

House Budget Committee Report

Agency: State Institutions for Mental Health **Bill No.** HB 2396

Bill Sec. 28

Analyst: Moore

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Budget Page No. 276-279

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021*	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 103,728,544	\$ 102,663,289	\$ 0
Other Funds	18,462,714	20,875,163	0
<i>Subtotal</i>	\$ 122,191,258	\$ 123,538,452	\$ 0
Capital Improvements:			
State General Fund	\$ 86,697	\$ 0	\$ 0
Other Funds	2,364,000	1,294,000	0
<i>Subtotal</i>	\$ 2,450,697	\$ 1,294,000	\$ 0
TOTAL	\$ 124,641,955	\$ 124,832,452	\$ 0

FTE positions	1,423.0	1,423.0	0.0
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*The Governor's recommendation includes GBA No. 3, Item 14, to add \$639,000 SGF for energy bills related to the February cold weather event in FY 2021. Changes are reflected in the table only.

Agency Estimate

The **agencies** request a revised operating budget of \$122.2 million, including \$103.7 million State General Funds (SGF), for expenditures at the Mental Health Institutions in FY 2021. These are expenditures for Larned State Hospital (LSH) and Osawatomie State Hospital (OSH). This is an all funds increase of \$1.9 million, or 1.5 percent, above the FY 2021 approved amount. This includes an SGF increase of \$741,668, or 0.7 percent, and an all other funds increase of \$1.2 million, or 6.8 percent, above the FY 2021 approved amount. The revised request includes 1,423.0 FTE positions, which is a decrease of 11.0 FTE positions below the approved amount.

The SGF increase is primarily related to increasing expenditures for staffing at the Mental Health Institutions. Both OSH and LSH have had historical challenges with retention of staff, which the agencies indicate is related to competition with the private sector. In order to ensure adequate staffing at both hospitals, the agencies utilize both FTE positions as well as contractual staffing services. Due to the COVID-19 pandemic, the agencies have experienced issues covering shifts due to employees being quarantined, and as a result the Mental Health Institutions have experienced an increased reliance on contract staffing to ensure adequate staffing. The increase is also related to replacement of several agency vehicles at OSH, as well as LSH's supplemental request for safety and security upgrades that include a video surveillance system and ligature-resistant furniture. The increase is partially offset by decreased expenditures for pharmaceuticals and food due to the agency adjusting based on actual utilization in FY 2020.

The Mental Health Institutions request a revised capital improvements budget of \$2.5 million, including \$86,697 SGF, in FY 2021. This is an all funds increase of \$1.4 million, or 134.7 percent, and an SGF increase of \$86,697, or 100.0 percent, above the FY 2021 approved amount. The increase is due to OSH receiving a revised estimate for repair work on its patient therapy pool.

Governor's Recommendation

The **Governor** recommends \$122.9 million, including \$102.0 million SGF, for operating expenditures at the Mental Health Institutions in FY 2021. This is an all funds increase of \$708,194, or 0.6 percent, above the agencies' FY 2021 revised estimate. This includes an SGF decrease of \$1.7 million, or 1.6 percent, and an all other funds increase of \$2.4 million, or 13.1 percent, from the agencies' FY 2021 revised estimate. The recommendation includes 1,423.0 FTE positions, which is the same number as agencies' FY 2021 revised estimate.

The increase is primarily related to the receipt of federal Coronavirus Relief Fund moneys awarded to the state hospitals from the SPARK Taskforce. The increase is partially offset by decreases related to the Governor not recommending LSH's supplemental requests. Additionally, the recommendation includes the lapse of several reappropriations from FY 2020 for the Mental Health Institutions, however, the Governor recommends utilization of agency fee funds rather than SGF moneys for those expenditures.

The recommendation includes \$1.3 million, all from special revenue funds, for capital improvements expenditures in FY 2021. This is an all funds decrease of \$1.2 million, or 47.2 percent, below the agencies' FY 2021 revised estimate. The Governor recommends that OSH work with the Kansas Department for Aging and Disability Services (KDADS) to include its therapy pool project in the five-year capital improvements plan; the recommendation also decreases the capital improvements funding back to the approved amount in FY 2021.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation in FY 2021.

House Committee Recommendation

The **Committee** concurs with the Budget Committee's recommendation in FY 2021.

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

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.

Senate Subcommittee Report

Agency: State Institutions for Mental Health **Bill No.** SB 267

Bill Sec. 53

Analyst: Moore

Analysis Pg. No. Vol 1, pg. 302

Budget Page No. 276-279

Expenditure Summary	Agency Estimate FY 2021	Governor Recommendation FY 2021*	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 103,728,544	\$ 102,663,289	\$ 0
Other Funds	18,462,714	20,875,163	0
<i>Subtotal</i>	<u>\$ 122,191,258</u>	<u>\$ 123,538,452</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 86,697	\$ 0	\$ 0
Other Funds	2,364,000	1,294,000	0
<i>Subtotal</i>	<u>\$ 2,450,697</u>	<u>\$ 1,294,000</u>	<u>\$ 0</u>
TOTAL	<u>\$ 124,641,955</u>	<u>\$ 124,832,452</u>	<u>\$ 0</u>

FTE positions	1,423.0	1,423.0	0.0
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*The Governor's recommendation includes GBA No. 3, Item 14, to add \$639,000 SGF for energy bills related to the February cold weather event in FY 2021. Changes are reflected in the table only.

Agency Estimate

The **agencies** request a revised operating budget of \$122.2 million, including \$103.7 million from the State General Fund (SGF), for expenditures at the Mental Health Institutions in FY 2021. These are expenditures for Larned State Hospital (LSH) and Osawatimie State Hospital (OSH). This is an all funds increase of \$1.9 million, or 1.6 percent, above the FY 2021 approved amount. This includes an SGF increase of \$741,668, or 0.7 percent, and an all other funds increase of \$1.2 million, or 6.8 percent, above the FY 2021 approved amount. The revised request includes 1,423.0 FTE positions, which is a decrease of 11.0 FTE positions below the approved amount.

The SGF increase is primarily related to increasing expenditures for staffing at the Mental Health Institutions. Both OSH and LSH have had historical challenges with retention of staff, which the agencies indicate is related to competition with the private sector. In order to ensure adequate staffing at both hospitals, the agencies utilize both FTE positions as well as contractual staffing services. Due to the COVID-19 pandemic, the agencies have experienced issues covering shifts due to employees being quarantined, and as a result the Mental Health Institutions have experienced an increased reliance on contract staffing to ensure adequate staffing. The increase is also related to replacement of several agency vehicles at OSH, as well as LSH's supplemental request for safety and security upgrades that include a video surveillance system and ligature-resistant furniture. The increase is partially offset by decreased

expenditures for pharmaceuticals and food due to the agency adjusting based on actual utilization in FY 2020.

The Mental Health Institutions request a revised capital improvements budget of \$2.5 million, including \$86,697 SGF, in FY 2021. This is an all funds increase of \$1.4 million, or 134.7 percent, and an SGF increase of \$86,697, or 100.0 percent, above the FY 2021 approved amount. The increase is due to OSH receiving a revised estimate for repair work on its patient therapy pool.

Governor's Recommendation

The **Governor** recommends \$122.9 million, including \$102.0 million SGF, for operating expenditures at the Mental Health Institutions in FY 2021. This is an all funds increase of \$708,194, or 0.6 percent, above the agencies' FY 2021 revised estimate. This includes an SGF decrease of \$1.7 million, or 1.6 percent, and an all other funds increase of \$2.4 million, or 13.1 percent, from the agency's FY 2021 revised estimate. The recommendation includes 1,423.0 FTE positions, which is the same number as agencies' FY 2021 revised estimate.

The increase is primarily related to the receipt of federal Coronavirus Relief Fund moneys awarded to the state hospitals from the SPARK Taskforce. The increase is partially offset by decreases related to the Governor not recommending LSH's supplemental requests. Additionally, the recommendation includes the lapse of several reappropriations from FY 2020 for the Mental Health Institutions, however, the Governor recommends utilization of agency fee funds rather than SGF moneys for those expenditures.

The recommendation includes \$1.3 million, all from special revenue funds, for capital improvements expenditures in FY 2021. This is an all funds decrease of \$1.2 million, or 47.2 percent, below the agency's FY 2021 revised estimate. The Governor recommends that OSH work with KDADS to include its therapy pool project in the five-year capital improvements plan; the recommendation also decreases the capital improvements funding back to the approved amount in FY 2021.

Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation in FY 2021.

Senate Committee Recommendation

The **Committee** concurs with the Subcommittee's recommendation in FY 2021.

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

The **Committee of the Whole** concurs with the Committee's recommendation in FY 2021.

Conference Committee Recommendation (HB 2007)

The **Conference Committee** concurs with the Governor's recommendation in FY 2021.

Omnibus Activity (SB 159)

Larned State Hospital

1. Adopt GBA No. 3, Item 14, to add \$441,000, all SGF, for energy bills related to the February cold weather event in FY 2021, and add language to lapse up to that amount of SGF if federal funds are available for this purpose.
2. Pay \$2,800, all from existing resources in the agency's SGF operations account, for claims against the State regarding lost hearing aids in FY 2021.

Osawatomie State Hospital

1. Adopt GBA No. 3, Item 14, to add \$198,000, all SGF, for energy bills related to the February cold weather event in FY 2021, and add language to lapse up to that amount of SGF if federal funds are available for this purpose.
2. Pay \$1,946, all from existing resources in the agency's SGF operations account, for claims against the State regarding automobile damage in FY 2021.

	Governor's Recommendation FY 2021*	Legislative Action	Legislative Approved FY 2021	Governor's Veto FY 2021	Final Legislative Approved FY 2021
All Funds					
State Operations	\$ 123,521,927	\$ 0	\$ 123,521,927	\$ 0	\$ 123,521,927
Aid to Local Units	0	0	0	0	0
Other Assistance	16,525	0	16,525	0	16,525
<i>Subtotal - Operations</i>	<i>\$ 123,538,452</i>	<i>\$ 0</i>	<i>\$ 123,538,452</i>	<i>\$ 0</i>	<i>\$ 123,538,452</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 123,538,452	\$ 0	\$ 123,538,452	\$ 0	\$ 123,538,452

State General Fund

State Operations	\$ 102,646,797	\$ 0	\$ 102,646,797	\$ 0	\$ 102,646,797
Aid to Local Units	0	0	0	0	0
Other Assistance	16,492	0	16,492	0	16,492
<i>Subtotal - Operating</i>	<i>\$ 102,663,289</i>	<i>\$ 0</i>	<i>\$ 102,663,289</i>	<i>\$ 0</i>	<i>\$ 102,663,289</i>
Capital Improvements	0	0	0	0	0
TOTAL	\$ 102,663,289	\$ 0	\$ 102,663,289	\$ 0	\$ 102,663,289

FTE Positions	1,423.0	0.0	1,423.0	0.0	1,423.0
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*The Governor's recommendation includes GBA No. 3, Item 14, to add \$639,000 SGF for energy bills related to the February cold weather event in FY 2021. Changes are reflected in the table only.