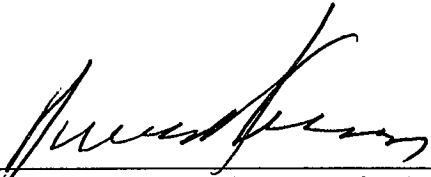


FY 2012

**SOCIAL SERVICES BUDGET COMMITTEE**

**Department on Aging  
Rainbow Mental Health Facility  
Osawatomie State Hospital  
Larned State Hospital  
Kansas Neurological Institute  
Parsons State Hospital  
Social and Rehabilitation Services**



Representative David Crum, Chair

Representative Mike Kiegerl



Representative Elaine Bowers, Vice-Chair



Representative Peggy Mast

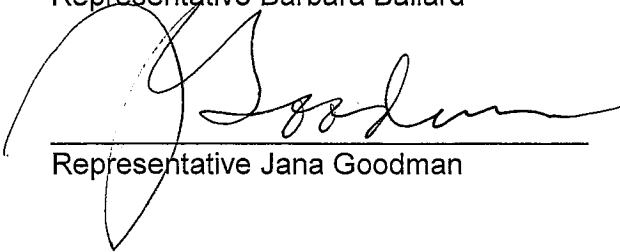
Representative Jerry Henry,  
Ranking Minority Member

Representative Joe McLeland

Representative Barbara Ballard



Representative Bill Wolf



Representative Jana Goodman

Appropriations Committee

Date March 11, 2011

Attachment 2

## Senate Subcommittee Report

**Agency:** Kansas Neurological Institute

**Bill No. --**

**Bill Sec. --**

**Analyst:** Montgomery

**Analysis Pg. No. --**

**Budget Page No. 208**

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,067,220	\$ 10,490,181	\$ 277,039
Other Funds	18,171,059	18,089,266	381,793
Subtotal	\$ 29,238,279	\$ 28,579,447	\$ 658,832
<b>Capital Improvements</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	191,305	191,305	0
Subtotal	\$ 191,305	\$ 191,305	\$ 0
<b>TOTAL</b>	<b>\$ 29,429,584</b>	<b>\$ 28,770,752</b>	<b>\$ 658,832</b>
FTE positions	546.7	485.7	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>550.7</b>	<b>489.7</b>	<b>0.0</b>

### Agency Request

The **agency** requests FY 2012 operating expenditures of \$29,238,279 including \$11,067,220 from the State General Fund. The request is an all funds increase of \$360,214, or 1.2 percent, above the FY 2011 revised estimate and a State General Fund increase of the same amount, or 3.4 percent, above the FY 2011 revised estimate. Almost the entirety of the increase is attributable to longevity payments, employer contributions for KPERS retirement state health insurance program for state employees. The request would fund 546.7 FTE positions which is the same as the FY 2011 estimate and does not include any enhancement requests. In addition, the request includes a capital improvements request for \$191,305 from the federal Title XIX fund for the state energy conservation improvement project expenditures.

### Governor's Recommendation

The **Governor** recommends the closure of the KNI facility over the next two fiscal years. The Governor recommends FY 2012 operating expenditures of \$28,579,447 including \$10,490,181 from the State General Fund. The request is an all funds decrease of \$658,832, or 2.3 percent, below the FY 2012 agency request and a State General Fund decrease \$577,039, or 5.2 percent, below the FY 2012 agency request. Of the decrease, \$300,000 from the State General Fund is recommended to be replaced with federal Title XIX fee funds. The remaining \$658,832 all funds, including \$277,039 from the State General Fund, are savings the Governor accounts for as a result of a recommendation to begin closure of the KNI facility. The Governor

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estimates it will take the agency 23.0 months to close the facility if the agency meets a goal of moving 7.0 residents a month to community placements. In addition, the recommendation includes a reduction of 61.0 FTE positions. This reduces the agency's FTE positions from 546.7 FTE positions to 485.7 FTE positions.

### Senate Subcommittee Recommendation

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

1. Add \$658,832 all funds, including \$277,039 from the State General Fund, which was savings the Governor estimated as a result of a recommendation to begin closure of the Kansas Neurological Institute (KNI) facility. This addition would fully fund the operations of the facility and eliminate the current the plan to close KNI.
2. The Subcommittee directs the SRS to continue operations of KNI based on concerns pertaining to the capability of the community to accept KNI residents and the amount of resources available to serve this medically fragile population. Further, the Subcommittee does not believe a savings to the state can be realized and fund both the continuing operations of the facility during the closure process and the start up expenditures necessary to build community capacity.
3. The Subcommittee is concerned that closure of the KNI facility could negatively impact the community developmental disability system if the KNI provided dental program, posture seating clinic, and acute care treatment and beds for persons with developmental disabilities living in the community were not available. The KNI dental clinic provides services to individuals with developmental disabilities living in the community who have difficulty finding providers. The posture seating clinic develops wheelchairs and assitive technology supports for residents and individuals with developmental disabilities living in the community. The acute care center provides treatment by KNI including primary care services, support during recovery from surgery, evaluative services, and physical therapy services for individuals with developmental disabilities living in the community who can not obtain these services through community providers due to a variety of special needs or circumstances.
4. The Subcommittee directs the Department of Social and Rehabilitation Services (SRS) to continue to educate residents, parents and guardians about the availability of community services and opportunities to move residents to the community.
5. The Subcommittee recommends an independent audit to evaluate the overall management and service structure of KNI and Parsons State Hospital and Training Center (PSH&TC). The purpose of the audit would be to identify additional efficiencies that can be implemented to create cost-savings at the facilities. In addition, the independent audit would identify additional programs the facilities could implement to assist the entire developmental disability community and help reduce the Home and Community Based Services waiver for individuals with Developmental Disabilities (HCBS/DD) expenditures.

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**Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. The Committee directs the Department of Social and Rehabilitation Services (SRS) to absorb the addition of \$658,832 all funds, including \$277,039 from the State General Fund for the agency as a budget reduction for SRS.
2. The Committee directs SRS to fund the independent audit to evaluate the overall management and service structure of KNI and PSH&TC. Further, the Committee directs SRS to report the audit findings to the Senate Ways and Means chair on September 1, 2011.

**House Budget Committee Report**

**Agency:** Kansas Neurological Institute

**Bill No. --**

**Bill Sec. --**

**Analyst:** Montgomery

**Analysis Pg. No.** 1935

**Budget Page No.** 208

<u>Expenditure Summary</u>	<u>Agency Request FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>House Budget Committee Adjustments</u>
<b>Operating Expenditures:</b>			
State General Fund	\$ 11,067,220	\$ 10,490,181	\$ 0
Other Funds	18,171,059	18,089,266	0
Subtotal	\$ 29,238,279	\$ 28,579,447	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	191,305	191,305	0
Subtotal	\$ 191,305	\$ 191,305	\$ 0
<b>TOTAL</b>	<b>\$ 29,429,584</b>	<b>\$ 28,770,752</b>	<b>\$ 0</b>
FTE positions	546.7	485.7	0.0
Non FTE Uncl. Perm. Pos.	4.0	4.0	0.0
<b>TOTAL</b>	<b>550.7</b>	<b>489.7</b>	<b>0.0</b>

**Agency Request**

The **agency** requests FY 2012 operating expenditures of \$29,238,279 including \$11,067,220 from the State General Fund. The request is an all funds increase of \$360,214, or

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1.2 percent, above the FY 2011 revised estimate and a State General Fund increase of the same amount, or 3.4 percent, above the FY 2011 revised estimate. Almost the entirety of the increase is attributable to longevity payments, employer contributions for KPERS retirement state health insurance program for state employees. The request would fund 546.7 FTE positions which is the same as the FY 2011 estimate and does not include any enhancement requests. In addition, the request includes a capital improvements request for \$191,305 from the federal Title XIX fund for the state energy conservation improvement project expenditures.

### **Governor's Recommendation**

The **Governor** recommends the closure of the KNI facility over the next two fiscal years. The Governor recommends FY 2012 operating expenditures of \$28,579,447 including \$10,490,181 from the State General Fund. The request is an all funds decrease of \$658,832, or 2.3 percent, below the FY 2012 agency request and a State General Fund decrease \$577,039, or 5.2 percent, below the FY 2012 agency request. Of the decrease, \$300,000 from the State General Fund is recommended to be replaced with federal Title XIX fee funds. The remaining \$658,832 all funds, including \$277,039 from the State General Fund, are savings the Governor accounts for as a result of a recommendation to begin closure of the KNI facility. The Governor estimates it will take the agency 23.0 months to close the facility if the agency meets a goal of moving 7.0 residents a month to community placements. In addition, the recommendation includes a reduction of 61.0 FTE positions. This reduces the agency's FTE positions from 546.7 FTE positions to 485.7 FTE positions.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments:

1. The Budget Committee recommends the transfer of funding appropriated for KNI residents to the Home and Community Based Services waiver for individuals with Developmental Disabilities (HCBS/DD) as the closure plan is implemented to ensure an ongoing funding source for services for these individuals.
2. The Budget Committee directs the Department of Social and Rehabilitation Services (SRS) to form an advisory committee comprised of HCBS/DD community providers and parents and guardians of KNI residents. The mission of the advisory committee is to ensure the following:
  - Parent/Guardian education and information strategies to identify compatible HCBS/DD community services and person centered-planning that promotes well-being, opportunities for choice, personal relationships, participation in the community, and individuality.
  - Community Developmental Disabilities Organizations (CDDOs) and SRS collaborate to guarantee appropriate HCBS/DD community service capacity issues are addressed.
  - An effective, quality, comprehensive monitoring system is utilized for the ongoing monitoring of services and outcomes for each resident served by the HCBS/DD waiver.

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3. The Budget Committee commends the agency's employees and their commitment and dedication to the individuals who have utilized the facility as a treatment center and home.

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## Senate Subcommittee Report

**Agency:** Parsons State Hospital and Training Center

**Bill No. --**

**Bill Sec. --**

**Analyst:** Montgomery

**Analysis Pg. No. --**

**Budget Page No. 214**

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,634,504	\$ 10,634,504	\$ 0
Other Funds	15,067,779	15,067,779	0
Subtotal	<u>\$ 25,702,283</u>	<u>\$ 25,702,283</u>	<u>\$ 0</u>
<b>Capital Improvements</b>			
State General Fund	\$ 66,279	\$ 66,279	\$ 0
Other Funds	67,651	67,651	0
Subtotal	<u>\$ 133,930</u>	<u>\$ 133,930</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 25,836,213</u></u>	<u><u>\$ 25,836,213</u></u>	<u><u>\$ 0</u></u>
FTE positions	495.2	455.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>495.2</u></u>	<u><u>455.2</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests FY 2012 operating expenditures of \$25,702,283 including \$10,634,504 from the State General Fund. The request is an all funds increase of \$395,013, or 1.6 percent, above the FY 2011 revised estimate and a State General Fund increase of \$397,729, or 3.9 percent, above the FY 2011 revised estimate. The request includes 495.2 FTE positions and does not include any enhancement requests.

### Governor's Recommendation

The **Governor** recommends the agency's FY 2012 request but with a reduction of 40.0 vacant FTE positions. Therefore, the recommendation includes 455.2 FTE.

### Senate Subcommittee Recommendation

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

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1. The Subcommittee commends the quality and effectiveness of the habilitation, rehabilitation and residential care the agency staff provides for each person admitted to Parsons State Hospital and Training Center (PSH&TC).
2. The Subcommittee believes that the current hospital system, including PSH&TC and Kansas Neurological Institute (KNI), should continue operations. In addition, the Subcommittee believes the research based treatment program operated by PSH&TC for individuals with developmental disabilities who have a history of sexual offenses is very beneficial. In addition, the Kansas Research Center and the Kansas University Center on Developmental Disabilities at Parsons that works to prevent unnecessary or inappropriate institutionalization of persons with developmental disabilities through respite care provides essential services to the developmental disability community.
3. The Subcommittee recommends an independent audit to evaluate the overall management and service structure of Kansas Neurological Institute (KNI) and PSH&TC. The purpose of the audit would be to identify additional efficiencies that can be implemented to create cost-savings at the facilities. In addition, the independent audit would identify additional programs the facilities could implement to assist the entire developmental disability community and help reduce the Home and Community Based Services waiver for individuals with Developmental Disabilities (HCBS/DD) expenditures.

#### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee recommendation with the following adjustments:

1. The Committee directs the Department of Social and Rehabilitation Services (SRS) to fund the independent audit to evaluate the overall management and service structure of KNI and PSH&TC. Further, the Committee directs SRS to report the audit findings to the Senate Ways and Means chair by September 1, 2011.
- 

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Attachment 2-8



### House Budget Committee Report

**Agency:** Parsons State Hospital and Training Center

**Bill No. --**

**Bill Sec. --**

**Analyst:** Montgomery

**Analysis Pg. No. 2013**

**Budget Page No. 214**

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,634,504	\$ 10,634,504	\$ 0
Other Funds	15,067,779	15,067,779	0
Subtotal	<u>\$ 25,702,283</u>	<u>\$ 25,702,283</u>	<u>\$ 0</u>
<b>Capital Improvements</b>			
State General Fund	\$ 66,279	\$ 66,279	\$ 0
Other Funds	67,651	67,651	0
Subtotal	<u>\$ 133,930</u>	<u>\$ 133,930</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 25,836,213</u></u>	<u><u>\$ 25,836,213</u></u>	<u><u>\$ 0</u></u>
FTE positions	495.2	455.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>495.2</u></u>	<u><u>455.2</u></u>	<u><u>0.0</u></u>

#### Agency Request

The **agency** requests FY 2012 operating expenditures of \$25,702,283 including \$10,634,504 from the State General Fund. The request is an all funds increase of \$395,013, or 1.6 percent, above the FY 2011 revised estimate and a State General Fund increase of \$397,729, or 3.9 percent, above the FY 2011 revised estimate. The request includes 495.2 FTE positions and does not include any enhancement requests.

#### Governor's Recommendation

The **Governor** recommends the agency's FY 2012 request but with a reduction of 40.0 vacant FTE positions. Therefore, the recommendation includes 455.2 FTE.

#### House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation

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Attachment 2-9

## Senate Subcommittee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No. --**

**Bill Sec. --**

**Analyst:** Deckard

**Analysis Pg. No.** 2059

**Budget Page No.** 184

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 712,638,129	\$ 659,788,129	\$ 0
Other Funds	954,682,548	954,682,548	1,864,611
Subtotal	<u>\$ 1,667,320,677</u>	<u>\$ 1,614,470,677</u>	<u>\$ 1,864,611</u>
<b>Capital Improvements</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	5,180,629	5,180,629	0
Subtotal	<u>\$ 5,180,629</u>	<u>\$ 5,180,629</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 1,672,501,306</u></u>	<u><u>\$ 1,619,651,306</u></u>	<u><u>\$ 1,864,611</u></u>
FTE positions	3,669.1	3,119.1	0.0
Non FTE Uncl. Perm. <u>Pos.</u>	<u>69.8</u>	<u>69.8</u>	<u>0.0</u>
<b>TOTAL</b>	<u><u>3,738.9</u></u>	<u><u>3,188.9</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests an FY 2012 operating budget of of \$1.7 billion, an increase of \$29.3 million, or 1.8 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$712.6 million, an increase of \$137.7 million, or 24.0 percent, above the revised current year estimate. The request includes 3,669.1 FTE positions and 69.8 Non-FTE positions, the same number of FTE positions as the revised current year estimate.

The request includes enhancement funding of \$82.7 million, including \$61.0 million from the State General Fund. Absent the enhancement requests, the request in FY 2012 would total \$1.6 billion, including \$651.7 million from the State General Fund, representing an overall decrease of \$53.4 million, or 3.3 percent, and a State General Fund increase of \$76.7 million, or 13.3 percent, from the FY 2011 revised estimate.

### Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures \$1.6 billion, including \$659.8 million from the State General Fund. The recommendation is an all funds decrease of \$26.7 million, or 1.6 percent below the FY 2011 recommendation. The Governor's recommendation is a decrease of \$40.5 million, or 2.5 percent, below the agency's request.

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The Governor recommends one of the agency's enhancement requests, totaling \$26.6 million, including \$11.0 million from the State General Fund for waiver services. In addition, the Governor recommends the following adjustments to the agency's request:

- Reductions of \$35.1 million, including \$26.9 million from the State General Fund, in savings from reduced resources. This includes a salaries and wages reduction of \$4.0 million, including \$2.0 million from the State General Fund, which increases the agency's salaries and wages shrinkage rate from 16.1 percent to 18.1 percent. The Governor also recommends a reduction of 550.0 vacant FTE positions.
- The addition of \$6.0 million, all from the Children's Initiatives Fund, for the Reading Roadmap initiative.
- The addition of \$808,627, all from gaming proceeds transfers, for addiction and prevention services due to increased revenue estimates.
- The addition of \$42.0 million, including \$19.3 million from the State General Fund, to fund the human services consensus caseloads agreed to at the fall estimating meeting.

#### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Delete \$5.0 million, all from the Children's Initiatives Fund, for the Reading Roadmap for FY 2012. The Subcommittee notes that the remaining \$1.0 million in the Reading Roadmap program will be utilized for planning purposes for FY 2012. In addition, the Subcommittee notes it did not receive any information regarding an implementation plan for the new initiative, and notes that it is doubtful the program can be fully implemented within the limited timeframe recommended by the Governor. The Subcommittee notes its desire to receive more detailed information prior to increased expenditures for this initiative.
2. Delete \$3,452,779, all from the Children's Initiatives Fund and add a corresponding amount from the Child Care Development Fund, for FY 2012, for the Child Care Assistance Program.
3. Delete \$1.2 million, including \$750,000 from the State General Fund, to reduce salaries and wages in the Administration Program.
4. Delete \$2,024,291, including \$1,000,000 from the State General Fund, from the Adoption Support Program, for FY 2012. The reduced expenditures assume a smaller increase in adoption support caseloads than included in the Governor's recommendation.
5. Delete \$6.2 million, all from the State General Fund, and add the same amount from the Temporary Assistance for Needy Families Fund, for the foster care program.

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Attachment 2-11

6. Delete \$3,197,688, including \$2,827,606 from the State General Fund, from the Foster Care Program, for FY 2012 as a result of maintaining the foster care contract rates at the current level and not allow for increases in the rates as included in the contract.

The Subcommittee directs the agency to review the legal ramifications of the changing terms of a current contract. The agency is further directed to report its finding to the Committee prior to final consideration of the bill by full Committee.

7. Delete \$17.0 million, including \$7,240,000 from the State General Fund, from the Prepaid Ambulatory Health Plan (PAHP) for FY 2012. The PAHP is included in the mental health portion of human services consensus caseloads. The reduction is the result of the current managed care program implementing utilization management efforts to reduce Medicaid costs.
8. Add \$10,202,779, including \$8,452,779 from the Children's Initiatives Fund, and \$1,750,000 from the State General Fund, for the Early Head Start Program. These two actions partially restore funding the program. If fully funded, the program expenditures would equal \$11,342,397.
9. Add \$10,233,297, all from the State General Fund, for Mental Health State Aid. The addition fully restores funding for the aid program.
10. Add \$3,206,703, all from the State General Fund, to partially restore funding for the Family Centered System of Care for FY 2012. If fully funded the program expenditures would total \$5.0 million.
11. Add \$6,643,811, including \$2,827,606 from the State General Fund, for the Home and Community Based Services waiver for individuals with developmental disabilities.
12. The Subcommittee notes that the budget for the Department of Social and Rehabilitation Services is complicated, especially in respect to Medicaid expenditures which intersect with the Kansas Health Policy Authority/ Kansas Department of Health and Environment's budget. The Subcommittee notes additional adjustments may be required in this budget by the full Committee prior to the budget bill being sent to the Committee of the Whole. The Subcommittee recommends that the entire Committee receive any updated information provided by the agency.

### Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation.

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Appropriations Committee

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Attachment 2-12

### House Budget Committee Report

**Agency:** Department of Social and Rehabilitation Services

**Bill No. --**

**Bill Sec. --**

**Analyst:** Deckard

**Analysis Pg. No.** 2059

**Budget Page No.** 184

Expenditure Summary	Agency Request FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 712,638,129	\$ 659,788,129	\$ (4,300,000)
Other Funds	954,682,548	954,682,548	(5,461,038)
Subtotal	<u>\$ 1,667,320,677</u>	<u>\$ 1,614,470,677</u>	<u>\$ (9,761,038)</u>
<b>Capital Improvements</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	5,180,629	5,180,629	0
Subtotal	<u>\$ 5,180,629</u>	<u>\$ 5,180,629</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 1,672,501,306</u></u>	<u><u>\$ 1,619,651,306</u></u>	<u><u>\$ (9,761,038)</u></u>
FTE positions	3,669.1	3,119.1	0.0
Non FTE Uncl. Perm. Pos.	69.8	69.8	0.0
<b>TOTAL</b>	<u><u>3,738.9</u></u>	<u><u>3,188.9</u></u>	<u><u>0.0</u></u>

#### Agency Request

The **agency** requests an FY 2012 operating budget of of \$1.7 billion, an increase of \$29.3 million, or 1.8 percent, above the revised current year estimate. The request includes State General Fund expenditures of \$712.6 million, an increase of \$137.7 million, or 24.0 percent, above the revised current year estimate. The request includes 3,669.1 FTE positions and 69.8 Non-FTE positions, the same number of FTE positions as the revised current year estimate.

The request includes enhancement funding of \$82.7 million, including \$61.0 million from the State General Fund. Absent the enhancement requests, the request in FY 2012 would total \$1.6 billion, including \$651.7 million from the State General Fund, representing an overall decrease of \$53.4 million, or 3.3 percent, and a State General Fund increase of \$76.7 million, or 13.3 percent, from the FY 2011 revised estimate.

#### Governor's Recommendation

The **Governor** recommends FY 2012 operating expenditures of \$1.6 billion, including \$659.8 million from the State General Fund. The recommendation is an all funds decrease of Appropriations Committee

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\$26.7 million, or 1.6 percent below the FY 2011 recommendation. The Governor's recommendation is a decrease of \$40.5 million, or 2.5 percent, below the agency's request. The Governor recommends one of the agency's enhancement requests, totaling \$26.6 million, including \$11.0 million from the State General Fund for waiver services. In addition, the Governor recommends the following adjustments to the agency's request:

- Reductions of \$35.1 million, including \$26.9 million from the State General Fund, in savings from reduced resources. This includes a salaries and wages reduction of \$4.0 million, including \$2.0 million from the State General Fund, which increases the agency's salaries and wages shrinkage rate from 16.1 percent to 18.1 percent. The Governor also recommends a reduction of 550.0 vacant FTE positions.
- The addition of \$6.0 million, all from the Children's Initiatives Fund, for the Reading Roadmap initiative.
- The addition of \$808,627, all from gaming proceeds transfers, for addiction and prevention services due to increased revenue estimates.
- The addition of \$42.0 million, including \$19.3 million from the State General Fund, to fund the human services consensus caseloads agreed to at the fall estimating meeting.

#### House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and notations:

1. Delete \$1,000,000, all from the State General Fund, to reduce operating expenditures in the Administration Program.
2. Delete \$3,543,435 all from the Children's Initiatives Fund, by creating the new \$21.0 million Early Childhood and Literacy Investment Grant. This will be accomplished through the consolidation and partial reduction of the following three line items which total \$24,543,435:
  - Early Childhood Block Grant (including \$50,000 for autism) - \$11,074,853
  - Smart Start - \$7,468,582
  - Reading Roadmap - \$6,000,000

This proposal was presented to the Budget Committee by the Children's Cabinet.

3. Add \$11,342,397, including \$3,543,435 from the Children's Initiatives Fund and \$7,798,962 from the Temporary Assistance for Needy Families federal fund, to restore funding for the Early Head Start Program.

The Budget Committee notes that the restoration of the Early Head Start program maintains the Governor's recommended State General Fund savings of \$8.2 million. This was accomplished by shifting of additional expenditures to available federal funding sources.

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4. Delete \$1,000,000, all from the State General Fund, and add the same amount from federal funds for the Adoption Support Program, for FY 2012. The Budget Committee notes that the agency indicated this funding switch was possible due to an increased number of children eligible for federal reimbursement.
5. Delete \$17,000,000, including \$7,240,000 from the State General Fund, from the Prepaid Ambulatory Health Plan (PAHP) for FY 2012. The PAHP is included in the mental health portion of human services consensus caseloads. The reduction is the result of the current managed care program implementing utilization management efforts to reduce Medicaid costs.
6. Add \$7,240,000, all from the State General Fund, for Mental Health State Aid. The addition partially restores funding for the aid program, total restoration would equal \$10,233,297.
7. Delete \$6,800,000, including \$2,300,000 from the State General Fund, from the Prepaid Ambulatory Health Plan (PAHP) for FY 2012. In addition, add language to reappropriate the same amount of funding from FY 2011 to FY 2012. The savings are generated in the current year through actions for the managed care contractor through implementation of utilization management efforts. The current year savings advanced into the budget year generate the captured savings.
8. The Budget Committee notes the significant decrease in state funding for mental health services for the uninsured and the under-insured at the same time the Community Mental Health Center system has seen a steady increase in the number of those individuals presenting for services. Recognizing the challenges facing the Community Mental Health Centers, the Budget Committee directs the Department of Social and Rehabilitation Services and the Association of Mental Health Centers of Kansas to work together to determine the appropriate distribution and/or allocation of state funds for the uninsured and under-insured that ensures the system in the aggregate is serving as many uninsured and under-insured individuals who have mental health needs as possible with the available resources.

In addition, the Budget Committee directs the agency to work with the Community Developmental Disability Organizations to determine the appropriate distribution of developmental disabilities day and residential grant funding to ensure that services are provided to as many individuals as possible in the aggregate with the reduced amount of grant funding available.

9. The Budget Committee acknowledges the excellent efforts of the Centers for Independent Living in supporting the Working Healthy Program which allows people with disabilities to work and still maintain their Medicaid eligibility. Over the last decade, persons with a disability in Kansas have been in the job market at twice the national average at 54 percent compared to 25 percent.
10. The Budget Committee requests the agency to work on a plan to address the needs of individuals that currently receive services, but will totally be eliminated from their services under the current recommendations. If there are possible opportunities for savings that are achieved before the Omnibus Session, those savings could be used to provide services for those individuals.

Appropriations Committee

Date March 11, 2011

Attachment 2-15

Examples of individuals who have lost all services due to total elimination of all program funding include:

- Developmental and Disabilities day and residential grants resulting in loss of services to 2,450 individuals; and
- General Assistance program including cash assistance resulting in loss of benefits to 2,000 individuals.

Appropriations Committee

Date March 11, 2011

Attachment 2-16



## Minority Report

FY 2012 Department of Social and Rehabilitation Services

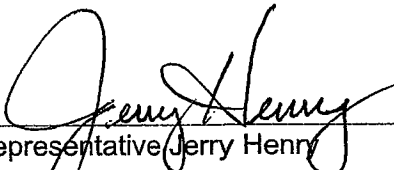
We do not agree with the Budget Committee's recommendation for the Department of Social and Rehabilitation Services and are concerned that the Budget Committee has made unnecessary further State General Fund reductions in this agency budget to achieve an additional State General Fund savings of \$4.3 million above the Governor's recommended cuts. Reductions for this agency were achieved by reducing services and, in some cases, totally eliminating services for some of the most vulnerable citizens of our state.

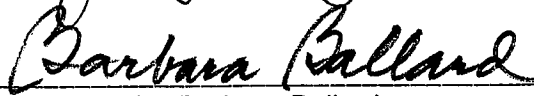
We are concerned that the Community Mental Health Centers stepped forward with a plan to delete \$23.0 million, including \$9.5 million from the State General Fund, from the Prepaid Ambulatory Health Plan (PAHP) in an effort to restore the Governor's recommendation to eliminate the mental health state aid program. The Budget Committee partially restored the Governor's reduction through the addition of \$7,240,000 to Mental Health State Aid in FY 2012, and then swept the remaining savings of \$2.3 million to the State General Fund. We feel that this sweep of \$2.3 million is unfair considering the mental health community volunteered this savings plan as a means of restoring the Governor's reductions, but the Budget Committee instead chose to add the funding to the State General Fund ending balance.

We are also concerned with the \$1.0 million in savings that was achieved for FY 2012 by using additional federal funds for the Adoption Support Program. The Budget Committee chose to move the achieved savings to the State General Fund instead of using the funds to provide services to citizens of our state in need of assistance.

We wish to express our concern that the Governor's recommendation for this agency calls for the total elimination of services to some of the most vulnerable citizens of our state. Examples of individuals who have lost all services due to total elimination of all program funding include:

- Developmental and Disabilities day and residential grants resulting in loss of services to 2,450 individuals; and
- General Assistance program including cash assistance resulting in loss of benefits to 2,000 individuals.

  
Representative Jerry Henry

  
Representative Barbara Ballard

Appropriations Committee

Date March 11, 2014

Attachment 2-17