

MINUTES

LEGISLATIVE BUDGET COMMITTEE

December 18, 2007
Room 514-S—Statehouse

Members Present

Representative Sharon Schwartz, Chairperson
Senator Dwayne Umbarger, Vice-Chairperson
Senator Laura Kelly
Representative Don Dahl
Representative Bill Feuerborn
Representative Lee Tafanelli

Members Absent

Senator Stephen Morris

Staff

Alan Conroy, Kansas Legislative Research Department
J. G. Scott, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Audrey Dunkel, Kansas Legislative Research Department
Reed Holwegner, Kansas Legislative Research Department
Cody Gorges, Kansas Legislative Research Department
Jim Wilson, Office of the Revisor of Statutes
Jill Wolters, Office of the Revisor of Statutes
Nobuko Folmsbee, Office of the Revisor of Statutes
Kristen Klemmens, Office of the Revisor of Statutes
Dianne Rosell, Office of the Revisor of Statutes
Renaee Jefferies, Office of the Revisor of Statutes
Nikki Feuerborn, Chief of Staff, House Appropriations Committee
Melinda Gaul, Chief of Staff, Senate Ways and Means Committee
Shirley Jepson, Committee Assistant

Conferees

Representative Lana Gordon
Representative Bob Bethell

Bryce Miller, Kansas Mental Health and Aging Coalition
Kathy Greenlee, Secretary, Department on Aging
Craig Kaberline, Executive Director, Area Agencies on Aging Association (AAA)
Annette Graham, Executive Director, Central Plains Area Agencies on Aging
Michael J. Hammond, Executive Director, Association of Community Mental Health Centers of Kansas, Inc.
Steve Denny, Senior Outreach Services Coordinator, Four County Mental Health Center, Independence
Dr. Mary Carmen, Vice-President for Older Adult Services, Prairie View, Inc., Newton
Mary Sloan, Director of Government Activities, Kansas Association of Homes and Services for the Aging
Amy Campbell, Kansas Mental Health Coalition
Rick Cagan, National Alliance on Mental Illness
Jim Snyder, Silver Haired Legislature
Ira Stamm, Psychologist
Jamie Collins, Co-Chair of the Mental Health and Aging Subcommittee of the Governor's Mental Health Planning Council
Mayor John Waltner, Hesston, Regional Economic Area Partnership (REAP), Legislative Vice-Chairman
Joe Yager, Executive Officer, REAP
Andy Schlapp, Sedgwick County, Government Relations
Theresa Gordzica, Chief Business and Financial Planning Officer, University of Kansas
Barry Swanson, Associate Controller and Director of Purchasing, University of Kansas
Michael Barnett, Vice-President for Administration and Finance, Fort Hays State University
Eric King, Director of Facilities, Board of Regents
Diane Duffy, Vice-President for Finance and Administration, Board of Regents
Pat Scalia, Executive Director, Board of Indigents' Defense Services (BIDS)

**Tuesday, December 18
Morning Session**

Study Mental Health Services for the Elderly

Amy Deckard, Legislative Research Department, provided an overview of 2007 HB 2236, the Geriatric Mental Health Act, along with general background information on suicide and depression, alcohol and drug abuse, and Alzheimer's Disease relating to the elderly population ([Attachment 1](#)). HB 2236, introduced during the 2007 Legislative Session, would establish grants to be administered by the Department on Aging for providers of mental health services for the elderly.

Representative Lana Gordon provided testimony in support of HB 2236, stating that mental health issues greatly impact quality of life for the elderly ([Attachment 2](#)). A copy of HB 2236, as presented to the House Social Services Budget Committee during the 2007 Legislative Session, was distributed to the Committee ([Attachment 3](#)).

Representative Bob Bethell appeared before the Committee in support of legislation to provide mental health services for the elderly. Representative Bethell stated that HB 2236 may not

be as far reaching as is necessary in addressing the challenges of providing mental health services for the elderly, indicating that other legislation may be forthcoming.

Bryce Miller, Kansas Mental Health and Aging Coalition, provided testimony in support of HB 2236 ([Attachment 4](#)). Mr. Miller stated that there is a need for improved, more cost-effective methods for improving the older adult mental health system in Kansas and felt that the Department on Aging was the proper state agency to administer the system. In response to a question from the Committee, Mr. Miller stated that he was not aware of any other state that had passed legislation directed at mental health issues for the elderly.

Kathy Greenlee, Secretary, Kansas Department on Aging (KDOA), presented testimony concerning mental health services for the elderly ([Attachment 5](#)). Ms. Greenlee distributed copies of a guide, "Mental Health Guide For Older Kansans and Their Families," developed by the agency to answer questions most generally asked by seniors and their families (copy available from KDOA). Ms. Greenlee stated that currently the state has two systems to address geriatric mental health—community mental health centers and a geriatric system to deliver services through KDOA. Ms. Greenlee felt that these two systems need to be merged to provide the most effective services.

Because the Department of Social and Rehabilitation Services (SRS) presently has the oversight of issues related to mental health policy, including mental health for seniors, KDOA has met with SRS, as well as the Department of Health and Environment, to discuss the complexities of the system and funding sources. KDOA supports the proposed substitute version of HB 2236 which would allow the Area Agencies on Aging to provide education and outreach to seniors in Kansas. Ms. Greenlee noted that suggested changes to the legislation gives the funding responsibility to KDOA. Ms. Greenlee noted that KDOA does not know the cost of the legislation.

Ms. Greenlee stated that she felt there were three global issues relating to the legislation: (1) demonstration grants versus sustainable funding; (2) need to set core outcomes and objectives; and (3) cost. Responding to a question from the Committee, Ms. Greenlee noted that mental health services are available through the PACE program, an all-inclusive program for the elderly.

Don Jordan, Secretary, SRS, noted that his agency will work closely with KDOA. Mr. Jordan felt that many cases of depression in the elderly go undiagnosed. It would be beneficial to have a system for screening and connection with the proper treatment services. Responding to a question from the Committee, the Secretary stated that services for seniors currently are available through the community mental health centers; however, the difficulty exists in recognizing the problem and facilitating the services to the individual.

Craig Kaberline, Executive Director of the Kansas Area Agencies on Aging Association, presented testimony in support of HB 2236 ([Attachment 6](#)).

Annette Graham, Executive Director, Central Plains Area Agencies on Aging, presented testimony in support of HB 2236 ([Attachment 7](#)). Ms. Graham stated that there is a need to educate physicians to look for depression and other mental health issues in older adults. She felt that HB 2236 is a first step in providing outreach services with an objective to improving mental health, providing prevention services and education for those who have contact with older adults. In many cases, in-home services are required.

Michael Hammond, Executive Director, Association of Community Mental Health Centers of Kansas, Inc., presented testimony in support of legislation to provide mental health services for older adults ([Attachment 8](#)). Mr. Hammond stated that two critical factors in accessing mental health care are provider availability and acceptability by consumers.

Additional testimony in support of legislation to provide mental health services for the elderly included:

- Steve Denny, Senior Outreach Services Coordinator, Four County Mental Health Center, Independence ([Attachment 8](#));
- Dr. Mary Carmen, Vice-President for Older Adult Services, Prairie View, Inc., Newton ([Attachment 8](#));
- Mary Sloan, Director of Government Activities, Kansas Association of Homes and Services for the Aging;
- Amy Campbell, Kansas Mental Health Coalition;
- Rick Cagan, National Alliance on Mental Illness ([Attachment 9](#));
- Jim Snyder, Silver Haired Legislature;
- Ira Stamm, Psychologist ([Attachment 10](#)); and
- Jamie Collins, Co-Chair of the Mental Health and Aging Subcommittee of the Governor's Mental Health Planning Council.

Written testimony was received from:

- Ernest Kutzley, AARP Kansas ([Attachment 11](#)); and
- Kansas Mental Health Aging Specialists ([Attachment 12](#)).

Regional Economic Area Partnership Affordable Airfares Grant Program

Reed Holwegner, Legislative Research Department, provided an overview of the Regional Economic Area Partnership (REAP) affordable airfares grant program as provided in 2006 House Substitute for SB 475 ([Attachment 13](#)). Mr. Holwegner explained that the legislation provided for \$5 million to be annually transferred from the State Highway Fund to be granted to REAP for the purpose of developing and implementing a program for more air flight options in Kansas and to provide more competition for air travel and affordable air fares for Kansas to include a regional airport in western Kansas.

John Waltner, Mayor of Hesston and Vice-Chairman of the Regional Economic Area Partnership (REAP) Legislative Committee, presented testimony on the success of the affordable airfares grant program ([Attachment 14](#)). Mr. Waltner stated that the initial \$5 million grant in 2006 was awarded to Sedgwick County to provide a one-year revenue guarantee for AirTran Airlines' service. Additional funding was established during the 2007 Legislative Session through HB 2368 with guidelines for administration of the grant funds. Mr. Waltner noted that proposals for the 2007 funding were received from Sedgwick County and another consortium representing the Salina Municipal Airport in Salina and Forbes Field Airport in Topeka. After a review of the proposals, the \$5 million grant award for 2008 was awarded to Sedgwick County.

Responding to questions from the Committee, Mr. Waltner stated that the applications from Salina and Topeka were preliminary proposals and did not have all the funding pieces in place. Mr. Waltner indicated that REAP offered to work with the entities to develop programs if they desired. REAP felt that the Sedgwick County proposal spoke directly to increased flights, increased service, and affordable flights for individuals flying out of the Mid-Continent Airport in Wichita. At this time, no discussions are ongoing with the Salina and Topeka facilities. Mr. Waltner indicated that there are seven members on the Executive Committee of REAP, currently from Sedgwick, Harvey, Butler, and Cowley counties; however, none from the Salina area. Mr. Waltner noted that most of the matching funds for the grant were received from Sedgwick County. Mr. Waltner stated that the legislation allows for the grant funds to be prorated between several entities, if approved. Presently,

applications for the grant funding are taken over a two-month period with various forms of advertising.

Responding to a question from the Committee, Joe Yager, Executive Officer of REAP, indicated that there has been conversation with representatives in Western Kansas with regard to promoting a regional airport in western Kansas; however, no proposal has been brought forward. Mr. Yager stated that all of the first \$5 million awarded to Sedgwick County was disbursed to AirTran for lower airfares with a year-to-year negotiation process. With the addition of Frontier Airlines into the program, AirTran will receive a lesser amount, with the balance going to Frontier this year.

Andy Schlapp, Sedgwick County, Government Relations, presented testimony on the success of the Affordable Airfares program (Attachment 15). Mr. Schlapp noted that there has been a 19.8 percent increase in passengers flying out of Mid-Continent Airport since the implementation of the Affordable Airfares program.

Responding to a question from the Committee with regard to eliminating the need for the state to subsidize airfares at Mid-Continent Airport, Mr. Schlapp stated that it is estimated that usage would have to reach a total of approximately 1.8 million to 2.0 million passengers before state funding could be eliminated.

Afternoon Session

Representative Feuerborn moved to approve the minutes of the November 8-9, 2007, meeting as written. The motion was seconded by Representative Dahl. Motion carried.

Efficiencies in the Business Operations of the Regents Universities

Theresa Gordzica, Chief Business and Financial Planning Officer, University of Kansas, provided an update on the passage of SB 52 (KSA 75-3737a), a pilot purchasing project passed during the 2006 Legislative Session and effective on June 1, 2007 (Attachment 16).

Barry Swanson, Associate Controller and Director of Purchases, University of Kansas, continued the presentation. Mr. Swanson explained that the legislation provided for a three-year pilot project during which time the universities selected would be exempt from the core state purchasing statutes, all state travel services contracts, and the requirement of the Kansas Correctional Industries statutes. The University of Kansas and Fort Hays State University were selected for the project.

Since the project was only implemented on July 1, 2007, the University has not had sufficient time to determine any long-term definitive results. As of this date, the University of Kansas has not encountered any problems operating under the new procedures and has been successful in procuring a number of service contracts with time and cost savings.

Michael Barnett, Vice-President for Administration and Finance, Fort Hays State University, provided testimony on the University's pilot program (Attachment 17). Mr. Barnett stated that the pilot project has given the University the opportunity to work with local vendors. Fort Hays continues to modify the purchasing process, striving to make it efficient for the university and users, and provide the most opportunity for local businesses while staying focused on price and quality. Because of the location of the University, they have experienced some difficulty with businesses related to delivery

needs as well as being unable to compete with state contract pricing. Mr. Barnett felt that more time is needed to determine the success of the project.

Eric King, Director of Facilities, Board of Regents, presented testimony on efficiencies related to energy measures that have been implemented on the state university campuses ([Attachment 18](#)). Five of the six state universities have participated in a program as a result of passage of HB 2603 during the 2000 Legislative Session. Emporia State University, which has been proactive in terms of energy conservation for many years, concluded that they would have difficulty identifying significant projects, so declined participation. To date, approximately \$75 million worth of energy improvements have been accomplished. Mr. King indicated that as projects on the deferred maintenance list go forward, energy efficiencies will be taken into consideration.

Update on Regents Deferred Maintenance and University Research and Development Enhancement Act

Eric King, Director of Facilities, Board of Regents, provided an overview of the FY 2008 Deferred Maintenance first quarter report, ending September 30, 2007 ([Attachment 19](#)). Mr. King noted that many of the projects are in the planning stage and not a lot of construction activity is underway as of this date. As of the end of the quarter, \$91,032 has been expended. Responding to a question from the Committee, Mr. King felt that the loan program will be fully utilized during the fiscal year, but had less information on the utilization of tax credits at this time.

Diane Duffy, Vice-President, Finance and Administration, Board of Regents, provided testimony with regard to specific questions relating to 2002 legislation that was authorized for the issuance of bonds to construct new research facilities and to buy new research equipment to enhance scientific research in the State that arose when she testified before the Committee in August 2007 ([Attachment 20](#)). Ms. Duffy noted that a total of \$114.8 million was spent for projects relating to research at the universities. She indicated that the Board intends to revisit its decision to not include Pittsburg State University in part of the state-funded debt service on the bonds.

Study the State Board of Indigents' Defense Services Delivery System

Reed Holwenger, Legislative Research Department, presented an overview of the Legislative Coordinating Council's request to the Committee to study the entire system of delivering indigent defense services to indigent persons in the state ([Attachment 21](#)). Mr. Holwenger noted that in addition to the study by the Committee, a performance audit by the Legislative Division of Post Audit has been requested and the audit is expected to take 14-16 weeks to complete.

Pat Scalia, Executive Director, Board of Indigents' Defense Services (BIDS), presented testimony on BIDS services ([Attachment 22](#)). Ms. Scalia stated that the mission of BIDS is to provide the constitutionally required right to counsel in a cost-effective manner. This right to counsel is provided with three delivery systems: public defenders, contracting with private attorneys at reduced fees, and use of attorneys assigned to a case by the court (assigned counsel). Ms. Scalia noted that consistently, the cost of public defenders versus assigned counsel is less. The hourly rate paid to assigned counsel was increased with legislative action in FY 2007 from \$50 per hour to \$80 per hour.

Ms. Scalia stated that it is difficult to recruit and retain attorneys due to the low salary for the public defenders, with a turnover rate exceeding 20 percent. Ms. Scalia noted that each time the state loses a public defender, it costs the state money because of the depletion and rehiring of public defenders and the necessity to hire assigned counsel. Ms. Scalia indicated that Kansas public

defender salaries lag behind the surrounding states. The salary gap between public defenders and prosecutors is wide at entry level positions and continues throughout all career stages.

Ms. Scalia stated that the BIDS' FY 2009 budget request includes a proposal that public defenders continue to be hired at the same pay rate, \$42,878, but that they receive an increase after 18 months. At 18 months, with demonstrated ability, the status of Public Defender II would be attained, at a salary of \$47,000. At three years, the status of Public Defender III would be attained at a salary of \$52,000 and finally, at ten years, a salary of \$65,000 would be paid. Deputy Defenders would be increased to \$65,000 and Chief Defenders would be increased to \$70,000.

Responding to a question from the Committee, Ms. Scalia indicated that public defenders positions are unclassified by statute. Salaries of unclassified staff were not addressed by the Hay Group salary survey.

Committee Discussion and Recommendations

Legislative Research Department staff provided information on the topics charged to the Committee by the Legislative Coordinating Council for the Interim session (Attachment 23). Draft copies of activities of the Committee were distributed as follows:

- Number and Salaries of Public Employees in Kansas (Attachment 24).

No further action was taken at this time.

- Efficiencies in the Business Operations of the Regents' Universities.

The Committee noted that they heard testimony earlier today of the program's progress to this time and felt that it is too early to effectively assess the pilot program, noting that it should be reviewed again during the 2008 interim session.

- State Board of Indigents' Defense Services.

The Committee stated that they heard testimony earlier today from a representative of BIDS. It was noted that a Legislative Post Audit of BIDS is scheduled which will be more comprehensive in determining how services are delivered as well as salaries of public defenders. The Committee acknowledged that the pay level of public defenders is below market.

- Duties and Responsibilities of Pharmacy Benefit Managers (Attachment 25).

A letter from Senator Dwayne Umbarger was presented to the Committee (Attachment 23). It was the consensus of the Committee to remove the language in the second paragraph pertaining to "issues about" and insert the language "concerns about the impact on pharmacies regarding" and requested that the language of the letter be included in the Committee report.

- Presumptive Disability ([Attachment 26](#)).

The Committee continues to have a concern about the backlog and transition of applicants through the system.

No further action was taken at this time.

- Reimbursement for Mental Health Services ([Attachment 27](#)).

Responding to a question from the Committee, Mike Hammond, Association of Mental Health Centers (parent company of Kansas Health Solutions), stated that the procedures to be implemented on July 1, 2007, do have the Centers for Medicare and Medicaid Services (CMS) approval. An audit will be done by CMS in April, 2007, to insure that the directives are being followed.

The Committee requested that the language “should” in the second paragraph under Committee Activities, be changed to “will.”

The Committee stated a concern about legislation to allow the clinician to bill insurance for the time it takes to complete paperwork and noted that HB 2601, legislation from the 2007 Legislative Session, should be reviewed by the respective Senate and House Insurance Committees during the 2008 Legislative Session.

- Mental Health Services for the Elderly.

The Committee heard testimony earlier today on mental health services for the elderly. A copy of possible amendments to HB 2236 was distributed to the Committee ([Attachment 28](#)). The Committee requested that SRS and the Department on Aging continue dialogue and work together to address mental health issues, objectives and outcomes for the aging population, and follow-up with standing committees during the 2008 Legislative Session.

- State Elected Officials' Compensation ([Attachment 29](#)).

No further action was taken at this time.

- State General Fund ([Attachment 30](#)).

It was noted that the Committee heard testimony earlier today on the Affordable Airfare project, deferred maintenance at the Regents' universities, and on the University Research and Development Enhancement Act. The Committee voiced a concern that the Affordable Airfares project continues to be a competitive process and allow all airports within the state to be a part of this process. It was noted that the legislation directs reports on the Affordable Airfares project be given twice a year to the Legislature and that financial reports be filed with the Legislature.

No further action was taken at this time.

The meeting was adjourned at 4:00 p.m.

Prepared by Shirley Jepson
Edited by Leah Robinson

Approved by the Committee on:

January 25, 2008
(Date)

