

Approved: March 28, 2011
Date

MINUTES OF THE SOCIAL SERVICES BUDGET COMMITTEE

The meeting was called to order by Chairman David Crum at 3:34 pm on February 21, 2011, in Room 711 in the Docking State Office Building.

All members were present except:
Rep. Mike Kiegerl - Excused

Committee staff present:
Amy Deckard, Kansas Legislative Research Department
Dorothy Hughes, Kansas Legislative Research Department
Nobuko Folmsbee, Kansas Office of the Revisor
Nancy Fontaine, Committee Assistant

Conferees appearing before the Committee:
Lois Weeks, Department of Social & Rehabilitation Services (SRS)

Others attending:
See attached list.

Action on **HB 2258 - Conveyance of land in Ellsworth County from SRS to the Lutheran Evangelical Good Samaritan Society** was opened. Nobuko Folmsbee provided an overview of the balloon amendment which clarified responsibilities should the State decide to exercise mineral rights on the property and provided for minor technical changes to the bill.

Representative Bowers made a motion to approve the balloon amendment. Representative Mast seconded the motion. The motion passed.

Representative Mast made a motion to approve HB 2258 as amended. Representative McLeland seconded the motion. The motion passed.

Continuation of Healthcare Stabilization Budget Presentation:

Dorothy Hughes provided responses to questions from prior committee meetings concerning the Healthcare Stabilization Fund and the \$200,000 transfer from the Health Care Stabilization Fund to the Department of Health and Environment (Attachments 1 and 2).

Representative Ballard made a motion that the committee accept the Governor's budget but restore one FTE that was recommended for elimination. Representative Goodman seconded the motion. The motion passed.

Department of Social & Rehabilitation Services Budget Presentation:

Amy Deckard provided an overview of the Department of Social & Rehabilitation Services (SRS) budget (Attachment 3) and stood for questions.

Lois Weeks provided the Agency Overview including an overview of the Agency, the breakdown of their budget, details of the services they provide, and the number of persons served (Attachment 4). Ms. Weeks stood for questions.

The next meeting is scheduled for March 2, 2011.

The meeting was adjourned at 5:17 pm.

2/21

SOCIAL SERVICES BUDGET COMMITTEE GUEST LIST

PLEASE CONTINUE TO ROUTE TO NEXT GUEST

DATE: February 21, 2011

Name:	Representing:
Lois Weeks	SRS
Rob Siedlecki	SRS
Gary Haulmark	SRS
Chip Wheeler	HCSF Bd of Govs
Jim Redman	KCCTF
Melissa Pless	" "
April Holman	Kansas Action for Children
Kerri Stubbs	Lt. Governor
Elise Higgins	KS Health Consumer Coalition
Judgy Kacike	KCSL
ROBIN CLEMENTS	PUBLIC SOLUTIONS LLC
Anne Marie Huchey	SKLC
Shannon Jones	SILCK
Destin Moyer	KHPA
Wigh Keck	Capitol Strategies
Colin Curtis	Sandstone Group
[Signature]	KCDD
[Signature]	KVC
Steve Solomon	TFI Family Services
Heather Morgan	VMY
Stuart Little	Assoc of Community Mental Health Centers

Doug Bowman

CCECDS

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February 21, 2011

To: House Social Services Budget Committee

From: Dorothy Hughes, Fiscal Analyst, Dorothy.Hughes@klrd.ks.gov, 6-3184

Re: Health Care Stabilization Fund Follow-up

The following information is provided in response to questions raised on Thursday, February 17, 2011, regarding the Health Care Stabilization Fund.

Q: What will the total payback to the Health Care Stabilization Fund be when the State begins repaying the funding delayed by 2010 SB 414?

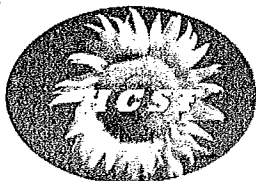
A: Please see the memo provided by the agency.

Q: What are the details of the \$200,000 transfer from the Fund to the Department of Health and Environment (KDHE)?

A: KDHE has provided the following information:

- These funds are used to pay approximately 12.0 percent of the salaries of the 18 health facility surveyors, who conduct Centers for Medicare and Medicaid Services (CMS) certification surveys.
- These certifications are necessary to qualify for Medicare and Medicaid payments.
- Other funds utilized in this program are from the State General Fund as well as from Medicare and Medicaid.
- Without these funds, KDHE would need to lay off 2.5 FTE positions; the agency states it does not have additional funds to 'back-fill' if this transfer were eliminated.
- KDHE states that the loss of 2.5 FTE positions could place the Department in a position to be penalized by CMS for failing to meet expectations, as the reduction in staff would result in fewer annual inspections for existing facilities as well as fewer initial inspections for new facilities.

Social Services Budget Committee
Date Feb. 21, 2011
Attachment 1



Health Care Stabilization Fund

300 S.W. 8th Avenue, Second Floor
Topeka, Kansas 66603-3912

hcsf@hcsf.org
785-291-3777

TO: House Social Services Budget Committee

FROM: Chip Wheelen, HCSF Executive Director

DATE: 18 February 2011

SUBJECT: Follow-up Budget Information for FY2012

1. The relationship between the HCSF Board of Governors and the University of Kansas Medical Center is statutory. There are numerous references to State self insurance of KUMC full-time physician faculty and residents in training throughout the Health Care Provider Insurance Availability Act. The following table describes the most recent ten fiscal year experience.

<u>Fiscal Year</u>	<u>Total Cost</u> <u>Faculty+Residents</u>	<u>Less \$500K=</u> <u>Net SGF Cost</u>	
2001	\$2,493,438.03	\$1,993,438.03	
2002	\$1,307,400.73	\$807,400.73	lowest yr
2003	\$2,532,254.69	\$2,032,254.69	
2004	\$4,612,229.28	\$4,112,229.28	highest yr
2005	\$3,455,795.82	\$2,955,795.82	
2006	\$2,279,556.97	\$1,779,556.97	
2007	\$3,232,195.74	\$2,732,195.74	
2008	\$1,614,597.38	\$1,114,597.38	
2009	\$3,505,592.60	\$3,005,592.60	
2010	<u>\$2,647,376.22</u>	<u>\$2,147,376.22</u>	
<u>Subtotal</u>	<u>\$27,680,437.46</u>	<u>\$22,680,437.46</u>	
<u>Average/Yr</u>	<u>\$2,768,043.75</u>	<u>\$2,268,043.75</u>	

Assuming: (1) that loss experience during fiscal years 2010 through 2013 will be average, and (2) that the faculty foundation contribution will remain \$500,000 per fiscal year, the accrued obligation to reimburse the Health Care Stabilization Fund will be about \$9,072,175 on July 1, 2013. Because the accrued reimbursement schedule is over a five-year period, the annual 20% repayment will be about \$1,814,435. Assuming once again that the average annual reimbursement will remain the same and the faculty foundation contribution will also remain the same, the average annual State General Fund obligation will be about \$4,082,479.

There is an important caveat. The Supreme Court decision in Miller v. Johnson could invalidate the first assumption and make this estimate extremely unreliable (too low).

2. The annual transfer of \$200,000 to the KDHE Division of Health is subject to appropriation acts. At this time I have not yet seen a FY2012 appropriation bill. Last year the language was contained in subsection (k) of section 73 as follows:

Timothy D. Bolz, D.C.
Deborah M. Burns, D.O.
Steven C. Clifton, C.R.N.A.

BOARD OF GOVERNORS
Arthur D. Snow, Jr., M.D., Chairman
Jimmie A. Gleason, M.D., Vice Chairman
Steven C. Dillon, M.D.
Elaine L. Ferguson, D.O.

Social Services Budget Committee
Date Feb. 21, 2011
Attachment 2

(k) On July 1, 2010, the director of accounts and reports shall transfer \$200,000 from the health care stabilization fund of the health care stabilization fund board of governors to the health facilities review fund of the department of health and environment for the purpose of financing a review of records of licensed medical care facilities and an analysis of quality of health care services provided to assist in correcting substandard services and to reduce the incidence of liability resulting from the rendering of health care services and implementing the risk management provisions of K.S.A. 65-4922 et seq., and amendments thereto.

3. Our appeal to this Committee is not for changes in our budget. **No additional funding would be required.** We are requesting technical changes in the appropriation bill language. The first change is to correct the number of positions authorized by the 2010 Legislature as follows:

Sec. *Position limitations.* (a) The number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations for the fiscal year ending June 30, 2011, made in this or other appropriation act of the 2010 regular session of the legislature for the following agencies shall not exceed the following, except upon approval of the state finance council or pursuant to subsection (b):

Attorney General	110.00
Secretary of State.....	54.00
State Treasurer	53.50
Insurance Department	138.36
<i>Provided, That any attorney positions established in the insurance department for the purpose of defense of the workers compensation fund shall be in addition to any limitation imposed on the full-time and regular part-time equivalent number of positions, excluding seasonal and temporary positions, paid from appropriations made for fiscal year 2011 for the department of insurance.</i>	
Department of Commerce.....	314.75
Health Care Stabilization Fund Board of Governors	18.00

And finally, it is requested that our appropriation language be formatted as follows to eliminate the proviso pertaining to hospitality:

HEALTH CARE STABILIZATION FUND BOARD OF GOVERNORS

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2012, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Health care stabilization fund.....	No limit
Conference fee fund	No limit

(b) Expenditures from the health care stabilization fund for the fiscal year ending June 30, 2012, other than refunds authorized by law for the following specified purposes shall not exceed the limitations prescribed therefor as follows:

Operating expenditures including official hospitality.....	\$1,682,554
Legal services and other claims expenses.....	No limit
Claims and benefits.....	No limit

Thank you for your consideration.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DRAFT

Expenditure	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Operating Expenditures:					
State General Fund	\$ 535,190,917	\$ 574,893,620	\$ 579,275,477	\$ 712,638,469	\$ 659,788,129
Other Funds	1,062,569,093	1,050,840,919	1,061,863,970	942,376,655	954,682,548
TOTAL	\$ 1,597,760,010	\$ 1,625,734,539	\$ 1,641,139,447	\$ 1,655,015,124	\$ 1,614,470,677
Capital Improvements:					
State General Fund	\$ 7,904	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	5,648,939	10,199,150	10,199,150	7,840,129	5,180,629
TOTAL	\$ 5,656,843	\$ 10,199,150	\$ 10,199,150	\$ 7,840,129	\$ 5,180,629
GRAND TOTAL	\$ 1,603,416,853	\$ 1,635,933,689	\$ 1,651,338,597	\$ 1,662,855,253	\$ 1,619,651,306

Percentage Change:

Operating Expenditures:

State General Fund	(15.8)%	7.4%	8.2%	24.0%	13.9%
All Funds	1.6	1.8	2.7	1.8	(1.6)
FTE Positions	3,669.1	3,669.1	3,669.1	3,669.1	3,119.1
Non-FTE Perm.Uncl.Pos.	129.8	69.8	69.8	69.8	69.8
TOTAL	3,798.9	3,738.9	3,738.9	3,738.9	3,188.9

AGENCY OVERVIEW

The Department of Social and Rehabilitation Services (SRS) is a cabinet-level agency headed by a secretary appointed by the Governor. The mission of the agency is to protect children and promote adult self-sufficiency. The Department operates through three Divisions: Administration, Disability and Behavioral Health Services, and Integrated Service Delivery.

Acronyms to Know	
AAPS = Addiction and Prevention Services	FMAP = Federal Medical Assistance Percentage
CDDO = Community Developmental Disability Org.	GA = General Assistance
CIL = Center for Independent Living	HCBS = Home and Community Based Services
CMHC = Community Mental Health Center	ISD = Integrated Service Delivery division
CMS = Centers for Medicare and Medicaid Services	MH = Mental Health
CSE = Child Support Enforcement	PAHP = Prepaid Ambulatory Health Plan
CSS = Community Supports and Services Program	PRTF = Psychiatric Residential Treatment Facility
DBHS = Disability and Behavioral Health Services division	TAF = Temporary Assistance for Families
DD = Developmental Disabilities	TANF = Temporary Assistance for Needy Families

MAJOR ISSUES FROM PRIOR YEARS

Medicaid Reorganization. The 2005 Legislature enacted SB 272 which reorganized state funded health care programs and created the Kansas Health Policy Authority. As a part of this reorganization the Medical Policy program was transferred from SRS to the Division of Health Policy and Finance at the Department of Administration effective July 1, 2005. Subprograms transferred include Regular Medical, State Children's Health Insurance Program, MediKan, and Ticket to Work/Working Healthy. This transfer is reflected in the decrease of expenditures between FY 2005 and FY 2006. Responsibility for these programs was assumed by the Kansas Health Policy Authority on July 1, 2006 according to the provisions of 2005 SB 272.

Federal Scrutiny. The agency has experienced a heightened degree of scrutiny from the federal government for the programs it administers. Brief summaries of these actions are presented below:

In Federal Fiscal Year 2004, Kansas' Synar compliance (preventing minors from purchasing tobacco products) dropped to 62 percent. As a result, Kansas was required to expend an additional \$2.3 million over two years to improve its compliance with federal tobacco prohibition laws. This effort was completed in FY 2007. In both FY 2007 and FY 2008, \$400,000 was appropriated to fund an expanded Tobacco Enforcement Team at the Kansas Department of Revenue. Kansas has attained minimal compliance to the required Federal standard.

From September 1, 2002 through June 30, 2007, SRS administered an administrative claiming program for Community Mental Health Centers. Centers for Medicare and Medicaid Services (CMS) deferred \$1.8 million related to one quarter of program expenditures in 2003 based on an Office of Inspector General (OIG) review. CMS later released the deferred money when SRS agreed to make recommended changes to the program. Effective July 1, 2007, all mental health services are provided utilizing a Prepaid Ambulatory Health Plan (PAHP). With this change, the Mental Health Center Administrative Claiming program was ended. SRS has paid out \$11.9 million to Community Mental Health Centers (CMHCs) for this program to date.

The OIG audited administrative costs claimed by the Kansas Disability Determination Services from FY 1998 through March 31, 2002. The report included a finding that the State of Kansas inappropriately charged the Social Security Administration (SSA) \$4.9 million for indirect costs for this period. SRS appealed this finding because SRS had an approved Cost Allocation Plan (CAP). In 2007, the Department Appeals Board ruled that the SRS CAP had a material flaw and remanded the issue back to SSA for settlement. SRS, SSA, and Health and Human Services (HHS) Division of Cost Allocation (DCA), met and were able to reach a tentative settlement methodology. SRS indicated it is currently calculating the amount SRS will have to return to SSA.

The settlement amount will include recalculating indirect costs during the audit period as well as subsequent periods.

Deficit Reduction Act of 2005. The federal Deficit Reduction Act of 2005 (DRA), signed into law in February 2006, impacts numerous programs administered by the agency.

The law impacts numerous programs under the Social Security Act including those related to child welfare (Federal Title IV-B or Family Preservation, Parts I & II, and Title IV-E or Foster Care). The most significant impact relates to the reversal of an earlier interpretation that allowed states to claim Title IV-E for administrative costs for otherwise IV-E eligible children placed in unlicensed foster homes. The new law limits the Title IV-E administrative costs states can claim for children placed with an unlicensed or unapproved relative to only children that meet other restrictive criteria. The 2007 Legislature added \$8.1 million from the State General Fund in FY 2007 to replace federal funds denied by the Centers for Medicare and Medicaid Services for mental health services for children in the child welfare system.

The Act contains several provisions which impacts Child Support Enforcement (CSE) funding. The largest impact is a change which prohibits states from using Federal CSE incentive earnings as state matching funds, effective October 1, 2007. Also during FY 2008, CSE will be required to implement a mandatory annual fee on collections for families who have never been on public assistance and pay 66 percent of it to the federal government. Starting October 1, 2006, the federal match rate for genetic testing was reduced from 90 percent to 66 percent. The 2007 Legislature added \$6.4 million, including \$2.2 million from the State General Fund, to replace federal child support enforcement funds lost due to the Deficit Reduction Act of 2005

The reauthorization of the Temporary Assistance to Needy Families (TANF) Program was also included in the DRA. The bill provides for level funding of the block grant through September 30, 2010, therefore Kansas' block grant will continue to be \$101.9 million. However, the bill creates stricter work requirements for states by eliminating state flexibility in defining work activities, requiring verification through source documents of actual hours of work participation, and recalibrating the caseload reduction credit which will raise the Kansas work participation requirement from 39 percent to an estimated 45 percent. The agency indicates that these changes will make it extremely difficult to meet the TANF work participation rates and have a significant impact on the workload of SRS staff. Failing to meet the TANF work participation requirement will result in a penalty, based on the severity of underperformance, to reduce the state's block grant followed by the state's requirement to replace this loss with state funds in the ensuing year.

The DRA mandates that a Medicaid applicant and each current Medicaid recipient must present satisfactory documentary evidence of both citizenship and identity. Medicare beneficiaries and Supplemental Security Income recipients are exempt from both requirements. Recent federal law changes have also provided additional exemptions to those receiving Social Security Disability benefits and most youth in foster care or receiving adoption support. The law mandates that states provide assistance with obtaining these documents, if necessary. It also requires the state to establish an outreach plan to tell current recipients and potential applicants about the new requirement. The agency indicates these requirements are having a significant impact on the workload of SRS staff and make it more difficult for citizens to access the Medicaid program.

The DRA provides for several opportunities for SRS Medicaid funded programs. One of these opportunities is more Federal funding for "Money Follows the Person." This is an initiative similar to what Kansas currently does with nursing facilities in which funds used to support a person in a nursing home can go with that person to purchase community-based services if they

choose to move back to their home and community. A five-year \$37.0 million, "Money Follows the Person" demonstration federal grant, was awarded to SRS in FY 2007. The federal grant provides an enhanced federal match rate of 80 percent for the first year of direct services for persons moving from nursing facilities or intermediate facilities for the mentally retarded. In addition, the federal grant allows the use of federal funds to assist with start-up costs to assist with the persons' successful transition back to community settings.

HCBS Waivers. The **2008 Legislature** added funding to the Home and Community Based Services (HCBS) waivers as described below:

\$9.9 million, including \$4.0 million from the State General Fund, to address the waiting list for services; and \$6.3 million, including \$2.5 million from the State General Fund, to increase reimbursement rates for the Home and Community Based Services for individuals with developmental disabilities (HCBS/DD) waiver. In addition, the Legislature included language in the appropriations bill requiring service providers in the HCBS/DD waiver to participate in the biennial rate study conducted by the Department of Social and Rehabilitation Services as a condition of their participation in Medicaid.

Additional funding for the Home and Community Based Services waiver for persons with physical disabilities (HCBS/PD) including: \$9.0 million, with \$3.6 million from the State General Fund, to address the waiting list for services; and \$2.0 million, including \$826,699 from the State General Fund, to increase reimbursement rates.

\$788,865, including \$316,136 from the State General Fund, to increase rates for the Home and Community Based Services waiver for persons with traumatic brain injury in FY 2008.

\$5,228, including \$2,110 from the State General Fund, to increase rates for Home and Community Based Services waiver for technology assisted children in FY 2008.

\$742,204, including \$300,000 from the State General Fund, in FY 2008 to create a new Home and Community Based Services waiver for children with autism spectrum disorders to serve up to 25 children. SRS submitted an application for a 1915c Home and Community Based Services waiver to provide early intensive intervention to children with autism spectrum disorders to CMS on July 5, 2007. Children may enter the program from age of diagnosis through age five and will receive services for three years. The waiver began in the second half of FY 2008.

Kansas Expanded Lottery Act (SB 66). The **2007 Legislature** passed the Kansas Expanded Lottery Act, which established gaming zones (casinos) and authorized the Kansas Lottery Commission to enter into contracts with gaming managers and established that 2.0 percent of gaming revenues would be deposited into the Problem Gambling and Addictions Fund which may be used to treat alcoholism, drug abuse, and other addictive behaviors. The agency indicated it has established a Problem Gambling Planning Committee and is requesting input from advocates, providers and experts regarding the most effective use of these funds.

Level V and VI / Private Residential Treatment Facilities (PRTFs). The services provided in Level V and VI residential settings were part of a range of service options for youth in Kansas needing specialized mental health or behavioral health supports. Starting in the spring of 2004 the federal Centers for Medicare and Medicaid Services (CMS) notified SRS that substantial portions of the current Medicaid State Plan governing a variety of services were considered out of compliance with practice standards. One of the key issues CMS was concerned about related to services provided in Level V and VI settings, most of which are classified as Institutes for Mental Disease (IMDs) under federal regulations but were differently classified by

Kansas. For youth under the age of 22, the only Medicaid service available to youth residing in IMDs is inpatient psychiatric services for Under Age 21. Facilities providing this service must have accreditation, and the payment rate must be all-inclusive, providing all services (including physical health care) necessary for the residents. The agency reports that it, in connection with other stakeholders considered a number of ways to provide resolution to the issue. The agency reports that the group of stakeholders convened to discuss options concluded that the only functional option was to acknowledge that they are primarily IMDs, and to assist them in preparing to deliver services within that structure. At the end of June 2006, SRS and the Medicaid State Agency submitted proposals to implement extensive amendments to the current state plan (discussed below) including the addition of private Psychiatric Residential Treatment Facilities (PRTF) services to address the IMD issues associated with youth psychiatric residential services. Under the revised state plan, the only residential facility for children experiencing behavioral and emotional problems that will be reimbursed by Medicaid are PRTFs. The agency requested \$9.2 million, including \$7.5 million from the State General Fund, in both FY 2008 and FY 2009 to reimburse child welfare contractors for the increased costs of providing services for those children for which PRTFs are not the appropriate placement.

Medicaid State Plan changes. Starting in the Spring of 2004, CMS notified SRS that substantial portions of the Medicaid State Plan governing mental health, behavioral health and substance abuse services were considered out of compliance with their practice standards. In addition, the 2006 Legislature included a proviso directing the agency to comply with federal requirements that Medicaid beneficiaries be able to access services from "any willing provider". In response to the proviso, in order to comprehensively address the issues about which CMS had expressed concern, the agency worked with other stakeholders to develop a comprehensive package of proposals for CMS. On June 28, 2006, two sets of formal State Plan Amendment requests were submitted to satisfy CMS's concerns. These documents included extensive amendments to the Kansas Medicaid state plan, an application to amend the existing waiver for youth with Serious Emotional Disturbance, and an application for a selective services contracting waiver for all public mental health/substance abuse services. The following is a summary of what mental health and substance abuse services were approved and implemented:

Mental health services are provided utilizing a Prepaid Ambulatory Health Plan (PAHP). Kansas Health Solutions (KHS) was selected to serve as the statewide managed care organization for mental health services.

Publicly-funded mental health services are accessed through the Community Mental Health Centers (CMHCs), who are responsible for a managed system of care by direct CMHC service delivery, by association agreements with other practitioners, or by gatekeeping/certification of need determinations for facility-based services.

CMHCs are required to associate with any willing qualified Licensed Mental Health Professional.

Psychiatric Residential Treatment Facilities. The Centers for Medicare and Medicaid has determined that Level V and VI facilities are currently included in the wrong section of the state Medicaid plan (as described above). Therefore, in the new amendment, Level V and VI facilities are being included in the institutional reimbursement section of the State Medicaid Plan and will be covered as Psychiatric Residential Treatment Facilities (PRTF). According to the agency, the policies and procedures regarding how these facilities will function within the overall mental health system have been developed and the cost based reimbursement system has been completed. This system was implemented July 1, 2007.

Substance abuse services are provided utilizing a single statewide contract. Value Options was selected to serve as the managed care organization to manage outpatient and inpatient substance abuse treatment services.

The Kansas Substance Abuse Prepaid Inpatient Health Plan (PIHP) provides for the cooperative administration of Medicaid substance abuse services with the administration of SRS state and federal block grant funded substance abuse treatment programs.

Results in a seamless system of care, in which block grant funded and Medicaid funded clients may move across and within the continuum.

Builds upon extensive system redesign work that has already been done regarding the utilization management protocols, detox services, screening and assessment, and performance measures.

The **2007 Legislature** added the following funding for mental health and developmental disabilities services:

- \$37.3 million, including \$38.4 million from the State General Fund, in FY 2008 to address issues with the federal Centers for Medicare and Medicaid Services regarding Medicaid expenditures for mental health and developmental disabilities services. The following items are included in the State General Fund amount:
- \$17.0 million from the State General Fund to maintain the public community mental health system after the elimination of the certified match process;
- \$13.8 million from the State General Fund to maintain the public community developmental disabilities system after the elimination of the certified match process; and
- \$7.6 million from the State General Fund for the administrative costs of the Prepaid Ambulatory Health Plan (PAHP) effective July 1, 2007.
- \$1.9 million, all from the State General Fund, to support the creation of additional mental health inpatient services in the community.

Child Care Assistance. The **2007 Legislature** added \$2.6 million from federal funds to address increased child care assistance caseloads in FY 2007. In addition, \$7.6 million in federal funding was added for FY 2008 caseloads.

The **2008 Legislature** added \$2.5 million, all from the State General Fund, in FY 2009 for child care caseload increases.

Grandparents as Caregivers. The **2006 Legislature** passed Senate Bill 62 which created the state-funded Grandparents as Caregivers program, effective January 1, 2007. A grandparent or other qualifying relative is eligible to participate in the program if he or she is at least 50 years old; has custody of a grandchild through state placement, legal guardianship or other legal means, has an annual income of less than 130 percent of the federal poverty level, and the parent or parents of the child, do not reside with them. Subject to appropriations, program participants will receive \$200 per grandchild per month not to exceed a total of \$600 per month.

Federal Matching Funds. The **2007 Legislature** added \$4.5 million, all from the State General Fund, to replace federal funds lost due a reduction in the federal matching percentage for programs which are not part of the consensus caseload estimating process.

Early Head Start Program. The **2007 Legislature** added \$1.6 million, all from the Children's Initiative Fund, to expand the Early Head Start program.

Pre-K Pilot. The **2007 Legislature** added \$3.0 million, all from the Children's Initiatives Fund, in FY 2008 to expand the Pre-K pilot program.

Child Protective Services. The **2008 Legislature** appropriated \$9.0 million from the State General Fund in FY 2008 and \$6.0 million from the State General Fund in FY 2009 for improved intake and assessment for Child Protective Services.

Disaster Funding. The **2008 Legislature** appropriated \$2.2 million from federal disaster funding in FY 2008 to provide emergency and ongoing mental health services to victims of the Greensburg tornado and the Southeast Kansas flooding.

Childhood Block Grant. The **2008 Legislature** appropriated \$11.1 million, all from the Children's Initiatives Fund, for a new early childhood block grant to be administered by the Children's Cabinet in FY 2009.

The **2008 Legislature** added the following funding for mental health issues and home and community services waivers:

- \$1.7 million, all from federal funds, in FY 2008 and \$8.7 million, all from federal funds, in FY 2009 for the mental health administrative claiming payments to Community Mental Health Centers.
- \$7.0 million, all from the State General Fund, in FY 2009 for Community Mental Health Centers with language specifying that the funding be used to assist centers in serving an increasing number of uninsured.
- \$406,200, including \$162,805 from the State General Fund, to increase the protected income level (PIL) for individuals receiving services from home and community based services waivers by \$11 per month from \$716 to \$727 per month.
- \$500,000, including \$200,000 from the State General Fund, for the home and community based services waiver for children with autism.
- Increased funding for the Home and Community Based Services for persons with physical disabilities (HCBS/PD) waiver in FY 2009 including:
 - \$2.8 million, including \$1.2 million from the State General Fund, to address the waiting list for services; and
 - \$2.0 million, including \$0.8 million from the State General Fund, to increase reimbursement rates.
- Increased funding for the Home and Community Based Services for persons with developmental disabilities (HCBS/DD) in FY 2009 including:

- \$0.9 million, including \$0.3 million from the State General Fund, to address the waiting list for services; and
- \$5.6 million, including \$2.3 million from the State General Fund, to increase reimbursement rates.
- Increased funding for the Home and Community Based Services for persons with traumatic brain injury (HCBS/TBI) in FY 2009 including:
 - \$1.0 million, including \$0.4 million from the State General Fund, to address the waiting list for services; and
 - \$136,999, including \$55,786 from the State General Fund, to increase reimbursement rates.

The **2009 Legislature** passed Senate Bill 134, which limits the court's jurisdiction over a child in need of care to the child's 18th birthday or June 1 of the school year during which the child turns 18 if the child is still in high school, unless there is no court-approved transition plan. If there is no court approved transition plan, the court retains jurisdiction over the child until a transition plan is approved by the court or until the child's 21st birthday. The bill amends prior law to authorize the Department of Social and Rehabilitation Services custody for a child 15 years or younger, a 16- or 17-year-old child if the child has no identifiable parental or family resources, or a 16- or 17-year-old child if the child shows signs of physical, mental, emotional, or sexual abuse.

The **2009 Legislature** approved savings of \$1.7 million, including \$1.5 million from the State General Fund, in FY 2010 as a result of changing custody policy for children in need of care, to release the children from the custody of the state at age 18 instead of 21. In addition, the 2009 Legislature approved savings of \$3.1 million, including \$2.8 million from the State General Fund, in FY 2010 as a result of changing the youth custody policy so that youth age 16 or older will only be placed in the custody of the state for reasons of maltreatment.

The **2009 Legislature** reduced FY 2009 appropriations by \$11.5 million, including \$5.2 million from the State General Fund, for a 1.25 percent across the board reduction, excluding human services consensus caseloads. In addition, the Legislature deleted \$5,200, from the Problem Gambling and Addictions Grant Fund in FY 2009, to reflect a 6.5 percent reduction. The Legislature also added \$26.0 million, including \$10.4 million from the State General Fund, in FY 2009 for the Home and Community Based Services Waiver for Individuals with Physical Disabilities to the FY 2009 approved amount. The Department of Social and Rehabilitation Services had implemented a hard freeze on the HCBS/PD waiver starting December 1, 2008. This prevented anyone (with exceptions made for crisis situations) from starting to receive services from this waiver. Due to additional funding provided by the Legislature, on March 2, 2009 this policy was changed to a rolling waiting list for HCBS/PD waiver services. This allowed one individual to start services once two individuals have discontinued receiving services, again with exceptions made for crisis situations.

The **2009 Legislature** also added \$27.3 million, all from federal funds, in FY 2009 to reflect increased funding received for the Low Income Energy Assistance Program (LIEAP) and reduced the consolidated grants to the Community Mental Health Centers by \$1.8 million, all from the State General Fund in FY 2009. In addition, the Legislature reduced salaries and wages in FY 2009 by \$3.9 million, including \$1.9 million from the State General Fund, below the FY 2009 approved amount.

The **2009 Legislature** approved savings of \$15.1 million, including \$14.1 million from the State General Fund, in FY 2010 from renegotiating the foster care contract. In addition, the Legislature shifted \$800,000 from the State General Fund to the Problem Gambling and Addictions Grant Fund in FY 2010 for the Addiction and Prevention Services Grants and reduced the overall funding of the grants by \$200,000. The Legislature also approved the elimination of all

funding for the BARS contract, which was a monitoring program for tobacco retailers, totaling \$100,000, all from the State General Fund, in FY 2010.

The **2009 Legislature** added \$11.8 million, including \$4.0 million from the State General Fund, in FY 2010 for HCBS/PD Waiver. In addition, the Legislature added \$520,000, all from the State General Fund, in FY 2010 to maintain partial funding for the Funeral Assistance Program, to allow payments of up to \$545 per funeral. The Legislature approved the reduction of \$2.0 million, all from the State General Fund, in FY 2010 for Community Mental Health Centers. Reduced state grants to Community Developmental Disability Organizations (CDDO) by \$2.0 million, all from the State General Fund.

The **2009 Legislature** added funding of \$487,500, all from the State General Fund, in FY 2010 for the contract with Kansas Legal Services which was transferred from the Kansas Health Policy Authority. In addition, the Legislature included language directing that expenditures of \$50,000 would be made in FY 2010 from the Children's Initiatives Fund to provide training for the early diagnosis of autism. The Legislature also included language restricting the percent of reductions applied to community mental health programs from exceeding twice the average reductions to the remaining programs at the agency.

The Legislature approved decreased State General Fund expenditures to account for increased federal match rate for Medicaid expenditures. The increased federal match rate was authorized by the federal 2008 American Recovery and Reinvestment Act (ARRA) and includes adjustments for increases in the Kansas unemployment rates. The total amount of funding provided under ARRA in enhanced Medicaid payments for FY 2009 is approximately \$123.0 million, and is estimated at \$219.0 million for FY 2010.

The **2010 Legislature** added \$2.0 million from all funding sources, and deleted \$16.6 million from the State General Fund, for human services consensus caseload estimates in FY 2010. In addition, the 2010 Legislature added \$2.4 million from the State General Fund to restore the Governor's 10.0 percent Medicaid provider reduction for Home and Community Based Services for individuals with developmental disabilities and deleted the same amount from grants and state aid payments to Community Developmental Disability Organizations in FY 2010. This resulted in the addition of \$5.5 million, all from federal funds, in FY 2010 to reflect the amount received in federal matching funds associated with the increased state Medicaid expenditures for the waiver. The 10.0 percent Medicaid provider reduction was included in the Governor's November 2009 allotment and reduced reimbursement rates for most Medicaid providers by 10.0 percent for dates of service from January 1, 2010 to June 30, 2010. The allotment affected the Department of Social and Rehabilitation Services, the Kansas Health Policy Authority, the Department on Aging, and the Juvenile Justice Authority.

The **2010 Legislature** approved the policy limiting General Assistance eligibility to 12 months from the current 18 months of eligibility. This limitation was estimated to result in savings of \$592,696, including \$381,122 from the State General Fund. It was estimated that this policy change would result in approximately 494 individuals losing eligibility in FY 2011. In addition, the 2010 Legislature approved the policy limiting MediKan Mental Health Assistance eligibility to 12 months from 18 months of eligibility. This limitation was estimated to result in savings of \$820,587, all from the State General Fund. It is estimated that this policy change would result in approximately 190 individuals losing eligibility in FY 2011. In addition, the 2010 Legislature deleted \$519,900, all from the State General Fund, to eliminate the funeral assistance program for FY 2011, leaving \$100 in this program for FY 2011.

The **2010 Legislature** deleted \$4.1 million, including \$1.8 million from the State General Fund, or 2.5 percent, for a salary and wages reduction for FY 2011 and added \$10.9 million,

including \$3.3 million from the State General Fund, for FY 2011 to increase funding for the Home and Community Based Services Waiver for individuals with Developmental Disabilities to ensure all individuals in crisis are able to access waiver services and allow approximately 145 individuals currently not receiving services (on the waiting list) to begin receiving services. The 2010 Legislature added \$11.9 million, including \$3.6 million from the State General Fund, for FY 2011 to increase funding for the Home and Community Based Services Waiver for Individuals with Physical Disabilities, to implement a rolling waiting list policy to provide services for one new individual for every individual who stops receiving services.

The **2010 Legislature** added language directing the agency to contract with Kansas Legal Services for disability determination case management and legal representation for FY 2011. In addition, the Legislature deleted \$39.4 million, all from the State General Fund, and added the same amount from federal funds for FY 2011 to capture savings associated with the proposed extension of the enhanced federal match for the Medicaid program, from December 31, 2010 to June 30, 2011.

In addition, the **2010 Legislature** deleted \$2.7 million, including \$823,601 from the State General Fund, for FY 2011 to capture savings associated with the billing delay in the Medicaid provider reductions implemented in FY 2010 for non-caseload programs. The 2010 Legislature also added \$750,000, all from the State General Fund in FY 2011, for the Centers for Independent Living, to partially restore a reduction of \$1.1 million, all from the State General Fund. The 2010 Legislature deleted \$500,000, all from the State General Fund, to reduce funding for administration for FY 2011.

The **2010 Legislature** deleted \$903,469, all from the State General Fund, and added the same amount from special revenue funds to reflect funding adjustments related to the implementation of the Health Care Cost Containment and Recovery Services (Medicaid recoveries) pilot project for FY 2011. In addition, the 2010 Legislature deleted \$3.6 million from all funding sources, and added \$2.6 million from the State General Fund, for human services consensus caseload estimates for FY 2011. The 2010 Legislature also added \$1.3 million, all from the State Institutions Building Fund, to repair the electrical substation at Osawatomie State Hospital for FY 2011.

By the end of FY 2010, the Rehabilitation Center for the Blind and Visually Impaired was closed by the agency. Individuals previously served at the facility are now being served in the community.

BUDGET SUMMARY AND KEY POINTS

FY 2011 – Current Year. The **Department** estimates FY 2011 operating expenditures of \$1.6 billion, including \$574.9 million from the State General Fund. The revised estimate is an increase of \$53.6 million, or 3.4 percent, from all funding sources, above the amount approved by the 2010 Legislature. This includes a State General Fund increase of \$15.1 million, or 2.7 percent, above the approved amount. In addition, the revised estimate includes supplemental requests totaling \$52.6 million, including \$15.1 million from the State General Fund. The estimate also includes 3,669.1 FTE positions and the reduction of 15.5 non FTE positions to 69.8 non FTE positions.

The agency's estimate includes the addition of \$2.1 million, including \$679,551 from the State General Fund, to account for increased expenditures attributable to the Money Follows the Person Program. The Department also requested the addition of \$14.4 million, all from the State General Fund, to adjust for lower than anticipated federal funds for non-caseload Medicaid programs. The Department's request also includes the addition of \$50.3 million from federal funds. The majority of the federal funds increase was attributable to the energy assistance program and child care assistance.

The **Governor** recommends FY 2011 operating expenditures of \$1.6 billion, including \$579.3 million from the State General Fund. The recommendation is an all funds increase of \$69.0 million, or 4.4 percent, above the approved amount. The Governor's recommendation is a State General Fund increase of \$19.5 million, or 3.5 percent, above the approved amount. The Governor's recommendation is a State General Fund increase of \$4.4 million, or 0.8 percent, above the agency's request. The Governor concurs with the agency's supplemental requests. In addition, the Governor recommends the addition of \$20.9 million, including \$11.8 million from the State General Fund, to fund increases associated with the Human Services Consensus Caseload estimate as agreed to at the fall 2010 meeting. This increase is partially offset by a reduction to the agency's request of \$5.5 million, all from the State General Fund, to adjust non-caseload federal Medicaid program contributions to the most recent estimate of federal match rates. The Governor also recommends a reduction in the Department's salaries and wages funding of \$3.9 million, including \$2.0 million from the State General Fund. The Governor does not recommend changing the agency's FTE estimate.

FY 2012 – Budget Year. The **Department** 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.

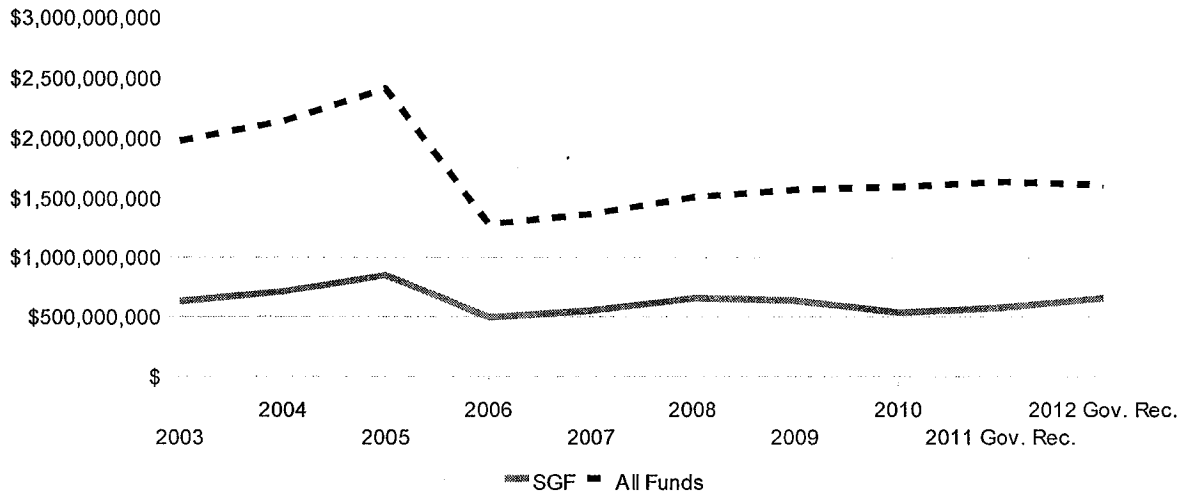
The **Governor** recommends FY 2012 operating expenditures \$1.6 billion, including \$659.8 million from the State General Fund. The recommendation is an all funds decrease of \$26.7 million, or 1.6 percent below the FY 2011 recommendation. The Governor's recommendation is a decrease of \$40.5 million, or 2.5 percent, below the agency's request. 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 FTE vacant 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. This differs from the consensus caseload chart provided later because it reflects the increase from the agency submitted request and the chart below reflects the year to year change for caseloads.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2003–FY 2012



OPERATING EXPENDITURES FY 2003–FY 2012

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2003	\$ 629,644,458	10.8%	\$ 1,978,898,036	5.1%	3,981.5
2004	710,424,823	12.8	2,142,305,306	8.3	3,981.5
2005	847,421,762	19.3	2,414,008,075	12.7	3,981.5
2006	493,404,580	(41.8)	1,283,592,163	(46.8)	3,642.1
2007	552,372,812	12.0	1,369,991,793	6.7	3,670.6
2008	654,514,707	18.5	1,510,979,670	10.3	3,668.6
2009	635,388,806	(2.9)	1,572,868,617	4.1	3,667.5
2010	535,190,917	(15.8)	1,597,760,010	1.6	3,669.1
2011 Gov. Rec.	579,275,477	8.2	1,641,139,447	2.7	3,669.1
2012 Gov. Rec.	659,788,129	13.9	1,614,470,677	(1.6)	3,119.1

Ten-Year Change
Dollars/Percent \$ 30,143,671 4.8% (364,427,359) (18.4)% (862.4)

The significant decrease between FY 2005 and FY 2006 represents the transfer of medical services programs from this department to the Division of Health Policy and Finance at the Department of Administration under the provisions of 2005 SB 272. These responsibilities were assumed by the Kansas Health Policy Authority on July 1, 2006 and DHPF was abolished on June 30, 2006.

Summary of Operating Budget FY 2010-FY 2012

Department of Social and Rehabilitation Services

	Actual FY 2010	Agency Request				Governor's Recommendation			
		Estimate FY 2011	Request FY 2012	Dollar Change from FY 11	Percent Change From FY 11	Rec. FY 2011	Rec. FY 2012	Dollar Change from FY 11	Percent Change from FY 11
By Program:									
Administration	\$ 50,401,081	\$ 50,115,372	\$ 43,122,463	\$ (6,992,909)	(14.0)%	\$ 50,115,372	\$ 43,122,463	\$ (6,992,909)	(14.0)%
Integrated Service Delivery	631,159,240	655,215,597	654,384,418	(831,179)	(0.1)	653,210,743	638,394,214	(14,816,529)	(2.3)
Disability & Behavioral Health Services	916,199,689	920,403,570	957,508,243	37,104,673	4.0	937,813,332	932,954,000	(4,859,332)	(0.5)
TOTAL	\$1,597,760,010	\$1,625,734,539	\$1,655,015,124	\$ 29,280,585	1.8%	\$1,641,139,447	\$1,614,470,677	\$ (26,668,770)	(1.6)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 159,215,211	\$ 165,568,276	\$ 180,628,435	\$ 15,060,159	9.1%	\$ 161,668,276	\$ 165,079,809	\$ 3,411,533	2.1%
Contractual Services	140,273,662	148,169,421	137,357,549	(10,811,872)	(7.3)	147,919,421	136,857,549	(11,061,872)	(7.5)
Commodities	3,711,211	3,523,303	3,531,685	8,382	0.2	3,523,303	3,531,685	8,382	0.2
Capital Outlay	848,166	1,052,768	1,080,783	28,015	2.7	1,052,768	1,080,783	28,015	2.7
Debt Service	2,486,127	3,105,235	2,699,375	(405,860)	(13.1)	3,105,235	2,699,375	(405,860)	(13.1)
Subtotal - Operations	\$ 306,534,377	\$ 321,419,003	\$ 325,297,827	\$ 3,878,824	1.2%	\$ 317,269,003	\$ 309,249,201	\$ (8,019,802)	(2.5)%
Aid to Local Units	42,747,506	51,288,945	79,233,489	27,944,544	54.5	50,138,945	32,271,220	(17,867,725)	(35.6)
Other Assistance	1,248,478,127	1,253,026,591	1,250,483,808	(2,542,783)	(0.2)	1,273,731,499	1,272,950,256	(781,243)	(0.1)
TOTAL	\$1,597,760,010	\$1,625,734,539	\$1,655,015,124	\$ 29,280,585	1.8%	\$1,641,139,447	\$1,614,470,677	\$ (26,668,770)	(1.6)%
Financing:									
State General Fund	\$ 535,190,917	\$ 574,893,620	\$ 712,638,469	\$ 137,744,849	24.0%	\$ 579,275,477	\$ 659,788,129	\$ 80,512,652	13.9%
Children's Initiatives Fund	37,334,349	37,477,293	37,478,925	1,632	0.0	35,927,293	37,479,078	1,551,785	4.3
Child Care Assistance	66,916,184	63,677,738	63,772,310	94,572	0.1	63,570,676	58,878,662	(4,692,014)	(7.4)
Foster Care Federal	44,027,197	37,975,245	38,783,780	808,535	2.1	36,360,239	36,920,567	560,328	1.5
Temp Assistance for Families	102,532,622	60,485,478	79,985,939	19,500,461	32.2	60,656,185	87,923,744	27,267,559	45.0
Medical Assistance Federal	581,676,513	562,960,599	492,817,071	(70,143,528)	(12.5)	576,357,970	504,627,472	(71,730,498)	(12.4)
All Other Funds	230,082,228	288,264,566	229,538,630	(58,725,936)	(20.4)	288,991,607	228,853,025	(60,138,582)	(20.8)
TOTAL	\$1,597,760,010	\$1,625,734,539	\$1,655,015,124	\$ 29,280,585	1.8%	\$1,641,139,447	\$1,614,470,677	\$ (26,668,770)	(1.6)%

A. FY 2011 – Current Year

Adjustments to Approved State General Fund Budget

The 2009 Legislature approved a State General Fund budget of \$558,374,399 for the Department of Social and Rehabilitation Services in FY 2010. An adjustment has subsequently been made to that amount. The adjustment changes the current year approved amount without any legislative action required. For this agency, the following adjustment has been made:

- An increase of \$1,380,342, based on the reappropriation of FY 2009 State General Fund money which was not spent in FY 2009 and has shifted to FY 2010.

This adjustment changes the FY 2010 approved State General Fund to \$559,754,741. That amount is reflected in the table below as the currently approved FY 2011 State General Fund amount.

CHANGE FROM APPROVED BUDGET					
	Approved 2010 Legislature	Agency Estimate FY 2011	Agency Change from Approved	Governor Rec. FY 2011	Governor Change from Approved
State General Fund	\$ 559,754,741	\$ 574,893,620	\$ 15,138,879	\$ 579,275,477	\$ 19,520,736
All Other Funds	1,012,393,068	1,050,840,919	38,447,851	1,061,863,970	49,470,902
TOTAL	\$ 1,572,147,809	\$ 1,625,734,539	\$ 53,586,730	\$ 1,641,139,447	\$ 68,991,638
FTE Positions	3,669.1	3,669.1	0.0	3,669.1	0.0

The **Department** estimates FY 2011 operating expenditures of \$1.6 billion, including \$574.9 million from the State General Fund. The revised estimate is an increase of \$53.6 million, or 3.4 percent, from all funding sources above the amount approved by the 2010 Legislature. This includes a State General Fund increase of \$15.1 million, or 2.7 percent, above the approved amount. In addition, the revised estimate includes supplemental requests totaling \$52.6 million, including \$15.1 million from the State General Fund. The estimate also includes 3,669.1 FTE positions and the reduction of 15.5 non FTE positions to 69.8 non FTE positions.

The agency's estimate includes the addition of \$2.1 million, including \$679,551 from the State General Fund, to account for increased expenditures attributable to the Money Follows the Person Program. The Department also requested the addition of \$14.4 million, all from the State General Fund, to adjust for lower than anticipated federal funds for non-caseload Medicaid programs. The Department's request also includes the addition of \$50.3 million from federal funds. The majority of the federal funds increase is attributable to the energy assistance program and child care assistance.

The **Governor** recommends FY 2011 operating expenditures of \$1.6 billion, including \$579.3 million from the State General Fund. The recommendation is an all funds increase of \$69.0 million, or 4.4 percent, above the approved amount. The Governor's recommendation is a State General Fund increase of \$19.5 million, or 3.5 percent, above the approved amount. The Governor's recommendation is a State General Fund increase of \$4.4 million, or 0.8 percent, above the agency's request. The Governor concurs with the agency's supplemental requests. In addition, the Governor recommends the addition of \$20.9 million, including \$11.8 million from the State General Fund, to fund increases associated with the Human Services Consensus Caseload estimate as agreed to at the fall 2010 meeting. This increase is partially offset by a reduction to the agency's request of \$5.5 million, all from the State General Fund, to adjust non-caseload Medicaid program federal contributions to the most recent estimate of federal match rates. The Governor also recommends a reduction in the Department's salaries and wages funding of \$3.9 million, including \$2.0 million from the State General Fund. The Governor does not recommend changing the agency's FTE estimate.

Consensus Caseloads. The Governor's recommendation includes adjustments to reflect the fall 2010 consensus caseload estimates for entitlement programs. The estimate for FY 2011 was revised upward by \$20.9 million, while the State General Fund estimate is an increase of \$11.8 million. The table below shows the fall estimates compared to the amount approved by the 2010 Legislature:

			FY 2011 Approved	November Revised FY 2011	Difference from Approved
	SGF	\$	29,821,028	29,821,028	\$ 0
Temporary Assistance to Families	AF		54,039,150	54,500,000	460,850
	SGF		86,586,575	91,000,000	4,413,425
Reintegration/Foster Care Contract	AF		136,165,704	139,000,000	2,834,296
	SGF		3,024,000	3,024,000	0
General Assistance	AF		3,024,000	3,024,000	0
	SGF		74,181,170	80,000,000	5,818,830
Mental Health	AF		241,920,135	255,300,000	13,379,865
	SGF		14,000,000	14,000,000	0
NFMH	AF		16,258,274	18,562,101	2,303,827
	SGF		9,955,014	10,979,652	1,024,638
Community Supports & Services	AF		32,837,496	34,066,560	1,229,064
	SGF		5,729,724	6,300,000	570,276
AAPS/PIHP	AF		18,900,000	19,547,006	647,006
	SGF	\$	223,297,511	235,124,680	11,827,169
Total	AF		503,144,759	523,999,667	20,854,908

B. FY 2012 – Budget Year

FY 2012 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 1,655,015,124	\$ 1,614,470,677	\$ (40,544,447)
FTE Positions	3,669.1	3,119.1	(550.0)
Change from FY 2011:			
<i>Dollar Change:</i>			
State General Fund	\$ 137,744,849	\$ 80,512,652	
All Other Funds	(108,464,264)	(107,181,422)	
TOTAL	\$ 29,280,585	\$ (26,668,770)	
<i>Percent Change:</i>			
State General Fund	24.0%	13.9%	
All Other Funds	(10.3)	(10.1)	
TOTAL	1.8%	(1.6)%	
Change in FTE Positions	0.0	(550.0)	

The **Department of Social and Rehabilitation Services** 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 \$651.6 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.

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. 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:

- 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 agencies salaries and wages shrinkage rate from 16.1 percent to 18.1 percent. The Governor also recommends a reduction of 550.0 FTE vacant 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. This differs from the chart below because it reflects the increase from the agency submitted request and the chart below reflects the year to year change for caseloads.

Consensus Caseloads

The Governor's recommendation includes funding to reflect the fall 2010 consensus caseload estimates for entitlement programs. The table below:

			Fall Revised FY 2011	Fall Estimate FY 2012	Difference from FY 2011
	SGF	\$	29,821,028	29,821,028	\$ 0
Temporary Assistance to Families	AF		54,500,000	57,500,000	3,000,000
	SGF		91,000,000	91,000,000	0
Reintegration/Foster Care Contract	AF		139,000,000	144,450,000	5,450,000
	SGF		3,024,000	3,200,000	176,000
General Assistance	AF		3,024,000	3,200,000	176,000
	SGF		80,000,000	108,000,000	28,000,000
Mental Health	AF		255,300,000	265,000,000	9,700,000
	SGF		14,000,000	14,500,000	500,000
NFMH	AF		18,562,101	18,742,269	180,168
	SGF		10,979,652	14,600,000	3,620,348
Community Supports & Services	AF		34,066,560	34,304,511	237,951
	SGF		6,300,000	9,000,000	2,700,000
AAPS/PIHP	AF		19,547,006	21,146,617	1,599,611
	SGF	\$	235,124,680	270,121,028	34,996,348
Total	AF		523,999,667	544,343,397	20,343,730

FY 2012 ENHANCEMENTS						
Enhancements	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Replace Waiver Fee Fund	\$ 11,036,891	\$ 26,601,328	0.0	\$ 11,036,891	\$ 26,601,891	0.0
Restore MediKan Eligibility	3,371,329	3,371,329	0.0	0	0	0.0
Restore GA Eligibility	4,550,106	4,550,106	0.0	0	0	0.0
Restore MH Grants	10,983,347	10,983,347	0.0	0	0	0.0
Restore DD Grants	8,088,174	8,088,174	0.0	0	0	0.0
Restore AAPS Grants	2,547,403	2,547,403	0.0	0	0	0.0
Restore Waiver Dental	522,509	1,259,361	0.0	0	0	0.0
Restore Direct Service Staff Funding	8,862,993	11,548,626	0.0	0	0	0.0
Restore CIL funding	321,956	321,956	0.0	0	0	0.0
Restore MH funding shifted to Medicaid	9,191,960	9,191,960	0.0	0	0	0.0
Restore Family Preservation Funding	275,000	290,238	0.0	0	0	0.0
Restore MH Medication	500,000	500,000	0.0	0	0	0.0
Restore Funeral Assist	764,047	764,047	0.0	0	0	0.0
SPTP Expansion Planning	0	2,659,500	0.0	0	0	0.0
TOTAL	\$ 61,015,715	\$ 82,677,375	0.0	\$ 11,036,891	\$ 26,601,891	0.0

Enhancements Detail

The **agency** requested 14 enhancements totaling \$82.7 million, including \$61.0 million from the State General Fund. The enhancement requests are detailed below:

Replace Fee Funds in Waivers. The **agency** requests the addition of \$26.6 million, including \$11.0 million from the State General Fund, for FY 2012 to replace fee fund expenditures in FY 2011 for state matching fund for certain Home and Community Based Services waivers. The affected waivers include the Developmental Disabilities, Technology Assistance, and Traumatic Brain Injury. The addition of the State General Fund will allow waiver services to be maintained at the same level as FY 2011. The fee funds used in FY 2011 are not available for FY 2012.

The **Governor** concurs with the agency's request to add the funding.

Restore Community Mental Health MediKan Eligibility. The **agency** requests the addition of \$3.4 million, all from the State General Fund, for FY 2012 to restore MediKan mental health eligibility from 18 to 24 months. The MediKan mental health program provides the same array of community mental health services as the Medicaid program to individuals seeking federal disability.

The **Governor** does not recommend the agency's enhancement request.

Restore General Assistance Eligibility from 18 to 24 months with Hardship provisions. The agency requests the addition of \$4.6 million, all from the State General Fund, for FY 2012. Eligibility for cash assistance under the General Assistance program was reduced during FY 2010. The restoration would affect approximately 1,393 persons in FY 2012.

The Governor does not recommend the enhancement request. In addition, the Governor recommends eliminating all funding for the General Assistance program for FY 2012.

Restore Mental Health Grant Funding. The agency requests the addition of \$11.0 million, all from the State General Fund, for FY 2012. The funds would restore grant funding for Community Mental Health Centers to provide services to uninsured Kansans.

The Governor does not recommend the agency's enhancement request.

Restore Developmental Disabilities Grant Funding. The agency requests the addition of \$8.1 million, all from the State General Fund, for FY 2012. The funding would restore grant funding to support persons with developmental disabilities who are not eligible for Medicaid waiver services. Funds would increase grant funding to the previous FY 2009 level.

The Governor does not recommend the agency's enhancement request.

Restore Addiction and Prevention Services Grant Funding. The agency requests the addition of \$2.5 million, all from the State General Fund, for FY 2012, to restore funding for addiction and prevention services grants. The additional funds would restore grant funds for substance and abuse treatment and prevention providers. The funding would restore grant funding to the previous FY 2009 level.

The Governor does not recommend the agency's enhancement request.

Restore Dental Services to Home and Community Based Services Waivers. The agency requests the addition of \$681,586, including \$282,790 from the State General Fund, for FY 2012 to restore dental services to the Home and Community Based Services waivers.

The Governor does not recommend the agency's enhancement request.

Restore Funding for Direct Services Staff. The agency requests the addition of \$11.5 million, including \$8.9 million from the State General Fund, for FY 2012 to restore funding for 250 direct services positions in the regional offices. This would restore staffing to the 2008 level.

The Governor does not recommend the agency's enhancement request.

Restore Funding for Centers for Independent Living. The agency requests the addition of \$321,956, all from the State General Fund, to restore grant funding for the Centers for Independent Living for FY 2012. The enhancement request would allow the Centers for Independent Living to again provide services to approximately 2,786 persons with disabilities with the intention of maintaining or enhancing their independence. The funding would restore grants to the previous FY 2009 funding level.

The Governor does not recommend the agency's enhancement request.

Restore Mental Health Grant Funding Shifted to Medicaid. The agency requests the addition

of \$9.2 million, all from the State General Fund, for FY 2012 to replace funding shifted to the state Medicaid match. State General Fund previously provided to the Community Mental Health Centers through grants was transferred to the Medicaid program after conclusion of the certified match program. The Legislature added grant funding of \$17.0 million, all from the State General Fund, at that time to ensure mental services were provided by Community Mental Health Centers for non Medicaid eligible individuals. This enhancement request would provide the remaining funds transferred to the Medicaid program. Funding for mental health services is still provided through the Medicaid program.

The **Governor** does not recommend the agency's enhancement request.

Restore Family Preservation Grant Funding. The **agency** requests the addition of \$290,238, including \$275,000 from the State General Fund, for FY 2012 to restore family preservation grant funding. The provided funding will allow services to be provided to 73 families.

The **Governor** does not recommend the agency's enhancement request.

Restore Mental Health Community Medication Program. The **agency** requests the addition of \$500,000, all from the State General Fund, for FY 2012 to restore funding for the Mental Health Community Medication program. The addition restores funding to its previous FY 2009 level and would allow 93 individuals with severe and persistent mental illness to receive high cost mental health medications.

The **Governor** does not recommend the agency's enhancement request.

Funeral Assistance Program. The **agency** requests the addition of \$764,047, all from the State General Fund, to reinstate the Funeral Assistance program. The program would provide up to \$600 for funeral benefits for 1,158 public assistance recipients. The program was terminated in FY 2010.

The **Governor** does not recommend the agency's enhancement request.

Sexual Predator Treatment Program Expansion Planning. The **agency** requests the addition of \$2.7 million, all from the State Institutions Building Fund, for FY 2012 to provide planning money for a 90 bed expansion at Larned State Hospital for the Sexual Predator Treatment Program. The agency estimates the program will reach its total bed capacity during FY 2012. (Note: This enhancement request is included in the agency's capital improvement request.)

The **Governor** does not recommend the agency's enhancement request.

FY 2012 REDUCED RESOURCES						
Item	Agency Recommendation			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Eliminate DD Day & Residential Grants	\$ (3,465,491)	\$ (3,465,491)	0.0	\$ (3,454,491)	\$ (3,465,491)	0.0
Eliminate Early Head Start	(8,236,377)	(8,236,377)	0.0	(8,236,377)	(8,236,377)	0.0
Eliminate GA	(3,024,000)	(3,024,000)	0.0	(3,024,000)	(3,024,000)	0.0
Reduce MH State Aid	(6,733,519)	(6,733,519)	0.0	(10,233,297)	(10,233,297)	0.0
Increase Shrinkage and reduce FTE positions	0	0	0.0	(2,020,648)	(4,000,000)	(550.0)
Reduce Smart Start	0	0	0.0	0	(1,000,000)	0.0
Eliminate Family Centered System of Care	0	0	0.0	0	(5,000,000)	0.0
TOTAL	\$ (21,459,387)	\$ (21,459,387)	0.0	\$ (26,968,813)	\$ (34,959,165)	(550.0)

FY 2012 Reduced Resources

The **agency** submitted four reduced resources totaling \$21.5 million, all from the State General Fund for FY 2012. The reduced resources include:

Eliminate Developmental Disability Day and Residential Grants. The **agency** submitted a reduced resource eliminating all funding for the developmental disability day and residential grants, resulting in savings of \$3.5 million, all from the State General Fund for FY 2012. Elimination of the grants would result in 2,450 individuals losing services. When the grants were fully funded, services were provided to approximately 4,838 individuals.

The **Governor** recommends this reduction.

Eliminate Early Head Start. The **agency** submitted a reduced resource eliminating all funding for the Early Head Start program, including \$3.5 million from the Children's Initiatives Fund and \$7.9 million from the Child Care Development Fund. The reduction would eliminate services to approximately 1,177 children in FY 2012. Through a series of funding shifts in programs, State General Fund savings was created. Included in the submitted reduced resources was a \$3.1 million increase in Child Care Assistance funding. This increase resulted from a Children's Initiatives Fund increase of \$3.5 million, a State General Fund decrease of \$3.5 million, and a \$3.1 million increase from the Child Care Development Fund. Also included was a funding shift of \$4.8 million from Temporary Assistance for Needy Families funding for foster care caseloads and a corresponding State General Fund decrease. The net result of the entire package was a State General Fund decrease of \$8.2 million, a \$4.8 million Child Care Development Fund decrease and a \$4.8 million Temporary Assistance for Needy Families increase. The following table illustrates the reduced resource:

Item	Early Head Start	Child Care Assistance	Subtotal	Shift TANF to Foster Care	Total
Expenditures	\$ (11,342,397)	\$ 3,106,020	\$ (8,236,377)	\$ 0	\$ (8,236,377)
Financing:					
SGF	\$ 0	\$ (3,452,779)	\$ (3,452,779)	\$ (4,783,598)	\$ (8,236,377)
CIF	(3,452,779)	3,452,779	0	0	0
CCDF	(7,889,618)	3,106,020	(4,783,598)	0	(4,783,598)
TANF	0	0	0	4,783,598	4,783,598
TOTAL	\$ (11,342,397)	\$ 3,106,020	\$ (8,236,377)	\$ 0	\$ (8,236,377)

The **Governor** recommends this reduction.

Eliminate General Assistance. The **agency** submitted a reduced resources package eliminating all funding for the General Assistance program, resulting in savings of \$3.0 million, all from the State General Fund. The proposal would eliminate all cash assistance but not affect the individuals' eligibility for medical assistance.

The **Governor** recommends this reduction.

Reduce Community Mental Health State Aid. The **agency** submitted a reduced resources package reducing Community Mental Health State Aid by \$6.7 million, all from the State General Fund, for FY 2012. This reduction would eliminate mental health services to 2,330 individuals currently served by Community Mental Health Centers. Under this scenario, the agency anticipates that Community Mental Health Centers would no longer be able to fulfill their mandate to serve any individual regardless of their ability to pay.

The **Governor** recommends eliminating all community mental health state aid, totaling \$10.2 million, all from the State General Fund, for FY 2012.

In addition to the above reduced resources, the **Governor** recommends the following reductions:

Increase Shrinkage and Eliminate Vacant FTE positions. The **Governor** recommends reducing salaries and wages funding by \$4.0 million, including \$2.0 million from the State General Fund, and deleting 550.0 vacant FTE positions for FY 2012.

Reduce Smart Start. The **Governor** recommends reducing Smart Start funding by \$1.0 million, all from the Children's Initiatives Fund, for FY 2012.

Eliminate Family Centered System of Care. The **Governor** recommends eliminating funding for the Family Centered System of Care, totaling \$5.0 million, all from the Children's Initiatives Fund, for FY 2012.

Governor's Recommended Salary and Wage Adjustments

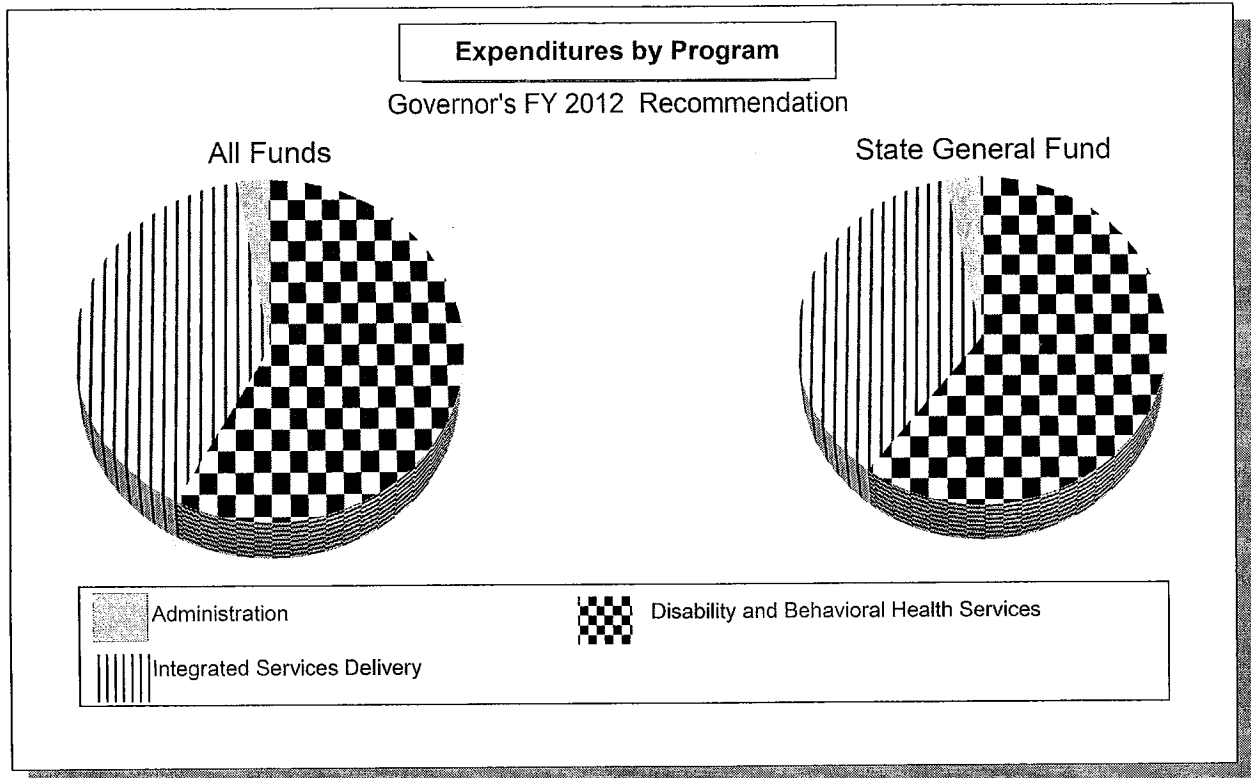
State Employee Pay Increases. The Governor's FY 2012 recommendation does not include a base salary adjustment for state employees.

Classified Employee Pay Plan. During the 2007 interim, the State Employee Compensation Oversight Commission was charged with the development of a new pay plan for classified employees for the Governor, Chief Justice of the Supreme Court and 2008 Legislature to consider. The Commission endorsed the recommendation of the Hay Group that five separate pay plans be created for state employees in the classified service, with different opportunities for pay increases to acknowledge the different types of work performed. The five pay plans recommended include: a management pay plan for those involved in managerial functions (increases based on performance); a professional individual contributor for employees requiring knowledge of principles and theories of a professional discipline that is normally obtained through a college curriculum (increases within broad bands to reflect different levels of work and performance against established standards); a protective service pay plan for uniformed officers and all other positions that meet the definition of police or law enforcement officer (increases based on achievement of milestone and certification events as well as time on the job and performance); a basic vocational pay plan for employees that perform routine, structured, work where performance can be measured on a pass/fail basis (increases based on the traditional step movement approach, based on time on the job); and a general classified pay plan for those employees who do not fall within the parameters of the other four plans (the pay ranges will have steps below the market rate and an open range above the market rate).

The time frame to fully implement the recommended plan was five years. Under the plan, the classified employees were divided into three groups to first address those with the greatest salary disparity to the market rate. The 2008 Legislature appropriated \$8.5 million from the State General Fund for FY 2009, the first year of the program. The 2008 Legislature also appropriated \$8.5 million from the State General Fund for each year from FY 2010 through FY 2013 to the State Finance Council. The Governor does not recommend continued funding for the plan, and recommends that the \$8.5 million which had been previously appropriated for both FY 2012 and FY 2013 be lapsed.

Longevity Bonus Payments. For FY 2012, the Governor recommends the continuation of the current "temporary" longevity bonus payment program. The recommendation provides for a bonus of \$50 per year of service, with a 10-year minimum (\$500) and a 25-year maximum (\$1,250). The current statutory provisions of the longevity bonus payment are \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2012 payments is \$12.6 million, including \$5.3 million from the State General Fund. **For this agency,** longevity payments total \$1,836,437, including \$824,356 from the State General Fund.

Kansas Public Employees Retirement System (KPERS) Rate Adjustments. A total of \$37.1 million, including \$32.3 million from the State General Fund, is included in the Governor's FY 2012 recommendations for KPERS adjustments. The FY 2012 rate for KPERS regular and school members will increase by 0.6 percent, from 8.17 percent to 8.77 percent, when compared to FY 2011. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERS fund.



Program	Gov. Rec. All Funds FY 2012	Percent of Total	Gov. Rec. SGF FY 2012	Percent of Total
Administration	\$ 43,122,463	2.7%	\$ 21,003,369	3.2%
Integrated Services Delivery	638,394,214	39.5	240,569,068	36.5
Disability & Behavioral Health Serv	932,954,000	57.8	398,215,692	60.4
TOTAL	\$ 1,614,470,677	100.0%	\$ 659,788,129	100.0%

FTE POSITIONS BY PROGRAM – FY 2010- FY 2012					
Program	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Administration	318.2	317.2	317.2	317.2	317.2
Integrated Services Delivery	3,222.7	3,223.7	3,223.7	3,223.7	2,673.7
Disability & Behavioral Health Ser	128.2	128.2	128.2	128.2	128.2
TOTAL	3,669.1	3,669.1	3,669.1	3,669.1	3,119.1

A. Administration

The mission of the Administration Division is to provide quality and cost effective services to staff, supervisors, and managers within SRS. This Division's services should enable employees to do their work with adequate funding, facilities, equipment, technology, and other support to help ensure their work complies with federal requirements and state policies. Administration consists of the following two programs:

Operations consists of five sub-programs: Office of the Secretary, Legal Services, Operations, Public and Governmental Services, and Audit and Consulting Services.

Information Technology Services is responsible for managing new information technology systems projects, maintaining information systems that support the agency's business, coordinating access to and protection of the agency's data resources, and providing information technology infrastructure management and user support.

ADMINISTRATION SUMMARY OF EXPENDITURES FY 2010-FY 2012					
Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Program:					
Operations	12,538,515	14,039,748	14,039,748	14,533,493	14,533,493
Information Technology	35,376,439	32,970,389	32,970,389	25,889,595	25,889,595
Debt Service	2,486,127	3,105,235	3,105,235	2,699,375	2,699,375
TOTAL	<u>\$ 50,401,081</u>	<u>\$ 50,115,372</u>	<u>\$ 50,115,372</u>	<u>\$ 43,122,463</u>	<u>\$ 43,122,463</u>
Expenditures:					
Salaries and Wages	\$ 16,684,658	\$ 17,868,545	\$ 17,868,545	\$ 18,167,865	\$ 18,167,865
Contractual Services	28,705,337	26,747,233	26,747,233	19,860,864	19,860,864
Commodities	2,207,152	1,978,157	1,978,157	1,978,157	1,978,157
Capital Outlay	317,807	416,202	416,202	416,202	416,202
Debt Service	2,486,127	3,105,235	3,105,235	2,699,375	2,699,375
TOTAL	<u>\$ 50,401,081</u>	<u>\$ 50,115,372</u>	<u>\$ 50,115,372</u>	<u>\$ 43,122,463</u>	<u>\$ 43,122,463</u>
Financing:					
State General Fund	\$ 24,957,552	\$ 20,882,353	\$ 20,882,353	\$ 21,003,369	\$ 21,003,369
All Other Funds	25,443,529	29,233,019	29,233,019	22,119,094	22,119,094
TOTAL	<u>\$ 50,401,081</u>	<u>\$ 50,115,372</u>	<u>\$ 50,115,372</u>	<u>\$ 43,122,463</u>	<u>\$ 43,122,463</u>
FTE Positions	318.2	317.2	317.2	317.2	317.2
Non-FTE Uncl. Perm. Pos.	29.0	20.0	20.0	20.0	20.0
TOTAL	<u>347.2</u>	<u>337.2</u>	<u>337.2</u>	<u>337.2</u>	<u>337.2</u>

The **agency** requests FY 2012 funding of \$43.1 million, including \$21.0 million from the State General Fund, for the Administration program. This is decrease of \$7.0 million, from all funding sources, and an increase of \$121,016 from the State General Fund, from the revised estimate. The agency does not request any enhancements for this program. The agency request is a decrease of \$7.0 million, or 14.0 percent, below the FY 2011 revised estimate. The decrease is mainly attributable to completion of federally funded computer projects in the Information Technology program. In addition, the required debt service interest payments decreased in FY 2012. These decreases are partially offset by increases in salaries and wages fringe benefit expenditures.

The **Governor** concurs with the agency's request for FY 2012 for the Administration program.

B. Integrated Service Delivery

Integrated Service Delivery (ISD) includes economic aid and employment services, and child welfare, such as foster care and adoption services within the operational supports administered through the SRS Area Offices. The ISD division is divided into five program sections: Field Operations, Integrated Service Delivery (ISD) Assistance, Child Support Enforcement (CSE) Administration, Rehabilitation Services, and Children and Family Services.

INTEGRATED SERVICE DELIVERY SUMMARY OF EXPENDITURES FY 2010-FY 2012					
Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Program:					
Field Operations	\$ 140,923,063	\$ 142,956,330	\$ 139,056,330	\$ 157,389,301	\$ 141,840,675
Administration	10,205,835	10,644,019	10,644,019	11,035,672	11,035,672
ISD Assistance	123,574,975	140,361,084	140,821,934	123,964,276	119,086,973
Child Care and Care Quality/Early Head Start	94,407,849	94,558,476	94,558,476	90,507,103	82,270,726
Child Support Enforcement	27,739,257	28,055,085	28,055,085	29,404,640	29,404,640
Rehabilitation Services	23,396,260	26,093,902	26,093,902	24,892,380	24,570,424
Children & Family Services	189,415,173	190,922,368	193,756,664	195,561,793	203,555,851
Children's Cabinet	<u>21,496,828</u>	<u>21,624,333</u>	<u>20,224,333</u>	<u>21,629,253</u>	<u>26,629,253</u>
TOTAL	<u>\$ 631,159,240</u>	<u>\$ 655,215,597</u>	<u>\$ 653,210,743</u>	<u>\$ 654,384,418</u>	<u>\$ 638,394,214</u>
Expenditures:					
Salaries and Wages	\$ 137,002,682	\$ 140,201,418	\$ 136,301,418	\$ 154,768,329	\$ 139,219,703
Contractual Services	68,419,617	73,825,359	73,575,359	71,037,835	71,037,835
Commodities	1,461,598	1,438,767	1,438,767	1,447,649	1,447,649
Capital Outlay	<u>522,127</u>	<u>635,766</u>	<u>635,766</u>	<u>663,781</u>	<u>663,781</u>
Subtotal - Operations	\$ 207,406,024	\$ 216,101,310	\$ 211,951,310	\$ 227,917,594	\$ 212,368,968
Aid to Local Units	4,262,116	11,009,600	10,009,600	11,009,600	11,009,600
Other Assistance	<u>419,491,100</u>	<u>428,104,687</u>	<u>431,249,833</u>	<u>415,457,224</u>	<u>415,015,646</u>
TOTAL	<u>\$ 631,159,240</u>	<u>\$ 655,215,597</u>	<u>\$ 653,210,743</u>	<u>\$ 654,384,418</u>	<u>\$ 638,394,214</u>
Financing:					
State General Fund	\$ 219,977,128	\$ 243,929,772	\$ 246,374,269	\$ 258,413,735	\$ 240,569,068
All Other Funds	<u>411,182,112</u>	<u>411,285,825</u>	<u>406,836,474</u>	<u>395,970,683</u>	<u>397,825,146</u>
TOTAL	<u>\$ 631,159,240</u>	<u>\$ 655,215,597</u>	<u>\$ 653,210,743</u>	<u>\$ 654,384,418</u>	<u>\$ 638,394,214</u>
FTE Positions	3,222.7	3,223.7	3,223.7	3,223.7	2,673.7
Non-FTE Uncl. Perm. Pos.	<u>83.3</u>	<u>34.3</u>	<u>34.3</u>	<u>34.3</u>	<u>34.3</u>
TOTAL	<u>3,306.0</u>	<u>3,258.0</u>	<u>3,258.0</u>	<u>3,258.0</u>	<u>2,708.0</u>

Field Operations

Field Operations staff are employed throughout Kansas and deliver the bulk of all SRS benefits and many direct services in six regional management areas (KC Metro, Northeast, South Central, Southeast, West and Wichita). The staff of these six regions perform a variety of functions including: determine eligibility for SRS programs and medical programs administered by the Kansas Health Policy Authority; investigate alleged abuse, neglect, and fiduciary abuse of adults, and help provide protective services; investigate alleged abuse and neglect of children, and coordinate with and oversee all foster care, adoption, and family preservation contractors; coordinate all SRS programs and services; and conduct quality assurance and monitoring for children and adults receiving services.

The following table shows the agency's estimate of the degree to which the workload borne by direct staff in the regions has increased over the previous five years. The aggregate caseload represents the number of different (or unduplicated) cases managed by regional staff. From FY 2005 to FY 2010 the aggregate caseload increased 13.7 percent.

Fiscal Year	Aggregate Caseload	Cumulative Increase Over FY 2005
2006	297,243	3.6%
2007	298,126	3.9%
2008	298,886	4.2%
2009	305,435	6.5%
2010	344,761	13.7%

The **agency** requests one enhancement request, totaling \$11.5 million, including \$8.9 million from the State General Fund, for this program. The enhancement request is for the restoration of salaries for direct services positions in the regional offices.

For FY 2012, the **Governor** does not recommend the enhancement request. In addition, the Governor recommends increasing shrinkage for this Division by \$4.0 million, including \$2.0 million from the State General Fund. The Governor also recommends the elimination of 550.0 FTE positions.

Child Support Enforcement (CSE) Administration

The United States Congress enacted the Child Support Enforcement Program, Title IV-D of the Social Security Act, which requires each state to establish an effective statewide uniform child support program. Failure to meet federal requirements of child support enforcement can result in fiscal sanctions to both the Temporary Assistance for Needy Families (TANF) Block Grant and Child Support Enforcement (CSE) grants. The Child Support Enforcement Program is a federal, state, county, and private operation which must satisfy numerous federal requirements. SRS is the designated Title IV-D child support enforcement agency for Kansas. Although a majority of persons served are receiving other SRS benefits, any custodial parent may ask for absent parent location and support enforcement services.

During FY 2010 the CSE program collected \$194.9 million and estimates collections of \$196.5 million for FY 2011 and \$199.4 million for FY 2012. The federally mandated single receipting and disbursement operation for all child support payments, the Kansas Payment Center, has estimated operating costs of \$5.0 million in FY 2012. Of the collections, approximately \$2.1 million will be paid to the Office of Judicial Administration for child support

services provided by the central staff and Clerks of the Court. The Customer Service Center is designed to streamline the work of regional staff by handling routine communication with clients, at an estimated cost of \$1.8 million in FY 2012. Contracts for legal enforcement services which are negotiated through the state procurement process are estimated to cost approximately \$12.5 million. Fees for setoff services by the Department of Administration and the federal government account for another \$4.3 million. Finally, \$210,000 will be paid to the Department of Labor for operating the State New Hires Directory.

For FY 2011, the **agency** estimates a caseload of 125,848 cases with collections of \$196.5 million and an average of \$1,562 collected per case. Of this amount, the state will retain \$15.1 million. No supplementals are requested.

For FY 2012, the **agency** estimates a caseload of 125,260 cases with collections of \$199.4 million and an average of \$1,592 collected per case. Of this amount, \$14.9 million will be retained by the state. The Department did not request any enhancements for this program.

The **Governor** concurs with the agency's request.

Rehabilitation Services

The Rehabilitation Services Administration Program is responsible for seeing that comprehensive vocational rehabilitation (VR) services are available to help people with disabilities become gainfully employed. Within the VR program is the Kansas Commission for the Deaf and Hard of Hearing.

The Rehabilitation Services for the Blind program provides a broad array of programs for people who are blind or visually impaired including core vocational rehabilitation to help consumers become gainfully employed. In addition, the program administers the Kansas Seniors Achieving Independent Living program; administers the Rehabilitation Teaching Program; operates the Business Enterprise Program; and operates the Office Experience Project. Services for the Blind also administers several independent living and specialized employment programs.

Disability Determination Services makes disability and blindness determinations for the U.S. Social Security Administration on the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) claims filed or reviewed in Kansas. The workload consists of claims for adults and children filing for initial, reconsideration, and hearings level decisions. Continuing disability reviews are also conducted for Kansans already receiving disability benefits.

For FY 2011 the **agency** requests no supplemental requests. For FY 2012, the **agency** requests one enhancement request, totaling \$321,956, all from the State General Fund, to restore grants to Centers for Independent Living.

The **Governor** concurs with the agency's FY 2011 estimate, but does not recommend the agency's enhancement request for FY 2012.

Integrated Service Delivery (ISD) Assistance

Integrated Service Delivery (ISD) Assistance has responsibility for a variety of economic and other assistance programs. These include: Temporary Assistance for Families cash assistance and employment services, General Assistance cash assistance, energy assistance, refugee assistance, food assistance, food stamp employment program, child care, protective

services for adults, and the federal food distribution programs. The following chart shows all funds expenditures for the major ISD Assistance programs:

Integrated Service Delivery Assistance Summary of Expenditures FY 2011-FY 2012				
Item	Agency Est. FY 2011 SGF	Agency Est. FY 2011 All Funds	Agency Req. FY 2012 SGF	Agency Req. FY 2012 All Funds
Temporary Assistance for Families*	\$ 29,821,028	60,061,677	29,821,028	54,039,150
General Assistance*	3,024,000	3,024,000	7,574,106	7,574,106
TAF Employment Support	0	12,356,133	0	12,356,133
Other Assistance+	463,005	41,180,557	1,227,704	24,982,492
Rehabilitation Assistance	4,889,548	23,738,717	4,631,887	25,012,395
Total	<u>\$ 38,197,581</u>	<u>\$ 140,361,084</u>	<u>\$ 43,254,725</u>	<u>\$ 123,964,276</u>
	Gov. Rec. FY 2011 SGF	Gov. Rec. FY 2011 All Funds	Gov. Rec. FY 2012 SGF	Gov. Rec. FY 2012 All Funds
Temporary Assistance for Families*	\$ 29,821,028	60,522,527	29,821,028	57,500,000
General Assistance*	3,024,000	3,024,000	0	0
TAF Employment Support	0	12,356,333	0	12,356,133
Other Assistance+	463,005	41,180,557	463,657	24,218,445
Rehabilitation Assistance	4,889,548	23,738,717	4,631,887	25,012,395
Total	<u>\$ 38,197,581</u>	<u>\$ 140,822,134</u>	<u>\$ 34,916,572</u>	<u>\$ 119,086,973</u>
* Programs marked with an asterisk are part of the consensus caseload estimating process for human services entitlement programs.				
+ Other assistance includes Funeral Assistance, Low Income Energy Assistance, Refugee Services, Adult Protective Services, Food Stamp Employment and Training and assistance related to Hurricane Katrina. Federal food stamp benefits are not included in the state budget.				

The **Temporary Assistance for Families (TAF)** program provides cash assistance to very low-income families. Families with incomes at approximately 30 percent of the federal poverty level may qualify for TAF assistance. Almost all families with an adult must participate in work activities and seek employment through the TAF Employment Services program. Cash assistance is not an entitlement and is limited to sixty-months, with provisions for extended assistance if the family meets hardship criteria. Temporary Assistance for Families benefits are financed by the federal Temporary Assistance for Needy Families (TANF) Block Grant and state funds. This program is subject to the consensus caseload estimating process in the fall and spring of each year.

In order to receive the entire \$101,931,061 federal TANF Block Grant, Kansas must spend a specified minimum in state funds, the TANF Maintenance of Effort (TANF MOE). The TANF MOE is \$65,866,230, and represents eighty percent of state funds spent in the base fiscal year of 1994. The MOE is reduced to 75.0 percent of the amount for states which meet the work requirements. The TANF MOE is budgeted in specific program budgets. A major source of the MOE is net refunds from the Kansas Earned Income Tax Credit. The TANF law allows states to

claim refundable tax credits toward the MOE if the credit exceeds the underlying tax upon which the tax credit is based. The State General Fund finances \$29,821,028 of the MOE.

The **agency** estimates a caseload of approximately 15,514 families at an average cost of \$112.50 per person. The estimate is based on the April 2010 consensus caseload estimate of \$54.0 million approved by the Legislature. The **agency** included the same estimate as FY 2011 for FY 2012.

The **Governor** recommends expenditures of \$60.5 million for FY 2011 and \$57.5 million for FY 2012, based on fall 2010 consensus caseload estimates.

The **General Assistance** program is a state-only program and serves disabled adults who are unable to work while awaiting a decision of the Social Security Administration on their application for federal disability benefits (SSI or SSDI). The program has been in existence in some form at the county level since statehood. Disabled adults with income less than generally thirty percent of the federal poverty level may qualify for this cash assistance. General Assistance clients are not eligible to receive federal Medicaid services but instead, receive MediKan, which is a more restrictive medical benefit package. Beginning July 1, 2010, General Assistance is limited to 18 months, with no provisions for hardship.

Effective September 2006, General Assistance applicants and existing participants are assessed using Social Security disability standards. Those presumed to meet the social security disability standards will receive the broader array of medical services under Medicaid, while those not presumed to meet the federal standards will continue to receive more limited medical coverage under the state-funded MediKan program through March 2007.

The **agency** estimates serving 2,000 persons per month on average at a cost of \$126.00 per person in FY 2011. For FY 2012, the **agency** submitted an enhancement request totaling \$4.6 million, all from the State General Fund, to restore eligibility to pre-2010 levels. The agency estimates serving 3,393 persons per month at an average cost of \$186.00 per person in FY 2012 at the restored eligibility level.

The **Governor** concurs with the agency's estimate of \$3,024,000, all from the State General Fund for FY 2011 expenditures. The **Governor's** recommendation for FY 2012 eliminates all General Assistance cash benefits while maintaining eligibility for the population for mental health services.

TAF Employment Services helps adults obtain and keep employment. All adult TAF recipients, except those with a child under age one, those age sixty or over, and those needed in the home to care for a disabled household member, must work or participate in work-readiness activities thirty hours a week (55 hours for two-parent households). Federal law requires that at least fifty percent of TAF adults whose youngest child is over the age of one must be involved in a work activity each month or the state faces a reduction in the TANF Block Grant. The program offers 12 months of transitional services to families leaving Cash Assistance for employment. TAF Employment Services are financed by the TANF Block Grant.

The **agency** anticipates a caseload of 12,789 average persons per month accessing employment services in FY 2011 at a cost of \$78.47 per person. A higher number of persons is estimated for FY 2012 but at a slightly lower cost per person of \$76.39. This results in the same amount of funding for FY 2012.

The **Governor** recommends expenditures of \$12.4 million for both FY 2011 and FY 2012.

The **Grandparents as Caregivers** program, created by the 2006 Legislature, provides assistance to grandparents raising a grandchild. To be eligible a grandparent, or other close relative, must be at least fifty-years old, have custody of a grandchild, and have an annual income below 130.0 percent of the Federal Poverty Level (FPL). Grandparents receive \$200 per grandchild per month, not to exceed \$600 a month. Grandparents are not be eligible for the program if a parent who is liable for the support of the child resides in the household. The program is financed by state funds. The program began January 1, 2007. The Department integrated the Grandparents as Caregivers program into the Temporary Assistance for Families Program on July 1, 2009.

Funeral Assistance. The Funeral Assistance program contributes funding for funeral expenses. To receive funeral assistance, the deceased must be a cash, medical, or food stamp recipient at the time of death. This assistance is paid directly to funeral homes and is financed by the State General Fund. Funding for this program was eliminated during the 2010 Session.

The **agency** requests an enhancement to restore funding for this program in FY 2012 at a cost of \$764,047, all from the State General Fund. The agency estimates paying expenses for 1,273 funerals in FY 2012 at an average cost of \$600.19 per funeral.

The **Governor** does not recommend the agency's enhancement request.

The **Low Income Energy Assistance Program (LIEAP)** provides a one-time annual benefit to low-income households for energy bills to avoid the shutoff of utility services during the winter. To qualify for energy assistance, households must have incomes below 130.0 percent of the Federal Poverty Level, must have made recent payments on their energy bills, and must pay directly for heating costs or must pay rent which includes utility costs. Payments are sent directly to the utility/fuel provider, and the payments are credited to the household's bill. The program is funded primarily by a block grant from the U.S. Department of Health and Human Services.

The **agency** estimates providing assistance to 55,000 households including 140,279 persons in FY 2011 at an average cost of \$362.03 per year. The agency's estimate also includes an additional federal appropriation for this purpose. For FY 2012, a similar number of households and persons served is expected but at a higher average cost of \$375.94 per household. The supplemental federal funding is not available for FY 2012.

The **Governor** concurs with the agency's request for both FY 2011 and FY 2012.

Refugee Services provides financial and medical assistance to refugees during their first eight months in the United States. Grants are made to community organizations to provide social services to refugees and the Program is entirely funded by the federal government. The benefits parallel Temporary Assistance to Families and Medicaid benefits except that cash benefits are limited to eight months.

The **agency** estimates providing cash assistance to an average of 55 persons per month in FY 2011 and FY 2012 at an average cost of \$140.00 per month. In addition, the agency estimates medical assistance expenditures of \$188,400 in FY 2011 and \$198,000 for FY 2012. Refugee Services also includes social service grants of \$210,000 in FY 2011 and \$215,000 for FY 2012. Social service grants are provided to organization who provide refugees employment skills, English language skills and general social adjustment services.

The **Governor** concurs with the agency's estimate for both FY 2011 and FY 2012.

Food Assistance provides benefits to individuals and families to assist with food costs. This 100.0 percent federally funded program assists individuals and families with incomes less than 130.0 percent of the federal poverty level. Food stamp benefits are issued through electronic benefit transfer (EBT). Each family or individual receives a plastic "Vision" card with credit in an individual account that may be used only for the purchase of food. Food stamp benefit expenditures are not shown in the state budget. The funding is not included in the state budget, however the agency estimates a steep increase in both caseloads and expenditures for this program.

Food Assistance Program

	FY 2010 Actuals	FY 2011 Agency Est.	FY 2012 Agency Est.
Average Monthly Persons	259,609	305,800	352,000
Food Assistance Benefits	\$383,275,641	\$462,234,076	\$540,049,021

Adult Protective Services investigate all reports of abuse or neglect of vulnerable adults age eighteen and above, without regard to income, to prevent or alleviate physical and fiduciary abuse, neglect, and exploitation. Adults have a right to refuse services if they have capacity. Involuntary intervention (guardianship or conservatorship) is initiated only if the adult is incapable of protecting himself/herself because of major mental/physical disability and there are no other options. The program is funded by federal and state funds.

The **agency** estimates providing services to 8,442 persons in both FY 2011 and FY 2012 at an annual cost of \$47.12 per household, for total estimated funding of \$380,000, all from the State General Fund.

The **Governor** concurs with the agency's request for FY 2011 and FY 2012.

Child Care Assistance

Child Care and Care Quality/Early Head Start Summary of Expenditures FY 2010-FY 2011				
Item	Agency Est. FY 2011 SGF	Agency Est. FY 2011 All Funds	Agency Req. FY 2012 SGF	Agency Req. FY 2012 All Funds
Child Care Assistance	\$ 20,324,558	\$ 74,075,313	\$ 20,324,558	\$ 75,915,580
Child Care Quality	0	9,140,766		3,249,126
Early Head Start	0	11,342,397	0	11,342,397
Total	\$ 20,324,558	\$ 94,558,476	\$ 20,324,558	\$ 90,507,103
	Gov. Rec. FY 2011 SGF	Gov. Rec. FY 2011 All Funds	Gov. Rec. FY 2012 SGF	Gov. Rec. FY 2012 All Funds
Child Care Assistance	\$ 20,324,558	\$ 74,075,313	\$ 16,871,779	\$ 79,021,600
Child Care Quality	0	9,140,766	0	3,249,126
Early Head Start	0	11,342,397	0	0
Total	\$ 20,324,558	\$ 94,558,476	\$ 16,871,779	\$ 82,270,726

The Child Care Assistance program provides payments to child care providers to allow low income families to remain in the workforce. To qualify, families must have incomes below 185.0 percent of the Federal Poverty Level (FPL) and must comply with Child Support enforcement requirements. Families with incomes above seventy percent of the FPL are required to pay a share of the child care cost. Child care is provided by centers, licensed providers, registered providers, and unregulated providers, which covers care by relatives and care provided by persons in the child's home.

A majority of the financing in the Child Care Assistance Program is provided by the Child Care and Development Fund which is composed of mandatory, matching, and discretionary funds. For a state to access mandatory and matching funds, it must meet the state maintenance of effort (\$6.7 million), and use at least 70.0 percent of the total amount for child care assistance. Discretionary funds are 100.0 percent federal funds and matching funds are matched at the Federal Medical Assistance Percentage (FMAP) rate (approximately 40.0 percent state and 60.0 percent federal).

The majority of child care quality expenditures are devoted to resource and referral services. The program provides information to parents about child care available in their communities and referrals to other programs in response to family needs. It also maintains databases on child care programs, builds the supply of child care by providing training and technical assistance to new and existing providers, and improves child care quality by offering training for family child care providers, center staff, and directors

The Kansas Early Head Start program provides early intervention services including: weekly home visits, physical and mental health education, nutrition education, social services, parental involvement and education, services for children with disabilities, job seeking and retention support, and child care for parents who are working or are in school. Kansas Early Head Start grants are awarded to thirteen Early Learning programs in 32 counties.

The **agency** estimates assisting an average of 10,847 families, including 20,500 children, in FY 2011 at an average monthly cost of \$301.12 per child in the child care assistance program. The agency estimates providing services to an average of 1,177 children in FY 2011 at an average monthly cost of \$9,636.70.

For FY 2012, the **agency** estimates assisting an average of 10,952 families, including 20,700 children, at an average monthly cost of \$305.62 per child in the child care assistance program. The agency estimates providing services to an average of 1,177 children in FY 2012 at an average monthly cost of \$9,636.70.

The **Governor** concurs with the agency's estimate for FY 2011. The **Governor** recommends an increase in caseloads, corresponding to the Governor's recommendation to eliminate funding for the Early Head Start program for FY 2012.

Children and Family Services

Children and Family Services has a mission to protect children; promote permanent, nurturing families; and strengthen community partnerships to serve children. Children and Family Services delivers services to the target population through six programs: Administration, Protection Reporting Center, Child Protective Services/Family Support, Reintegration/Foster Care, Adoption/Alternate Permanencies, and the Children's Cabinet.

The Kansas Children's Cabinet and Children's Trust Fund was established by the 1999 Kansas Legislature. The Kansas Children's Cabinet is charged with duties such as assisting the Governor in developing and implementing a coordinated, comprehensive delivery system to serve the families and children of Kansas, and in recommending to the Legislature and the Governor how to best allocate portions of tobacco settlement monies. The Cabinet also is given governing authority of the Children's Trust Fund. The Kansas Children's Cabinet is attached to SRS for budget and administrative purposes.

Children and Family Services Summary of Expenditures FY 2011-FY 2012				
Item	Agency Est. FY 2011 SGF	Agency Est. FY 2011 All Funds	Agency Req. FY 2012 SGF	Agency Req. FY 2012 All Funds
Administration	\$ 4,078,950	\$ 4,285,859	\$ 4,169,761	\$ 4,382,242
Protection Report Center	2,153,567	2,153,567	2,220,643	2,220,643
Prevention Services	2,592,983	13,848,794	2,867,983	14,139,032
Reintegration/Foster Care*	86,586,575	136,165,704	81,053,086	136,165,704
Permanent Guardianship	1,277,192	1,277,192	1,331,642	1,331,642
Adoption Support	14,696,380	29,390,446	17,953,850	34,036,311
Other Grants and Contracts	2,053,556	3,800,806	2,035,910	3,286,219
Total	<u>\$ 113,439,203</u>	<u>\$ 190,922,368</u>	<u>\$ 111,632,875</u>	<u>\$ 195,561,793</u>
	Gov. Rec. FY 2011 SGF	Gov. Rec. FY 2011 All Funds	Gov. Rec. FY 2012 SGF	Gov. Rec. FY 2012 All Funds
Administration	\$ 4,078,950	\$ 4,285,859	\$ 4,169,761	\$ 4,382,242
Protection Report Center	2,153,567	2,153,567	2,220,643	2,220,643
Prevention Services	2,592,983	13,848,794	2,592,983	13,848,794
Reintegration/Foster Care*	91,000,000	139,000,000	86,479,948	144,450,000
Permanent Guardianship	1,277,192	1,277,192	1,331,642	1,331,642
Adoption Support	14,696,380	29,390,446	17,953,850	34,036,311
Other Grants and Contracts	2,503,556	3,800,806	2,035,910	3,286,219
Total	<u>\$ 118,302,628</u>	<u>\$ 193,756,664</u>	<u>\$ 116,784,737</u>	<u>\$ 203,555,851</u>
* These programs are subject to the consensus caseload process for entitlement programs.				

The **Protection Report Center (PRC)** provides a 24 hours-a-day, seven-days-a-week hotline to take reports from callers statewide regarding alleged abuse or neglect. The PRC sends the report to the local SRS area office to be screened and investigated if warranted. If reports received at the PRC after hours are determined to meet the criteria for a same day response, PRC staff will notify the local law enforcement agency.

The Child Protective Services and Family Support program responds to reports alleging a child is in need of care (CINC). Social workers in local SRS offices are responsible for determining if a child abuse report is valid and whether there is a need for further action. If the

report alleges abuse or neglect, the response involves assessing the immediate safety of the child, evaluating the family's ability to protect the child, and determining the services required to support the family in safely caring for their child.

Family Services are delivered to the family as a unit to address the safety and risk factors identified and to sustain or enhance the family's capacity to care for their children. Services may be court ordered, recommended by SRS, or requested by the family. Safety and prevention of out-of-home care are the primary goals of family services. Services may be offered by SRS staff or through referrals to other community agencies or entities.

The **agency** estimates providing services to 420 families in both FY 2011 and in FY 2012 at an average cost of \$3,804 per family.

The **Governor** concurs with the agency's request for both FY 2011 and FY 2012.

Community Services establishes local collaborative efforts to provide services to children and their families to prevent unnecessary placements of children into Foster Care (included in other grants and contracts in the summary table). These efforts are primarily directed at children who are safe from abuse and/or neglect by their care givers but who need preventive services, either because of their own behaviors or the parents' need for support. These could be children with behavioral problems, truants, or children with serious medical or mental health needs.

The **agency** estimates providing services to 3,970 children in FY 2011 and FY 2012 at an annual cost of \$494 per child.

The **Governor** concurs with the agency's request for both FY 2011 and FY 2012.

Family Preservation services are intensive services offered to families, through a contract with a private vendor, who are at risk of having a child come into the custody of the Department and removed from their home unless the family can make the changes necessary to provide adequate care and safety. The SRS social worker is responsible for monitoring service delivery to achieve established outcomes.

The **agency** estimates referring 2,622 families for these services in FY 2011 at a cost of \$3,882 per referral. For FY 2012, the agency estimates referring 2,624 families at a cost of \$3,990 per referral. The agency included an enhancement request totaling \$290,238, including \$275,000 from the State General Fund, for FY 2012.

The **Governor** recommends the agency's estimate for both FY 2011, but does not recommend the agency's FY 2012 enhancement request.

Reintegration/Foster Care Services have been provided through private contract agencies since 1997. Services provided by the Child Welfare Case Management Providers include case planning, placement, service delivery, and collaboration with communities. The SRS workers are responsible for monitoring service delivery to achieve established outcomes. Services are provided to children and families when the court has found the child to be a "child in need of care" (CINC) and requiring out-of-home placement to meet their safety needs. On July 1, 2009, new four year contracts (with options for four additional years) were awarded to four contractors serving the state.

The **agency** estimates serving approximately 4,952 children in the reintegration program in FY 2011 and FY 2012. The estimated monthly cost for FY 2011 and FY 2012 is \$2,291 per

child. This does not include any adjustments made by the consensus caseload estimating process to which this program is subject.

The **Governor** recommends funding the estimate from the fall consensus caseload estimating meeting. The Governor's recommendation adds \$5.4 million, all from the State General Fund in FY 2012, reduces Foster Care funds of \$1.7 million and the addition of \$4.8 million from TANF funds.

Behavior Management Services represent payments made for the maintenance costs, such as room and board, for children in Therapeutic Foster Care and Psychiatric Residential Treatment facilities.

Adoption Services are designed to benefit children whose parents' parental rights have been terminated or relinquished by providing the children with a permanent family. Effective July 1, 2005, the Adoption Resource Recruitment contractor started to recruit, train, and prepare adoptive families statewide. When a child does not have an identified adoption resource, the Family Preservation or Reintegration/Foster Care contractor will coordinate with the Adoption Resource Recruitment contractor to help match the child with an adoptive family. This contractor is paid a flat monthly fee. In the previous contracts, the adoption contractor provided services to children whose parental rights have been terminated or relinquished by providing the child with a permanent family. Other responsibilities include the following:

- Adoption support payments are available to assist adoptive families in meeting the special needs of the children they adopt.
- Permanent guardianship is an alternative permanent placement when the courts have determined that children cannot return home but for whom adoption is not an option.
- Life Skills and Independent Living Services are provided to older children to prepare them for adulthood once they leave state custody.

For **FY 2011** in Permanent Guardianship, the **agency** estimates serving an average of 359 children per month at an average monthly cost of \$296.47 per child. For adoption support, the agency estimates providing support for an average of 7,566 children per month at a cost of \$353.14 per child. For Independent Living Services, the agency estimates serving 931 youth at an average annual cost of \$2,051 per person.

For **FY 2012**, the **agency** estimates serving an average of 372 children per month at an average monthly cost of \$298.31 per child for permanent guardianship. For adoption support, the agency estimates providing support for an average of 7,919 children per month at an average cost of \$358.17 per child. For Independent Living Services, the agency estimates serving 931 youth at an average annual cost of \$2,051 per person.

The **Governor** concurs with the agency's request for both FY 2011 and FY 2012.

C. Disability and Behavioral Health Services

Disability and Behavioral Health Services (DBHS) is a purchaser and provider of supports and services for Kansans with disabilities, mental illness, or addictions to assist these persons to live healthy, successful, and self-determined lives in their homes and communities. DBHS is divided into four key program sections – Mental Health Services, Addiction and Prevention Services, Community Supports and Services, and State Hospitals. The Kansas Council on Developmental Disabilities is also funded in Disability and Behavioral Health Services but is a free standing federally mandated organization.

Disability and Behavioral Health Services Administration provides the administrative support to the DBHS program sections. The administration program provides for the Division's accounting, budgeting, personnel, facilities, policy evaluation, research, and training programs. The Division also directs the State's mental health and retardation hospitals and the Sexual Predator Treatment Program, which are budgeted separately.

The Kansas Council on Developmental Disabilities is charged to monitor, evaluate, and influence existing systems to assure that persons are receiving the appropriate programs, services and opportunities necessary to enable the developmentally disabled to achieve their maximum potential through increased independence, productivity, and integration into the community. Funding for the Council comes from federal grants as federal law mandates that a Developmental Disabilities Council be formed in each state to advocate for persons with developmental disabilities.

**DISABILITY AND BEHAVIORAL HEALTH SERVICES
SUMMARY OF EXPENDITURES FY 2010-FY 2012**

Item	Actual FY 2010	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Program:					
Administration	\$ 2,640,929	\$ 3,063,307	\$ 3,063,307	\$ 3,115,375	\$ 3,115,375
Comm. Supports & Services	558,208,126	554,216,604	555,445,668	565,432,737	554,086,726
Mental Health Services	306,654,100	316,607,902	332,141,594	340,373,658	326,657,585
Addiction & Prevent Svcs	48,077,073	45,479,712	46,126,718	47,544,750	48,052,591
Council on Dev Disabilities	619,461	1,036,045	1,036,045	1,041,723	1,041,723
TOTAL	\$ 916,199,689	\$ 920,403,570	\$ 937,813,332	\$ 957,508,243	\$ 932,954,000
Expenditures:					
Salaries and Wages	\$ 5,527,871	\$ 7,498,313	\$ 7,498,313	\$ 7,692,241	\$ 7,692,241
Contractual Services	43,148,708	47,596,829	47,596,829	46,458,850	45,958,850
Commodities	42,461	106,379	106,379	105,879	105,879
Capital Outlay	8,232	800	800	800	800
Subtotal - Operating	\$ 48,727,272	\$ 55,202,321	\$ 55,202,321	\$ 54,257,770	\$ 53,757,770
Aid to Local Units	38,485,390	40,279,345	40,129,345	68,223,889	21,261,620
Other Assistance	828,987,027	824,921,904	842,481,666	835,026,584	857,934,610
TOTAL	\$ 916,199,689	\$ 920,403,570	\$ 937,813,332	\$ 957,508,243	\$ 932,954,000
Financing:					
State General Fund	\$ 290,256,237	\$ 310,081,495	\$ 312,018,855	\$ 433,221,365	\$ 398,215,692
All Other Funds	625,943,452	610,322,075	625,794,477	524,286,878	534,738,308
TOTAL	\$ 916,199,689	\$ 920,403,570	\$ 937,813,332	\$ 957,508,243	\$ 932,954,000
FTE Positions	128.2	128.2	128.2	128.2	128.2
Non-FTE Uncl. Perm. Pos.	17.5	15.5	15.5	15.5	15.5
TOTAL	145.7	143.7	143.7	143.7	143.7

Community Supports and Services (CSS)

CSS oversees the value-based purchasing of community-based services to more than 12,000 persons with physical or developmental disabilities. Supports and services provided include day and residential, family support services, and personal care services which assist people with daily living tasks. Individuals have the opportunity to self-direct their services including the hiring, training, scheduling, supervising, and releasing of attendants. Services also include assistive services such as home modifications, technology devices, transitional living services such as teaching independent living skills, and rehabilitation services such as physical, occupational, speech, behavioral, and cognitive therapies. Services are coordinated by case managers or independent living counselors.

CSS provides services for persons with Developmental Disabilities (DD), Physical Disabilities (PD), Traumatic Brain Injuries (TBI) and children who are dependent on technology assistance. These services are provided through community providers such as Community Developmental Disability Organizations (CDDOs), Centers for Independent Living (CILs) and home health agencies. Financing is provided by Medicaid Home and Community Based Services (HCBS) waivers, grants to CDDOs and through the regular medical portion of the Medicaid program. The vast majority of CSS services are represented by the HCBS waivers.

To be served by an HCBS waiver, a person must be determined both financially and functionally eligible. Once eligible, the person may receive both waiver services and regular medical services such as doctors visits and pharmaceuticals. The HCBS waivers are summarized in the following:

Overview of Medicaid Home and Community Based Services Waivers					
Waiver	Physically Disabled	Developmental Disabilities	Technology Assisted	Traumatic Brain Injury	Autism
Institutional Equivalent	Nursing Facility	Intermediate Care Facility for Persons with Mental Retardation (ICF/MR)	Acute Care Hospital	Rehabilitation Facility	State Mental Health Hospital Services
Eligibility	<ul style="list-style-type: none"> • Age 16-64 • Disabled by Social Security Adm. 	<ul style="list-style-type: none"> • Age 5 or over • Meet the definition of mental retardation or developmental disability 	<ul style="list-style-type: none"> • Children under 18 • Medically fragile dependent on intensive technology 	<ul style="list-style-type: none"> • Age 16-55 • Have traumatic non-degenerative brain injury resulting in residual deficits and disabilities 	<ul style="list-style-type: none"> • Time of diagnosis through 5 years of age • Diagnosis of autism spectrum disorder or PDD-NOS
Point of Entry	Centers for Independent Living or Designated Home Health Agencies	Community Developmental Disability Organizations	Private Agencies	Centers for Independent Living or Designated Home and Health Agencies	Application sent to Autism Program Manager
Financial Eligibility Rules	<ul style="list-style-type: none"> • Only the individual's personal income and resources are considered • For individuals under age 18 parents' income and resources are not counted • Income over \$727 per month must be contributed towards the cost of care 	<ul style="list-style-type: none"> • Only the individual's personal income and resources are considered • For individuals under age 18 parents' income and resources are not counted • Income over \$727 per month must be contributed towards the cost of care 	<ul style="list-style-type: none"> • Only the individual's personal income and resources are considered** • For individuals under age 18 parents' income and resources are not counted • Income over \$727 per month must be contributed towards the cost of care 	<ul style="list-style-type: none"> • Only the individual's personal income and resources are considered • For individuals under age 18 parents' income and resources are not counted • Income over \$727 per month must be contributed towards the cost of care 	<ul style="list-style-type: none"> • Only the individual's personal income and resources are considered • Parents' income and resources are not counted. • Income over \$727 per month must be contributed towards the cost of care
Services/Supports	<ul style="list-style-type: none"> • Indep. Living Counseling • Personal Services • Assistive Services 	<ul style="list-style-type: none"> • Residential Services • Day Services • Medical Alert • Wellness Monitoring • Family/Indiv. Supports • Environ./Adaptive Equip. 	<ul style="list-style-type: none"> • Respite Care • Medical Equip. & Supplies • Case Management 	<ul style="list-style-type: none"> • Personal Services • Assistive Services • Rehabilitation Services • Trans. Living Skills 	<ul style="list-style-type: none"> • Consultive clinical and therapeutic services • Intensive individual supports • Parent support/training • Family Adjustment counseling • Respite services
**Note: The parents' personal income and resources are not counted for eligibility but are counted for the purpose of determining a family participation fee.					

The following table shows expenditures for the Home and Community Based Services (HCBS) waivers and associated regular medical services which make up a majority of the CSS services:

**HCBS Waivers and Medicaid Services for Participants
Summary of Expenditures FY 2011-FY 2012**

Item	Agency Est. FY 2011 SGF	Agency Est. FY 2011 All Funds	Agency Req. FY 2012 SGF	Agency Req. FY 2012 All Funds
Home and Community Based Services (HCBS) waiver for:				
Developmentally Disabled (DD)	\$ 101,638,149	315,345,282	131,371,286	315,777,776
Physically Disabled (PD)	40,397,191	125,337,423	52,190,749	125,791,152
Traumatic Brain Injury (TBI)	3,016,627	13,500,085	6,203,693	14,952,261
Technology Assist. Children (TA)	6,978,695	25,312,761	11,401,846	27,480,950
Autism	389,278	1,207,726	511,620	1,233,120
Total	\$ 152,419,940	\$ 480,703,277	\$ 201,679,194	\$ 485,235,259
Regular Medicaid Services for persons on waivers:				
Targ. Case Mgmt.*	\$ 7,497,246	23,261,160	9,651,056	23,261,160
Positive Behavior Support*	61,129	189,660	78,690	189,660
Money Follows the Person	633,068	3,636,993	237,441	3,425,886
ICFs/MR	4,603,042	14,372,110	5,919,975	14,268,438
Head Injury Rehab. Hosp.*	3,025,396	9,386,676	3,894,532	9,386,676
Total	\$ 15,819,881	\$ 50,846,599	\$ 19,781,694	\$ 50,531,820
GRAND TOTAL	\$ 168,239,821	\$ 531,549,876	\$ 221,460,888	\$ 535,767,079
	Gov. Rec. FY 2011 SGF	Gov. Rec. FY 2011 All Funds	Gov. Rec. FY 2012 SGF	Gov. Rec. FY 2012 All Funds
Home and Community Based Services (HCBS) waiver for:				
Developmentally Disabled (DD)	\$ 93,114,069	315,345,282	133,885,108	315,096,190
Physically Disabled (PD)	40,397,191	84,940,232	53,311,154	125,261,169
Traumatic Brain Injury (TBI)	3,016,627	13,500,085	6,308,938	14,904,469
Technology Assist. Children (TA)	6,978,695	25,312,761	11,665,493	27,480,950
Autism	389,278	818,448	524,816	1,233,120
Total	\$ 143,895,860	\$ 439,916,808	\$ 205,695,509	\$ 483,975,898
Regular Medicaid Services for persons on waivers:				
Targ. Case Mgmt.*	\$ 7,288,106	22,612,800	9,660,020	22,702,751
Positive Behavior Support*	32,797	101,760	43,299	101,760
Money Follows the Person	633,068	3,636,993	633,068	3,425,886
ICFs/MR	4,619,355	14,437,360	6,088,960	14,333,688
Head Injury Rehab. Hosp.*	3,658,750	11,352,000	4,896,681	11,500,000
Total	\$ 16,232,076	\$ 52,140,913	\$ 21,322,028	\$ 52,064,085
GRAND TOTAL	\$ 160,127,936	\$ 492,057,721	\$ 227,017,537	\$ 536,039,983
* These programs are subject to the consensus caseload estimating process.				

DD Waiver

The **agency** estimates serving an average of 7,858 persons per month in FY 2012 at an average monthly cost of \$3,349 per person. The agency requests \$315.8 million, including \$131.4 million from the State General Fund for FY 2012. This includes two enhancement requests: \$20.5 million, including \$8.5 million from the State General Fund, to replace fee funds with State General Fund moneys for the Home and Community Based Services waiver for individuals with Developmental Disabilities (HCBS/DD), and \$681,586, including \$282,790 from the State General Fund, to restore dental services to the waiver.

For FY 2012, the **Governor** recommends expenditures of \$315.1 million, including \$133.9 million from the State General Fund for the HCBS/DD waiver. The FY 2012 recommendation is a decrease of \$249,092 from all funding sources, and an increase of \$40.8 million from the State General Fund, from the FY 2011 recommendation.

PD Waiver

The **agency** estimates serving an average of 6,674 persons per month in FY 2012 at an average monthly cost of \$1,571 per person. The agency requests \$125.8 million, including \$52.2 million from the State General Fund for FY 2012. This includes an enhancement request of \$529,983, including \$219,890 from the State General Fund to restore dental services for the Home and Community Based Services waiver for individuals with physical disabilities (HCBS/PD).

The **Governor** recommends FY 2012 expenditures of \$125.3 million, including \$53.3 million from the State General Fund for the HCBS/PD waiver. The recommendation is a decrease of \$76,254, and an increase of \$12.9 million from the State General Fund, from the FY 2011 recommendation.

TBI Waiver

The **agency** estimates serving an average of 383 persons per month in FY 2012 at an average monthly cost of \$3,253 per person. The agency requests \$15.0 million, including \$6.2 million from the State General Fund, for FY 2012. This includes two enhancement requests: \$3.2 million, including \$1.3 million from the State General Fund, to replace fee funds with State General Fund for the Traumatic Brain Injury waiver, and \$47,792, including \$19,829 to restore dental services.

The **Governor** recommends FY 2012 expenditures of \$14.9 million, including \$6.3 million from the State General Fund for the HCBS/TBI waiver. The recommendation is an increase of \$1.4 million from all funding sources and an increase of \$3.3 million from the State General Fund, from the FY 2011 recommendation.

TA Waiver

The **agency** estimates serving an average of 456 persons per month in FY 2012 at an average monthly cost of \$5,022 per person. The agency requests \$27.2 million, including \$11.4 million from the State General Fund, for FY 2012. This includes an enhancement request of \$2.8 million, including \$1.2 million from the State General Fund, for FY 2012 to replace fee funds with State General Fund for the Technology Assistance waiver.

The **Governor** recommends FY 2012 expenditures of \$27.5 million, including \$11.7 million from the State General Fund for the TA waiver. The recommendation is an increase of \$2.2 million from all funding sources, and a State General Fund increase of \$4.7 million above the FY 2011 recommendation.

Autism Waiver

The **agency** estimates serving an average of 45 persons per month in FY 2012 at an average monthly cost of \$2,237 per person. The agency requests \$1.2 million, including \$511,620 from the State General Fund for FY 2012.

The **Governor** recommends FY 2012 expenditures of \$1.2 million, including \$524,816 from the State General Fund, for the Autism Waiver. The recommendation is an increase of \$25,394 from all funding sources and a State General Fund increase of \$135,538, above the FY 2011 recommendation.

Mental Health Services

Mental Health Services (MH) manages and administers services for adults with Severe and Persistent Mental Illnesses (SPMI), and children with a Serious Emotional Disturbance (SED).

Services are purchased through grants, contracts, and direct Medicaid payments to public and private community mental health providers, including Community Mental Health Centers (CMHCs) and Consumer Run Organizations. In addition to purchasing services, MH supports the development and implementation of evidenced-based practices, develops and/or approves content of training materials for providers, furnishes direct technical assistance to providers, and utilizes continuous quality improvement processes. MH establishes and ensures compliance with licensing standards for CMHCs, private free-standing psychiatric hospitals, PRTFs for youth, and congregate residential care and treatment facilities. MH also manages the Medicaid funded Home and Community Based Services (HCBS) waiver for youth experiencing a Serious Emotional Disturbance (SED) and the Behavioral Management Services program for youth in the custody of the Secretary. Finally, MH works closely with the state mental health hospitals and CMHCs to ensure that individuals being considered for hospitalization are appropriately diverted to community-based service alternatives and that appropriate community services are available for individuals being discharged from institutions.

**Mental Health and Addiction and Prevention Services
Summary of Expenditures FY 2011-FY 2012**

Item	Agency Est. FY 2011 SGF	Agency Est. FY 2011 All Funds	Agency Req. FY 2012 SGF	Agency Req. FY 2012 All Funds
Administration and MH Grants	\$ 33,981,688	58,429,493	54,358,813	78,823,092
MH Services*	65,233,456	196,725,106	86,818,914	200,096,435
Addiction and Prevention Services Admin	385,333	1,276,021	394,423	1,301,389
Addiction and Prevention Services Treatment Grants*	1,226,535	25,303,691	5,773,938	27,343,361
Addiction and Prevention Services Managed Care/ PIHP*	6,091,612	18,900,000	7,841,610	18,900,000
Nursing Facil. for Mental Health*	14,000,000	16,258,274	14,362,011	16,258,274
Psychiatric Residential Treat. Facilities*	13,433,454	45,195,029	17,618,175	45,195,029
Total	\$ 134,352,078	\$ 362,087,614	\$ 187,167,884	\$ 387,917,580
	Gov. Rec. FY 2011 SGF	Gov. Rec. FY 2011 All Funds	Gov. Rec. FY 2012 SGF	Gov. Rec. FY 2012 All Funds
Administration and MH Grants	\$ 33,981,688	58,278,918	23,450,209	42,915,316
MH Services*	65,403,810	206,496,300	87,364,314	213,851,200
Addiction and Prevention Services Admin	385,333	1,276,021	394,423	1,301,389
Addiction and Prevention Services Treatment Grants*	1,226,535	25,303,691	3,226,535	25,604,585
Addiction and Prevention Services Managed Care/ PIHP*	6,300,000	19,547,006	9,000,000	21,146,617
Nursing Facil. for Mental Health*	14,000,000	18,562,101	14,500,000	18,742,269
Psychiatric Residential Treat. Facilities*	14,596,190	48,803,700	20,635,686	51,148,800
Total	\$ 135,893,556	\$ 378,267,737	\$ 158,571,167	\$ 374,710,176

* These programs are subject to the consensus caseload estimating process.

Mental Health Administration issues state aid and grants to local mental health providers to establish a comprehensive, integrated mental health delivery system responsive to the individualized needs of persons with Severe and Persistent Mental Illness (SPMI) and children who have a Serious Emotional Disturbance (SED). These funds also help subsidize Community Mental Health Center services which are provided to assist persons with SPMI and children with SED to live successfully and safely in their homes and communities. Funds are also provided to Consumer Run Organizations (CROs) that provide critical peer assistance to persons with SPMI. The agency has a managed care contract with Kansas Health Solutions, who is responsible to ensure persons with mental illness who are Medicaid eligible receive a comprehensive array of timely, quality, accessible, effective mental health services in all areas of the state.

Grants provided in FY 2012 are estimated by the **agency** to total \$53.2 million including \$44.8 million from the State General Fund and \$5.0 million from the Children's Initiatives Fund. The FY 2012 amount includes two enhancement requests totaling \$29.7 million, all from the State General Fund, to restore the Community Mental Health Centers (CMHC) grants reduced in FY 2010 and for grant funding shifted to Medicaid payments.

The **Governor** does not recommend the agency's enhancement request and further recommends deleting mental health state aid funding totaling \$10.2 million, all from the State General Fund, in FY 2012.

Mental Health Services. The agency has a managed care contract with Kansas Health Solutions, who is responsible to ensure persons with mental illness who are Medicaid eligible receive a comprehensive array of timely, quality, accessible, effective mental health services in all areas of the state. Kansas Health Solutions contracts with a variety of community mental health providers that include community mental health centers and other private health practitioners.

The **agency** estimates payments of \$200.1 million in FY 2012, based upon an estimate of \$62.76 per person per month, using a monthly average of 257,258 persons. This does not include any adjustments made by the consensus caseload estimating process to which this program is subject.

For FY 2012, the **Governor** recommends the addition of \$17.1 million, including \$3.9 million from the State General Fund, for consensus caseload increases.

Psychiatric Residential Treatment Facilities provide comprehensive mental health treatment to children and adolescents who, due to mental illness, substance abuse, or severe emotional disturbance, are in need of treatment that can most effectively be provided in short term, intense focused treatment programs.

Psychiatric Residential Treatment Facilities Demonstration Grant is a community-based service alternative to treatment in a Psychiatric Residential Treatment Facility.

The **agency** estimates that an average of 502 persons per month will access these services in FY 2012 at an average monthly cost of \$7,502 per person. This does not include any adjustments made by the consensus caseload estimating process.

For FY 2012, the **Governor** recommends the addition of \$6.0 million, including \$3.0 million from the State General Fund, for consensus caseload increases.

Nursing Facilities for Mental Health (NFs/MH) provide out-of-home residential care and treatment for persons experiencing severe symptoms of mental illness. Persons applying for admission to NFs/MH are screened to determine if they need this level of residential care and treatment. The screening helps connect persons with community-based services that can meet their needs and lowers demand for this service. NFs/MH are classified by the Centers for Medicare and Medicaid (CMS) as Institutions for Mental Disease (IMDs). CMS does not allow payment of Federal Financial Participation (FFP) to IMDs for persons between the ages of 22 and 64 years. NFs/MH have experienced an increase in the number of people not eligible for FFP creating a need for additional State funds. In addition, by state rule, NFs/MH receive rate increases each year. These rate increases raise the overall cost of the program.

The **agency** estimates an average of 588 persons will access these services each month in FY 2012 at an average monthly cost of \$2,304 per person.

For FY 2012, the **Governor** recommends the addition of \$2.5 million, including \$137,989 from the State General Fund, for consensus caseload increases.

Addiction and Prevention Services

Addiction and Prevention Services (AAPS) supports a system of services for individuals experiencing alcoholism, drug dependence and/or a gambling addiction using state grant, federal block grant, and Medicaid funds. Beginning July 1, 2007, AAPS purchases services through a managed care organization, Value Options. These services include social detoxification, outpatient services, residential treatment, in-patient treatment, and case management. AAPS also allocates and monitors \$1.4 million in TANF funds to serve TANF recipients who experience a substance abuse problem. AAPS and the Kansas Department of Corrections established a Memorandum of Agreement (MOA) in 2001 to provide delivery of treatment and probation supervision services for fourth time convicted driving while under the influence (DUI) offenders under the conditions set forth in statute.

In addition to the above programs, AAPS also provides prevention services and crisis intervention for problem gamblers and their families. Finally, AAPS serves as the designated state contact for SYNAR compliance. Under the federal SYNAR Amendment, the State must conduct random, unannounced inspections of tobacco retail outlets to determine a level of compliance with the prohibition of selling tobacco products to minors. The inspections have been conducted by the Kansas Department of Revenue's Alcoholic Beverage Control division since the mid-1990s.

The **agency** estimates 253,245 persons will be served at a monthly cost per person of \$6.22 in FY 2012.

The **Governor** recommends funding of \$21.1 million, including \$9.0 million from the State General Fund, for FY 2012. The recommendation is an increase above the agency's request to account to consensus caseload estimates.

CAPITAL IMPROVEMENTS

Capital improvement requests are made for both SRS office facilities and for the state institutions for the mentally ill and developmentally disabled. More detail related to the requests can be found in the SRS Five-Year Capital Improvement Plan submitted in July 2010.

CAPITAL IMPROVEMENTS				
Project	Agency Est. FY 2011	Gov. Rec. FY 2011	Agency Req. FY 2012	Gov. Rec. FY 2012
Chanute Center Rehab and Repair	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
State Hospitals Rehab and Repair	6,609,150	6,609,150	1,415,629	1,415,629
SPTP Planning Funds	0	0	2,659,500	0
Debt Service Principal	3,390,000	3,390,000	3,565,000	3,565,000
TOTAL	\$ 10,199,150	\$ 10,199,150	\$ 7,840,129	\$ 5,180,629
Financing:				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
State Institutions Bldg Fund	9,999,150	9,999,150	7,640,129	4,980,629
All Other Funds	200,000	200,000	200,000	200,000
TOTAL	\$ 10,199,150	\$ 10,199,150	\$ 7,840,129	\$ 5,180,629

FY 2011-Current Year. The **agency** estimates capital improvement expenditures of \$10.2 million in FY 2011. This includes \$3.4 million for debt service principal payments; \$6.6 million for rehabilitation and repair projects at the five state hospitals; and \$200,000 for rehabilitation and repair projects at the Chanute area office.

The **Governor** recommends FY 2011 capital improvement expenditures of \$10.2 million, the same as the agency's estimate.

FY 2012-Budget Year. The **agency** requests capital improvement expenditures of \$7.8 million in FY 2012. This includes \$3.6 million for debt service principal payments; \$1.4 million for rehabilitation and repair projects at the five state hospitals; \$200,000 for rehabilitation and repair projects at the Chanute area office; and the agency's enhancement request for \$2.7 million, all from the State Institutions Building Fund, to plan for the Sexual Predator Treatment Program expansion.

The **Governor** recommends FY 2012 capital improvement expenditures of \$5.2 million, a decrease of \$2.7 million, or 33.9 percent, below the agency's request. The Governor does not recommend the agency's enhancement request for planning funds for an expansion of the Sexual Predator Treatment Program facilities.

PERFORMANCE MEASURES				
Measure	2010 Gov. Rec. for FY 2010	Actual FY 2010	Gov. Rec. FY 2011	Gov. Rec. FY 2012
Disability Determination Services				
Average number of days to process federal disability claims	75	83	75	75
Percent of accurate determinations for federal disability claims	97.0%	98.0%	97.0%	97.0%
Child Support Enforcement				
Support collections to cost ratios	\$3.56:\$1	\$3.29:\$1	\$3.30:\$1	\$3.32:\$1
Percent of cases paying on support arrears	64.0%	64.0%	65.0%	65.0%
Rehabilitation Services				
Percent of rehabilitated clients gaining competitive employment	95.0%	96.8%	98.0%	98.0%
Number of clients rehabilitated	1,800	1,336	1,800	1,800
Number of new certified sign language interpreters	70	73	80	80
Temporary Assistance to Families				
Percent of families leaving TANF who retain employment in the 2nd qtr	50.9%	60.9%	60.7%	61.4%
General Assistance				
Percent of recipients who receive federal disability within 24 months	72.5%	74.1%	75.1%	--
Addiction Services				
Percent of alcohol use by 10th graders in the past 30 days	34.6%	35.4%	34.0%	32.6%
Percent of 10th graders smoking cigarettes in the past 30 days	13.3%	13.7%	12.8%	11.8%
Percent of 10th graders using marijuana in the past 30 days	12.1%	13.3%	13.2%	13.1%
Mental Health Services				
Number of adults per 10,000 people with severe and persistent mental illness receiving services from CMHCs	46	46	47	48
Developmental Disability Waiver				
Average monthly cost per person	\$3,305	\$3,382	\$3,375	\$3,124
Physically Disabled Waiver				
Average monthly cost per person	\$1,558	\$1,569	\$2,237	\$2,237
Child Care & Early Child Development				
Percent of children in Early Head Start demonstrating developmental growth	90.0%	96.0%	90.0%	--
Percent of KS Early Head Start child care providers who have a Child Development Associate or high education	70.0%	53.0%	70.0%	--
Reintegration/ Foster Care Contract				
Average number of children in foster care each month	4,646	4,854	5,094	5,218



KANSAS

DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Agency Overview
Rob Siedlecki, Secretary



KANSAS

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Mission
To protect children and
promote adult
self-sufficiency

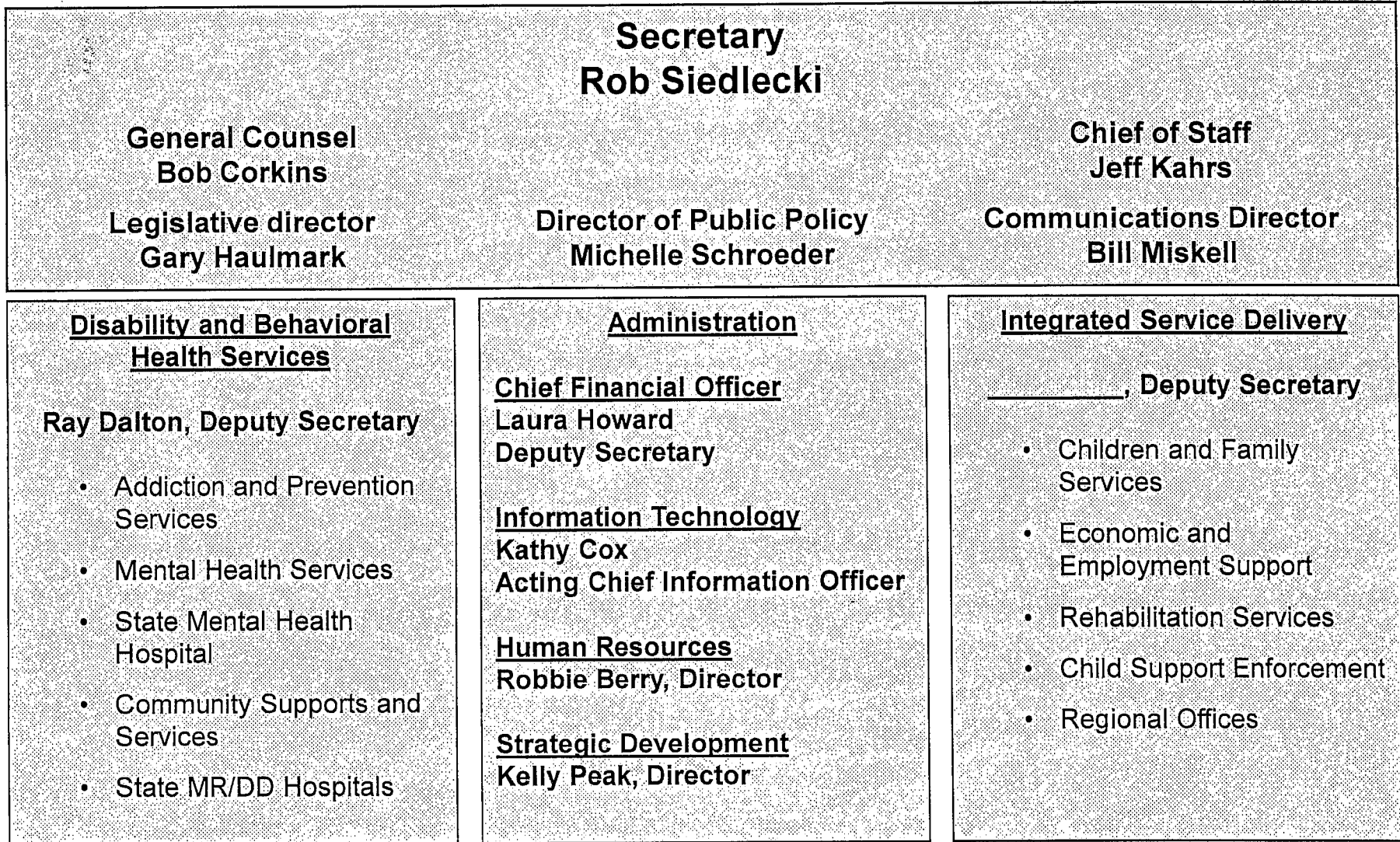
Vision
Partnering to connect Kansans
with supports and services to
improve lives

Rob Siedlecki Jr., Secretary of Social and Rehabilitation Services (SRS)

Rob Siedlecki has more than 15 years of public and private sector leadership experience at the local, state and federal levels. He worked for four years in the federal government's Administration for Children and Families which oversees more than 60 programs, including Head Start, the Healthy Marriage Initiative, runaway and homeless youth programs, and the Temporary Assistance for Needy Families (TANF) program. He served as chief of staff for the Florida Department of Health which has 17,000 employees and an annual budget of nearly three-billion dollars.

Organization

4-4



SRS Leadership Team – Contact Information

Rob Siedlecki
Secretary
296-3271

Michelle Schroeder
Public Policy Director
291-3629

Jeff Kahrs
Chief of Staff
296-3271

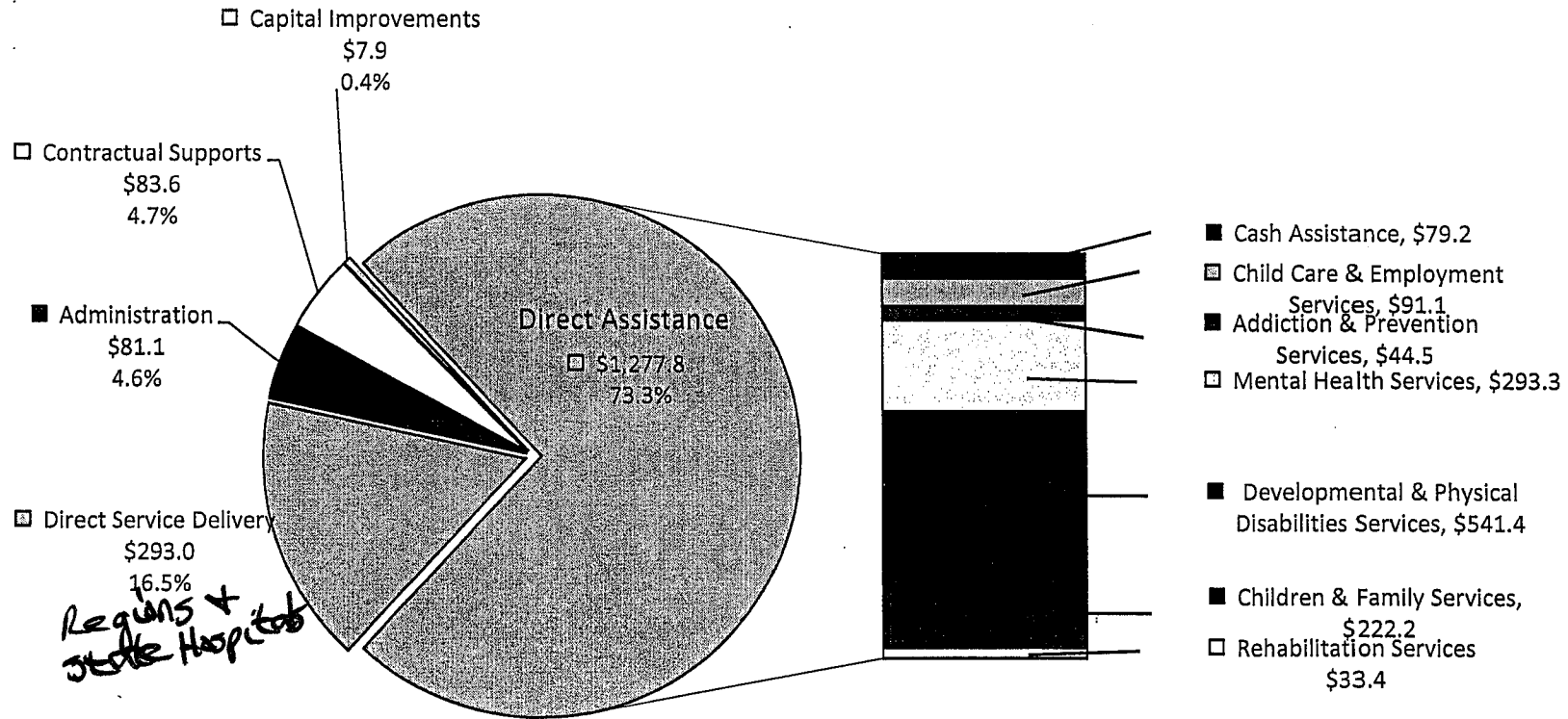
Bill Miskell
Communications Director
296-3271

Bob Corkins
General Counsel
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Gary Haulmark
Legislative Director
296-3271

4-6

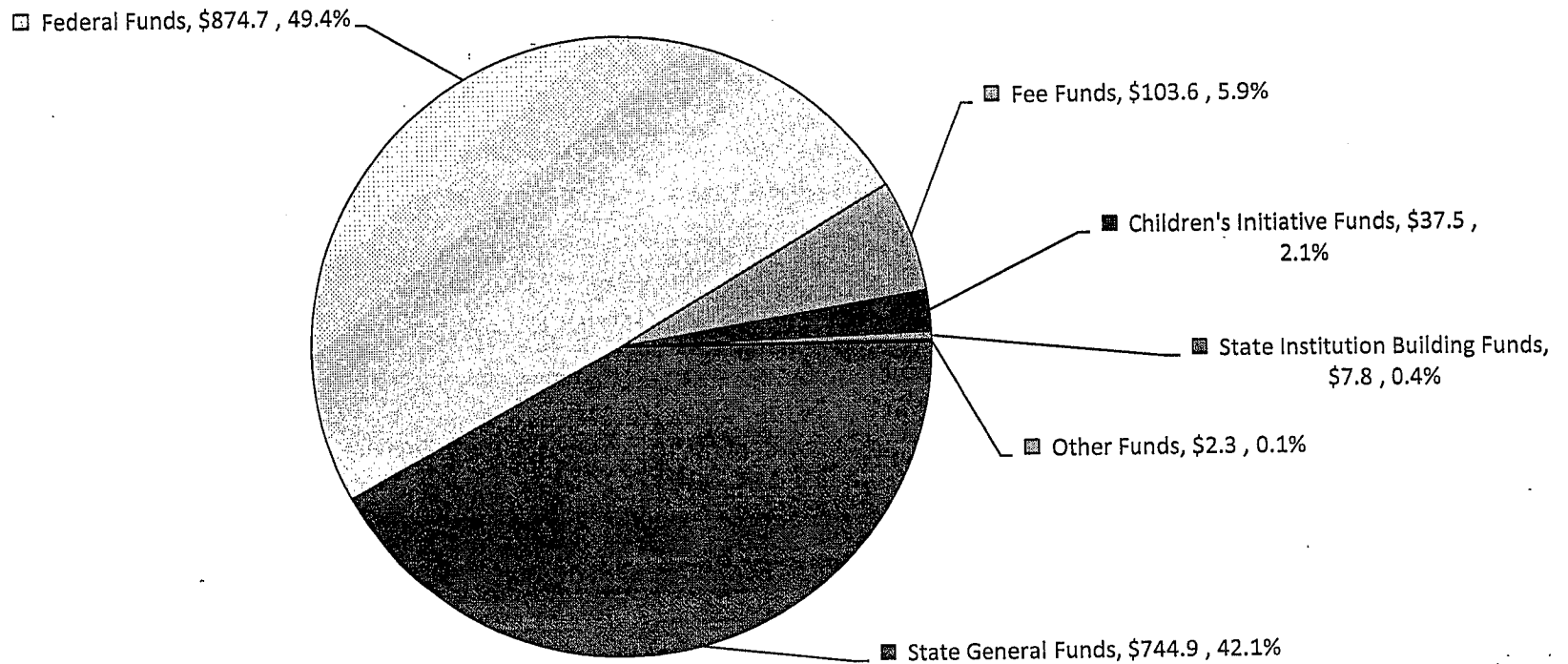
FY 2012 SRS Governor's Budget Recommendations including State Hospitals Expenditures (in millions)



Regions + State Hospitals

Total Budget \$1,770.8 million

FY 2012 SRS Governor's Budget Recommendations including State Hospitals Funding (in millions)



Total Budget \$1,770.8 million

Expenditures and Persons Served By Program

	SFY 2011 GBR		SFY 2012 GBR	
SRS Program	Total Program Expenditures	People Served	Total Program Expenditures	People Served
Addiction and Prevention Services	46,126,718	17,245	48,052,591	21,270
Mental Health	332,141,594	105,836	326,657,585	88,554
Community Supports and Services	555,445,668	44,674	554,086,726	42,439
Children and Family Services	196,053,123	76,237	205,852,310	76,656
Economic and Employment Support	222,285,712	531,707	187,380,976	578,436
Rehabilitation Services	47,536,160	69,186	47,286,360	70,610
Child Support Enforcement	28,055,085	125,848	29,404,640	125,260
State Hospitals				
Mental Health	95,098,739	715	96,565,928	716
Developmentally Disabled	54,505,193	345	54,606,965	330

Note: People served could be duplicated between programs.

Summary of SRS, Children's Cabinet, and State Hospital Budget Adjustments

4-9

- The Governor added funding for the increases in all of the entitlement caseload programs
- State General Funds were added in the Governor's budget to replace the loss of federal funds because of lower than anticipated extended FMAP in FY 2011 and decline in the base FMAP in 2012
- In FY 2012, the Governor added State General Funds to replace fee fund and maintain the current level of service in the Home and Community Based Service Waivers
- \$6.0 million Children's Initiative Funds were added for the new Reading Roadmap Program
- Overall the budgets were reduced approximately 1.5 percent in FY 2012 over FY 2011
- Reductions were made to the Developmental Disabilities Day and Residential Grants, Kansas Early Head Start Program, General Assistance Program, and Mental Health State Aid Grants.

Summary of SRS, Children's Cabinet, and State Hospital Budget Adjustments

- In FY 2011, because of declining tobacco revenues, Children's Initiative Fund reductions occurred in Family Centered Systems of Care, Children's Cabinet Early childhood Block Grant, Children's Cabinet Accountability Fund and Children's Cabinet Smart Start.
- Salary reductions and elimination of vacant positions were made in SRS, Osawatomie State Hospital, and Rainbow Mental Health Facility.
- Increased Expanded Lottery Act Revenue will provide additional funding for the Problem Gambling and Addictions Grant Fund
- Savings was captured in FY 2012 to begin the closure of KNI
- In FY 2012 Children's Initiative Fund reductions occurred in Children's Cabinet Smart Start and CIF funding was discontinued for the Family Centered System of Care

Addiction and Prevention Services

Partnering to Promote Prevention and Recovery in Kansas Communities

- **Substance Use Disorders**
 - **Prevention**
 - Reduce underage drinking
 - Reduce underage access to tobacco (Synar amendment)
 - 13 Regional prevention Centers work
 - **Treatment**
 - Managed Care
 - Block grant and Medicaid funds
 - 4th time DUI program (KDOC MOU)
 - **Problem and Pathological Gambling**
 - **Problem Gambling and Addiction Fund**
 - Problem Gambling Treatment
 - “Other Addiction” Services gaps

Mental Health Services

4-12

Treatment and support for Kansans with mental illness that ensure they experience recovery and live successful lives in the community

- **Community Mental Health Center Grants**
 - Support CMHC infrastructure (e.g., 24 hour crisis response)
 - Serve people without the means to pay for treatment
- **Medicaid Mental Health Managed Care**
 - Serve All Kansans on Medicaid
 - HCBS Waiver for Children with a serious emotional disturbance
- **In-patient and Residential Treatment**
 - Psychiatric Residential Treatment Facilities: Residential treatment for children with a serious emotional disturbance
 - Community Hospitals: An alternative to state mental health hospitals for all children and some adults
- **Nursing Facilities for Mental Health**
 - Residential treatment for adults with severe and persistent mental illness
- **Consumer run and consumer support groups**
 - Consumer Run Organizations and Consumer Advisory Council
 - NAMI and Keys for Networking

State Mental Health Hospitals

Inpatient psychiatric treatment for Kansans experiencing severe mental health symptoms determined a danger to themselves or others, and forensic mental health services

- **Osawatomie State Hospital**
 - Provides acute inpatient treatment for adults with mental illness.
 - SPTP Transition Program
- **Rainbow Mental Health Facility**
 - Provides primarily short-term, acute inpatient treatment for adults with mental illness
- **Larned State Hospital**
 - Psychiatric Services Program - provides inpatient treatment to children, adolescents and adults
 - State Security Program - provides evaluation, competency restoration and inpatient treatment for forensic patients
 - Sex Predator Treatment Program

Community Supports and Services

Provide resources and support to help Kansans with disabilities live self-directed lives in their community

- Transition from facilities to the community
 - Money Follows the Person grant
- Medicaid waivers for home and community based services
 - Physical Disability Waiver
 - › Serves individuals age 16-65 who would otherwise require institutionalization in a nursing facility
 - Mental Retardation/Developmental Disability Waiver
 - › Provides community based services for individuals age 5 and up who otherwise would be eligible for placement in an intermediate care facility
 - Traumatic Brain Injury Waiver
 - › Serves individuals age 16-64 who have a traumatically acquired, non-degenerative, structural brain injury
 - Technology Assisted Waiver
 - › This program assists children, age 0-21 years who are chronically ill and medically fragile and dependent upon a life-sustaining medical device to compensate for loss of a vital body function
 - Autism Waiver
 - › An early, intensive intervention service targeting children up to age 5 who would otherwise be served in a state mental health hospital

4-15

Waiver Waiting Lists

as of January 1, 2011

	People on Waiting List	Cost to Eliminate list *	
		All Funds	SGF
Physical Disability (PD) Waiver	2,771	\$ 56,894,172	\$ 24,214,160
Developmental Disability (DD) Waiver **	3,391	\$ 114,364,653	\$ 48,673,596
Autism Waiver	264	\$ 4,976,928	\$ 2,118,181
Traumatic Brain Injury (TBI) Waiver		No wait list	
Serious Emotional Disturbance (SED) Waiver		No wait list	
Total	6,426	\$ 176,235,753	\$ 75,005,937
* The cost to eliminate the waiting list is based on the assumption the list is eliminated all at once on the first day of the fiscal year.			
** The total includes both individuals who are unserved (2,383) and underserved who are waiting for additional services (1,008).			

Private/Public Intermediate Care Facilities

4-16

Residences for Kansans with disabilities who require intensive supports

- **State Mental Retardation/Developmental Disability Hospitals**
 - **Kansas Neurological Institute**
 - › 98% of residents are severely to profoundly mentally retarded and require intensive medical supports
 - **Parsons State Hospital and Training Center**
 - › 86% of residents present with behavioral challenges or symptoms of emotional disturbance and require more intensive supports
- **Private Intermediate Care Facilities (ICFs/MR)**
 - Funded by Medicaid, these facilities serve individuals who need continuous, intensive services.
 - They work closely with community developmental disability organizations to arrange supports and services when the individual is ready to live more independently

Children and Family Services

Protect children from abuse and neglect, provide in-home services to preserve families, and seek safe, permanent homes for children

- **Prevention Efforts**
 - Grants for community services to avoid abuse and neglect and promote good parenting
- **Child Protective Services**
 - Investigate reports of alleged abuse and neglect
- **Family Preservation Services**
 - Intensive in-home services that seek to keep families together
- **Permanency**
 - Foster care, reintegration and adoption services. After court-ordered removal, 95% of children are placed in a family-like setting. Assistance may be offered for adoption or permanent custodianship.

Economic and Employment Support

*Promote self-sufficiency by assisting individuals and families
to prepare for and maintain gainful employment*

4-18

- Support Employment
 - Temporary Assistance for Families
 - › Provides training and work experience for participants and up to 60 months of cash assistance.
 - Child Care Assistance
 - › Provides support to working families who need childcare
- Provide Economic Assistance
 - General Assistance/MediKan
 - › Provides cash and medical assistance to disabled Kansans waiting for federal disability determination
 - Food Stamps *\$450-500M spent - Fed. \$*
 - › Helps low-income persons buy food with an electronic benefit card
 - Low Income Energy Assistance Program
 - › Provides assistance to keep homes heated and helps weatherize dwellings
 - Food Distribution Programs
 - › Provide foodstuffs to charitable institutions, soup kitchens and, in emergencies, directly to consumers
- Protect Vulnerable Adults
 - Adult Protective Services
 - › Investigate reports of alleged abuse, neglect, and exploitation

Rehabilitation Services

*Support Kansans with disabilities in gaining and keeping employment,
and determine medical eligibility for federal disability programs*

- Vocational Counseling and Guidance
- Education and Training
- Job Placement and Supported Employment
 - Contract for services that support people seeking employment
- Disability Determination Services
 - Determine medical eligibility for Social Security Disability Insurance and Supplementary Security Income

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Child Support Enforcement

Promote self-sufficiency by facilitating receipt of child support payments

- Establish paternity
- Establish and modify financial and medical support orders
- Collect and disburse support payments
 - Enforce income withholding and court actions

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Summary of Expenditures & Persons Served

Annual Expenditures in Millions

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	Caseload Unit	SFY 2010		SFY 2011 GBR		SFY 2012 GBR	
		Expenditures	Persons Served	Expenditures	Persons Served	Expenditures	Persons Served
Addiction and Prevention Services							
Substance Abuse Prepaid Inpatient Health Plan (PIHP) (Medicaid)	Annual Persons Served	22,703,893	6,245	19,547,006	269,243	21,146,617	279,717
Addiction And Prevention Services Grants	Annual Persons Served	21,992,929	14,349	22,285,029	15,027	22,583,688	15,542
Mental Health							
Mental Health Prepaid Ambulatory Health Plan (PAHP) for Medicaid & Medikan	Annual Persons Served	192,392,167	55,642	206,496,300	26,993	213,851,200	27,802
Mental Health State Aid Grants	Annual Persons Served	10,233,297	15,492	10,233,297	15,492	-	-
Mental Health Consolidated and Other Grants	Annual Persons Served	21,928,669	62,179	21,286,684	62,179	20,967,747	59,553
Psychiatric Residential Treatment Facilities	Average Monthly Persons	42,172,359	648	48,803,700	575	51,148,800	592
Nursing Facilities For Mental Health	Average Monthly Persons	15,814,601	602	18,562,101	597	18,742,269	607
State Hospitals							
Larned State Hospital (LSH)	Average Daily Census	43,432,561	282	43,177,198	273	44,190,028	273
LSH Sexual Predator Treatment Program	Average Daily Census	12,869,468	202	14,361,750	219	14,659,547	219
Osawatomie State Hospital	Average Daily Census	29,125,352	171	28,921,397	174	29,004,672	174
Rainbow Mental Health Facility	Average Daily Census	8,753,096	47	8,638,394	49	8,711,681	50
Kansas Neurological Institute	Average Daily Census	28,592,019	157	29,075,527	157	28,776,909	142
Parsons State Hospital	Average Daily Census	25,496,871	186	25,435,823	188	25,836,213	188

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Summary of Expenditures & Persons Served

Annual Expenditures in Millions

Community Supports and Services	Caseload Unit	SFY 2010		SFY 2011 GBR		SFY 2012 GBR	
		Expenditures	Persons Served	Expenditures	Persons Served	Expenditures	Persons Served
Developmental Disability Waiver	Average Monthly Persons	310,923,343	7,669	315,345,282	7,787	315,096,190	7,858
Physical Disability Waiver	Average Monthly Persons	140,511,924	6,964	125,337,423	6,648	125,261,169	6,674
Traumatic Brain Injury Waiver	Average Monthly Persons	13,085,895	323	13,500,085	350	14,904,469	383
Technology Assistance Waiver	Average Monthly Persons	25,053,641	378	25,312,761	420	27,480,950	456
Autism Waiver	Average Monthly Persons	752,930	40	1,207,726	45	1,233,120	47
Developmental Disability Targeted Case Management	Average Monthly Persons	16,797,027	8,954	17,472,000	9,100	17,561,951	9,147
Physical Disability Targeted Case Management	Average Monthly Persons	5,055,523	5,201	5,140,800	5,100	5,140,800	5,100
Positive Behavior Supports	Average Monthly Persons	73,070	15	101,760	20	101,760	20
Head Injury Rehabilitation Hospitals	Average Monthly Persons	10,047,478	40	11,352,000	43	11,500,000	44
Private Institutional Care Facilities for Mental Retardation (ICF/MRs)	Average Monthly Persons	13,606,580	171	14,372,110	171	14,268,438	170
Developmental Disabilities State Aid	-	5,163,174	-	5,163,174	-	5,163,174	-
Developmental Disabilities Direct Service Grants	Annual Persons Served	3,596,190	2,612	3,596,190	2,450		
Community Developmental Disability Organization Administration	Annual Persons Served	7,951,038	12,285	9,466,441	12,540	9,358,265	12,540

Summary of Expenditures & Persons Served

Annual Expenditures in Millions

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	Caseload Unit	SFY 2010		SFY 2011 GBR		SFY 2012 GBR	
		Expenditures	Persons Served	Expenditures	Persons Served	Expenditures	Persons Served
Children and Family Services							
Family Preservation Services	Annual Families	10,583,869	2,751	10,179,277	2,622	10,179,277	2,551
Child Abuse/ Neglect Reports	Annual Reports	*	55,730	*	55,275	*	55,275
Foster Care/Rintegration	Average Monthly Children	132,556,160	4,854	139,000,000	5,094	144,450,000	5,218
Adoption Support	Average Monthly Children	31,921,713	7,180	29,390,446	7,566	34,036,311	7,919
Permanent Custodianship	Average Monthly Children	1,228,379	351	1,277,192	359	1,331,642	372
Independent Living Subsidy	Annual Youth	1,606,372	779	1,908,189	931	1,908,189	931
Child Welfare Community Funding	Annual Children	1,877,988	3,798	1,963,203	3,970	1,963,203	3,970
Family Services	Annual Families	1,498,604	394	1,596,881	420	1,596,881	420
Child Support Enforcement (CSE)							
Child Support Collections (not an expenditure)	Average Monthly Cases	194,851,435	127,132	196,525,151	125,848	199,418,856	125,260
CSE Enforcement Contracts	-	11,652,318	-	11,602,318	-	12,491,865	-
Kansas Payment Center	-	4,699,393	-	4,605,994	-	4,970,722	-
CSE Customer Service Center	-	1,522,811	-	1,762,626	-	1,763,307	-

* Expenditures for child abuse/neglect investigations are included in other budget categories

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Summary of Expenditures & Persons Served

Annual Expenditures in Millions

Economic & Employment Support	Caseload Unit	SFY 2010		SFY 2011 GBR		SFY 2012 GBR	
		Expenditures	Persons Served	Expenditures	Persons Served	Expenditures	Persons Served
Adult Protective Services	Annual Persons Served	277,734	7,817	380,000	8,442	380,000	8,442
Child Care Assistance	Average Monthly Children	78,551,063	20,319	75,254,917	20,500	79,021,600	21,550
Kansas Early Head Start	Average Monthly Children	11,342,397	1,177	11,342,397	1,177	-	-
Temporary Assistance for Families (TAF) Employment Services	Average Monthly Adults	11,771,436	12,510	12,042,333	12,789	12,042,333	13,137
Supplemental Nutrition Assistance Assistance Program (SNAP) Employment & Training	Average Monthly Persons	92,199	157	107,438	190	107,436	190
Food Assistance	Average Monthly Persons	383,275,641	259,609	462,234,076	305,800	540,049,021	352,000
TAF Cash Assistance #	Average Monthly Persons	56,587,914	36,972	60,522,527	40,551	57,500,000	42,783
Low Income Energy Assistance Program (LIEAP)	Annual Persons	27,644,462	129,970	37,661,864	140,279	20,676,631	140,279
General Assistance	Average Monthly Persons	3,824,373	2,394	3,024,000	1,924	-	-
Refugee Assistance	Average Monthly Persons	239,749	52	280,800	55	290,400	55
Rehabilitation Services (RS)							
Vocational Rehabilitation	Average Monthly Persons	20,501,983	9,890	23,738,717	10,277	25,012,395	10,963
Blind and Visually Impaired Services	Annual Persons	1,722,316	999	853,274	2,018	866,073	2,756
Disability Determination	Annual Claims Processed	14,561,564	39,981	16,082,982	40,500	16,489,274	40,500
RS Centers for Independent Living Grants	Annual Persons Served	2,655,030	19,177	2,591,208	16,391	2,142,720	16,391

- FY 2011 includes one-time ARRA funding