

Larned State Hospital

| Expenditure | Actual FY 2020 | Approved FY 2021 | Approved FY 2022 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| All Funds: | | | |
| State Operations | \$ 72,451,007 | \$ 75,469,718 | \$ 69,754,054 |
| Aid to Local Units | - | - | - |
| Other Assistance | 7,586 | 7,285 | 7,285 |
| <i>Subtotal - Operating</i> | <u>\$ 72,458,593</u> | <u>\$ 75,477,003</u> | <u>\$ 69,761,339</u> |
| Capital Improvements | 2,495 | 250,000 | - |
| TOTAL | <u>\$ 72,461,088</u> | <u>\$ 75,727,003</u> | <u>\$ 69,761,339</u> |
| State General Fund: | | | |
| State Operations | \$ 64,187,725 | \$ 64,599,987 | \$ 60,049,398 |
| Aid to Local Units | - | - | - |
| Other Assistance | 7,553 | 7,252 | 7,252 |
| <i>Subtotal - Operating</i> | <u>\$ 64,195,278</u> | <u>\$ 64,607,239</u> | <u>\$ 60,056,650</u> |
| Capital Improvements | 2,495 | - | - |
| TOTAL | <u>\$ 64,197,773</u> | <u>\$ 64,607,239</u> | <u>\$ 60,056,650</u> |
| Percent Change: | | | |
| Operating Expenditures | | | |
| All Funds | 3.2 % | 4.2 % | (7.6)% |
| State General Fund | 2.4 | 0.6 | (7.0) |
| FTE Positions | 936.5 | 936.5 | 942.5 |

The approved operating budget for Larned State Hospital in FY 2021 is \$75.5 million, including \$64.6 million SGF. This is an all funds increase of \$3.0 million, or 4.2 percent, and an SGF increase of \$411,961, or 0.6 percent, above the FY 2020 actual amount. The all funds increase is primarily attributable to the receipt of federal funds from the Strengthening People and Revitalizing Kansas (SPARK) Taskforce related to providing hazard pay bonuses to direct support staff due to continued potential exposure to COVID-19 as well as providing funds for personal protective equipment and sanitation supplies. Additionally, the agency experienced an increased reliance on contracted staff expenditures to provide coverage for the hospital when regular staff were unable to work due to COVID-19 positivity. The increase is also attributable to an unexpected increase in natural gas expenditures due lower-than-typical temperatures in February 2021. The approved operating budget includes 936.5 FTE positions, which is the same as the FY 2020 actual number.

The approved capital improvements budget for Larned State Hospital in FY 2021 is \$250,000, all from the State Institutions Building Fund. This is an increase of \$247,505, or 9,920.0 percent, above the FY 2020 actual capital improvements amount. The increase is due to the replacement of doors in the Isaac Ray Facility, which was approved by the 2020 Legislature.

The approved operating budget for Larned State Hospital for FY 2022 is \$69.8 million, including \$60.1 million SGF. This is an all funds decrease of \$5.7 million, or 7.6 percent, and an SGF decrease of \$4.6 million, or 7.0 percent, below the FY 2021 approved amount. The all funds decrease is attributable to the one-time award of federal funds from the SPARK Taskforce for COVID-19-related expenditures that will not reoccur in FY 2022. The SGF decrease is primarily due to the Governor adopting the agency's reduced resource budget, which included the conclusion of a food service contract with the Larned Correctional Mental Health Facility. The approved budget also included the shift of expenditures related to the care of inmates with mental health needs from the state hospital to the Kansas Department of Corrections, where those inmates are now receiving those services. Partially offsetting the decreases were increases related to the installation of a video surveillance system for the Psychiatric Service Program and the replacement of outdated medication dispensing machines. The approved operating budget includes 942.5 FTE positions, which is an increase of 6.0 FTE positions above the FY 2021 approved number. The increase is due to the creation of new positions to monitor the newly installed surveillance system for FY 2022.

The approved budget for Larned State Hospital for FY 2022 does not include capital improvement expenditures due to the completion of the Issac Ray Facility project in FY 2021. Except for occasional projects, capital improvement expenditures for the state hospitals are traditionally reflected in the Kansas Department for Aging and Disability Services' budget.

Governor's Vetoes. The Governor vetoed 2021 HB 2007 section 84(w) directing Larned State Hospital to increase starting salaries for entry-level positions to the same level as similar positions at the Larned Correctional Mental Health Facility for FY 2022. This language was included by the Legislature to bring the starting salaries for entry-level positions to the same level as those of similar positions at the correctional facility.

Larned State Hospital

| | FY 2021 | | | FY 2022 | | |
|--|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Agency Estimate | \$ 65,381,789 | \$ 75,214,027 | 936.5 | \$ 67,287,520 | \$ 75,752,466 | 936.5 |
| Governor's Changes: | | | | | | |
| 1. Non-recommended Supplemental - Ligature-Resistant Furniture | \$ (68,670) | \$ (68,670) | - | \$ - | \$ - | - |
| 2. SGF Reappropriation Lapse | (380,022) | - | - | - | - | - |
| 3. SPARK Award for Hazard Pay | - | 907,504 | - | - | - | - |
| 4. Surveillance System Shift | (766,858) | (766,858) | - | - | 430,000 | 6.0 |
| 5. Non-recommended Enhancement - SPTP Unit | - | - | - | (3,176,353) | (3,176,353) | - |
| 6. Non-recommended Enhancement - SPTP Monitoring | - | - | - | (143,824) | (143,824) | - |
| 7. Reduced Resource Item - Food Service Contract with LCMHF | - | - | - | (3,100,950) | (3,100,950) | - |
| 8. Reduced Resource Item - SSP Male Unit Closure | - | - | - | (2,191,550) | (2,191,550) | - |
| 9. Reduced Resource Item - PSP Bed Reduction | - | - | - | (232,456) | (232,456) | - |
| 10. Reduced Resource Item - Contractual Services Reduction | - | - | - | (809,743) | - | - |
| 11. GBA No. 1. Larned Bed Funding | - | - | - | 2,424,006 | 2,424,006 | - |
| 12. GBA No. 3, Item 14 - Cold Weather Event Energy Bills | 441,000 | 441,000 | - | - | - | - |
| 13. Governor's Veto - Larned Starting Salaries Increase | - | - | - | - | - | - |
| Subtotal - Governor's Recommendation | \$ 64,607,239 | \$ 75,727,003 | 936.5 | \$ 60,056,650 | \$ 69,761,339 | 942.5 |
| Change from Agency Est. | \$ (774,550) | \$ 512,976 | - | \$ (7,230,870) | \$ (5,991,127) | 6.0 |
| Percent Change from Agency Est. | (1.2)% | 0.7 % | 0.0 % | (10.7)% | (7.9)% | 0.6 % |
| Legislative Action: | | | | | | |
| 14. Increase in Larned Starting Salaries | \$ - | \$ - | - | \$ - | \$ - | - |
| 15. Adopt GBA No. 1 Items 1 and 2 | - | - | - | - | - | - |
| 16. Adopt GBA No. 3 Item 14 | - | - | - | - | - | - |
| 17. Claims Against the State | - | - | - | - | - | - |
| TOTAL APPROVED | \$ 64,607,239 | \$ 75,727,003 | 936.5 | \$ 60,056,650 | \$ 69,761,339 | 942.5 |
| Change from Gov. Rec. | \$ - | \$ - | - | \$ - | \$ - | - |
| Percent Change from Gov. Rec. | -- % | -- % | 0.0 % | -- % | -- % | 0.0 % |
| Change from Agency Est. | \$ (774,550) | \$ 512,976 | - | \$ (7,230,870) | \$ (5,991,127) | 6.0 |
| Percent Change from Agency Est. | (1.2)% | 0.7 % | 0.0 % | (10.7)% | (7.9)% | 0.6 % |

1. The Governor deleted \$68,670, all SGF, to not recommend the agency's supplemental request to install ligature-resistant furniture in the Isaac Ray secure facility in FY 2021.
2. The Governor deleted \$380,022, all SGF, to lapse an SGF reappropriation due the utilization of federal relief funds for expenditures related to the COVID-19 pandemic in FY 2021.
3. The Governor added \$907,504, all from the Coronavirus Relief Fund, for relief moneys awarded by the SPARK Taskforce primarily for hazard pay bonuses provided to front-line workers due to continued COVID-19 exposure in FY 2021.
4. The Governor deleted \$766,858, all SGF, in FY 2021 and added \$430,000, all from the State Institutions Building Fund, for FY 2022 to adjust the agency's supplemental request to install a video surveillance system for the Psychiatric Services Program (PSP) in FY 2021, and shift funding for the system to FY 2022. The Governor's recommendation included the addition of 6.0 FTE positions to monitor the system in FY 2022.

5. The Governor deleted \$3.2 million, all SGF, to not recommend the agency's enhancement request to add a 30-bed unit to the Sexual Predator Treatment Program (SPTP) for FY 2022.
6. The Governor deleted \$143,824, all SGF, to not recommend the agency's enhancement request for two additional positions to monitor individuals in the SPTP reintegration units during community outings and on conditional release, for FY 2022.
7. The Governor deleted \$3.1 million, all SGF, related to the conclusion of a food contract between the state hospital and Larned Correctional Mental Health Facility included in the agency's reduced resources budget for FY 2022. This contract was entered into between the state hospital and the correctional facility years ago, but due to a reduced reliance on inmate labor, those expenditures will shift back to the correctional facility.
8. The Governor deleted \$2.2 million, all SGF, to close one State Security Program (SSP) unit that was included in the agency's reduced resources budget for FY 2022. This reduced the bed capacity of the SSP by 30 beds. The agency indicated these reductions were made to create COVID-19 isolation units and proposed to continue the reductions permanently.
9. The Governor deleted \$232,456, all SGF, to reduce the bed capacity of the PSP from 90 beds to 72, which was included in the agency's reduced resources budget for FY 2022. The agency indicated these were reductions made to create COVID-19 isolation units and proposed to continue the reductions permanently.
10. The Governor replaced \$809,743, all SGF, with special revenue funds for contract staffing of professional services to partially adopt the agency's reduced resources budget for FY 2022. The Governor reduced the agency's SGF appropriation for these services and recommended that the agency utilize special revenue funds to offset the reduction for FY 2022.
11. The Governor added \$2.4 million, all SGF, to restore funding for the reduced resource items to close an SSP unit and reduce the PSP bed capacity for FY 2022 in GBA No. 1, Items 1 and 2.
12. The Governor added \$141,000, all SGF, for energy bills related to the February cold weather event in FY 2021, in GBA No. 3 Item 14.
13. The Governor vetoed 2021 HB 2007 section 84(w) authorizing Larned State Hospital to increase starting salaries for entry level positions to the same level as similar positions at the Larned Correctional Mental Health Facility for FY 2022.
14. The Legislature added language authorizing the agency to increase the starting salaries for entry level positions at the state hospital to the same level as those of similar positions at the Larned Correctional Mental Health Facility. Several years ago, the salaries at the correctional facility were increased, which created a disparity between the two facilities. The starting salaries for the state hospital were partially increased in FY 2020, but are still lower than salaries at the correctional facility. This provision was vetoed by the Governor.
15. The Legislature concurred with GBA No. 1, Items 1 and 2, to add \$2.4 million, all SGF, to restore funding for the reduced resource items to close an SSP unit and to reduce the PSP bed capacity for FY 2022.
16. The Legislature concurred in part with 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 added language to utilize federal funds, if available, and lapse up to that amount back to the SGF if federal funds are available for this purpose.
17. The Legislature added language requiring the agency to pay \$2,800, all from existing resources in its SGF operations account, for a claim against the State related to lost hearing aids in FY 2021.