

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chairman Kevin Yoder at 9:00 a.m. on February 12, 2010, in Room 346-S of the Capitol.

All members were present except:

- Representative Burroughs - excused
- Representative Owen Donohoe- excused

Committee staff present:

- Jim Wilson, Office of the Revisor of Statutes
- Nobuko Folmsbee, Office of the Revisor of Statutes
- Heather O'Hara, Kansas Legislative Research Department
- J.G. Scott, Kansas Legislative Research Department
- Jonathan Tang, Kansas Legislative Research Department
- Stephen Huggins, Chief of Staff, Appropriations Committee
- Kathy Holscher, Committee Assistant, Appropriations Committee

Others attending:

See attached list.

- Attachment 1 Budget Committee Report on the Department of Administration
- Attachment 2 Budget Committee Report on Larned State Hospital, Rainbow Mental Health Facility, parsons State Hospital and Training Center and Kansas Neurological Institute.

Representative McLeland made a motion to introduce legislation that would move tenure from three to five years. The motion was seconded by Representative Mast. Motion carried.

Representative Whitham, Chair of the House General Budget Committee, presented the FY 2011 Department of Administration Budget Report, (Attachment 1). The Budget Committee concurs with the Governor's recommendation with the following adjustment: delete \$406,515 from the State General Fund.

Representative Whitham made a motion to approve the FY 2011 Department of Administration Budget Report. The motion was seconded by Representative Hineman

Representative Whitham responded to questions regarding the budget increase. He stated that 85% of this department's budget represents principal and interest payments on bonds.

Representative Whitham made a motion for an amendment to include the State Broadcasting Council's principal and interest payments, which would delete \$150,000 from the State General Fund. The motion was seconded by Representative Merrick.

Representative Whitham stated that traditionally when a new Governor is elected, the department has provided a transition amount of \$150,000. During the last election, \$74,000 was spent and the remaining balance lapsed.

Representative Whitham renewed the amendment. Motion carried.

Representative McLeland made a motion for an amendment that would request a report from the State Broadcasting Council on the cost of implementing an interface, maintaining the existing system, any savings to the state if moved to the Financial Management System, and the time involved to migrate to these systems, and review at Omnibus the interface funding for the Financial Management System and the savings to the state. The motion was seconded by Representative Merrick. Motion carried.

Representative Whitham responded to questions for committee members. He reviewed the Capital restoration project and stated that the Governor's recommendation did not include bond authority for FY 2011 and no discussion was held regarding further bonding request by the committee. Representative Whitham discussed the Public Broadcasting Council and noted that other agencies are funded within the budget, the Office of

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on February 12, 2010, in Room 346-S of the Capitol.

Administrative Hearings is now a separate agency and is reflected in the report, the budget shows an increase in salaries and Kansas Public Employee Retirement System benefits. The Governor's recommendation for Capitol improvement projects were reviewed.

Marilyn Jacobson, Director of Facilities Management, Department of Administration, discussed the utility issues within the tunnel renovation, which will be completed this summer. She discussed the financial responsibility of the utility companies involved and the City of Topeka.

Representative Whitham renewed the motion to approve the FY 2011 Budget Committee Report for the Department of Administration as amended. Motion carried.

Representative Mast, Chair, Social Services Budget Committee, presented the FY 2011 Budget Committee Report for Larned State Hospital, (Attachment 2). The Budget Committee concurs with the Governor's recommendation with the follow notations: proper staffing is critical, savings realized with the closure of the Inpatient Psychiatric Treatment Unit of Youth.

Representative Mast made a motion to approve the FY 2011 Larned State Hospital Budget Committee Report. The motion was seconded by Representative Rhoades. Motion carried.

Representative Rhoades, Member, Social Services Budget Committee, presented the FY 2011 Budget Committee Report for Osawatomie State Hospital, (Attachment 2). The Budget Committee concurs with the Governor's recommendation.

Representative Rhoades made a motion to approve the FY 2011 Budget Committee Report for Osawatomie State Hospital. The motion was seconded by Representative Mast. Motion carried.

Representative Ballard, Member, Social Services Budget Committee, presented the FY 2011 Budget Committee Report for the Rainbow Mental Health Facility, (Attachment 2). The Budget Committee concurs with the Governor's recommendation with the following recommendation: proper staffing of this agency is critical.

Representative Ballard made a motion to approve the FY 2011 Budget Committee Report for Rainbow Mental Health Facility. The motion was seconded by Representative Henry.

Budget Committee members responded to questions by committee members. It was noted that thus far there has been adequate bed space, with the flexibility to move patients between facilities if necessary. The concern for adequate youth facilities was expressed, especially with the closure in 2008 of the youth section at Rainbow Mental Health Facility. The sexual predator treatment program is near capacity, which is a concern for meeting federal inspection requirements.

Representative Ballard renewed the motion to approve the FY 2011 Budget Committee Report for Rainbow Mental Health Facility. Motion carried.

Representative Mast, Chair, Social Services Budget Committee, presented the FY 2011 Budget Committee Report for Parsons State Hospital and Training Center, (Attachment 2). The Budget Committee concurs with the Governor's recommendation with the following adjustments and recommendations: Delete 17.2 FTE unfilled positions, consolidation of Kansas Neurological Institute and Parsons State Hospital and Training Center, and shrinkage within the budget process.

Representative Mast made a motion to approve the FY 2011 Budget Committee Report for Parsons State Hospital and Training Center. The motion was seconded by Representative Rhoades.

Committee members reviewed discussions and issues surrounding the recommendation to consolidate facilities.

Representative Mast renewed the motion. Motion carried.

CONTINUATION SHEET

Minutes of the House Appropriations Committee at 9:00 a.m. on February 12, 2010, in Room 346-S of the Capitol.

Representative Rhoades, Member, Social Services Budget Committee, presented the FY 2011 Budget Committee Report for Kansas Neurological Institute, (Attachment 2). The Budget Committee concurs with the Governor's recommendation with the following adjustments and recommendations: delete 30.2 FTE; consolidation of Kansas Neurological Institute and Parsons State Hospital and Training Center, shrinkage within budget practices, increased number of people served through the seating clinic, and increased demand for dental services.

Representative Rhoades made a motion to approve the FY 2011 Budget Committee Report for Kansas Neurological Institute. The motion was seconded by Representative Mast.

Representative Rhoades responded to questions from committee members. He stated that any increases in the Governor's budget recommendation reflects moratoriums in the Kansas Public Employee Retirement System (KPERs), salary and longevity pay.

Estelle Montgomery, Fiscal Analyst, Kansas Legislative Research Department, responded to questions from committee members. She reviewed the shift in funding in allotments from State General Funds (SGF).

Don Jordan, Secretary, Social and Rehabilitation Services, stated operations reflect the all funds amount and SGF will fluctuate based on the amount in fee funds. The FY 2010 budget reflects the moratoriums for KPERs, Health, and Death and Disability coverage, and the five hospitals absorbed a \$2.4 million increase in workers' compensation payments for FY 2011, he noted.

The Governor's allotments and stimulus funds were discussed by committee members.

Representative Rhoades renewed the motion. Motion carried.

The next meeting is scheduled for February 15, 2010.

The meeting was adjourned at 10:14 a.m.



Kevin Yoder, Chairman

APPROPRIATIONS COMMITTEE GUEST LIST

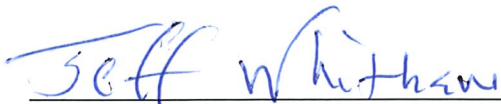
DATE: 2-12-10

NAME	REPRESENTING
KOB MEALY	KEANEY & ASSOC.
LEIGH KECK	HEIN LAW FIRM

FY 2011

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

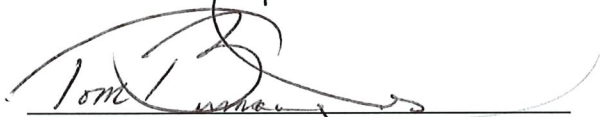
Department of Administration



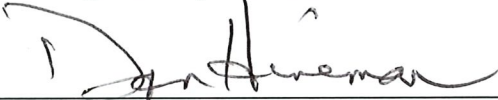
Representative Jeff Whitham, Chair




Representative Kasha Kelley, Vice-Chair



Representative Tom Burroughs,
Ranking Minority Member



Representative Don Hineman



Representative Gene Suellentrop



Representative Nile Dillmore



Representative Milack Talia



Representative Jo Ann Pottorff

House Budget Committee Report

Agency: Department of Administration

Bill No. - -

Bill Sec. - -

Analyst: Gorges

Analysis Pg. No. - -

Budget Page No. 1

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 68,668,357	\$ 67,567,596	\$ (406,515)
Other Funds	9,783,292	9,783,292	0
Subtotal	<u>\$ 78,451,649</u>	<u>\$ 77,350,888</u>	<u>\$ (406,515)</u>
Capital Improvements			
State General Fund	\$ 25,830,864	\$ 19,237,314	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 25,830,864</u>	<u>\$ 19,237,314</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 104,282,513</u></u>	 <u><u>\$ 96,588,202</u></u>	 <u><u>\$ (406,515)</u></u>
 FTE positions	 176.6	 176.6	 0.0
Non FTE Uncl. Perm. Pos.	5.8	5.8	0.0
TOTAL	<u><u>182.4</u></u>	<u><u>182.4</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures totaling \$78.5 million, an increase of \$13.2 million, or 20.2 percent, above the current year revised estimate. The request includes \$68.7 million from the State General Fund, an increase of \$14.1 million, or 25.8 percent, above the current year revised estimate. The request includes 176.6 FTE positions.

The agency's request includes \$55.4 million, all from the State General Fund, for debt service interest payments. The request is an increase of \$13.5 million, or 32.3 percent, above the current year revised estimate. In FY 2010, several bonds were restructured which reduced debt service payments. Those reductions are not carried forward to FY 2011, which accounts for the increase.

Without debt service interest, the agency requests FY 2011 operating expenditures totaling \$23.1 million, a reduction of \$312,245, or 1.3 percent, below the current year revised estimate. The request includes \$13.3 million from the State General Fund, an increase of \$565,382, or 4.4 percent, above the current year revised estimate.

Governor's Recommendation

The **Governor** recommends \$77.4 million, an increase of \$12.8 million, or 19.8 percent above the Governor's FY 2010 estimate. The recommendation includes \$67.6 million from the State General Fund, an increase of \$13.7 million, or 25.4 percent, above the FY 2010

recommendation. When compared to the agency's request, the Governor's recommendation is a reduction of \$1.1 million, or 1.4 percent. The State General Fund recommendation is a reduction of \$1.1 million, or 1.6 percent.

The recommendation includes \$55.2 million, all from the State General Fund, for debt service interest payments. Without the debt service interest, the Governor's recommendation totals \$22.2 million, including \$12.4 million from the State General Fund. The recommendation, absent debt service interest, is an all funds reduction of \$471,112, or 2.1 percent, below the FY 2010 recommendation and a State General Fund increase of \$406,515, or 3.4 percent, above the FY 2010 recommendation. The State General Fund increase includes \$150,000 for a gubernatorial transition team, and an increase in the Public Broadcasting Council grant for debt service interest payments.

The Governor accepted the agency's reduced resources decreasing the agency's State General Fund request by 5.0 percent, across-the-board. The Governor did not include the agency's enhancement request totaling \$242,664 for the Public Broadcasting Council. The reductions are partially offset by an increase of \$13.5 million in debt service interest payments and scheduled rate increases in the employer's contribution to Group Health Insurance and KPERs benefits. The Governor concurs with the agency's request for FY 176.6 FTE positions.

House Budget Committee Recommendation


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

1. Delete \$406,515, all from the State General Fund, in order to reduce the Governor's FY 2011 operating budget recommendation to the Governor's FY 2010 level.

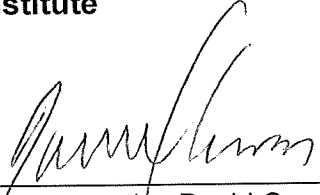
FY 2011

SOCIAL SERVICES BUDGET COMMITTEE

**Larned State Hospital
Osawatomie State Hospital
Rainbow Mental Health Facility
Parsons State Hospital and Training Center
Kansas Neurological Institute**



Representative Peggy Mast, Chair

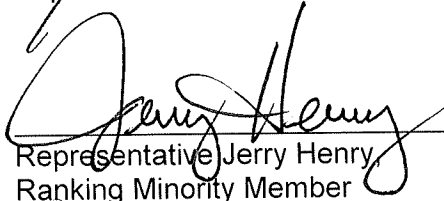


Representative David Crum



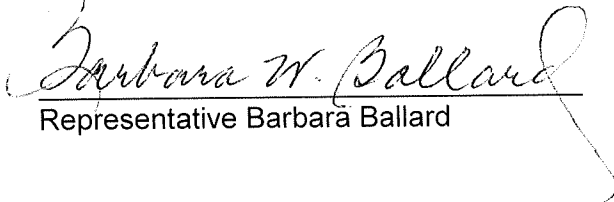
Representative Marc Rhoades, Vice-Chair

Representative Tom Hawk



Representative Jerry Henry,
Ranking Minority Member

Representative Mike Kiegerl



Representative Barbara Ballard



Representative Forrest Knox

Appropriations Committee
Date 2-12-10
Attachment 2-1

House Budget Committee Report

Agency: Kansas Neurological Institute

Bill No. - -

Bill Sec. - -

Analyst: Montgomery

Analysis Pg. No. - -

Budget Page No. 206

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 11,927,917	\$ 11,327,917	\$ 0
Other Funds	18,057,796	18,157,796	0
Subtotal	<u>\$ 29,985,713</u>	<u>\$ 29,485,713</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	125,320	125,320	0
Subtotal	<u>\$ 125,320</u>	<u>\$ 125,320</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 30,111,033</u></u>	<u><u>\$ 29,611,033</u></u>	<u><u>\$ 0</u></u>
FTE positions	570.2	570.2	(30.2)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>570.2</u></u>	<u><u>570.2</u></u>	<u><u>(30.2)</u></u>

The Kansas Neurological Institute (KNI) provides treatment for developmentally disabled adults. The agency's mission is "to support each person who lives at KNI to have a meaningful life," which is accomplished by ensuring well-being, providing opportunities for choice, promoting personal relationships, encouraging participation in the community, and recognizing individuality. The agency has developed a person-centered approach to patient treatment, which focuses on the desires of the resident and not just on the assessments of the various professional disciplines. Many KNI residents require intensive physical and medical supports. Most are unable to speak, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Patients at KNI live in 24 homes in five residential lodges. In addition, KNI provides dental services to persons with developmental disabilities living in the community who are unable to access needed care. The agency has sought to consolidate resources and reduce redundancies while maintaining a high investment in direct service staff. This reorganization has led to the consolidation of six basic program areas into three integrated units: administrative services, health care services, and program services.

Agency Request

The **agency** requests FY 2011 operating expenditures of \$29,985,713, including \$11,927,917 from the State General Fund. The request is an all funds increase of \$185,569, or 0.6 percent, above the FY 2010 revised estimate and a State General Fund increase of \$2,750,155, or 30.0 percent, above the FY 2010 revised estimate. The request includes 570.2 FTE positions and does not include any enhancement requests. In addition, the request

includes a capital improvements request for \$125,320, from the Title XIX fund, for Department of Administration's state energy conservation improvement project expenditures.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$29,485,713, including \$11,327,917 from the State General Fund. The estimate is an all funds decrease of \$500,000, or 1.7 percent, and a State General Fund decrease of \$600,000, or 5.0 percent, below the agency's FY 2011 request. The reduction is attributable to salaries and wages shrinkage adjustments. The recommendation includes 570.2 positions. In addition, the recommendation includes a capital improvements request for \$125,320 from the Title XIX fund for Department of Administration's state energy conservation improvement project expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and recommendations:

1. 30.2 FTE that are not filled at KNI and an adjustment to the agency's shrinkage rate to reflect the new approved amount of FTE.
2. The Budget Committee recommends the Department of Social and Rehabilitation Services (SRS) implement the provisions of Executive Order 10-01, regarding the consolidation of Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (PSH & TC) with a two component strategy. The first component is receive input from an advisory group – to include SRS program leadership staff and the superintendents of both KNI and PSH & TC, as well as representatives from Community Developmental Disability Organizations/ Community Service Providers, and focused input from the parent/guardian groups at both hospitals. The advisory group will be charged to explore and develop recommendations on these key elements of the executive order: state developmental disability hospital admission and service continuation criteria; strategies to increase community provider capacity, parent/guardian knowledge and confidence in community services, and successful transition to community services; and finally, input on goals toward accomplishing the consolidation. The second component is for SRS to finalize and implement the consolidation plan, and to work with the Division of Budget to ensure that State General Fund savings are identified and redirected to serving people who are on the waiting list for community developmental disability services.
3. The Committee commends the Department of Social and Rehabilitative Services (SRS) for the consolidation of buildings on the KNI campus that will save an expected \$458,107 in State General Fund in FY 2010 and \$763,000 in State General Fund for FY 2011. In addition, because of the high staffing turn over at KNI the consolidations have taken place without layoffs, but just by holding position vacant as staff leaves.
4. The Budget Committee expresses concern about shrinkage budgeting practices and the complications this technique creates when attempting to determine the realities of employment and the budgeting process.
5. The Budget Committee recognizes the critical role KNI provides with specialized medical and therapeutic services for the developmental disability community. KNI

operates one of four seating clinics in Kansas providing additional assistance technology support to people with developmental disabilities living in the community. The seating clinic served 207 individuals in FY 2009 and expects to serve at least 230 individuals this fiscal year. The increase in the number of people served through the seating clinic is expected to continue in FY 2011.

In addition, KNI provides dental services to people who are often unable to access needed care. Since the service was initiated, 129 individuals have utilized these services, and it is anticipated that 70 people will participate in these services during FY 2010. Because the dental services have recently been eliminated for adults in the Home Community Based Services waiver for people with developmental disabilities, it is anticipated that demand for dental services will increase in FY 2011.

House Budget Committee Report

Agency: Parsons State Hospital and Training Center

Bill No. - -

Bill Sec. - -

Analyst: Montgomery

Analysis Pg. No. - -

Budget Page No. 212

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,831,700	\$ 10,415,600	\$ 0
Other Funds	14,917,521	14,983,621	0
Subtotal	<u>\$ 25,749,221</u>	<u>\$ 25,399,221</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 66,121	\$ 66,121	\$ 0
Other Funds	59,825	59,825	0
Subtotal	<u>\$ 125,946</u>	<u>\$ 125,946</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 25,875,167</u></u>	<u><u>\$ 25,525,167</u></u>	<u><u>\$ 0</u></u>
FTE positions	497.2	497.2	(17.2)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>497.2</u></u>	<u><u>497.2</u></u>	<u><u>(17.2)</u></u>

Parsons State Hospital and Training Center is one of two residential treatment, training and care facilities operated by the State of Kansas to serve developmentally disabled persons whose circumstances require specialized residential service provisions. The Center's mission is to serve the habilitation, rehabilitation and residential care needs of each person referred or admitted in ways that fulfill standards of quality and effectiveness and thus enable each person to acquire greater control and additional options for meeting their needs. An individualized treatment plan focusing on clients' needs, wants, and interests is developed for each client in the institution in order to enhance their quality of life. In addition, Parsons State Hospital serves as the statewide resource center for persons with a dual diagnosis of developmental disability and psychiatric impairment in order to provide more appropriate treatment service for these individuals. The facility has a licensed bed capacity of 336 patients.

Agency Request

The **agency** requests FY 2011 operating expenditures of \$25,749,221 including \$10,831,700 from the State General Fund. The request is an all funds increase of \$79,334, or 0.3 percent, above the FY 2010 revised estimate and a State General Fund increase of \$3,050,740, or 39.2 percent, above the FY 2010 revised estimate. The request includes 497.2 FTE positions and does not include any enhancement requests.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$25,399,221 including \$10,415,600 from the State General Fund. The estimate is an all funds decrease of \$350,000, or 1.4 percent, and a State General Fund decrease of \$416,100 or 3.8 percent, below the agency's FY 2011 request. The reduction is attributable to salaries and wages shrinkage adjustments. The recommendation includes 497.2 positions. In addition, the recommendation includes a capital improvements funding of \$125,946, including \$66,121 from the State General fund, for Department of Administration's state energy conservation improvement project expenditures.

House Budget Committee Recommendation

The **Budget Committee** concurs with the Governor's recommendation with the following adjustments and recommendations:

1. 17.2 FTE that are not filled at PSH & TC and an adjustment to the agency's shrinkage rate to reflect the new approved FTE legislation committee position.
2. The Budget Committee recommends the Department of Social and Rehabilitation Services (SRS) implement the provisions of Executive Order 10-01, regarding the consolidation of Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (PSH & TC) with a two core component strategy. The first component is receive input from an advisory group – to include SRS program leadership staff and the superintendents of both KNI and PSH & TC, as well as representatives from CDDOs/Community Service Providers, and focused input from the parent/guardian groups at both hospitals. The advisory group will be charged to explore and develop recommendations on these key elements of the executive order: state developmental disability hospital admission and service continuation criteria; strategies to increase community provider capacity, parent/guardian knowledge and confidence in community services, and successful transition to community services; and finally, input on goals toward accomplishing the consolidation. The second component is for SRS to finalize and implement the consolidation plan, and to work with the Division of Budget to ensure that State General Fund savings are identified and redirected to serving people who are on the waiting list for community developmental disability services.
3. The Budget Committee commends the Department of Social and Rehabilitation Services (SRS) for the consolidation of buildings on the PSH & TC campus that will save an anticipated \$196,080 in State General Fund expenditures in FY 2010 and \$424,840 in State General Fund expenditures for FY 2011 and created a reduction in redundancies in staffing with the release of 19.0 temporary employees.
4. The Budget Committee expresses concern about shrinkage budgeting practices and the complications this technique creates when attempting to determine the realities of state employment and the budgeting process.

House Budget Committee Report

Agency: Osawatomie State Hospital

Bill No. - -

Bill Sec. - -

Analyst: Montgomery

Analysis Pg. No. - -

Budget Page No. 210

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 18,242,009	\$ 14,342,009	\$ 0
Other Funds	11,252,171	14,252,171	0
Subtotal	<u>\$ 29,494,180</u>	<u>\$ 28,594,180</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 8,722	\$ 0	\$ 0
Other Funds	0	8,722	0
Subtotal	<u>\$ 8,722</u>	<u>\$ 8,722</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 29,502,902</u></u>	<u><u>\$ 28,602,902</u></u>	<u><u>\$ 0</u></u>
FTE positions	441.3	441.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>441.3</u></u>	<u><u>441.3</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$29,494,180 including \$18,242,009 from the State General Fund. The estimate is an all funds increase of \$170,725, or 0.6 percent, above the FY 2010 revised estimate and a State General Fund increase of \$1,100,038, or 6.4 percent, above the FY 2010 revised estimate. The request would fund 441.3 FTE positions and does not include any enhancement requests.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$28,594,180, including \$14,342,009 from the State General Fund. The recommendation is an all funds decrease of \$900,000, or 3.0 percent, below the FY 2011 agency request, and a State General Fund decrease of \$3,900,000, or 21.4 percent, below the FY 2011 agency request. The decrease in the State General Fund is attributable to fee fund replacements of State General Fund expenditures and all fund decreases are due to salaries and wages shrinkage reduction.

House Budget Committee Recommendation

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

1. The Budget Committee believes that the proper staffing of this agency is critical and impacts the quality of treatment. Holding positions vacant and position reductions, in combination with the hospital being over census, would aggravate the situation, increase workers compensation claims, and put patients and staff at risk.

House Budget Subcommittee Report

Agency: Larned State Hospital

Bill No. - -

Bill Sec. - -

Analyst: Montgomery

Analysis Pg. No. - -

Budget Page No. 208

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 45,208,952	\$ 43,745,072	\$ 0
Other Funds	15,161,520	15,141,475	0
Subtotal	<u>\$ 60,370,472</u>	<u>\$ 58,886,547</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 60,370,472</u></u>	<u><u>\$ 58,886,547</u></u>	<u><u>\$ 0</u></u>
FTE positions	976.2	976.2	0.0
Non FTE Uncl. Perm. Pos.	34.4	22.9	0.0
TOTAL	<u><u>1,010.6</u></u>	<u><u>999.1</u></u>	<u><u>0.0</u></u>

Agency Estimate/Request

The **agency** requests FY 2011 operating expenditures of \$60,370,472, including \$45,208,952 from the State General Fund. The request is an all funds increase of \$3,011,885, or 5.3 percent, above the FY 2010 revised estimate and a State General Fund increase of \$1,804,014, or 4.2 percent, above the FY 2010 revised estimate. The request would fund 976.2 FTE positions and includes one enhancement request in the Sexual Predator Transition Program for \$483,925, all from the State General Fund. Absent the enhancement, the FY 2011 operating expenditures for the agency would be \$59,886,547, including \$44,725,027 from the State General Fund.

Governor's Recommendation

The **Governor** recommends FY 2011 operating expenditures of \$58,886,547, including \$43,745,072 from the State General Fund. The recommendation is an all funds decrease of \$1,483,925, or 2.5 percent, below the FY 2011 agency estimate, and a State General Fund decrease of \$1,463,880, or 3.2 percent, below the FY 2011 agency estimate. The decrease is attributable to a State General Fund salaries and wages shrinkage reduction. In addition, the Governor does not recommend the agency's enhancement request.

House Budget Committee Recommendation

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

1. The Budget Committee believes that the proper staffing of this agency is critical and impacts the quality of treatment. Holding positions vacant and position reductions, in combination with the hospital being over census, would aggravate the situation, increase workers compensation claims and put patients and staff at risk.
2. The Budget Committee notes the savings realized due to the closure of the Inpatient Psychiatric Treatment Unit for Youth located on the LSH campus and the contracting of these services to the KVC Behavioral HealthCare private facility located in Hay, Kansas. Annual savings are estimated to be approximately \$900,000, all from the State General Fund. The first full year of the contract would be FY 2011.

Once the program is eliminated, the state will no longer publicly conduct youth psychiatric treatment programs. When the space reserved for the Inpatient Psychiatric Treatment Unit for Youth is vacated, the Adult Civil Psychiatric Services will be relocated in the building complex.

House Budget Committee Report

Agency: Rainbow Mental Health Facility

Bill No. --

Bill Sec. --

Analyst: Montgomery

Analysis Pg. No. --

Budget Page No. 214

Expenditure Summary	Agency Request FY 2011	Governor Recommendation FY 2011	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 5,774,298	\$ 4,524,298	\$ 0
Other Funds	3,072,224	4,072,224	0
Subtotal	<u>\$ 8,846,522</u>	<u>\$ 8,596,522</u>	<u>\$ 0</u>
Capital Improvements			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 8,846,522</u></u>	<u><u>\$ 8,596,522</u></u>	<u><u>\$ 0</u></u>
FTE positions	122.2	122.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>122.2</u></u>	<u><u>122.2</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2011 operating expenditures of \$8,846,522 including \$5,774,298 from the State General Fund. The request is an all funds increase of \$79,347, or 0.9 percent, above the FY 2010 revised estimate and a State General Fund decrease of \$51,158, or 0.9 percent, below the FY 2010 revised estimate. The request would fund 122.2 FTE positions and does not include any enhancement requests.

Governor's Recommendation

The **Governor** recommends operating expenditures of \$8,596,522, including \$4,524,298 from the State General Fund. The recommendation is an all funds decrease of \$250,000, or 2.8 percent, below the FY 2011 agency estimate, and a State General Fund decrease of \$1,250,000, or 21.6 percent, below the FY 2011 agency estimate. The decrease is attributable to a State General Fund salaries and wages shrinkage reduction.

House Budget Committee Recommendation

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

1. The Budget Committee believes that the proper staffing of this agency is critical and impacts the quality of treatment, holding positions vacant and position reductions, in combination with the hospital being over census, would aggravate the situation, increase workers compensation claims, and put patients and staff at risk.