

Kansas Department for Aging and Disability Services

Expenditure	Actual FY 2015	Approved FY 2016	Approved FY 2017
All Funds:			
State Operations	\$ 64,920,729	\$ 73,738,135	\$ 72,502,208
Aid to Local Units	52,195,169	51,494,572	51,894,572
Other Assistance	1,391,470,846	1,421,347,990	1,330,256,979
<i>Subtotal - Operating</i>	<u>\$ 1,508,586,744</u>	<u>\$ 1,546,580,697</u>	<u>\$ 1,454,653,759</u>
Capital Improvements	6,525,886	11,491,033	7,720,000
TOTAL	<u><u>\$ 1,515,112,630</u></u>	<u><u>\$ 1,558,071,730</u></u>	<u><u>\$ 1,462,373,759</u></u>
State General Fund:			
State Operations	\$ 26,727,236	\$ 33,521,923	\$ 33,529,878
Aid to Local Units	31,668,612	29,942,796	30,942,796
Other Assistance	563,850,295	588,533,652	571,474,244
<i>Subtotal - Operating</i>	<u>\$ 622,246,143</u>	<u>\$ 651,998,371</u>	<u>\$ 635,946,918</u>
Capital Improvements	-	-	-
TOTAL	<u><u>\$ 622,246,143</u></u>	<u><u>\$ 651,998,371</u></u>	<u><u>\$ 635,946,918</u></u>
Percent Change:			
Operating Expenditures			
All Funds	10.7 %	2.5 %	(5.9)%
State General Fund	8.5	4.8	(2.5)
FTE Positions	195.0	167.5	167.5
Non-FTE Unclass. Perm. Pos.	80.0	117.0	117.0
TOTAL	<u><u>275.0</u></u>	<u><u>284.5</u></u>	<u><u>284.5</u></u>

The approved budget for the Department for Aging and Disability Services in FY 2016 is \$1.6 billion, including \$652.0 million from the State General Fund and \$3.8 million from the Children's Initiatives Fund. The approved amount is an all funds increase of \$43.0 million, or 2.5 percent, and a State General Fund increase of \$29.8 million, or 4.8 percent, above the FY 2015 actual expenditures. Included in the approved amount is \$11.5 million, all from State Institutions Building Fund, for capital improvement projects. The all funds increase is primarily due to funding changes associated with the Human Services consensus caseload estimates.

The approved budget includes a reduction of \$1.7 million, all from the State General Fund, from the Governor's July 30, 2015 allotment, as authorized under 2015 Senate Sub. for HB 2135. Of the amount, \$1.0 million, is associated with the Medicaid Home and Community Based Services Waiver for individuals with physical disabilities. The remaining \$730,487 is due to the lapse of moneys not expended in FY 2015 which were reappropriated into FY 2016. The Governor's July allotment also transferred \$1.0 million from the Social Welfare Fund to the State General Fund. The approved budget also includes a reduction of \$13.3 million dollars, all from the State General Fund, as the result of the Governor's November 6, 2015 State General Fund allotment and authority given under 2015 Senate Sub. for HB 2135. The November allotment included reductions of \$12.5 million from the State General Fund, to shift funding between caseload and non-caseload KanCare programs and a shift of \$1.0 million in expenditures from the State General Fund to the Social Welfare Fund.

The FY 2016 approved budget includes the addition of \$3.0 million, all from federal funds, for a new grant from the federal Centers for Medicare and Medicaid Services, to develop a fully automated system designed to utilize fingerprints to provide state and national criminal records checks and the addition of \$1.3 million, all from federal funds, for a grant to treat homeless individuals with mental illness and substance use disorders.

The FY 2016 approved budget includes 167.5 FTE positions, a decrease of 27.5 FTE positions, below the FY 2015 actual number and 117.0 non-FTE unclassified positions, an increase of 37.0 non-FTE unclassified positions above the FY 2015 actual number.

The FY 2017 approved budget for the Department for Aging and Disability Services is \$1.5 billion, including \$635.9 million from the State General Fund and \$3.8 million from the Children's Initiatives Fund. The approved amount is an all funds decrease of \$95.7 million, or 5.9 percent, and a State General Fund decrease of \$16.1 million, or 2.5 percent, below the FY 2016 approved amount. Included in the approved amount is \$7.7 million, all from State Institutions Building Fund, for capital improvement projects.

The FY 2017 approved amount includes the addition of \$3.0 million, all from federal funds, for a new grant from the federal Centers for Medicare and Medicaid Services, to develop a fully automated system designed to utilize fingerprints to provide state and national criminal records checks and the addition of \$1.7 million, all from federal funds, for a grant to treat homeless individuals with mental illness and substance use disorders. Also included in the approved amount is the reduction of \$2.3 million, including \$1.0 million from the State General Fund, for the Home and Community Based Services waiver for individuals with physical disabilities.

The Governor's May 18, 2016 State General Fund Allotment deleted \$37.9 million, including \$17.5 million from the State General Fund, for FY 2017. The State General Fund reductions included: \$1.3 million for implementation of the Capable Person Policy in Medicaid; \$1.3 million for the residential pay policy in Medicaid; \$14.6 million for a 4.0 percent Medicaid provider rate reduction; and \$250,000 for the Senior Care Act.

The FY 2016 approved budget includes 167.5 FTE positions, the same number as the the FY 2016 approved amount, and 117.0 non-FTE unclassified positions, the same number as the FY 2016 approved number.

Governor's Vetoes. The Legislature added language directing the agency to reinstate a policy requiring mental health screenings prior to inpatient placements for the Medicaid program for FY 2017 in both House Sub. for SB 161 and House Sub. for SB 249. The Governor vetoed the provisions in both bills.

2016 SB 449 continues the updating of statutes transferred to the Kansas Department for Aging and Disability Services (KDADS) under 2012 Executive Reorganization Order No. 41, in order to clarify and consolidate the existing authority of the Secretary for Aging and Disability Services (Secretary) with regard to the licensure process. The bill also prohibits the outsourcing or privatization of any operations or facilities of Larned State Hospital or Osawatomie State Hospital without specific authorization by the Legislature. The bill prohibits a state agency from entering into any agreement or taking any action to outsource or privatize any operations or facilities of Larned State Hospital or Osawatomie State Hospital without prior specific authorization by an act or an appropriation act of the Legislature. A state agency is not prevented from renewing any agreement in existence prior to March 4, 2016, for services at Larned State Hospital or Osawatomie State Hospital if the new agreement is substantially the same as an existing agreement. Additionally, a state agency is not prevented from entering into an agreement with a different provider for services at Larned State Hospital or Osawatomie State Hospital if the agreement is substantially similar to an agreement for services in existence prior to March 4, 2016.

Kansas Department for Aging and Disability Services

Agency Estimate/Request	FY 2016			FY 2017		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate/Request	\$ 669,312,344	\$ 1,584,919,776	167.5	\$ 663,263,265	\$ 1,515,965,059	167.5
Governor's Changes:						
1. Non-recommended Operating Supplemental	\$ (3,290,250)	\$ (7,500,000)	-	\$ -	\$ -	-
2. KanCare Allocation Shift	(12,340,443)	(34,742,569)	-	(3,000,000)	(11,723,385)	-
3. Shift SGF to Social Welfare Fund	(1,000,000)	-	-	-	-	-
4. Fall Human Services Caseloads	(24,237,280)	(48,386,541)	-	(33,514,149)	(67,667,589)	-
5. HCBS/PD Waiting List	-	-	-	(1,000,000)	(2,280,502)	-
6. Shift Funding from CIF to SGF	-	-	-	3,800,000	-	-
7. GBA No. 1, Item 8 Medicaid KanCare Expenditures	-	-	-	-	-	-
8. GBA No. 1, Item 9 Caseloads	34,800,443	95,802,569	-	28,600,000	78,300,000	-
9. GBA No. 1, Item 10 Combine Non-Caseloads and Caseloads	(11,246,443)	(32,021,505)	-	(4,740,451)	(16,088,936)	-
10. GBA No. 1, Item 14 OSH Diversion Beds	-	-	-	3,855,852	3,855,852	-
11. Governor's May 18, 2016 Allotment	-	-	-	(17,481,182)	(37,882,286)	-
Total Governor's Recommendation	\$ 651,998,371	\$ 1,558,071,730	167.5	\$ 639,783,335	\$ 1,462,478,213	167.5
Change from Agency Est.	\$ (17,313,973)	\$ (26,848,046)	-	\$ (23,479,930)	\$ (53,486,846)	-
Percent Change from Agency Est.	(2.6)%	(1.7)%	-%	(3.5)%	(3.5)%	-%
Legislative Action:						
12. Delete CIF Funding	\$ -	\$ -	-	\$ (3,800,000)	\$ (3,800,000)	-
13. MH Screening Language	-	-	-	-	-	-
14. KPERS Death and Disability Reduction	-	-	-	(36,417)	(104,454)	-
15. Allocate CIF Funding	-	-	-	-	3,800,000	-
TOTAL APPROVED	\$ 651,998,371	\$ 1,558,071,730	167.5	\$ 635,946,918	\$ 1,462,373,759	167.5
Change from Gov. Rec.	\$ -	\$ -	-	\$ (3,836,417)	\$ (104,454)	-
Percent Change from Gov. Rec.	-%	-%	-%	(0.6)%	(0.0)%	-%
Change from Agency Est.	\$ (17,313,973)	\$ (26,848,046)	-	\$ (27,316,347)	\$ (53,591,300)	-
Percent Change from Agency Est.	(2.6)%	(1.7)%	-%	(4.1)%	(3.5)%	-%

1. The Governor deleted \$7.5 million, including \$3.3 million from the State General Fund, for the agency's non-recommended supplemental request for funding to implement the federal Department of Labor rule regarding direct services workers providing sleep cycle support.
2. The Governor deleted \$34.7 million, including \$12.3 million from the State General Fund, in FY 2016, and deleted \$11.7 million, including \$3.0 million from the State General Fund, for FY 2017, to shift funding between caseloads and non-caseload KanCare programs.
3. The Governor deleted \$1.0 million, all from the State General Fund, and added the same amount from the Social Welfare Fund, in FY 2016.
4. The Governor deleted \$48.4 million, including \$24.2 million from the State General Fund, in FY 2016 and deleted \$67.7 million, including \$33.5 million from the State General Fund, for FY 2017 to fully fund the fall Human Services consensus caseloads estimates.
5. The Governor deleted \$2.3 million, including \$1.0 million from the State General Fund, for the Medicaid Home and Community Based Services waiver for individuals with physical disabilities for FY 2017.
6. The Governor deleted \$3.8 million, all from the Children's Initiatives Fund, and added the same amount from the State General Fund, to switch funding for children's mental health initiative for FY 2017.
7. The Legislature concurred with GBA No. 1, Item 8 to consolidate the KanCare caseload expenditures budget and report in the Department of Health and Environment for FY 2018.

8. The Legislature concurred with GBA No. 1, Item 9, and added \$95.8 million, including \$34.8 million from the State General Fund, in FY 2016 and added \$78.3 million, including \$28.6 million from the State General Fund, for FY 2017, to fully fund the Spring Human Services consensus caseload estimates.
9. The Legislature concurred with GBA No. 1, Item 10, and deleted \$32.0 million, including \$11.2 million from the State General Fund, in FY 2016 and deleted \$16.1 million, including \$4.7 million from the State General Fund, for FY 2017, to reallocate non-caseload medical savings to caseload programs.
10. The Legislature concurred with GBA No. 1, Item 14, and added \$3.9 million, all from the State General Fund, to fund the continuation of a contract for diversion beds for Osawatomie State Hospital for FY 2017.
11. The Governor deleted \$37.9 million, including \$17.5 million from the State General Fund, for FY 2017 as a part of the Governor's May 18, 2016 State General Fund Allotment for FY 2017.
12. The Legislature deleted \$3.8 million, all from the State General Fund, for the Children's Mental Health Initiative for FY 2017. This program historically received an appropriation from the Children's Initiatives Fund. Funding from the Children's Initiatives Fund is now recommended by the Children's Cabinet regarding the levels and funding sources for the expenditures with final decisions to be made by the Governor for FY 2017.
13. The Legislature added language directing the agency to reinstate a policy requiring mental health screenings prior to inpatient placements for the Medicaid program for FY 2017 in both House Sub. for SB 161 and House Sub. for SB 249. The Governor vetoed the provisions in both bills.
14. The Legislature deleted \$104,454, including \$36,417 from the State General Fund, to eliminate the remaining three quarters of Death and Disability payments for FY 2017.
15. The Governor allocated \$3.8 million, all from the Children's Initiatives Fund, for the Children's Mental Health Initiative for FY 2017 as authorized by 2016 House Sub. for SB 161 and 2016 House Sub. for SB 249.