

Larned State Hospital

Expenditure	Actual FY 2021	Approved FY 2022	Approved FY 2023
All Funds:			
State Operations	\$ 76,660,613	\$ 78,013,006	\$ 71,954,920
Aid to Local Units	-	-	-
Other Assistance	2,440	2,486	2,536
<i>Subtotal - Operating</i>	<u>\$ 76,663,053</u>	<u>\$ 78,015,492</u>	<u>\$ 71,957,456</u>
Capital Improvements	250,000	-	-
TOTAL	<u>\$ 76,913,053</u>	<u>\$ 78,015,492</u>	<u>\$ 71,957,456</u>
State General Fund:			
State Operations	\$ 64,426,723	\$ 66,522,615	\$ 62,457,647
Aid to Local Units	-	-	-
Other Assistance	1,720	1,752	1,787
<i>Subtotal - Operating</i>	<u>\$ 64,428,443</u>	<u>\$ 66,524,367</u>	<u>\$ 62,459,434</u>
Capital Improvements	-	-	-
TOTAL	<u>\$ 64,428,443</u>	<u>\$ 66,524,367</u>	<u>\$ 62,459,434</u>
Percent Change:			
Operating Expenditures			
All Funds	9.1 %	1.8 %	(7.8)%
State General Fund	3.6	3.3	(6.1)
FTE Positions	936.5	909.5	920.5

The approved budget for Larned State Hospital is \$78.0 million, including \$66.5 million SGF, in FY 2022. This is an all funds increase of \$1.1 million, or 1.4 percent, including a \$2.1 million SGF increase, or 3.3 percent, above the FY 2021 actual expenditures. The increase is primarily due to additional funding for contractual staffing expenditures to ensure adequate coverage for the hospital. The decrease in SGF is due to a shift in funding source, using fee funds to cover operating expenditures. With the ongoing COVID-19 pandemic, the hospital continues to report difficulty in providing nursing services for the state hospital, and as such the hospital has increased its reliance on contract nursing services to fill those needs. The increase also includes funds associated with providing food services for the state hospital. The approved budget also includes 909.5 FTE positions, which is a decrease of 27.0 FTE positions below the FY 2021 actual number. The decrease is due to the agency evaluating its positions and removing unfunded positions from its FTE count.

The approved budget for Larned State Hospital is \$72.0 million, including \$62.5 million SGF, for FY 2023. This is an all funds decrease of \$6.1 million, or 7.8 percent, including an SGF decrease of \$4.1 million, or 6.1 percent, below the FY 2022 approved budget. The decrease is due to the FY 2023 approved budget not including increased expenditures associated with contract nursing staff. There were several initiatives taken in FY 2022 to increase the pay for the nursing staff, with the goal of addressing recruitment and retention and reducing reliance on contract nursing services in FY 2023. The decrease is partially offset by increased expenditures for security staffing in the Sexual Predator Treatment Program and the replacement of outdated phone systems at the hospital. The approved budget also include 920.5 FTE positions, which is an increase of 11.0 FTE positions above the FY 2022 approved number. This increase is due to the additional security staff for the Sexual Predator Treatment Program and positions for surveillance of the hospital for FY 2023.

Larned State Hospital

	FY 2022			FY 2023		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Agency Estimate	\$ 75,124,431	\$ 86,615,556	927.5	\$ 83,753,944	\$ 93,171,040	1,033.5
Governor's Changes:						
1. Partially Adopt SPTP Safety and Security Expansion Enhancement	\$ (552,271)	\$ (552,271)	(18.0)	\$ (554,545)	\$ (554,545)	(9.0)
2. Did Not Recommend SPTP Expansion Enhancement	-	-	-	(3,119,319)	(3,119,319)	(47.0)
3. Did Not Recommend New SPTP Unit Enhancement	-	-	-	(2,596,892)	(2,596,892)	(40.0)
4. Did Not Recommend Contractual Nursing Enhancement	(13,000,000)	(13,000,000)	-	(13,000,000)	(13,000,000)	-
5. Partially Food Services Contract Enhancement	(547,793)	(547,793)	-	(547,793)	(547,793)	-
6. Did Not Recommend Additional PSP Staffing Enhancement	-	-	-	(1,439,484)	(1,439,484)	(17.0)
7. Partial Adoption of SSP Upgrade Enhancement	-	-	-	(80,926)	-	-
8. GBA No. 2, Item 5 - Contracted Nursing Funding	5,500,000	5,500,000	-	-	-	-
Subtotal - Governor's Recommendation	\$ 66,524,367	\$ 78,015,492	909.5	\$ 62,414,985	\$ 71,913,007	920.5
Change from Agency Est.	\$ (8,600,064)	\$ (8,600,064)	(18.0)	\$ (21,338,959)	\$ (21,258,033)	(113.0)
Percent Change from Agency Est.	(11.4)%	(9.9)%	(1.9)%	(25.5)%	(22.8)%	(10.9)%
Legislative Action:						
9. Adopt GBA No. 2, Item 5	-	-	-	-	-	-
10. Salary Increase	-	-	-	44,449	44,449	-
TOTAL APPROVED	\$ 66,524,367	\$ 78,015,492	909.5	\$ 62,459,434	\$ 71,957,456	920.5
Change from Gov. Rec.	\$ -	\$ -	-	\$ 44,449	\$ 44,449	-
Percent Change from Gov. Rec.	-- %	-- %	-- %	0.1 %	0.1 %	-- %
Change from Agency Est.	\$ (8,600,064)	\$ (8,600,064)	(18.0)	\$ (21,294,510)	\$ (21,213,584)	(113.0)
Percent Change from Agency Est.	(11.4)%	(9.9)%	(1.9)%	(25.4)%	(22.8)%	(10.9)%

1. The Governor deleted \$552,271 SGF and 18.0 FTE positions in FY 2022 and \$554,545 SGF and 9.0 FTE positions for FY 2023 to not recommend the agency's supplemental request for additional FTE positions for security in the Sexual Predator Treatment Program (SPTP) in FY 2022 and to partially adopt the request for FY 2023.
2. The Governor deleted \$3.1 million SGF and 47.0 FTE positions for FY 2023 to not recommend the agency's enhancement request to expand the staff for the SPTP.
3. The Governor deleted \$2.6 million SGF and 40.0 FTE positions for FY 2023 to not recommend the agency's enhancement request to expand and operate a new SPTP.
4. The Governor deleted \$13.0 million SGF in FY 2022 and for FY 2023 to not recommend the agency's enhancement request for additional contracted nursing staff for the state hospital. [Staff note: The Governor included funding in the budget for the Kansas Department for Aging and Disability Services to provide both temporary and permanent salary increases for nursing staff at the state hospitals to assist in recruitment and retention.]
5. The Governor deleted \$547,793 SGF in FY 2022 and for FY 2023 to partially recommend the agency's supplemental and enhancement requests to fully fund a revised food service contract to provide meals to the state hospital. Following the submission of the agency's request, the hospital received a new estimate at a lower cost.
6. The Governor deleted \$1.4 million SGF and 17.0 FTE positions for FY 2023 to not recommend the agency's enhancement request to increase staffing for the Psychiatric Services Program (PSP).

7. The Governor replaced \$80,926 SGF with funds from the State Institutions Building Fund for FY 2023 to partially adopt the agency's recommendation for funding to purchase ligature-resistant furniture for the State Security Hospital.
8. The Governor added \$5.5 million SGF in FY 2022 to provide funding for contract nursing services for the state hospital while the hospital reviews the effectiveness of the initiatives to address recruitment and retention at the state hospital.
9. The Legislature concurred with the Governor to adopt GBA No. 2, Item 5, to add \$5.5 million SGF to the Governor's recommendation to provide funding for contract nursing services for FY 2023.
10. The Legislature added \$44,449 SGF for a 5.0 percent salary increase for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.