

Senate Subcommittee Report

Agency: Department for Children and Families

Bill No. SB 267

Bill Sec. 53

Analyst: Caine

Analysis Pg. No. Vol. 1, p. 78

Budget Page No. 220

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 355,545,311	\$ 1,256,262,745	\$ 0
Other Funds	421,168,883	1,871,981,313	0
<i>Subtotal</i>	<u>\$ 776,714,194</u>	<u>\$ 1,871,981,313</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	353,825	5,894,967	0
<i>Subtotal</i>	<u>\$ 353,825</u>	<u>\$ 5,894,967</u>	<u>\$ 0</u>
TOTAL	<u>\$ 777,068,019</u>	<u>\$ 1,877,876,280</u>	<u>\$ 0</u>

FTE positions 2,537.9 2,823.9 0.0

* Note: Pursuant to the Governor's Executive Reorganization Order (ERO) No. 47, the Governor recommended all expenditures for the Kansas Department for Aging and Disability Services be shifted to the Department for Children and Families, which would be renamed the Department of Human Services. On March 25, 2021, the House adopted HR 6009 disapproving ERO 47, which shifted expenditures back to the agency's original budgets for FY 2022.

Also includes GBA No. 3, Item 1, to fund the Spring human services consensus caseload estimate to delete \$3.5 million, including the addition of \$129,592, for FY 2022. Changes are reflected in the table only.

Agency Request

The **agency** requests \$776.7 million, including \$355.5 million SGF, for FY 2022 operating expenditures. This is an all funds decrease of \$16.3 million, or 2.1 percent, below the FY 2021 revised estimate. The decrease is primarily attributable to the end of receiving COVID-19-related funding through the federal Low Income Energy Assistance Program (LIEAP) and Child Care Development Fund (CCDF). The agency's request is an SGF increase of \$7.0 million, or 2.0 percent, above the FY 2021 revised estimate. The agency's SGF increase is attributable to enhancements totaling \$18.0 million, including \$9.6 million SGF, for adoption assistance, family crisis prevention, a virtual contact center, and additional matching funding for the Child Development Block Grant. The increases are partially offset by the lack of reappropriations in FY 2022.

The agency's request includes 2,537.9 FTE positions for FY 2022, which is a decrease of 12.0 FTE positions below the FY 2021 revised estimate. The decrease is primarily attributable to a decrease in adoption support funding based on a requested enhancement. Overall, the agency anticipates that federal funding provided due to the COVID-19 pandemic will not be available for FY 2022. The request reflects a greater all funds decrease due to the absence of federal funding.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$3.1 billion, including \$1.3 billion SGF, for FY 2022. This is an all funds increase of \$2.4 billion, or 303.2 percent, above the agency's FY 2022 request. The increase is primarily attributable to the Governor's Executive Reorganization Order (ERO) No. 47, which moves the Kansas Department for Aging and Disability Services (KDADS) into the Department for Children and Families, creating the new Department for Human Services. Outside of the Executive Reorganization Order, the increases are detailed below by agency:

Increases related to the Department for Children and Families

Outside of the Executive Reorganization Order, increases attributable to DCF are primarily related to Child Support Services (\$8.8 million for the child support enforcement fund) and Prevention and Protection Services programs. The Governor recommends the agency's enhancement requests to fund adoption assistance growth and the family crisis response and support hotline and screening. The Governor does not recommend the agency's other enhancement requests for FY 2022.

Increases related to the Kansas Department for Aging and Disability Services

Outside of the Executive Reorganization Order, increases attributed to KDADS are primarily related to fluctuations in Human Services Consensus Caseloads, primarily related to an increasing Medicaid population. In response to the COVID-19 pandemic, the federal government increased the rate used to determine state match funds required to draw down federal moneys. To receive the increased federal match rate, the State had to refrain from removing people from its Medicaid program. As a result, the population of individuals eligible for mental health related Medicaid expenditures will continue to grow until the agency can resume terminating enrollment when a person no longer meets the state's eligibility criteria. Additional increases include the Governor's adoption of the agency's enhancement requests related to updating out-dated technology at the state hospitals; mental health related services; and housing related programming.

The Governor recommends \$5.9 million, all from special revenue funds, for capital improvements expenditures. This includes maintenance and repair projects at the Department for Children and Families' Topeka Service Center as well as the four state hospitals.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation for FY 2022.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation for FY 2022, with the following notation and adjustment:

1. The Human Services Subcommittee will review the process for child support collection, including review of the evaluation of the child support system in Kansas, conducted by Midwest Evaluation and Research, LLC, prior to finalization of the budget to address how to increase the collection of child support payments in Kansas.

- 2. Delete \$2.4 billion, including \$910.3 million SGF, and 286.0 FTE to reflect shifting expenditures and funds back to the Kansas Department for Aging and Disability Services prior to ERO No. 47 for FY 2022.

Senate Committee of the Whole Recommendation (Sub. for SB 267)

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022.

House Budget Committee Report

Agency: Department for Children and Families **Bill No.** HB 2397 **Bill Sec.** 53

Analyst: Caine **Analysis Pg. No.** Vol. 1, p. 78 **Budget Page No.** 220

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 355,545,311	\$ 1,256,262,745	\$ 350,000
Other Funds	421,168,883	1,871,981,313	200,000
<i>Subtotal</i>	\$ 776,714,194	\$ 1,871,981,313	\$ 550,000
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	353,825	5,894,967	0
<i>Subtotal</i>	\$ 353,825	\$ 5,894,967	\$ 0
 TOTAL	\$ 777,068,019	\$ 1,877,876,280	\$ 550,000

FTE positions 2,537.9 2,823.9 0.0

*Note: Pursuant to the Governor's Executive Reorganization Order (ERO) No. 47, the Governor recommended all expenditures for the Kansas Department for Aging and Disability Services be shifted to the Department for Children and Families, which would be renamed the Department of Human Services. On March 25, 2021, the House adopted HR 6009 disapproving ERO 47, which shifted expenditures back to the agency's original budgets for FY 2022.

Also includes GBA No. 3, Item 1, to fund the Spring human services consensus caseload estimate to delete \$3.5 million, including the addition of \$129,592, for FY 2022. Changes are reflected in the table only.

Agency Request

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million, or 2.0 percent, above the FY 2021 revised estimate. The agency's SGF increase is attributable to enhancements totaling \$18.0 million, including \$9.6 million SGF, for adoption assistance, family crisis prevention, a virtual contact center, and additional matching funding for the Child Development Block Grant. The increases are partially offset by the lack of reappropriations in FY 2022.

The agency's request includes 2,537.9 FTE positions for FY 2022, which is a decrease of 12.0 FTE positions below the FY 2021 revised estimate. The decrease is primarily attributable to a decrease in adoption support funding based on a requested enhancement. Overall, the agency anticipates that federal funding provided due to the COVID-19 pandemic will not be available for FY 2022. The request reflects a greater all funds decrease due to the absence of federal funding.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$3.1 billion, including \$1.3 billion SGF, for FY 2022. This is an all funds increase of \$2.4 billion, or 303.2 percent, above the agency's FY 2022 request. The increase is primarily attributable to the Governor's Executive Reorganization Order (ERO) No. 47, which moves the Kansas Department for Aging and Disability Services (KDADS) into the Department for Children and Families, creating the new Department for Human Services. Outside of the Executive Reorganization Order, the increases are detailed below by agency:

Increases related to the Department for Children and Families

Outside of the Executive Reorganization Order, increases attributable to DCF are primarily related to Child Support Services (\$8.8 million for the child support enforcement fund) and Prevention and Protection Services programs. The Governor recommends the agency's enhancement requests to fund adoption assistance growth and the family crisis response and support hotline and screening. The Governor does not recommend the agency's other enhancement requests for FY 2022.

Increases related to the Kansas Department for Aging and Disability Services

Outside of the Executive Reorganization Order, increases attributed to KDADS are primarily related to fluctuations in Human Services Consensus Caseloads, primarily related to an increasing Medicaid population. In response to the COVID-19 pandemic, the federal government increased the rate used to determine state match funds required to draw down federal moneys. To receive the increased federal match rate, the State had to refrain from removing people from its Medicaid program. As a result, the population of individuals eligible for mental health related Medicaid expenditures will continue to grow until the agency can resume terminating enrollment when a person no longer meets the state's eligibility criteria. Additional increases include the Governor's adoption of the agency's enhancement requests related to updating out-dated technology at the state hospitals; mental health related services; and housing related programming.

The Governor recommends \$5.9 million, all from special revenue funds, for capital improvements expenditures. This includes maintenance and repair projects at the Department for Children and Families' Topeka Service Center as well as the four state hospitals.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's budget recommendation for FY 2022, with the following adjustments:

1. Add \$250,000 all funds, including \$50,000 SGF, to establish a pilot program to support youth in out-of-home placements in the custody of the Secretary of the Department for Children and Families in obtaining a driver's license and funding automobile insurance.
2. Add \$300,000 SGF to establish a one-year pilot program for Hope Ranch for Women. Add language requiring the Hope Ranch for Women to submit a status report detailing activities conducted during the pilot program, including the number of women served, demographics, client service needs at intake, length of services, reasons for case closing, recidivism rate, client costs, and average project costs. Additionally, the Hope Ranch for Women is required to submit a budget itemization report and a budget transaction report to the House Committee on Social Services Budget by January 31, 2022.
3. Recommend that if Executive Reorganization Order No. 47 is disapproved by a vote of either chamber of the Legislature, expenditures and funds contained in the Department of Human Services in the Governor's recommendation be shifted back to the agency from which those expenditures and funds originated prior to the ERO.

House Committee Recommendation

The Committee concurs with the Budget Committee's recommendation with the following adjustment:

1. Delete \$2.4 billion, including \$910.3 million SGF, and 286.0 FTE to reflect shifting expenditures and funds back to the Kansas Department for Aging and Disability Services prior to ERO No. 47 for FY 2022.

House Committee of the Whole Recommendation (Sub. for HB 2397)

The Committee of the Whole concurs with the Committee's recommendation with the following adjustment:

1. Add language to delete 2.0 percent of SGF appropriations and reappropriations, excluding debt service, for FY 2022.

Conference Committee Recommendation (HB 2007)

The **Conference Committee** concurs with the Governor's recommendation for FY 2022 with the following adjustments:

1. Add \$250,000 all funds, including \$50,000 SGF, to establish a pilot program to support youth in out-of-home placements in the custody of the Secretary of the Department for Children and Families in obtaining a driver's license and funding automobile insurance.

2. Add \$300,000 SGF to establish a one-year pilot program for Hope Ranch for Women. Add language requiring the Hope Ranch for Women to submit a status report detailing activities conducted during the pilot program, including the number of women served, demographics, client service needs at intake, length of services, reasons for case closing, recidivism rate, client costs, and average project costs. Additionally, the Hope Ranch for Women is required to submit a budget itemization report and a budget transaction report to the House Committee on Social Services Budget by January 31, 2022.
3. Delete \$2.4 billion, including \$910.3 million SGF, and 286.0 FTE to reflect shifting expenditures and funds back to the Kansas Department for Aging and Disability Services prior to ERO No. 47 for FY 2022.

Governor's Veto (HB 2007)

The Governor vetoes the following:

1. The provision providing Hope Ranch for Women with \$300,000, all SGF, to establish a one-year pilot program, for FY 2022.

Omnibus Action (SB 159)

1. Adopt GBA No. 3, Item 1, to delete \$3.5 million, including the addition of \$129,592 SGF, to adopt the Spring Human Services Consensus Caseload estimate, for FY 2022.
2. Add \$300,000, all SGF, to establish a one-year pilot program for Hope Ranch for Women, for FY 2022. Add language requiring Hope Ranch for Women to submit a status report detailing activities conducted during the pilot program, including the number of women served, demographics, client service needs at intake, length of services, reasons for case closing, recidivism rate, client costs, and average project costs. Additionally, the Hope Ranch for Women is required to submit a budget itemization report and a budget transaction report to the House Committee on Social Services Budget by January 31, 2022.

	Governor's Recommendation FY 2022*	Legislative Action	Legislative Approved FY 2022	Governor's Veto FY 2022*	Final Legislative Approved FY 2022
All Funds					
State Operations	\$ 346,704,579	\$ (88,340,793)	\$ 258,363,786	\$ 0	\$ 258,363,786
Aid to Local Units	89,227,707	(89,227,707)	0	0	0
Other Assistance	2,695,512,914	(2,183,627,823)	511,885,091	0	511,885,091
<i>Subtotal - Operations</i>	<i>\$ 3,131,445,200</i>	<i>\$ (2,361,196,323)</i>	<i>\$ 770,248,877</i>	<i>\$ 0</i>	<i>\$ 770,248,877</i>
Capital Improvements	2,693,825	(2,340,000)	353,825	0	353,825
TOTAL	\$ 3,134,139,025	\$ (2,363,536,323)	\$ 770,602,702	\$ 0	\$ 770,602,702

State General Fund

State Operations	\$ 164,713,164	\$ (48,836,352)	\$ 115,876,812	\$ 0	\$ 115,876,812
Aid to Local Units	55,584,164	(55,584,164)	0	0	0
Other Assistance	1,035,965,417	(805,217,924)	230,747,493	0	230,747,493
<i>Subtotal - Operating</i>	<i>\$ 1,256,262,745</i>	<i>\$ (909,638,440)</i>	<i>\$ 346,624,305</i>	<i>\$ 0</i>	<i>\$ 346,624,305</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 1,256,262,745	\$ (909,638,440)	\$ 346,624,305	\$ 0	\$ 346,624,305

FTE Positions	2,823.9	(286.0)	2,537.9	0.0	2,537.9
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* Note: Pursuant to the Governor's Executive Reorganization Order (ERO) No. 47, the Governor recommended all expenditures for the Kansas Department for Aging and Disability Services be shifted to the Department for Children and Families, which would be renamed the Department of Human Services. On March 25, 2021, the House adopted HR 6009 disapproving ERO 47, which shifted expenditures back to the agency's original budgets for FY 2022.

Also includes GBA No. 3, Item 1, to fund the Spring human services consensus caseload estimate to delete \$3.5 million, including the addition of \$129,592, for FY 2022. Changes are reflected in the table only.

The Governor's veto of the provision for \$300,000 for Hope Ranch for Women was language only.

