

## Senate Subcommittee Report

**Agency:** State Institutions for Mental Health **Bill No.** SB 444

**Bill Sec.** 34

**Analyst:** Moore

**Analysis Pg. No.** Vol. 2, pg. 1218

**Budget Page No.** 258 & 260

Expenditure Summary	Agency Estimate FY 2022	Governor Recommendation FY 2022	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 109,974,312	\$ 95,820,489	\$ 0
Federal Funds	1,791,136	1,791,136	0
Other Funds	22,471,547	22,471,547	0
<i>Subtotal</i>	\$ 134,236,995	\$ 120,083,172	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	53,783	53,783	0
<i>Subtotal</i>	\$ 53,783	\$ 53,783	\$ 0
<b>TOTAL</b>	<b>\$ 134,290,778</b>	<b>\$ 120,136,955</b>	<b>\$ 0</b>

FTE positions 1,425.0 1,407.0 0.0

\*The Governor's recommendation includes GBA No. 2 to add \$5.3 million, including \$1.8 million SGF, to provide additional funding for the Home and Community Based Services Brain Injury waiver in order to avoid the creation of a wait list for waiver services. The recommendation also include GBA No. 3, Item 1, to delete \$110.5 million, including \$47.2 million SGF, to adopt the Spring 2021 Human Services Consensus Caseload estimate for FY 2021. Changes are reflected in the table only.

### Agency Estimate

The **agencies** request a revised estimate of \$134.3 million, including \$110.0 million SGF, for expenditures in FY 2022. For LSH, the revised estimate was \$86.6 million including, \$75.1 million SGF, while OSH's revised estimate was \$47.7 million, including \$34.8 million SGF.

Overall, the expenditures increased by \$17.1 million, or 14.6 percent, above the amount approved by the 2021 Legislature. Significant items in the agencies' revised estimate includes the following:

- **FUNDING FOR OPERATIONS COST AT LSH.** LSH had several supplemental requests that pertained to additional costs associated with staffing coverage and food service at the hospital. As part of its revised estimate, LSH included a request for \$13.0 million SGF for anticipated contractual staffing expenditures to ensure adequate coverage at the hospital. As the agency has historically indicated, it continually relies on contractual staff and has found that the COVID-19 pandemic has created more of a need for these services. Additionally, the estimate included an increase associated for LSH's food service contract. The agency relies on a third-party to provide meals to its patients and received a revised estimate for the contract,

which increased by 62.0 percent. This would result in a total increase of \$15.0 million SGF for operational costs at LSH in FY 2022.

- **SHIFT IN CATEGORY OF EXPENDITURE FOR OSH STAFFING.** Overall, OSH's revised estimate does not increase significantly. However, there is a \$2.4 million swap between salaries and wages expenditures and contractual services. As with LSH, OSH relies on contractual nursing staff to provide direct support coverage for the hospital when there is a shortage in FTE positions. The agency revised its budget to include additional funding for contractual staff as it anticipates an increased vacancy rate in FY 2022. This does not result in an overall expenditure increase for OSH in FY 2022, but causes decreases in certain categories of expenditure.

The agency estimate also includes 1,425.0 FTE positions, which is a decrease of 4.0 FTE positions below the number approved by the 2021 Legislature.

### **Governor's Recommendation**

The **Governor** recommends \$120.1 million, including \$95.8 million SGF, for expenditures in FY 2022. This is a decrease of \$14.2 million SGF below the agencies' FY 2022 revised estimate. Decreases in the recommendation are primarily related to the Governor not including several of the agencies' supplemental requests, including the following:

- **OPERATIONAL COSTS AT LSH.** The Governor's recommendation does not include the additional \$13.0 million SGF for LSH to fund additional contractual nursing staff. Additionally, subsequent to its budget submission, LSH revised its food contract estimate to \$893,000 SGF. As such, the Governor's recommendation adopts this new estimate for LSH's anticipated increase for its food service contract. This would result in a total decrease of \$13.5 million SGF below LSH's revised estimate in FY 2022.
- **SPTP SAFETY AND SECURITY FTEs.** The Governor does not recommend LSH's request for \$552,271 for 18.0 Safety and Security FTE positions for the SPTP program. The request was originally to fund these positions for half of FY 2022 and into FY 2023. However, while the Governor's recommendation does not include funding for FY 2022, it does include partial funding for FY 2023. This would result in a total decrease of \$552,241 SGF, and 18.0 FTE positions, below LSH's revised estimate in FY 2022.
- **OSH MICO HOUSE REAPPROPRIATION.** The Governor's recommendation does not include an additional \$53,759 that was inadvertently lapsed from the appropriation for OSH's SPTP reintegration unit. This would result in a total decrease of \$53,759 SGF below OSH's revised estimate in FY 2022.

The recommendation also includes 1,407.0 FTE positions, which is a decrease of 18.0 FTE positions below the agencies' FY 2022 revised number. The decrease is due to the Governor not recommending LSH's supplemental request for additional safety and security positions in FY 2022.

### **Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation in FY 2022 with the following notation:

#### **Larned State Hospital**

1. The Committee notes the agency's supplemental and enhancement requests for increased funding for contractual nursing staff expenditures, and requests the agency provide more information on the estimate for those expenditures. Once the agency provides more information, the Committee recommends the Senate Committee on Ways and Means consider the agency's supplemental and enhancement requests for contractual nursing staff expenditures during its deliberations on the entire state budget.

### **Senate Committee Recommendation**

The **Committee** concurs with the Subcommittee's recommendation in FY 2022 with the following adjustment:

#### **Larned State Hospital**

1. Review at Omnibus the addition of \$13.0 million SGF for increased funding for contractual nursing staff expenditures, in FY 2022.

### **Senate Committee of the Whole Recommendation (Sub. for SB 444)**

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

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## House Budget Committee Report

**Agency:** State Institutions for Mental Health **Bill No.** HB 2592

**Bill Sec.** 34

**Analyst:** Moore

**Analysis Pg. No.** Vol. 2, Pg. 1218

**Budget Page No.** 258 & 260

Expenditure Summary	Agency Estimate FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 109,974,312	\$ 95,820,489	\$ 0
Federal Funds	1,791,136	1,791,136	0
Other Funds	22,471,547	22,471,547	0
<i>Subtotal</i>	\$ 134,236,995	\$ 120,083,172	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	53,783	53,783	0
<i>Subtotal</i>	\$ 53,783	\$ 53,783	\$ 0
<b>TOTAL</b>	<b>\$ 134,290,778</b>	<b>\$ 120,136,955</b>	<b>\$ 0</b>
FTE positions	1,425.0	1,407.0	0.0

### Agency Estimate

The **agencies** request a revised estimate of \$134.3 million, including \$110.0 million SGF, for expenditures in FY 2022. For LSH, the revised estimate was \$86.6 million including, \$75.1 million SGF, while OSH's revised estimate was \$47.7 million, including \$34.8 million SGF.

Overall, the expenditures increased by \$17.1 million, or 14.6 percent, above the amount approved by the 2021 Legislature. Significant items in the agencies' revised estimate includes the following:

- **FUNDING FOR OPERATIONS COST AT LSH.** LSH had several supplemental requests that pertained to additional costs associated with staffing coverage and food service at the hospital. As part of its revised estimate, LSH included a request for \$13.0 million SGF for anticipated contractual staffing expenditures to ensure adequate coverage at the hospital. As the agency has historically indicated, it continually relies on contractual staff and has found that the COVID-19 pandemic has created more of a need for these services. Additionally, the estimate included an increase associated for LSH's food service contract. The agency relies on a third-

party to provide meals to its patients and received a revised estimate for the contract, which increased by 62.0 percent. This would result in a total increase of \$15.0 million SGF for operational costs at LSH in FY 2022.

- **SHIFT IN CATEGORY OF EXPENDITURE FOR OSH STAFFING.** Overall, OSH's revised estimate does not increase significantly. However, there is a \$2.4 million swap between salaries and wages expenditures and contractual services. As with LSH, OSH relies on contractual nursing staff to provide direct support coverage for the hospital when there is a shortage in FTE positions. The agency revised its budget to include additional funding for contractual staff as it anticipates an increased vacancy rate in FY 2022. This does not result in an overall expenditure increase for OSH in FY 2022, but causes decreases in certain categories of expenditure.

The agency estimate also includes 1,425.0 FTE positions, which is a decrease of 4.0 FTE positions below the number approved by the 2021 Legislature.

### **Governor's Recommendation**

The **Governor** recommends \$120.1 million, including \$95.8 million SGF, for expenditures in FY 2022. This is a decrease of \$14.2 million SGF below the agencies' FY 2022 revised estimate. Decreases in the recommendation are primarily related to the Governor not including several of the agencies' supplemental requests, including the following:

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The recommendation also includes 1,407.0 FTE positions, which is a decrease of 18.0 FTE positions below the agencies' FY 2022 revised number. The decrease is due to the Governor not recommending LSH's supplemental request for additional safety and security positions in FY 2022.

**House Budget Committee Recommendation**

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

**House Committee Recommendation**

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

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

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

**Conference Committee Recommendation (House Sub. for Sub. for SB 267)**

The **Committee** concurs with the Governor's recommendation for FY 2023.

**Omnibus Activity (HB 2510)**

**Larned State Hospital**

1. Adopt GBA No. 2, Item 5, to add \$5.5 million SGF, for additional funding to cover the costs of contractual nursing staff for the remainder of the fiscal year in 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	\$ 125,568,762	\$ 0	\$ 125,568,762	\$ 0	\$ 125,568,762
Aid to Local Units	0	0	0	0	0
Other Assistance	14,410	0	14,410	0	14,410
<i>Subtotal - Operations</i>	<i>\$ 125,583,172</i>	<i>\$ 0</i>	<i>\$ 125,583,172</i>	<i>\$ 0</i>	<i>\$ 125,583,172</i>
Capital Improvements	53,783	0	53,783	0	53,783
<b>TOTAL</b>	<b>\$ 125,636,955</b>	<b>\$ 0</b>	<b>\$ 125,636,955</b>	<b>\$ 0</b>	<b>\$ 125,636,955</b>

**State General Fund**

State Operations	\$ 101,306,813	\$ 0	\$ 101,306,813	\$ 0	\$ 101,306,813
Aid to Local Units	0	0	0	0	0
Other Assistance	13,676	0	13,676	0	13,676
<i>Subtotal - Operating</i>	<i>\$ 101,320,489</i>	<i>\$ 0</i>	<i>\$ 101,320,489</i>	<i>\$ 0</i>	<i>\$ 101,320,489</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 101,320,489</b>	<b>\$ 0</b>	<b>\$ 101,320,489</b>	<b>\$ 0</b>	<b>\$ 101,320,489</b>

FTE Positions	1,407.0	0.0	1,407.0	0.0	1,407.0
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