

February 19, 2014

The Honorable Mario Goico, Chairperson
House Committee on Veterans, Military and Homeland Security
Statehouse, Room 276-W
Topeka, Kansas 66612

Dear Representative Goico:

SUBJECT: Fiscal Note for HB 2657 by House Committee on Veterans, Military and Homeland Security

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2657 is respectfully submitted to your committee.

HB 2657 would create the Kansas Veterans Care Center within the Kansas Commission on Veterans Affairs. The Care Center would consist of the properties, facilities, supervision, and management of the Kansas Soldiers Home and the Kansas Veterans Home. A superintendent would be appointed by and serve at the pleasure of the Commission, and all duties, powers and functions of the current Superintendents of the Homes would pass to this individual. Rates that would be charged to residents would be established by the Commission, and the bill would limit amounts that could be charged during the first year of operation of the Care Center. The Kansas Veterans Care Center Fee Fund would be established by the bill, and all monies currently in the Soldiers Home Fee Fund and the Veterans Home Fee Fund, as well as all federal funds in the two Homes, would be transferred to the Care Center Fee Fund on July 1, 2014. The existing fee and federal funds would be abolished.

The bill establishes eligibility requirements for residency at the Care Center, and gives the Commission authority to establish rules and regulations for management and operation of the facilities, as well as rules and regulations governing conduct and discipline of residents of the Care Center. The bill would allow the Commissioner of Mental Health and Developmental Disabilities of the Kansas Department for Aging and Disability Services, with the approval of the Secretary of the Kansas Department for Aging and Disability Services and the Commission, to transfer qualified patients to the Care Center. A custodian of the members and patients trust funds at the Care Center would be appointed by the Commission. Provisions are made in the bill for disposition of monies belonging to members who have died intestate or with no known heirs or beneficiaries.

The Honorable Mario Goico, Chairperson

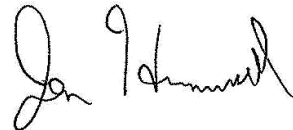
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The Commission would not be allowed to engage in farming at the Care Center, but would be required to rent or lease the farm land as specified by the bill. The Commission could enter in a written contract with any eligible individual to allow that person to construct a single-family dwelling for use as a home on the property of the Care Center. These dwellings would be constructed and maintained at the expense of the owner, and the Commission would grant a life estate to the owner and members of the owner's family, as defined by the bill, who reside in the home. At the end of each life estate granted, the dwelling would revert to the Center. The bill would make extensive technical corrections to existing law, changing statutory references to the Kansas Soldiers Home and Kansas Veterans Home to the Kansas Veterans Care Center.

The Kansas Commission on Veterans Affairs indicates that it is unable to estimate costs associated with passage of HB 2657 due to the complexity of the bill and the short amount of time given the agency to respond to a request for information on the bill's effect. The Commission does point out that costs would be associated with changes to regulations, policies, signage, websites, and all printed materials. It is possible, according to the agency, that revenues from Medicare and Medicaid and from the Veterans Administration would be placed in jeopardy for some time because the contracts and legal agreements entered into with the Centers for Medicare and Medicaid Services and the Veterans Administration are currently with the Kansas Soldiers Home and the Kansas Veterans Home. It is also possible that savings could be achieved from having only one Superintendent. Any fiscal effect associated with HB 2657 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Jon Hummell". The signature is fluid and cursive, with the first name "Jon" being particularly prominent.

Jon Hummell,
Interim Director of the Budget

cc: Kafer Peele, KCV
Brad Ridley, KDADS