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Sam Brownback, Governor

February 14, 2011

The Honorable Mario Goico, Chairperson
House Committee on Veterans, Military and Homeland Security
Statehouse, Room 268-W
Topeka, Kansas 66612

Dear Representative Goico:

SUBJECT: Fiscal Note for HB 2210 by House Committee on Veterans, Military and Homeland Security

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2210 is respectfully submitted to your committee.

Within one year from enactment of HB 2210, the Executive Director of the Kansas Commission on Veterans Affairs (KCVA) would be required to establish a program to provide veterans of any branch of the armed services of the United States, their spouses, and dependents mental health services for combat-related conditions. These conditions would include, but not be limited to, combat fatigue, post-traumatic stress, and depression. The program would also provide readjustment counseling and services. The Executive Director would be allowed to contract with local community mental health centers to provide these services in areas that are determined to be inadequately served by the health care facilities of the KCVA. The bill would require the Executive Director to conduct a training program for clinicians at these centers, and the centers would be required to submit annual reports to the Executive Director.

Not more than three months after the bill was enacted, the Executive Director would be required to submit a report containing a plan to implement this program to the House Committee on Veterans, Military and Homeland Security.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	--	$5,754,900	$5,754,900
FTE Pos.	--	--	--	3.00

Because of the time needed to implement the program, the agency does not expect to begin serving veterans, veterans' spouses, and dependents until January of FY 2012. According
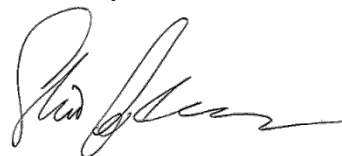
to the KCVA, passage of HB 2210 would result in expenditures of $5,754,900 from the State General Fund to operate the program for six months in FY 2012. Based upon information from the Veterans Administration, the agency estimates that the number of persons served, including spouses and dependents, could be as high as 11,200 annually. At this time, the agency believes the best approach to implement this program would be to refer veterans and their families to clinicians around the state and pay a contract rate for up to ten sessions per year. The method of referring individuals would be through a 24-hour hotline, advertising, and other referrals. The agency would need 3.00 additional FTE positions, one with a master's degree in social work at $65,000 per year and two with a bachelor's degrees in social work at $38,000 each per year. Benefits would total $44,000 annually. These staff members would be expected to travel regularly throughout the state at a cost of $5,000 per fiscal year. Providing training for mental health clinicians around the state is expected to cost $20,000 annually, and funding for office space and additional operating expenses is expected to total $11,800, annually. There would be a one-time cost of $10,000 for computer and office equipment.

The total estimated costs for FY 2012 and out years are listed below:

Expenditures	FY 2012	FY 2013 and out years
Salaries and wages	$92,500	$185,000
24-hour hotline	4,000	4,000
Advertising	20,000	20,000
Mental health clinician training	20,000	20,000
Office space	5,000	10,000
Administrative support and supplies	900	1,800
Travel expense	2,500	5,000
Computers and office equipment	10,000	--
Cost for contracted services	5,600,000	11,200,000
Total	$5,754,900	$11,445,800

The estimated costs assume that anyone needing inpatient care would be referred to a Veterans Administration hospital and does not adjust for participants who might be eligible for Medicaid or private insurance benefits. Any fiscal effect associated with HB 2210 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kafer Peele, Veterans Affairs