Conferees appearing before the committee:

Others attending: See attached list

The minutes of March 24 were distributed to members for their review.

Representative Helgerson read the subcommittee report on **HB 2497** which would authorize the Kansas Commission on Veterans Affairs to operate a Kansas Veterans Home to be located on the grounds of Winfield State Hospital and Training Center (WSH&TC) beginning January 1, 1998. The subcommittee endorsed the recommendation of the Evaluation and Analysis Committee for Request for Proposal 32190 regarding the conversion with two recommendations for FY 97 and two recommendations for FY 98. (Attachment 1)

Representative Helgerson further explained the first recommendation for FY 98. The transfer of \$2.5 million from the SRS social welfare fund to the KCVA is a State General Fund (SGF) appropriation. After the money is used to purchase the facility, the money would flow into the SRS fee fund which would then be used to supplant the \$2.5 million in SGF expenditures for SRS. The process would be a no-cost increase to the state but would have three steps to it instead of the two outlined in the FY 98 recommendation.

Representative Helgerson also reviewed a proposed amendment to the subcommittee report by Representative Landwehr which the subcommittee agreed upon. Her amendment would state that the subcommittee based its financial projections upon the assumption that the federal government would not alter its funding of veterans' facilities and thus the state should break even after three to five years on the reimbursement schedule. There is the risk that there would not be sufficient revenues in the future if funding by the federal government changed.

Considerable discussion followed. The Revisor distributed a proposed amendment to the subcommittee report for **HB 2497** regarding the housing project. (Attachment 2) Mike Hutfles of SRS distributed copies of "The Future Use of Winfield State Hospital and Training Center" dated April 1, 1997, to the members. (Attachment 3)

Representative Neufeld apologized for not including in the subcommittee report a section directing the Department of Aging to identify eligible veterans before they are placed in nursing homes and to give them the option of these housing facilities.

Discussion continued and Representative Reinhardt requested that the definition of veteran "family members" be clarified.

A motion was made by Representative Helgerson, seconded by Representative Minor, to adopt the conceptual amendments to the subcommittee report for **HB 2497** which would include: (1) rewording the first recommendation for FY 98 to accurately reflect the transfer of the \$2.5 million, (2) any conceptual amendments suggested to the proposed amendment for housing, (3) the language recommended by Representative Landwehr regarding financial projections, and (4) directing the Department of Aging to identify eligible veterans. Discussion. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on April 2, 1997.

A motion was made by Representative Spangler, seconded by Representative Shriver, to pass **HB 2497** as amended. Discussion. The motion carried.

Hearing on HB 2512 - State Library, receipt of gifts, grants and donations, and grants-in-aid to Libraries Act Amendments

Representative Farmer explained that this bill was a request from the State Librarian and that the change in Line 33 would allow the state library to accept gifts and donations and to distribute them out to local public libraries.

Revisor Wilson distributed the proposed cleanup amendments and explained the balloon. (Attachment 4)

A motion was made by Representative Farmer, seconded by Representative Helgerson, to amend **HB 2512** as proposed in the revisor's balloon. The motion carried.

A motion was made by Representative Farmer, seconded by Representative Helgerson, to pass **HB 2512** as amended. The motion carried.

Hearing on HB 2390 - Credits of certain fee receipts to state general fund, correcting internal statutory reference

Revisor Wilson explained that this bill was introduced to correct a technical error in a statutory citation. He informed the committee that this statute was cleaned up in Substitute for SB 317 as amended by a house committee. Since the fate of that bill on the House floor is uncertain, the chairman chose to go ahead and work the bill.

A motion was made by Representative Helgerson, seconded by Representative Reinhardt, to pass **HB 2390** and place it on the consent calendar. The motion carried.

A motion was made by Representative Farmer, seconded by Representative O'Connor, to introduce a bill concerning a Kansas Pooled Investment College Saving Program requested by the Kansas Board of Regents. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative O'Connor, to approve the minutes of March 24. The motion carried.

Representatives Ballard and Landwehr publicly thanked Representatives Neufeld and Helgerson for patiently explaining issues to them as they worked together on the subcommittee, and the Chairman observed that bipartisanship still lives.

The meeting adjourned at 11:10 a.m.

The next meeting is scheduled for April 3, 1997.

House Appropriations Subcommittee on Social Services

1997 H.B. 2497

1997 H.B. 2497 — Overview

1997 H.B. 2497 will authorize the Kansas Commission on Veterans Affairs to operate a Kansas Veterans Home to be located on the grounds of Winfield State Hospital and Training Center (WSH&TC) beginning January 1, 1998. The Secretary of Social and Rehabilitation Services would enter into an agreement with KCVA and transfer certain properties, equipment, and records of WSH&TC to KCVA. The agreement would establish the time of such transfers.

The Kansas Veterans Home authorized by H.B. 2497 would provide two levels of care: nursing home and domiciliary care to eligible Kansas veterans and their family members. This differs from the care currently provided by the Kansas Soldiers Home at Fort Dodge (KSH-Ft. Dodge). KSH-Fort Dodge provides three levels of care including nursing-home care; assisted living (domiciliary care) care and cottages (independent living). Those persons eligible for residence at the Kansas Veterans Home would include any persons who served in the United States military and have been honorably discharged. The eligible veteran's spouse, widow, widower, parents, and minor children would also be qualified to receive care in the Veterans Home. The eligibility requirements would be identical to those currently in existence at KSH-Fort Dodge.

H.B. 2497 would establish the Kansas Veterans Home Fee Fund which would be similar in nature to the Kansas Soldiers Home Fee Fund now in existence for KSH-Fort Dodge. All monies received from the residents and from the Veterans Administration for reimbursements for the care of residents would be credited to the Kansas Veterans Home Fee Fund.

The bill would also allow the KCVA to enter into an agreement with the United States Department of Veterans Affairs for the use and operation of the nursing care unit of the Wichita VA Medical Center in Wichita, Kansas. The nursing care unit in Wichita would be established as a long-term care unit of the Kansas Veterans Home, which would be known as the Kansas Veterans' Home Long-Term Care Annex. The Long-Term Care Annex would be operated as part of the Kansas Veterans Home in Winfield.

House Subcommittee Recommendation

The House Subcommittee endorses the recommendation of the Evaluation and Analysis Committee for Request for Proposal 32190 regarding the conversion of Winfield State Hospital and Training Center to the Kansas Veterans' Home at Winfield. (**Note:** The Department of Social and Rehabilitation Services, with the approval of the Governor and Legislative Leadership, created an 8-member Evaluation and Analysis Committee to explore options for alternative uses for Topeka State Hospital and Winfield State Hospital and Training Center. The Committee consists of the following members or their designees: Secretary of SRS; Secretary of Commerce and Housing; Secretary of Administration; Division of Purchasing; Senate President; Speaker of the House; Senate Minority Leader; and, House Minority Leader.)

In light of the Subcommittee's endorsement of the Evaluation and Analysis Committee's recommendation, the Subcommittee makes the following recommendations:

Appropriations
4-2-97
Attachment 1

For FY 1997, the Subcommittee recommends:

1. Add \$1.7 million from the State Institution Building Fund to finance the State's share of capital improvement-related costs for the conversion of WSH&TC to the Kansas Veterans' Home at Winfield.
2. Add proviso directing the Kansas Commission on Veterans Affairs (KCVA) to proceed with negotiations with the United States Department of Veterans Affairs for the operation by the KCVA of an existing 60-bed nursing facility located on the grounds of the VA hospital in Wichita. The Subcommittee directs the KCVA to seek VA certification of the facility only upon express authorization by the Legislature.

For FY 1998, the Subcommittee recommends:

1. Transfer \$2.5 million from the SRS social welfare fund to the KCVA for the purpose of financing the KCVA's purchase of WSH&TC. As a corollary to this recommendation the Subcommittee also recommends the creation of a new fund at KCVA for the purpose of implementing the fund transfer.
2. Permit the KCVA to allow any individual eligible for admission to the Kansas Soldiers Home to construct a single-family dwelling for use as a home on the property of the Soldiers Home. Each such dwelling shall be constructed and maintained at the expense of the individual.

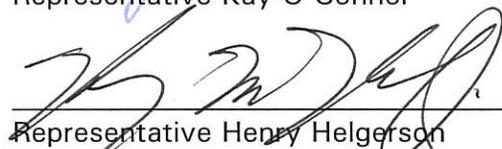


Representative Melvin Neufeld
Subcommittee Chair

Representative Brenda Landwehr



Representative Kay O'Connor



Representative Henry Helgerson



Representative Barbara Ballard

New Sec. (a) The Kansas commission on veterans' affairs may enter into a written contract with any individual who is eligible for admission to the Kansas soldiers' home under K.S.A. 76-1908, and amendments thereto, to authorize the construction of a single-family dwelling for use as a home for such individual and such individual's family members on the real property of the Kansas soldiers' home in accordance with rules and regulations adopted by the Kansas commission on veterans affairs. Each such dwelling shall be constructed and maintained (1) at the expense of the individual entering into a contract with the commission under this section, including any required sewer, water and utility connections, (2) at a location on the real property of the Kansas soldiers' home approved in accordance with rules and regulations adopted by the commission under this section, and (3) in accordance with the building design, construction and materials standards as authorized or prescribed by rules and regulations adopted by the commission under this section.

(b) The Kansas commission on veterans affairs shall grant a life estate to each individual who enters into a contract under this section and who constructs a dwelling at the Kansas soldiers' home in accordance with this section and the rules and regulations adopted by the commission under this section. The life estate shall be for the dwelling and the tract of real property that the dwelling is constructed on, as specified in the contract entered into under this section for the life of the individual and the lives of such individual's family members. Each life estate granted by the commission under this section shall be approved as to form and legality by the attorney general.

(c) At the end of each life estate granted under this section, the dwelling and real estate which is the subject of the life estate shall revert to the Kansas soldiers' home and such dwelling and real estate shall be used for housing of veterans and other eligible individuals admitted to the Kansas soldiers' home as provided by statute.

(d) The Kansas commission on veterans affairs shall adopt rules and regulations prescribing policies and procedures for the construction and maintenance of single-family dwellings on the real estate of Kansas soldiers' home, prescribing building design, construction and materials standards for such dwellings, and for such other matters as may be required for the implementation and administration of this section.

Appropriations
4-2-97
Attachment 2

The Future Use of Winfield State Hospital & Training Center

April 1, 1997

Prepared for
Secretary Rochelle Chronister

by
Evaluation and Analysis Committee

Appropriations
4-2-97
Attachment 3

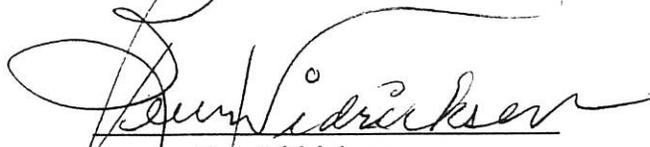
April 1, 1997

Secretary Chronister:

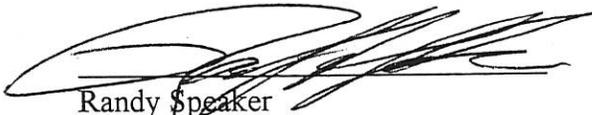
We respectfully submit the following recommendations. We believe that our recommendations will improve the quality of care for Kansas Veterans and provide Winfield the best possible alternative as the state closes Winfield State Hospital and Training Center.



Michael Hutfles, Chair
Kansas Department of Social &
Rehabilitation Services



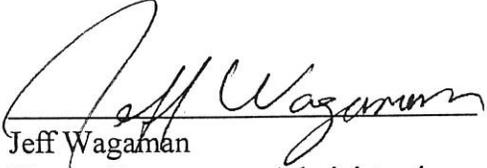
Senator Ben Vidricksen
Kansas Senate



Randy Speaker
Kansas Department of Commerce &
Housing



Senator Janis Lee
Kansas Senate



Jeff Wagaman
Kansas Department Administration



Representative Brenda Landwehr
Kansas House of Representatives



Fran Welch
Kansas Department of Administration



Representative Henry Helgerson
Kansas House of Representatives

INTRODUCTION

This report provides recommendations for the future use of Winfield State Hospital and Training Center(WSH&TC). The Evaluation and Analysis committee for Request for Proposal 32190 makes the following recommendations to the Secretary of Social and Rehabilitation Services(SRS).

Background

The 1995 Legislature created the Hospital Closure Commission to make binding recommendations to the 1996 Legislature. This Commission was to look at the need for the State of Kansas to maintain seven state hospitals, four mental health facilities and three developmental disability facilities. The Commission recommended that the State close two hospitals, Topeka State Hospital and Winfield State Hospital and Training Center and that the hospitals close no later than December 31, 1997.

The Closure Commission stated the following guiding principles:

- ◆ The welfare and safety of the clients should be the primary consideration of all decisions made throughout the closure process;
- ◆ The State should assist the employees of the hospitals to ensure appropriate care of patients through closure and assist those employees as they seek other employment;
- ◆ The State should consider the economic impact of closure on the two communities as it considers alternative uses for the closed facilities.

The 1996 Legislature upheld the findings of the Hospital Closure Commission. In addition, the 1996 Legislature passed House Substitute for SB 388 which provided an enhanced severance package for those hospital employees who remain with the state hospital until closure. The House Appropriations Committee placed a proviso on the 1996 budget bill that required the Department of Social and Rehabilitation Services to seek approval from the Legislature before disposing of either State Hospital.

Evaluation and Analysis Committee

In August of 1996, the Secretary of SRS began exploring options to look at alternative uses for Topeka State Hospital and Winfield State Hospital. After consulting with the Governor's Cabinet Commission on Closure, the Secretary initiated Request for Proposal(RFP) 32190. The department went through the normal RFP process with one exception. The normal process creates a 3-person Procurement Negotiating Committee to evaluate the bids that are received.

SRS, with the approval of the Governor and the Legislative Leadership, created an 8-person Evaluation and Analysis (E&A) Committee. The committee is made up of the following members or their designees:

- The Secretary of SRS
- The Secretary of Commerce and Housing
- The Secretary of Administration
- The Division of Purchasing
- Senate President
- Speaker of the House
- Senate Minority Leader
- House Minority Leader

The designated members of the committee are:

- Michael Hutfles, SRS (Chairman)
- Randy Speaker, Commerce and Housing
- Jeff Wagaman, Dep't of Administration
- Fran Welch, Division of Purchasing
- Senator Ben Vidricksen
- Representative Brenda Landwehr
- Senator Janis Lee
- Representative Henry Helgerson

The Secretary felt it was very important that the Legislature be involved in this process. Any decision that this committee makes will need the support of both the Executive branch and the Legislature. We are pleased that the Legislative Leadership agreed to join us on this decision making process.

RECOMMENDATIONS

All budget projections provided are based on current federal and state policy; all future estimates are based on a continuation of these policies. We did not anticipate any major policy changes at this time or in the future as we developed our recommendations. However, we are concerned that any changes in federal policy could have a negative impact on these recommendations.

The Evaluation and Analysis Committee makes the following recommendations concerning the next use of Winfield State Hospital and Training Center:

- I. The State should proceed with the proposed renovation of WSH&TC and convert the facility to the Kansas Veterans' Home at Winfield. Legislative Post Audit stated in their

April 1985 audit that Kansas has a need for a second Veterans' Home in the eastern half of the state. The population trends provided by the Kansas Veterans Affairs Commission show the need for a second Veterans' Home in Kansas, in addition to the Kansas Soldiers' Home at Fort Dodge.

- II. The Kansas Veterans' Affairs Commission should make plans to begin operating the skilled nursing facility at the Wichita Veterans' Hospital. The Wichita facility should operate as an annex of the Winfield Veterans' Home and share administration costs. Operation of the facility should not begin until federal V.A. Construction Grant dollars are secured or until the Kansas Veterans' Home at Winfield begins operations. Kansas will not be eligible for V.A. Construction Grants if operations begin in Wichita before securing the V.A. Construction Grants.
- III. The Kansas Veterans' Affairs Commission should begin processing the application for the Veterans' Home at Winfield immediately. The Legislature should appropriate \$1.7 million from the State Institutions Building Fund (SIBF) in FY '98 for construction costs. This appropriation is needed to fulfill the requirements of the federal application. Expenditures from this fund should be subject to Joint Building Committee and Finance Council approval.
- IV. The Kansas Legislature should transfer \$2.5 million to the Kansas Veterans' Affairs Commission from the Department of Social and Rehabilitation Services in FY 1998 for the acquisition of Winfield State Hospital and Training Center. KVAC would then purchase Winfield State Hospital from SRS. The \$2.5 million would return to the SRS fee fund to be used as it was intended.

OTHER RECOMMENDATIONS

- I. The Kansas Veterans' Home at Winfield should be given the same priority status as the five surviving Mental Health and Developmentally Disabled hospitals in the disposition of equipment, furniture, etc.
- II. The Superintendent of the Kansas Veterans' Home at Winfield should develop a similar relationship with the Winfield Correctional Facility that has existed between the Correctional Facility and Winfield State Hospital.

FINANCIAL CONSIDERATIONS

The remainder of this report will attempt to explain the financial obligations that the state will incur with the start-up of the Winfield Veterans' Home.

Capital Construction: FY 1998 - FY 1999

The Evaluation and Analysis committee used the Capital Construction plan provided by the Kansas Veterans Affairs Commission with some modifications.

The Veteran's Commission has developed a capital improvement plan to convert the Winfield State Hospital to a Veterans' Home based on the cost estimates prepared by a private architecture engineering design firm. The Commission proposes to divide the conversion projects into two phases. Phase I includes remodeling Holly Building and Juniper Building. The cost for Phase I is estimated at \$2,952,382 for 201 beds, including 105 nursing-home beds in Holly Building, and 96 assisted-living apartments in Juniper Building. Phase II includes remodeling the Medical Services Building and Treatment Building. The cost is estimated at \$3,987,800 for 200 beds. It is proposed that the Medical Services Building and Treatment Building would accommodate patients who need nursing-home care and residents who need living assistance. Overall, a total of \$6,940,182 is estimated for completion of the conversion project. (Attachment A)

The Commission believes that the conversion project would be financed by 65 percent federal grants and 35 percent state and local funds, or \$4,511,118 from federal grants, \$1,179,064 from state funds and \$1,250,000 from the City of Winfield. (Attachment D) The Commission indicates that it will apply for the federal grant and is optimistic about its prospects. However, the agency indicates that if it does not receive the federal grants in August 1997, it would be able to reapply again in August 1998.

Currently, the State Institutions Building Fund (SIBF) has an uncommitted balance of approximately \$6.5 million. The State of Kansas should appropriate approximately \$1.7 million for the conversion project. **However, if the Kansas Commission on Veterans Affairs fails to receive the federal grants by August 15, 1998, we recommend that the state complete Phase I of the project only.**

It is important to note that the capital improvement project has to be approved by the 1997 Legislature and is the first step toward converting the Winfield State Hospital into a Veterans' Home. The project also very much depends on the availability of federal grants and the timely receipts of federal monies. The Kansas Commission on Veterans Affairs plans to submit the capital improvement proposal to the Veterans Administration in April 1997 and expects a decision from the federal government around October 1997. In that case, the project could not begin until after October 1997. Finally, the agency estimates that completion of the conversion project will take six to nine months. Therefore, no operating expenditures need to be appropriated for FY 1998.

If the Legislature is considering the Wichita nursing facility at the V.A. Hospital, the Evaluation and Analysis Committee believes it is very important for the Legislature to understand the effects of new beds and the associated operating costs and how this effects Kansas as KVAC

requests construction grant dollars from the V.A.

Based on the number of skilled nursing beds at Fort Dodge, Kansas' unmet need of skilled nursing beds 92%. This places Kansas in the second priority group; currently the fifth state to be considered. If Kansas were to increase the number of skilled nursing beds, even slightly, the state would drop into the third priority group. This would effectively remove Kansas from any consideration of new construction grants for the Winfield Veterans' Home. (Attachment B)

Operating Expenditures for the entire project: FY 1999 - FY 2000

The Evaluation and Analysis Committee used the budget document provided by the Division of the Budget with some modifications. The "agency" reference throughout the next two sections is the Kansas Veterans Affairs Commission.

The Division of the Budget estimates for FY 1999 and FY 2000 are based on the assumption that operating expenditures at Winfield Veterans' Home will not be necessary in FY 1998. The agency has originally submitted a three-year budget plan which assumed funding for the full fiscal year. The agency believes that it will be able to achieve 40 percent occupancy rate in FY 1998, 60 percent in FY 1999, and 80 percent in FY 2000. The Division of the Budget believes that the agency will not accept patients until FY 1999 and achieve 40 percent occupancy in FY 1999, and 80 percent in FY 2000. (Attachment C)

The Evaluation Committee agrees with the Division of the Budget that a superintendent is needed to manage the Winfield Veterans' Home. The Division of Budget eliminates the Public Service Executive II position and adds an unclassified position of a superintendent.

For FY 1999 and FY 2000, the Division of the Budget estimates \$3,963,700 and \$7,944,750 respectively, for the operating expenditures. DOB estimates are higher than the budget plan submitted by the agency as the estimates are based on the current cost per capita at the Kansas Soldiers Home at Fort Dodge. Currently, the cost per capita is approximately \$30,800 for a nursing-home resident and \$14,750 for an assisted-living resident. Again, DOB assumes the occupancy rate will be 40 percent in FY 1999 and 80 percent in FY 2000.

For FY 1999 and FY 2000, the Division of the Budget again believes that the agency has somewhat underestimated the total number of FTE positions needed in the new facility. Therefore, the Division of the Budget has increased the numbers of direct care staff and supporting staff from 94.0 to 100.0 for FY 1999, and from 127.0 to 184.0 for FY 2000. The increase in FY 2000 is much greater since the occupancy rate is doubled from FY 1999 to FY 2000. In other words, the number of veteran residents would increase from 161 to 321. Please see details of DOB estimates in the attachments.

Financing Mechanisms and Cost Comparisons among KSH at Fort Dodge, SRS programs, and KVH at Winfield

The sources of financing of the operating expenditures are also different from the agency's draft. The agency indicates that the amount of funding available from the federal government would be more than adequate to finance the operating costs in the Winfield Veterans' Home. In that light, the agency's projections of federal receipts and grants are higher than its estimated expenditures for both FY 1999 and FY 2000. However, review of the budget of the existing facility shows that the State General Fund finances approximately 25 percent of the operating expenditures at Fort Dodge. KSH at Fort Dodge has three levels of care: nursing-home care, assisted-living in the dormitory, and cottage living. Since the new Veterans' Home at Winfield would not have cottages, the Division of Budget estimates that 20 percent of the operating expenditures would be financed by the State General Fund for FY 1999 and FY 2000.

Major sources of operating funds would come from State General Fund, Veterans Administration per diem reimbursement, and other incomes. The Veterans Administration pays \$39.74 per day for all veterans receiving nursing-home care, and \$16.13 for all other non-combat veterans. This means that KSH at Fort Dodge receives directly from the federal government \$14,306 annually for a nursing-care veteran and \$5,868 annually for a non-combat veteran. Other sources of income include pension, social security payment, V.A. Aid & Attendance payment, and other personal income. The most significant is the V.A. Aid & Attendance payment which pays \$1131/monthly (\$13,572 annually) to the combat-veterans who need nursing-home care. It is important to note two things. First, not all combat-veterans are eligible for the V.A. Aid & Attendance payment, only those who reside in a nursing-home unit are eligible. Second, not all of the payments are going to cover the cost in the Veterans' Home. V.A. Aid & Attendance payment goes directly to the veterans. The veterans are allowed to keep income and assets worth approximately \$10,000 for themselves. So only part of the V.A. Aid & Attendance payments are used to cover costs in the Veterans' Home.

Currently the cost per capita at the KSH at Fort Dodge is \$30,800 for the nursing home, and \$14,750 for assisted-living dormitory. Federal reimbursement and veterans payments have been insufficient to cover the operating cost at Fort Dodge. For the past few years, an average of 25 percent of the cost at Fort Dodge is financed by the State General Fund. For the Winfield Veterans' Home, the Division of the Budget estimates are largely based upon the model at Fort Dodge.

Per Capita Cost Comparison

Type of Patients	KSH Fort Dodge	KSH Winfield	SRS Program
Nursing Home	30,800	30,800	20,856
Assisted Living	14,750	14,750	18,000
Financing:			
State	25%	20%	35%
Federal	75%	80%	51%
Other	0%	0%	14%
Total	100%	100%	100%

Under the Medicaid Program, SRS provides assistance to the elderly who need nursing home care and in-home living. The Long-Term Care program is financed by 41 percent state funds and 59 percent federal funds. According to SRS estimates, the average payment per nursing home patient is approximately \$20,856 a year, and the average cost per assisted-living resident is approximately \$18,000 a year (see table above). The number for the assisted living residents includes the cost of room and board so that it is comparable to the assisted living cost at the Veterans' Home. The costs of care are shared by 35 percent state funds, 51 percent federal funds, and 14 percent private income.

The table above indicates that costs per year for nursing home care at the Veterans' Home are \$9,944 above the payments made by SRS. However, the costs for the assisted living at the Veterans' Home are \$3,250 below the SRS payments. It is difficult to compare costs in assisted living since the elderly under the SRS assisted living program often stay in their own homes. Therefore, any comparison needs to take this fact into account.

The table below compares the share of State General Fund at the Winfield Veterans' Home and that under the SRS program. The comparisons are based on the same occupancy rates, 40 percent in FY 1999, and 80 percent in FY 2000 and FY 2001. The table shows that the State General Fund contributions at Winfield Veterans' Home are lower than those under the SRS program for all three years. This is because only 20 percent of the operating cost are financed by the State General Fund at Winfield Veterans' Home.

State General Fund Comparison

	FY 1999	FY 2000	FY 2001
KSH Winfield			
Federal Fund	3,170,960	6,355,800	6,355,800
State General Fund	792,740	1,588,980	1,588,950
Total	3,963,700	7,944,750	7,944,750
SRS			
Federal Fund	1,613,263	3,226,087	3,226,087
State General Fund	1,121,081	2,241,857	2,241,857
Private	446,400	878,400	878,400
Total	3,180,744	6,346,344	6,346,344

It is important to note that these "savings" apply only if the clients would be either in an SRS nursing home medicaid bed or at KVH Winfield. In reality, the proposal is expected to increase the number of clients served. Therefore, the "savings" are not expected, rather state costs would be incurred for a newly served clientele.

The Division of the Budget analysis in the previous section indicates that it will cost less state monies to provide institutional care for the veterans in the Winfield Veterans' Home than under the Medicaid Program administered by SRS. This is because operating expenditures in the Winfield Veterans' Home are less expensive than assistance provided to nursing home patients by Medicaid. **Based on this information, the State should accumulate enough operating savings to equal the amount spent on the capital improvement project to establish the Veterans' Home at Winfield in 3-5 years.**

Capital Improvement Cost for the Kansas Soldier
Home At Winfield: FY 1998

Phase I: East Campus			
	Estimated Cost	Federal Grants 65%	State Fund 35%
Juniper & Holly Buildings	2,708,607		
Architecture Fee	243,775		
Subtotal	2,952,382	1,919,048	1,033,334

Phase II: West Campus			
	Estimated Cost	Federal Grants 65%	State Fund 35%
Medical Services & Treatment Buildings]	3,658,532		
Architecture Fee	329,268		
Subtotal	3,987,800	2,592,070	1,395,730

Total	6,940,182	4,511,118	2,429,064
Contingent Appr.			523,318
			2,952,382

Bed Count Summary:			
Building	Nursing Beds	Assisted Living	Total
Holly Building	105	0	105
Juniper Building	0	96	96
Med. Serv. Building	85	28	113
Treatment Building	57	30	87
Subtotal	247	154	401

	FY 1998 25%	FY 1999 40%	FY 2000 80%
Occupancy			
Nursing Home Unit	64	99	200
Assisted-Living	38	62	121
Total	102	161	321

DEPARTMENT OF VETERANS AFFAIRS (VA)

State Home Construction Grant
Priority List Methodology
Based on August 15, 1996 Statistical Data

100% unmet need			91-100% unmet need		0-90% unmet need	
No Homes	Homes Under Construction	Application on File	NHC	Dom	NHC	Dom
Alaska Delaware Hawaii Texas	North Carolina Oregon Puerto Rico	Nevada Utah	Arkansas California Conneticut Florida Kansas Louisiana Ohio Tennessee Virginia West Virginia Wyoming	Alabama Arizona Florida Illinois Kentucky Maine Maryland Mississippi Missouri New Hampshire New Jersey New Mexico New York Ohio South Carolina Tennessee Virginia	Alabama Arizona Colorado Georgia Idaho Illinois Indiana Iowa Kentucky Maine Maryland Massachusetts Michigan Minnesota Mississippi Missouri Montana Nebraska New Hampshire New Jersey New Mexico New York North Dakota Oklahoma Pennsylvania Rhode Island South Carolina South Dakota Vermont Washington West Virginia Wisconsin Wyoming	Arkansas California Colorado Conneticut Georgia Idaho Idaho Indiana Iowa Kansas Louisiana Massachusetts Michigan Minnesota Montana Nebraska North Dakota Oklahoma Pennsylvania Rhode Island South Dakota Vermont Washington West Virginia Wisconsin Wyoming

Type of Project	Value
Life-safety for NHC	10
Produce NHC beds	10
Life-safety for Dom	9
Produce Dom beds	8
NHC renovation	6
Dom renovation	4

In the event of identical values, the application which was submitted to VA first receives priority.
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Applications are accorded priority in the following order by law and regulations:

1. States which have made matching funds available without further State action to make them available;
2. States which have not received a construction or acquisition grant for a State home;
3. Greater need (91-100% un met need--determined by the veteran population in the State, the number of existing VA authorized beds in the State, as of August 15th, and the criteria of 4 beds per thousand for NHC projects and 2 beds per thousand for Dom projects);
4. Lesser need (0-90% unmet need, determined by the same criteria as Priority Group 3 above);
5. Hospital renovations.

3-12

8/15/96 PRIORITY LIST

No. of Projects	FAI No.	State (Locality)	PRI 1	PRI 2	PRI 3	PRI 4	Author. State Beds-NHC	NHC Beds 4/1000	NHC Needs Unmet	Author. State Beds-DOM	Dom Beds 2/1000	Dom Needs Unmet
16	19-XXX	Iowa					691	1,300	46.85%	113	650	82.62%
17	20-XXX	Kansas					86	1,128	92.38%	165	564	70.74%
18	21-XXX	Kentucky					300	1,436	79.11%	0	718	100.00%
19	22-XXX	Louisiana					145	1,668	91.31%	100	834	88.01%
20	23-XXX	Maine					490	616	20.45%	0	308	100.00%
21	24-XXX	Maryland					278	2,172	87.20%	100	1,086	90.79%
22	25-XXX	Massachusetts					327	2,664	87.73%	355	1,332	73.35%
23	26-XXX	Michigan					807	4,104	80.34%	199	2,052	90.30%
24	27-XXX	Minnesota					520	1,984	73.79%	278	992	71.98%
25	28-XXX	Mississippi					150	920	83.70%	0	460	100.00%
26	29-XXX	Missouri					745	2,516	70.39%	0	1,258	100.00%
27	30-XXX	Montana					170	400	57.50%	60	200	70.00%
28	31-XXX	Nebraska					749	712	-5.20%	191	356	46.35%
29	32-XXX	Nevada					0	584	100.00%	0	292	100.00%
30	33-XXX	New Hampshire					150	584	74.32%	0	292	100.00%

3-13

Attachment B

Agency Estimate:

DOB Estimate:

Expenditures	FY 98	FY 99	FY 00	FY 98	FY 99	FY 00
Salaries & Wages	1,861,707	2,377,467	2,655,375		2,853,700	4,924,750
Contractual Services	362,700	585,750	508,000		500,000	1,500,000
Commodities	655,166	841,500	944,000		600,000	1,500,000
Capital Outlay	0	0	0		10,000	20,000
Total	2,879,573	3,804,717	4,107,375	0	3,963,700	7,944,750
Federal Fund	1,830,595	4,562,659	6,393,495		3,170,960	6,355,800
State General Fund	1,048,978	0	0		792,740	1,588,950
Total	2,879,573	4,562,659	6,393,495		3,963,700	7,944,750
<i>Percent SGF</i>	36%	0%	0%		20%	20%
FTE	80	94	127		100	184
Occupancy Rate	40%	60%	80%		40%	80%
Total Expenditures:						
State Operation	2,879,573	3,804,717	4,107,375	0	3,963,700	7,944,750
Capital Improvement	6,940,182	0	0	6,940,182	0	0
Total	9,819,755	3,804,717	4,107,375	6,940,182	3,963,700	7,944,750
Financing:						
Federal Receipts	1,830,595	4,562,659	6,393,495	0	3,170,960	6,355,800
Federal Grants	4,511,118	0	0	4,511,118	0	0
State General Fund	3,478,042	0	0	2,429,064	792,740	1,588,950
Total	9,819,755	4,562,659	6,393,495	6,940,182	3,963,700	7,944,750

breakout of the \$2.4 million = \$1.25 million local, balance SIBF

3-14



THE CITY OF WINFIELD

CITY HALL
200 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5500
FAX (316) 221-5590

OPERATIONS CENTER
2701 E. Ninth - P.O. Box 646
Winfield, KS 67156-0646
Phone (316) 221-5600
FAX (316) 221-5591

March 7, 1997

Senator Greta Goodwin
Topeka, Kansas

via FAX

Dear Senator Goodwin:

We have been working on the financing package for the Veteran's Home. It has been very difficult for us to prudently increase our original offer. We have prepared a plan for the Winfield City Commission that has been informally presented to them individually. As you realize, the Commissioners cannot discuss the plan among themselves outside a public meeting. A special City Commission meeting has been called for 7:00 p.m. on Monday, March 10, 1997. We have also discussed with potential "partners" a joint financial effort. We will be meeting with the County Commission on Monday to determine if any support will be forthcoming from that agency.

Individually, the City Commissioners have expressed concerns but support for the proposed financing plan we have prepared. Basically, we have outlined a plan, if approved, that would provide \$750,000 in utility support (electric, water, wastewater and gas) and \$500,000 in "subsidy" support. Our plan would have the City directly performing or contracting for the services directly outlined within the architectural study. Our participation in those efforts would be in consultation and advice from the appropriate state representatives. We feel comfortable providing such services. It is difficult to separate out sitework/utility work as it relates to Phase I and II, but until we know the actual sequencing of events, we are proposing that our utility work would be all encompassing on Phase I and II within the number we have quoted.

In addition to our proposed leverage share, we are expecting to incur at least an additional \$200,000 in "non-leveraged" sanitary sewer work to oversize the proposed line for the eventual connection by KDOC. We have asked for assistance from the subcommittee members that KDOC not consider lagoon construction. The proposed sanitary sewer main would be sized to allow KDOC to budget for eventual connection to the system. This should be cost effective for the State of Kansas, as it will allow KDOC to eliminate a maintenance problem and the related costs.

Additionally, we ask that the City of Winfield be given due consideration to supply natural gas to the campus. We believe that we can provide natural gas as inexpensively as the existing contractor, plus provide expanded maintenance service to the State of Kansas. We understand that the contract expires in 1998 and we would like to work with the appropriate agencies to ensure our opportunity to provide service to the State of Kansas.

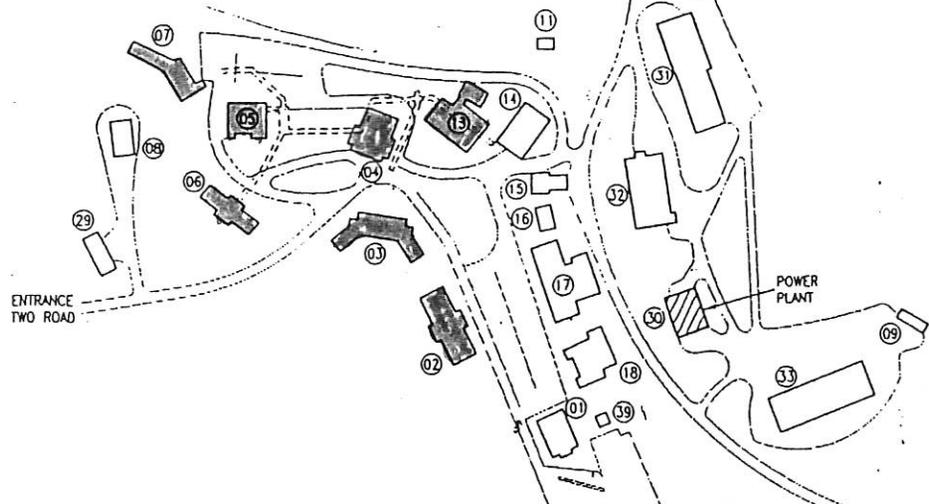
Thank you and everyone in Topeka that has assisted us with this project. If we can provide you any additional information, please let me know.

Sincerely,



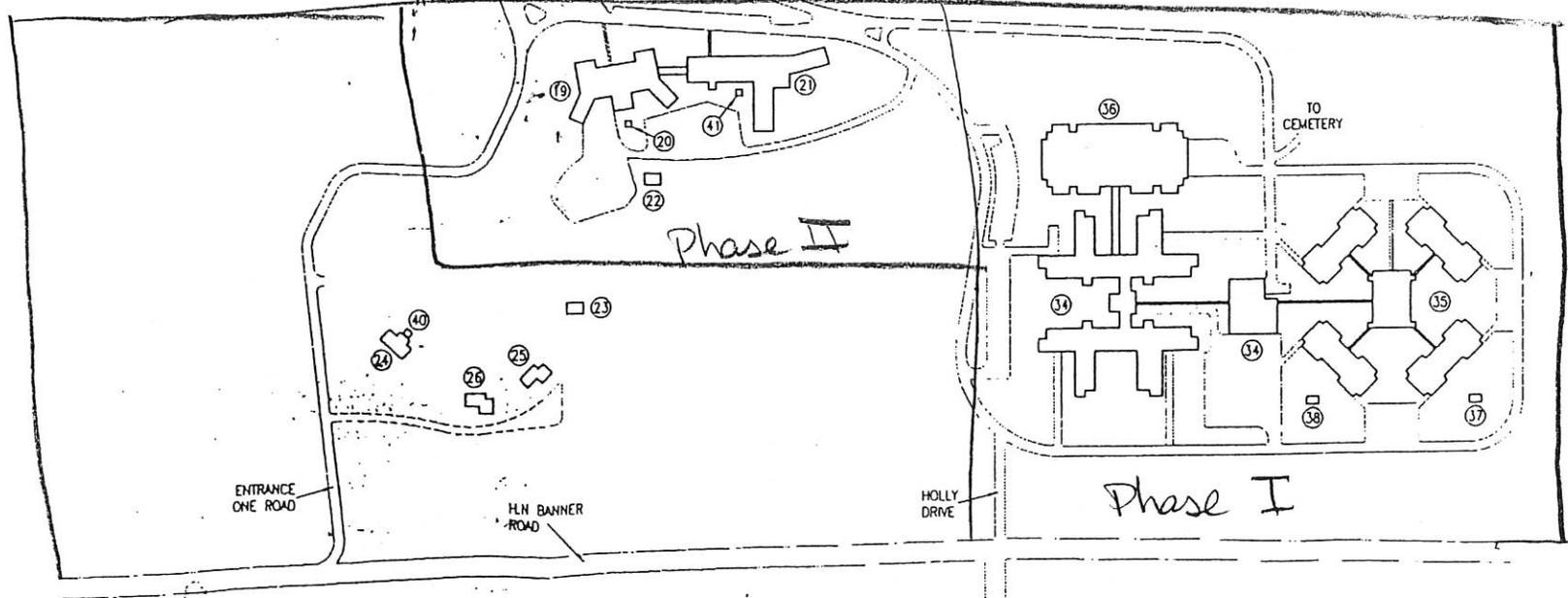
Warren Porter
City Manager

3-15



BUILDING LEGEND	
1 - ADMINISTRATION BUILDING	22 - OIL STORAGE HOUSE
2 - FERN BUILDING (DOC)	23 - POTATO HOUSE
3 - GARLAND BUILDING (DOC)	24 - SUPERINTENDENT'S COTTAGE
4 - CEDARVIEW BUILDING (DOC)	25 - STAFF COTTAGE A
5 - BIRCH BUILDING (DOC)	26 - STAFF COTTAGE B
6 - PINECREST BUILDING (DOC)	27 - EAST COMPOUND
7 - VALLEY VIEW COTTAGE (DOC)	28 - SEWER PLANT
8 - GROUNDS MAINTENANCE	29 - FIRE STATION
9 - PAINT SHOP	30 - POWER PLANT
10 - OLD GARAGE	31 - WAREHOUSE
11 - MEDICAL RECORDS STORAGE	32 - LAUNDRY
12 - WATER TOWER	33 - SHOP AND MAINTENANCE
13 - MAINTENANCE BUILDING (DOC)	34 - HOLLY BUILDING
14 - AUDITORIUM	35 - JUMPER BUILDING
15 - SEWING-CLOTHING STORAGE	36 - TIMBERCREEK
16 - BAKE SHOP	37 - RECREATION SHELTER
17 - MAIN KITCHEN	38 - RECREATION SHELTER
18 - PERSONNEL BUILDING	39 - JANITOR'S OFFICE AND STORAGE
19 - M & S (MEDICAL SERVICES)	40 - CARPORT
20 - GENERATOR HOUSE	41 - GENERATOR HOUSE
21 - TREATMENT BUILDING	

27



3-16

HOUSE BILL No. 2512

By Committee on Appropriations

3-6

Proposed Technical Amendments
to HB 2512
For Consideration by
House Committee on Appropriations

Appropriations
4-2-97
Attachment 4

9 AN ACT concerning the state library; relating to the state grants-in-aid
10 to libraries act; amending K.S.A. 75-2558 and 75-2559 and K.S.A. 1996
11 Supp. 75-2534, 75-2556 and 75-2557 and repealing the existing
12 sections.
13

14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 1996 Supp. 75-2534 is hereby amended to read as
16 follows: 75-2534. (a) There shall be a state library which shall be desig-
17 nated as the Kansas state library which shall be located in Topeka. The
18 state library shall consist of books, pamphlets, papers, pictures, maps,
19 charts and documents of every description now belonging thereto, to-
20 gether with such others as may be acquired by gift, purchase, exchange
21 or otherwise.

22 (b) The state library shall provide library and informational services
23 to the judicial, legislative and executive branches of the state government
24 and said the state library shall also provide extension services to all of the
25 residents of the state.

26 (c) For the benefit of blind readers of Kansas, the state library may
27 make available books and other reading matter in Braille, talking books
28 or any other medium of reading used by the blind. To this end, the state
29 library is authorized to provide library services for the blind and other
30 handicapped persons through contract, agreement or otherwise with the
31 library of congress or any regional library thereof.

32 (d) The chief officer of the state library shall be the state librarian.

33 (e) *The state librarian may apply for and receive public or private*
34 *grants, gifts and donations of money for the state library. All moneys*
35 *received for grants, gifts and donations shall be deposited in the state*
36 *treasury and credited to the state library fund.*

37 Sec. 2. K.S.A. 1996 Supp. 75-2556 is hereby amended to read as
38 follows: 75-2556. (a) ~~Annually, on or before December 1, each local public~~
39 ~~library shall report to the state library the total population residing within~~
40 ~~its district as determined from [Budget] on the latest population census~~
41 ~~figures as certified by the division of the budget. Such report also shall~~
42 ~~state:~~

43 (1) The amount produced by the local ad valorem tax levies for the

The state librarian shall determine the amount
of the grant-in-aid each eligible local public
library is to receive based

4-2

- 1 current year expenses for such library;
- 2 (2) the amount of moneys received from the local ad valorem tax
- 3 reduction fund for current year expenses for such library;
- 4 (3) the amount of moneys received from taxes levied upon motor
- 5 vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments
- 6 thereto, for current year expenses for such library;
- 7 (4) the amount of moneys received in the current year from collec-
- 8 tions of unpaid local ad valorem tax levies for prior year expenses for such
- 9 library;
- 10 (5) the mill rate levied within the district during the previous year;
- 11 (6) the assessed taxable tangible property valuation within the district;
- 12 and
- 13 (7) such other information as the state librarian shall require.
- 14 (b) Based upon such census figures ~~and the information contained in~~
- 15 ~~the official annual budgets of municipalities that are filed with the division~~
- 16 ~~of accounts and reports in accordance with K.S.A. 79-2930, and amend-~~
- 17 ~~ments thereto, the state librarian shall determine the amount of the grant~~
- 18 ~~in-aid each eligible local public library is to receive.~~
- 19 (e) (b) Except as provided by subsection (e) (d), no local public library
- 20 shall be eligible for any state grants-in-aid if the total amount of the fol-
- 21 lowing paragraphs is less than the total amount produced from such
- 22 sources for the same library for the previous year:
- 23 (1) The amount produced by the local ad valorem tax levies for the
- 24 current year expenses for such library;
- 25 (2) the amount of moneys received from the local ad valorem tax
- 26 reduction fund for current year expenses for such library;
- 27 (3) the amount of moneys received from taxes levied upon motor
- 28 vehicles under the provisions of K.S.A. 79-5101 et seq., and amendments
- 29 thereto, for current year expenses for such library; and
- 30 (4) the amount of moneys received in the current year from collec-
- 31 tions of unpaid local ad valorem tax levies for prior year expenses for such
- 32 library.
- 33 (d) (c) Local public library districts in which the assessed valuation
- 34 decreases shall remain eligible for state grants-in-aid so long as the ad
- 35 valorem tax mill rate for the support of such library has not been reduced
- 36 below the mill rate imposed for such purpose for the previous year.
- 37 (e) (d) If a local public library fails to qualify for eligibility for any
- 38 state grants-in-aid under subsection (e) (b), the state librarian shall have
- 39 the power to continue the eligibility of a local public library for any state
- 40 grants-in-aid if the state librarian, after evaluation of all the circumstances,
- 41 determines that the legislative intent for maintenance of local tax levy
- 42 support for the on-going operations of the library is being met by the
- 43 library district.

, based on the information contained in the official annual budgets of municipalities that are filed with the division of accounts and reports in accordance with K.S.A. 79-2930, and amendments thereto

1 ~~(f)~~ (e) The distribution so determined shall be apportioned and paid
2 on February 15 of each year.

3 Sec. 3. K.S.A. 1996 Supp. 75-2557 is hereby amended to read as
4 follows: 75-2557. Annually, on or before ~~January 15~~ *February 15*, the state
5 librarian shall certify to the director of accounts and reports the amounts
6 payable for the current ~~calendar~~ year to each of the libraries in the state
7 as computed under the provisions of K.S.A. 75-2555, and amendments
8 thereto. ~~It shall be the duty of~~ *The director to of accounts and reports*
9 *shall draw warrants on such fund the moneys available for grants-in-aid*
10 *for local public libraries and regional libraries as specified by the state*
11 *librarian upon claims properly submitted therefor pursuant to vouchers*
12 *approved by the state librarian or the state librarian's designee.* The di-
13 rector of accounts and reports shall notify the state treasurer and the state
14 librarian of such action.

15 Sec. 4. K.S.A. 75-2558 is hereby amended to read as follows: 75-
16 2558. State funds distributed to a local public library or a regional library
17 as grants-in-aid shall not be expended for construction, repair, or debt
18 reduction or utilities, but state funds so received by a local public library
19 or a regional library shall be expended or encumbered as authorized dur-
20 ing the calendar year received even though not included in any budget
21 of expenditures for such year. Funds expended in violation of this section
22 may thereafter be withheld from later state grants-in-aid to the local pub-
23 lic library or the regional library even though such withholding be made
24 in a different fiscal year.

25 Sec. 5. K.S.A. 75-2559 is hereby amended to read as follows: 75-
26 2559. *Annually*, each local public library and each regional library receiv-
27 ing grants-in-aid under this act shall ~~annually~~ report to the state librarian
28 the manner in which state grants-in-aid received were expended or are
29 encumbered. ~~Such~~ *The* report shall cover the period from ~~January 1 to~~
30 ~~December 31~~ *October 1* of the previous *calendar* year *through September*
31 *30* and shall be filed with the state librarian on or before ~~February~~ *No-*
32 *vember 1* of each year.

33 Sec. 6. K.S.A. 75-2558 and 75-2559 and K.S.A. 1996 Supp. 75-2534,
34 75-2556 and 75-2557 are hereby repealed.

35 Sec. 7. This act shall take effect and be in force from and after its
36 publication in the statute book.