

# House Budget Committee Report

**Agency:** State Institutions for Mental Health **Bill No.** HB 2397

**Bill Sec.** 53

**Analyst:** Moore

**Analysis Pg. No.** Vol 1, pg. 302

**Budget Page No.** 276-279

Expenditure Summary	Agency Request FY 2022	Governor Recommendation FY 2022*	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 105,476,858	\$ 94,427,054	\$ 0
Other Funds	17,539,628	21,934,661	0
<i>Subtotal</i>	\$ 123,016,486	\$ 116,361,715	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	150,000	25,000	0
<i>Subtotal</i>	\$ 150,000	\$ 25,000	\$ 0
<b>TOTAL</b>	<b>\$ 123,166,486</b>	<b>\$ 116,386,715</b>	<b>\$ 0</b>

FTE positions 1,423.0 1,429.0 0.0

\*The Governor's recommendation includes GBA No. 1, Item 1, to add \$2.2 million SGF and Item 2, to add \$232,456 SGF to restore funding for beds at Larned State Hospital which was removed as part of the reduced resources budget. Changes are reflected in the table only.

## Agency Request

The **agencies** request an operating budget of \$123.0 million, including \$105.5 million from the State General Fund (SGF), for expenditures at the Mental Health Institutions for FY 2022. These are expenditures for Larned State Hospital (LSH) and Osawatomie State Hospital (OSH). This is an all funds increase of \$825,228, or 0.7 percent, above the FY 2021 revised estimate. This includes an SGF increase of \$1.7 million, or 1.7 percent, and an all other funds decrease of \$923,086, or 5.0 percent, from the FY 2021 revised estimate. The request includes 1,423.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The SGF increase is primarily due to LSH's enhancement requests for FY 2022. The expansion of the Sexual Predator Treatment Program (SPTP) comprises a majority of the agency's enhancement request. LSH indicates significant growth in the SPTP over the last several years, and as a result the agency proposes to create a new SPTP unit at LSH and expand the community-based SPTP supervision services. Partially offsetting the increase is a transfer from LSH to the Kansas Department of Corrections (KDOC) related to the ending of a memorandum of understanding between the agencies regarding the care of inmates with mental health needs at KDOC. OSH generally anticipates maintaining FY 2021 spending levels with increases related to yearly fluctuations across all expenditures categories.

The agencies request a capital improvements budget of \$150,000, all from special revenue funds, for FY 2022. This is an all funds decrease of \$2.3 million, or 93.9 percent, and an SGF decrease of \$86,697, or 100.0 percent, below the FY 2021 revised estimate. The decrease is due to the agency anticipating the therapy pool project to be concluded in FY 2021.

### **Governor's Recommendation**

The **Governor** recommends \$113.9 million, including \$92.0 million SGF, for operating expenditures at the Mental Health Institutions for FY 2022. This is an all funds decrease of \$9.1 million, or 7.4 percent, below the agencies' FY 2022 request. This includes an SGF decrease of \$13.5 million, or 12.8 percent, and an all other funds increase of \$4.4 million, or 25.1 percent, from the agencies' FY 2022 request. The recommendation includes 1,429.0 FTE positions, which is an increase of 6.0 FTE positions above the agencies' FY 2022 request. The position increase is mainly attributable to staff for video surveillance monitoring at LSH.

The SGF decrease is primarily related to the Governor's adoption of the agency's reduced resources budget. However, the Governor recommends that the agency utilize agency fee funds to offset several of the agencies' proposed SGF reductions, which account for the all other funds increases. The decrease is also due to the Governor not recommending a majority of LSH's enhancement requests. The decrease is partially offset by the Governor recommending certain enhancement requests from LSH for new Omnicell medication dispensing machines and the purchase of a video monitoring system.

The recommendation includes \$25,000, all from special revenue funds, for capital improvements expenditures for FY 2022. This is an all funds decrease of \$125,000, or 83.3 percent, below the agency's FY 2022 request. The Governor reduced funding and recommended that OSH work with KDADS to include its rehabilitation and repair projects in the five-year capital improvements plan.

### **House Budget Committee Recommendation**

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

### **House Committee Recommendation**

The **Committee** concurs with the Budget Committee's recommendation for FY 2022 with the following notation:

### **Larned State Hospital**

1. The House Committee review, prior to finalization of the budget, Governor's Budget Amendment No. 1, Item 1, with respect to the restoration of \$2.4 million SGF to fund 30 beds in the State Security Program and 18 beds in the Psychiatric Services Program that were removed as reduced resources for FY 2022.

### **Further House Committee Recommendation**

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

**Larned State Hospital**

1. Add language to provide starting salaries for entry-level positions at Larned State Hospital, such as the Mental Health/Development Disability technicians, at the same level as those provided for similar entry-level positions at the Larned Correctional Mental Health Facility for FY 2022. Review the fiscal impact of raising these starting salaries at Omnibus.

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

The **Committee of the Whole** concurs with the Committee's recommendation for FY 2022 with the following adjustment:

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

**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 Request FY 2022	Governor Recommendation FY 2022*	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 105,476,858	\$ 94,427,054	\$ 0
Other Funds	17,539,628	21,934,661	0
<i>Subtotal</i>	\$ 123,016,486	\$ 116,361,715	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	150,000	25,000	0
<i>Subtotal</i>	\$ 150,000	\$ 25,000	\$ 0
<b>TOTAL</b>	<b>\$ 123,166,486</b>	<b>\$ 116,386,715</b>	<b>\$ 0</b>

FTE positions	1,423.0	1,429.0	0.0
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\*The Governor's recommendation includes GBA No. 1, Item 1, to add \$2.2 million SGF and Item 2, to add \$232,456 SGF to restore funding for beds at Larned State Hospital which was removed as part of the reduced resources budget. Changes are reflected in the table only.

## Agency Request

The **agencies** request an operating budget of \$123.0 million, including \$105.5 million from the State General Fund (SGF), for expenditures at the Mental Health Institutions for FY 2022. These are expenditures for Larned State Hospital (LSH) and Osawatomie State Hospital (OSH). This is an all funds increase of \$825,228, or 0.7 percent, above the FY 2021 revised estimate. This includes an SGF increase of \$1.7 million, or 1.7 percent, and an all other funds decrease of \$923,086, or 5.0 percent, from the FY 2021 revised estimate. The request includes 1,423.0 FTE positions, which is the same number as the FY 2021 revised estimate.

The SGF increase is primarily due to LSH's enhancement requests for FY 2022. The expansion of the SPTP comprises a majority of the agency's enhancement request. LSH indicates significant growth in the SPTP over the last several years, and as a result the agency proposes to create a new SPTP unit at LSH and expand the community-based SPTP supervision services. Partially offsetting the increase is a transfer from LSH to KDOC related to the ending of a memorandum of understanding between the agencies regarding the care of inmates with mental health needs at KDOC. OSH generally anticipates maintaining FY 2021 spending levels with increases related to yearly fluctuations across all expenditures categories.

The agencies request a capital improvements budget of \$150,000, all from special revenue funds, for FY 2022. This is an all funds decrease of \$2.3 million, or 93.9 percent, and an SGF decrease of \$86,697, or 100.0 percent, below the FY 2021 revised estimate. The decrease is due to the agency anticipating the therapy pool project to be concluded in FY 2021.

## Governor's Recommendation

The **Governor** recommends \$113.9 million, including \$92.0 million SGF, for operating expenditures at the Mental Health Institutions for FY 2022. This is an all funds decrease of \$9.1 million, or 7.4 percent, below the agencies' FY 2022 request. This includes an SGF decrease of \$13.5 million, or 12.8 percent, and an all other funds increase of \$4.4 million, or 25.1 percent, from the agencies' FY 2022 request. The recommendation includes 1,429.0 FTE positions, which is an increase of 6.0 FTE positions above the agencies' FY 2022 request. The position increase is mainly attributable to staff for video surveillance monitoring at LSH.

The SGF decrease is primarily related to the Governor's adoption of the agency's reduced resources budget. However, the Governor recommends that the agency utilize agency fee funds to offset several of the agencies' proposed SGF reductions, which account for the all other funds increases. The decrease is also due to the Governor not recommending a majority of LSH's enhancement requests. The decrease is partially offset by the Governor recommending certain enhancement requests from LSH for new Omnicell medication dispensing machines and the purchase of a video monitoring system.

The recommendation includes \$25,000, all from special revenue funds, for capital improvements expenditures for FY 2022. This is an all funds decrease of \$125,000, or 83.3 percent, below the agency's FY 2022 request. The Governor reduced funding and recommended that OSH work with KDADS to include its rehabilitation and repair projects in the five-year capital improvements plan.

## 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:

#### **Larned State Hospital**

1. On February 8, 2021, the Governor issued Governor's Budget Amendment (GBA) No. 1, Item 1, which restored funding for state hospital beds at LSH that was originally removed as reduced resource items for FY 2022. The addition of GBA No. 1 is reflected in the table above.

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

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

### **Conference Committee Recommendation (HB 2007)**

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

#### **Larned State Hospital**

1. Add language to provide starting salaries for entry-level positions at Larned State Hospital, such as the Mental Health/Development Disability technicians, at the same level as those provided for similar entry-level positions at the Larned Correctional Mental Health Facility for FY 2022. Review the fiscal impact of raising these starting salaries at Omnibus.
2. Adopt GBA No. 1, Item 1, which restored funding for state hospital beds at LSH that was originally removed as reduced resource items for FY 2022. The addition of GBA No. 1 is reflected in the table above.

### **Governor's Veto (HB 2007)**

The **Governor** vetoes the following:

#### **Larned State Hospital**

1. The provision directing starting salaries for entry-level positions at Larned State Hospital at the same level as those provided for similar entry-level positions at the Larned Correctional Mental Health Facility for FY 2022.

### **Omnibus Activity (SB 159)**

No action taken for FY 2022.

	Governor's Recommendation FY 2022*	Legislative Action	Legislative Approved FY 2022	Governor's Vetoed FY 2022	Final Legislative Approved FY 2022
<b>All Funds</b>					
State Operations	\$ 116,345,190	\$ 0	\$ 116,345,190	\$ 0	\$ 116,345,190
Aid to Local Units	0	0	0	0	0
Other Assistance	16,525	0	16,525	0	16,525
<i>Subtotal - Operations</i>	<u>\$ 116,361,715</u>	<u>\$ 0</u>	<u>\$ 116,361,715</u>	<u>\$ 0</u>	<u>\$ 116,361,715</u>
Capital Improvements	25,000	0	25,000	0	25,000
<b>TOTAL</b>	<b><u>\$ 116,386,715</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 116,386,715</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 116,386,715</u></b>

**State General Fund**

State Operations	\$ 94,410,562	\$ 0	\$ 94,410,562	\$ 0	\$ 94,410,562
Aid to Local Units	0	0	0	0	0
Other Assistance	16,492	0	16,492	0	16,492
<i>Subtotal - Operating</i>	<u>\$ 94,427,054</u>	<u>\$ 0</u>	<u>\$ 94,427,054</u>	<u>\$ 0</u>	<u>\$ 94,427,054</u>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b><u>\$ 94,427,054</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 94,427,054</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 94,427,054</u></b>

FTE Positions 1,429.0 0.0 1,429.0 0.0 1,429.0

\*The Governor's recommendation includes GBA No. 1, Item 1, to add \$2.2 million SGF and Item 2, to add \$232,456 SGF to restore funding for beds at Larned State Hospital which was removed as part of the reduced resources budget. Changes are reflected in the table only.