

# KANSAS DEPARTMENT FOR AGING AND DISABILITY SERVICES

## FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
<b>EXPENDITURES:</b>					
<b>State Operations*</b>	<b>\$ 146,513,834</b>	<b>\$ 191,439,202</b>	<b>\$ 187,754,916</b>	<b>\$ 183,172,455</b>	<b>\$ 133,390,455</b>
Salaries and Wages	23,404,743	33,469,046	33,469,046	33,265,858	32,983,858
Contractual Services	119,242,587	155,361,098	151,676,812	147,215,069	97,715,069
Commodities	398,214	989,388	989,388	984,858	984,858
Capital Outlay	3,468,290	1,619,670	1,619,670	1,706,670	1,706,670
<b>State Aid and Assistance</b>	<b>\$ 2,736,781,398</b>	<b>\$ 3,226,925,139</b>	<b>\$ 3,312,273,848</b>	<b>\$ 3,160,048,740</b>	<b>\$ 3,448,865,259</b>
Aid to Local Units	16,798,844	7,788,985	7,788,985	7,788,985	7,788,985
Other Assistance	2,719,982,554	3,219,136,154	3,304,484,863	3,152,259,755	3,441,076,274
<b>Capital Budget and Debt</b>	<b>\$ 9,062,312</b>	<b>\$ 98,198,102</b>	<b>\$ 98,198,102</b>	<b>\$ 26,694,516</b>	<b>\$ 15,567,616</b>
Capital Improvements	8,793,862	98,198,102	98,198,102	26,694,516	15,567,616
Debt Service Principal	260,000	-	-	-	-
Debt Service Interest	8,450	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,892,357,544</b>	<b>\$ 3,516,562,443</b>	<b>\$ 3,598,226,866</b>	<b>\$ 3,369,915,711</b>	<b>\$ 3,597,823,330</b>
<b>FINANCING:</b>					
State General Fund	\$ 1,107,238,271	\$ 1,511,568,440	\$ 1,464,175,223	\$ 1,386,191,045	\$ 1,411,182,675
Title XIX Fund	1,526,936,279	1,825,684,810	1,954,742,450	1,815,213,763	2,029,256,652
American Rescue Plan Act Fund	88,949,668	175,000	175,000	-	-
Special Revenue Funds	70,871,249	81,552,168	81,552,168	79,050,820	79,050,820
Other Federal Funds	89,299,767	75,682,677	75,682,677	74,880,683	74,880,683
State Institutions Building Fund	9,062,310	21,899,348	21,899,348	14,579,400	3,452,500
<b>TOTAL</b>	<b>\$ 2,892,357,544</b>	<b>\$ 3,516,562,443</b>	<b>\$ 3,598,226,866</b>	<b>\$ 3,369,915,711</b>	<b>\$ 3,597,823,330</b>
<b>PERCENTAGE CHANGE:</b>					
State General Fund	21.0 %	36.5 %	(3.1) %	(8.3) %	1.8 %
All Funds	10.0 %	21.6 %	2.3 %	(4.2) %	6.8 %
FTE Positions	380.6	392.6	381.6	381.6	381.6

\* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

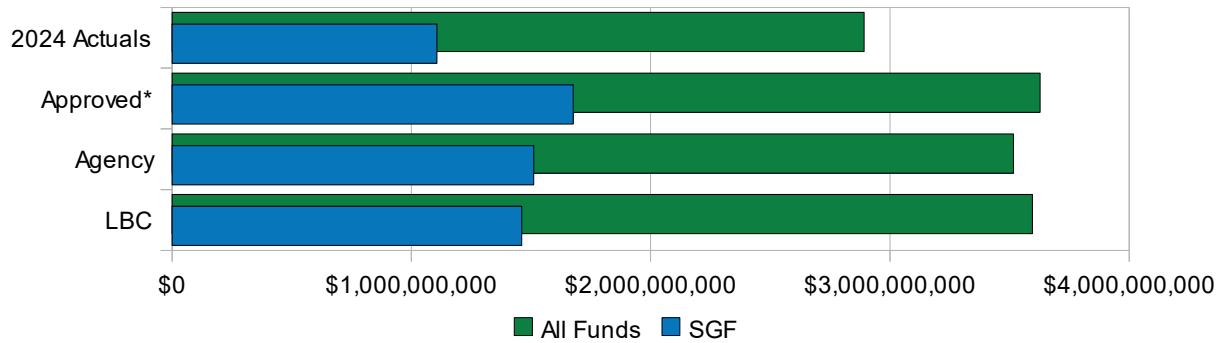
## AGENCY OVERVIEW

The Kansas Department for Aging and Disability Services (KDADS) was established by statute in 1977 as a cabinet-level agency, known as the Department of Aging until 2012. The agency is headed by a secretary appointed by the Governor, subject to confirmation by the Senate. Its goals are to promote the security, dignity, and independence of older adults and persons with disabilities. KDADS is responsible for Medicaid long-term care payments, survey and certification for adult care homes, behavioral health programs, home and community-based services for older adults and persons with disabilities, and the management and oversight of the four state hospitals. KDADS is mandated under the federal Older Americans Act to serve as an advocate for seniors and to administer programs funded by Older Americans Act appropriations.

KDADS is responsible for overseeing the administration of the Medicaid Home and Community Based Services (HCBS) waivers for older adults and persons with disabilities. Kansas currently has seven separate HCBS waivers: Autism (AU), Frail Elderly (FE), Intellectual and Developmental Disability (I/DD), Physical Disability (PD), Serious Emotional Disturbance (SED), Technology Assisted (TA), and Brain Injury (BI).

## FY 2025 ANALYSIS

FIG. 2 BUDGET HIGHLIGHTS, FY 2025



\* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous Year Actuals		Agency Change from Approved*	
SGF	\$ 1,107,238,271	\$ 1,676,683,829	\$ 1,511,568,440	\$ 404,330,169	36.5 %	\$ (165,115,389)	(9.8) %
All Other Funds	1,785,119,273	1,951,063,125	2,004,994,003	219,874,730	12.3	53,930,878	2.8
<b>TOTAL</b>	<b>\$ 2,892,357,544</b>	<b>\$ 3,627,746,954</b>	<b>\$ 3,516,562,443</b>	<b>\$ 624,204,899</b>	<b>21.6 %</b>	<b>\$ (111,184,511)</b>	<b>(3.1) %</b>

\* Note: Includes SGF reappropriations.

## BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Approved, FY 2025</b>	<b>\$ 1,676,683,829</b>	<b>\$ 3,627,746,954</b>	<b>366.6</b>	<b>\$ 1,627,857,372</b>	<b>\$ 3,578,920,497</b>	<b>366.6</b>
2024 SB 28 & HB 2551	1,394,427,645	3,335,568,972	366.6	1,394,427,645	3,335,568,972	366.6
1. SGF Reappropriation	282,256,184	282,256,184	-	233,429,727	233,429,727	-
2. State Institutions Building Fund Reappropriation	-	9,921,798	-	-	9,921,798	-
<b>Supplemental Requests</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
3. Nutrition Services Incentive Program	1,000,000	1,000,000	-	-	-	-
<b>Other Changes</b>	<b>\$ (166,115,389)</b>	<b>\$ (112,184,511)</b>	<b>26.0</b>	<b>\$ (163,682,149)</b>	<b>\$ 19,306,369</b>	<b>15.0</b>
4. Lapse Select Reappropriations	(150,308,411)	(150,308,411)	-	(150,308,411)	(150,308,411)	-
5. 24/7 Pay Plan	(15,588,008)	(15,588,008)	-	(15,588,008)	(15,588,008)	-
6. Title XIX Increase	-	44,795,668	-	-	44,795,668	-
7. All Other Adjustments	(218,970)	8,916,240	26.0	(218,969)	8,916,241	15.0
8. Fall Human Services Caseload Estimate	-	-	-	2,433,239	131,490,879	-
<b>TOTAL</b>	<b>\$ 1,511,568,440</b>	<b>\$ 3,516,562,443</b>	<b>392.6</b>	<b>\$ 1,464,175,223</b>	<b>\$ 3,598,226,866</b>	<b>381.6</b>

### 1. SGF REAPPROPRIATION

The agency reappropriated \$282.6 million in unspent SGF funds from FY 2024 to FY 2025. This includes:

- **Home and Community Based Services (HCBS) Waivers: \$150.5 million.** During the Public Health Emergency (PHE), the State received an enhanced Federal Medical Assistance Percentage (FMAP) contribution. During FY 2023, the PHE was extended following the agency's initial budget submission. This resulted in SGF savings. The agency's revised estimate lapses \$144.5 million of the reappropriation. The remaining \$6.0 million is budgeted for continued development of the

Community Support Waiver and to address federal compliance issues for the HCBS waivers.

- **HCBS 10.0 Percent FMAP Savings: \$45.1 million.** During the PHE, the State received an FMAP increase of 10.0 percent; however, the federal government required the State to use the savings to improve its HCBS programs. The projects require CMS approval prior to implementation. The agency did not complete all projects in FY 2024 and estimates completing the remaining projects in FY 2025.
  - **LBC:** Delete \$45.1 million in reappropriations for HCBS 10.0 Percent FMAP Savings in FY 2025. All reappropriations will be reconsidered during the 2025 Legislative Session.
- **KanCare Caseloads: \$36.5 million.** This funding is adjusted as part of the human services caseloads estimate and will be reevaluated as part of the fall human services consensus caseloads estimation process.
- **Sedgwick County Regional State Hospital: \$35.0 million.** The agency is currently constructing a regional state hospital in conjunction with Sedgwick County. This funding was appropriated for the construction in FY 2024 but not expended. The agency anticipates completion of the new hospital in FY 2025.
- **State Operations: \$3.7 million.** This funding is for ongoing projects, including electronic health records startup project, KAMIS study, and PASRR system funding.
  - **LBC:** Delete \$3.7 million SGF to remove the reappropriation for electronic health records startup project, KAMIS study, and PASRR system funding in FY 2025. All reappropriations will be reconsidered during the 2025 Legislative Session.

## **2. STATE INSTITUTIONS BUILDING FUND REAPPROPRIATION**

The agency reappropriated \$9.9 million in State Institutions Building Fund (SIBF) funds from FY 2024 to FY 2025. These funds are for approved projects at the four state hospitals.

## **3. NUTRITION SERVICES INCENTIVE PROGRAM**

The Nutrition Services Incentive Program (NSIP) provides grants to organizations that sponsor Elderly Nutrition Program sites. The federal government cut funding by \$650,906 for FY 2025. The agency's revised estimate includes \$1.0 million SGF to offset the decrease by the federal government and reduce waitlists put in place by nutrition providers based on the prior funding level.

- **Agency:** Add \$1.0 million for Nutrition Services Incentive Program grants to offset a decrease in federal funding and to reduce waitlists put in place by nutrition providers based on the prior funding level in FY 2025.
- **LBC:** Delete \$1.0 million for Nutrition Services Incentive Program grants that would offset a decrease in federal funding and reduce waitlists put in place by nutrition providers based on the prior funding level in FY 2025.

## **4. LAPSE SELECT REAPPROPRIATIONS**

The agency's revised estimate includes a decrease of \$150.3 million SGF to lapse a portion of its SGF reappropriations. This is primarily due to the agency lapsing \$144.5

million of the reappropriation related to SGF savings for the HCBS waivers.

- **Agency:** Delete \$150.3 million SGF to lapse a portion of the agency's SGF reappropriations, primarily related to SGF savings for the HCBS waivers due to FMAP changes in FY 2025.
- **LBC:** No change.

## 5. 24/7 PAY PLAN

The agency's revised estimate includes a decrease of \$15.6 million due to the agency transferring money to the four state hospitals for shift differentials for 24/7 employees pursuant to the 24/7 Pay Plan. This will be the final transfer due to the differentials being made permanent in 2024 HB 2551.

- **Agency:** Transfer \$15.6 million SGF to the four state hospitals to provide shift differentials for 24/7 employees pursuant to the 24/7 Pay Plan in FY 2025.
- **LBC:** No change.

## 6. TITLE XIX INCREASE

The agency receives federal funding to match state funding for Medicaid programs, including the HCBS waivers, nursing facilities, and Certified Community Behavioral Health Clinics. The agency's revised estimate includes an increase of \$44.8 million, all from federal Title XIX funds, due to changes in the FMAP. The increase is primarily related to the FMAP increasing from 60.18 percent in the approved budget to 61.65 percent in the agency's request.

- **Agency:** Add \$44.8 million, all from federal Title XIX funds, to adjust the agency's estimated Title XIX funding for Medicaid to reflect the updated FMAP in FY 2025.
- **LBC:** No change.

## 7. ALL OTHER ADJUSTMENTS

The agency's revised estimate includes other adjustments resulting in an all funds increase of \$8.9 million, including an SGF decrease of \$218,970, and an increase in 26.0 FTE positions in FY 2025. This is primarily related to changes in special revenue and federal funds. The FTE increase is due to the agency adding 5.0 quality assurance FTE positions and 7.0 HCBS final settings FTE positions, for which funding was approved by the 2024 Legislature. Additionally, the agency's revised estimate includes 11.0 temporary FTE positions to administer the HCBS 10.0 percent FMAP funding.

- **Agency:** Add \$8.9 million all funds, and delete \$218,970 SGF, and add 26.0 FTE positions to account for other adjustments in miscellaneous special revenue and federal funds, to add FTE positions for positions funded by the 2024 Legislature, and to add temporary FTE positions to administer temporary funding in FY 2025.
- **LBC:** Delete 11.0 FTE positions in FY 2025.

## 8. FALL HUMAN SERVICES CASELOAD ESTIMATE

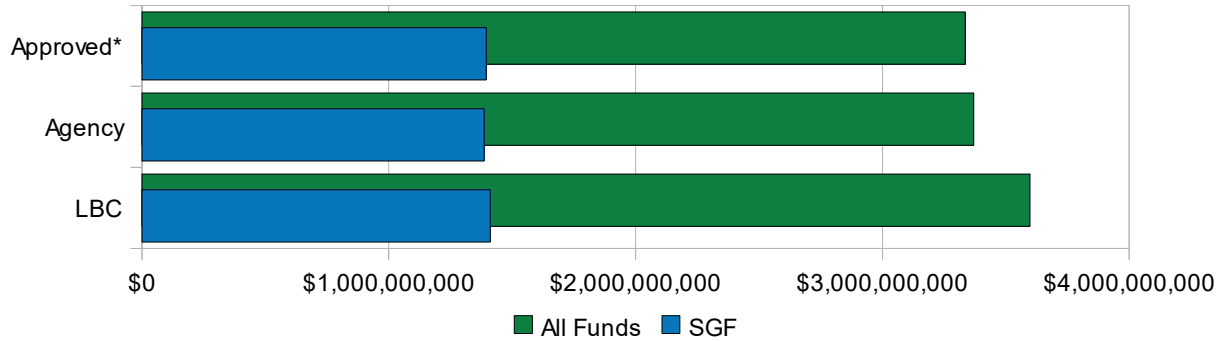
The Legislative Budget Committee added \$130.5 million, including \$2.4 million SGF, to adopt the Fall 2024 Human Services Caseload revised estimate in FY 2025. The all funds increase is primarily due to changes in population and increases in rates, which

increased by an average of 10.6 percent over the FY 2025 approved amount.

Additionally, the revised estimate includes \$47.0 million, including an SGF decrease of \$7.8 million, to rebase all certified community behavioral health clinics (CCBHCs) in FY 2025. The full rebase is required by the federal Centers for Medicare and Medicaid Services (CMS) due to the state's participation in a CCBHC planning grant. Participation in the planning grant also allows the state to fund CCBHCs as at 75.0 percent federal match instead of the typical 61.0 percent match rate. This increased match results in the decrease of \$7.8 million SGF.

## FY 2026 ANALYSIS

FIG. 5 BUDGET HIGHLIGHTS, FY 2026



\* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency		Agency Change from Approved*	
SGF	\$ 1,511,568,440	\$ 1,394,427,645	\$ 1,386,191,045	\$ (125,377,395)	(8.3)%	\$ (8,236,600)	(0.6)%
All Other Funds	2,004,994,003	1,941,141,327	1,983,724,666	(21,269,337)	(1.1)	42,583,339	2.2
<b>TOTAL</b>	<b>\$ 3,516,562,443</b>	<b>\$ 3,335,568,972</b>	<b>\$ 3,369,915,711</b>	<b>\$ (146,646,732)</b>	<b>(4.2)%</b>	<b>\$ 34,346,739</b>	<b>1.0 %</b>

\* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

## BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>Approved, FY 2025</b>	<b>\$ 1,394,427,645</b>	<b>\$ 3,335,568,972</b>	<b>366.6</b>	<b>\$ 1,394,427,645</b>	<b>\$ 3,335,568,972</b>	<b>366.6</b>
2024 SB 28 & HB 2551	1,394,427,645	3,335,568,972	366.6	1,394,427,645	3,335,568,972	366.6
<b>Enhancement Requests</b>	<b>\$ 61,975,400</b>	<b>\$ 91,344,110</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
1. HCBS Provider Compliance	45,000,000	45,000,000	-	-	-	-
2. HCBS Frail Elderly	5,116,510	13,341,610	-	-	-	-
3. HCBS Technology Assisted	3,123,950	8,145,890	-	-	-	-
4. HCBS Brain Injury	2,089,190	5,447,710	-	-	-	-
5. HCBS Community Support	953,750	2,500,000	-	-	-	-
6. HCBS I/DD Consultant	4,000,000	4,000,000	-	-	-	-
7. Nutrition Services Incentive Program	1,000,000	1,000,000	-	-	-	-
8. NFMH Settlement	500,000	500,000	-	-	-	-
9. Aging Services Manager	102,000	102,000	-	-	-	-
10. PACE Consultants	90,000	180,000	-	-	-	-
11. Priority 2 Rehab and Repair	-	3,489,200	-	-	-	-
12. AAC Building Remodel	-	4,690,500	-	-	-	-
13. OSH Cottonwood Remodel	-	2,021,200	-	-	-	-
14. OSH Special Services/MICO Remodel	-	926,000	-	-	-	-
<b>Other Changes</b>	<b>\$ (70,212,000)</b>	<b>\$ (56,997,371)</b>	<b>15.0</b>	<b>\$ 16,755,030</b>	<b>\$ 262,254,358</b>	<b>15.0</b>
15. Sedgwick County Hospital	(26,500,000)	(26,500,000)	-	(26,500,000)	(26,500,000)	-
16. Add-On for Nursing Facilities	(18,000,000)	(46,923,879)	-	(18,000,000)	(46,923,879)	-
17. One-Time Projects	(14,485,000)	(14,485,000)	-	(14,485,000)	(14,485,000)	-
18. CCBHC Planning Grants	4,000,000	4,000,000	-	4,000,000	4,000,000	-
19. 24/7 Pay Plan Transfer	(15,588,008)	(15,588,008)	-	(15,588,008)	(15,588,008)	-
20. Title XIX Increase	-	44,869,897	-	-	44,869,897	-
21. All Other Adjustments	361,008	(2,370,381)	15.0	361,008	(2,370,381)	15.0
22. Fall Human Services Caseload Estimate	-	-	-	86,967,030	319,251,729	-

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
<b>TOTAL</b>	<b>\$ 1,386,191,045</b>	<b>\$ 3,369,915,711</b>	<b>381.6</b>	<b>\$ 1,411,182,675</b>	<b>\$ 3,597,823,330</b>	<b>381.6</b>

### 1. HCBS PROVIDER COMPLIANCE

The agency requests \$45.0 million SGF for grants to providers to assist in becoming compliant with federal mandates concerning settings and conflict of interest. The agency states compliance is required to launch the Community Support Waiver and to continue to receive federal funding for the existing Intellectual and Developmental Disability (I/DD) waiver. The agency highlights three conflict-of-interest areas that the grants will target:

- Community Developmental Disability Organizations (CDDOs) providing waiver services. The funds would be used to establish independent CDDOs that are fully separated from waiver service providers.
  - Targeted case management (TCM) organizations providing both TCM and waiver services.
  - Congregate HCBS providers making modifications and expanding capacity to offer a compliant, integrated, and supportive environment required by the HCBS Final Settings Rule.
- **Agency:** Add \$45.0 million SGF for grants to HCBS providers to become compliant with federal settings and conflict-of-interest rules for FY 2026.
  - **LBC:** Delete \$45.0 million SGF for grants to HCBS providers to become compliant with federal settings and conflict-of-interest rules for FY 2026.

### 2. HCBS FRAIL ELDERLY WAIVER

The agency requests \$13.3 million, including \$5.1 million SGF, to increase the number of individuals served on the Frail Elderly (FE) HCBS waiver. The agency states that the number of eligible participants has increased by approximately 7.0 percent over the past year, and that the funding will avoid treatment in a nursing facility or the creation of a waitlist for FE waiver services.

- **Agency:** Add \$13.3 million, including \$5.1 million SGF, to increase the number of individuals served on the HCBS FE waiver for FY 2026.
- **LBC:** Delete \$13.3 million, including \$5.1 million SGF, to not increase the number of individuals served on the HCBS FE waiver for FY 2026.

### 3. HCBS TECHNOLOGY ASSISTED WAIVER

The agency requests \$8.2 million, including \$3.1 million SGF, to increase the number of individuals served on the Technology Assisted (TA) HCBS waiver. The agency states that the number of eligible participants has increased by approximately 11.0 percent over the past year, and that the funding will avoid hospitalization or institutional treatments for eligible individuals.

- **Agency:** Add \$8.2 million, including \$3.1 million SGF, to increase the number of individuals served on the HCBS TA waiver for FY 2026.

- **LBC:** Delete \$8.2 million, including \$3.1 million SGF, to not increase the number of individuals served on the HCBS TA waiver for FY 2026.

#### **4. HCBS BRAIN INJURY WAIVER**

The agency requests \$5.5 million, including \$2.1 million SGF, to increase the number of individuals served on the Brain Injury (BI) waiver. The agency states that the number of eligible participants has increased by approximately 6.0 percent over the past year, and that the funding will avoid institutional placement or creation of a waitlist for eligible individuals.

- **Agency:** Add \$5.5 million, including \$2.1 million SGF, to increase the number of individuals served on the HCBS BI waiver for FY 2026.
- **LBC:** Delete \$5.5 million, including \$2.1 million SGF, to not increase the number of individuals served on the HCBS BI waiver for FY 2026.

#### **5. HCBS COMMUNITY SUPPORT WAIVER**

The agency requests \$2.5 million, including \$953,750 SGF, to fund services for the Community Support waiver. The funding represents a partial-year's cost to serve up to 500 individuals in FY 2026. The Community Support waiver will serve individuals with I/DD who do not need day or residential services.

- **Agency:** Add \$2.5 million, including \$953,750 SGF, to fund a partial-year's implementation of the Community Support waiver serving up to 500 individuals for FY 2026.
- **LBC:** Delete \$2.5 million, including \$953,750 SGF, to not fund a partial-year's implementation of the Community Support waiver serving up to 500 individuals for FY 2026.

#### **6. HCBS I/DD WAIVER CONSULTANT**

The agency requests \$4.0 million SGF to continue its contract with Public Consulting Group to develop the Community Support waiver, to implement recommendations from the Special Committee on I/DD Waiver Modernization, and to manage compliance grants.

- **Agency:** Add \$4.0 million SGF to continue the contract with Public Consulting Group for development of the Community Support Waiver, modernization of the existing I/DD waiver, and management of compliance grants for FY 2026.
- **LBC:** Delete \$4.0 million SGF to not continue the contract with Public Consulting Group for development of the Community Support Waiver, modernization of the existing I/DD waiver, and management of compliance grants for FY 2026.

#### **7. NUTRITION SERVICES INCENTIVE PROGRAM**

The agency requests \$1.0 million SGF to continue funding for its supplemental request to offset a federal cut to the Nutrition Services Incentive Program and to increase the funding above the current level.

- **Agency:** Add \$1.0 million for Nutrition Services Incentive Program grants to offset a decrease in federal funding and to reduce waitlists put in place by nutrition providers based on the prior funding level for FY 2026.



- **LBC:** Delete \$1.0 million for Nutrition Services Incentive Program grants that would offset a decrease in federal funding and reduce waitlists put in place by nutrition providers based on the prior funding level for FY 2026.

## **8. NURSING FACILITY FOR MENTAL HEALTH SETTLEMENT**

The agency requests \$500,000 SGF to continue funding contract positions and services related to the Olmstead settlement. The funding would continue funding contract staff working with Nursing Facilities for Mental Health (NFMH) to meet the requirements in the settlement and to connect with individuals exiting public institutions and in the homeless population. Specifically, the contract staff assist in coordinating individuals discharging from NFMH to ensure they are connected to specialized services upon discharge.

- **Agency:** Add \$500,000 SGF to continue funding contract positions and services to implement Olmstead settlement requirements to connect individuals discharged from Nursing Facilities for Mental Health with services upon discharge for FY 2026.
- **LBC:** Delete \$500,000 SGF to not continue funding contract positions and services to implement Olmstead settlement requirements to connect individuals discharged from Nursing Facilities for Mental Health with services upon discharge for FY 2026.

## **9. AGING SERVICES MANAGER**

The agency requests \$102,000 SGF to create an Aging Services Manager position. The position would supervise a number of existing positions handling elder issues, including the Older American Act, Senior Care Act, and Title VII services. The agency states that the federal Administration for Community Living informed agency staff that the state is understaffed in comparison with other similarly sized states. The agency further states the population of Kansans aged 65 and older is the fastest-growing segment of the population.

- **Agency:** Add \$102,000 SGF to create an Aging Services Manager position to oversee state and federal aging programs for FY 2026.
- **LBC:** Delete \$102,000 SGF to not create an Aging Services Manager position to oversee state and federal aging programs for FY 2026

## **10. PACE CONSULTANTS**

The agency requests \$180,000, including \$90,000 SGF, to fund existing positions currently funded with HCBS FMAP savings, which expire in March 2025. The positions aid in the expansion of Program of All-Inclusive Care for the Elderly (PACE) services and provide oversight of PACE organizations, including ensuring timely and efficient enrollment and disenrollment into the PACE program.

- **Agency:** Add \$180,000, including \$90,000 SGF, to continue funding existing positions providing oversight of PACE for FY 2026.
- **LBC:** Delete \$180,000, including \$90,000 SGF, to not continue funding existing positions providing oversight of PACE for FY 2026.

## **11. PRIORITY 2 REHABILITATION AND REPAIR PROJECTS**

The agency requests \$3.5 million, all from the SIBF, to fund the Priority 2 rehabilitation and repair projects included in the agency's 5-Year Capital Improvement Plan. Of this amount, \$2.4 million would be used to begin replacing the Osawatomie State Hospital

(OSH) medium-voltage electrical system. The agency reports there were three disruptions in electrical service due to the age of the system. Phase 1 would include installation of an underground duct-bank with concrete and steel reinforcement, updated electrical conductor, and new pad-mounted switches and transformers. The total cost is estimated to be \$6.0 million over two fiscal years.

- **Agency:** Add \$3.5 million, all from the SIBF, to fund Priority 2 rehabilitation and repair projects at the state hospitals, including \$2.4 million to replace the medium-voltage electrical system at Osawatomie State Hospital for FY 2026.
- **LBC:** Delete \$3.5 million, all from the SIBF, to not fund Priority 2 rehabilitation and repair projects at the state hospitals, including \$2.4 million to replace the medium-voltage electrical system at Osawatomie State Hospital for FY 2026.

## **12. ADAIR ACUTE CARE - BUILDING REMODEL**

The agency requests \$4.7 million SIBF to remodel the A building at Adair Acute Care on the OSH campus. Adair Acute Care houses the federally certified beds on the campus. The project would remodel unit A, which includes 15 patient rooms. The renovation includes updating flooring, plumbing, electrical, HVAC systems, patient common areas, medication rooms, and unit treatment rooms to meet federal requirements. The remodel would increase OSH capacity from 159 to 189 by the end of FY 2028.

- **Agency:** Add \$4.7 million SIBF to remodel the A building at Adair Acute Care on the OSH campus to provide additional federally certified beds for FY 2026.
- **LBC:** Delete \$4.7 million SIBF to not remodel the A building at Adair Acute Care on the OSH campus to provide additional federally certified beds for FY 2026.

## **13. OSAWATOMIE STATE HOSPITAL - COTTONWOOD BUILDING REMODEL**

The agency requests \$2.0 million SIBF to remodel the Cottonwood Resource Center building at OSH. The building was constructed in 1956 and has not been remodeled since then. The project would include sealing and tuckpointing, installing new windows, making Americans with Disabilities Act (ADA)-compliant modifications, updating the HVAC system, upgrading restrooms, and repairing and repainting moisture-damaged walls. Additionally, the project includes improving exterior site drainage and soil elevations. The building includes patient recreation areas.

- **Agency:** Add \$2.0 million, all from the SIBF, to remodel the Cottonwood Resource Center building at OSH for FY 2026.
- **LBC:** Delete \$2.0 million, all from the SIBF, to not remodel the Cottonwood Resource Center building at OSH for FY 2026.

## **14. OSAWATOMIE STATE HOSPITAL - SPECIAL SERVICES / MICO HOUSE REMODEL**

The agency requests \$926,000 SIBF to remodel the Special Services building and the office area in the MICO House reintegration facility at OSH. The project would include asbestos abatement, installing new vinyl flooring, repairing and repainting walls, repairing the heating system, and improving site drainage and soil elevations. The agency reports the third floor of the Special Services building is unused due to water damage from missing windows that threatens the other floors in the building. The building houses IT and staff education programs on the second floor. Additionally, the project would expand office space at the MICO Sexual Predator Treatment Program reintegration facility on the campus.

- **Agency:** Add \$926,000 SIBF to remodel the Special Services and MICO House reintegration facility buildings at OSH for FY 2026.
- **LBC:** Delete \$926,000 SIBF to not remodel the Special Services and MICO House reintegration facility buildings at OSH for FY 2026.

#### **15. SEDGWICK COUNTY REGIONAL HOSPITAL CONSTRUCTION**

The agency's request includes the deletion of \$26.5 million SGF for the construction of the Sedgwick County regional state hospital. This is a decrease below the FY 2025 approved budget because the funding was approved by the 2024 Legislature as part of the FY 2025 budget and does not reoccur in FY 2025.

- **Agency:** Delete \$26.5 million SGF for construction of the Sedgwick County regional hospital that was funded in FY 2025 but does not re-occur for FY 2026.
- **LBC:** No change.

#### **16. MEDICAID ADD-ON PAYMENT FOR NURSING FACILITIES**

The agency's request includes the deletion of \$47.0 million, including \$18.0 million SGF, for the Medicaid add-on payment to nursing facilities. This is a decrease below the FY 2025 approved budget because the funding was approved by the 2024 Legislature as part of the FY 2025 budget and does not reoccur in FY 2025.

- **Agency:** Delete \$47.0 million, including \$18.0 million SGF, for the Medicaid add-on payment to nursing facilities that was funded in FY 2025 but does not reoccur for FY 2026.
- **LBC:** No change.

#### **17. ONE-TIME PROJECTS**

The agency's request includes the deletion of \$15.0 million SGF for one-time projects funded in FY 2025. This is a decrease below the FY 2025 approved budget because the funding was approved by the 2024 Legislature as part of the FY 2025 budget and does not reoccur in FY 2025. The projects were: grants to 14(c) providers (\$5.0 million), substance use disorder (SUD) treatment for indigent individuals (\$3.5 million), SUD treatment for the uninsured (\$2.5 million), a workforce grant to Mirror, Inc. (\$1.8 million), reimbursement to CDDOs for unreimbursed services (\$1.0 million), a grant to EmberHope Youthville for after-care services (\$500,000), and a grant to Full Circle (\$185,000).

- **Agency:** Delete \$15.0 million SGF for one-time projects funded in FY 2025 that do not reoccur for FY 2026.
- **LBC:** No change.

#### **18. CCBHC PLANNING GRANTS**

The agency's request includes \$4.0 million to provide grants to organizations other than Community Mental Health Centers to become certified as Certified Community Behavioral Health Clinics (CCBHC). Up to \$2.0 million of the funding must be granted to organizations that are not Federally Qualified Health Clinics (FQHCs) or FQHC look-alikes. This funding was approved by the 2024 Legislature.

- **Agency:** Add \$4.0 million to provide grants to organizations other than Community Mental Health Centers to become certified as CCBHCs, provided that up to \$2.0 million of the funding must be granted to organizations that are not FQHCs or FQHC look-a-likes for FY 2026.
- **LBC:** No change.

#### **19. 24/7 PAY PLAN TRANSFER**

The agency's request includes a decrease of \$15.6 million due to the 24/7 Pay Plan becoming part of the base budget of the four state hospitals beginning in FY 2026.

- **Agency:** Delete \$15.6 million SGF to eliminate the 24/7 Pay Plan transfer from KDADS to the four state hospitals for FY 2026.
- **LBC:** No change.

#### **20. TITLE XIX INCREASE**

The agency's request includes an increase of \$44.9 million, all from federal Title XIX funds, to reflect changes in the FMAP for FY 2026 compared with the FMAP in the FY 2025 approved budget. The increase is primarily related to the FMAP increasing from 60.18 percent in the approved budget to 60.97 in the agency's request.

- **Agency:** Add \$44.9 million, all from federal Title XIX funds, to adjust the agency's estimated Title XIX funding for Medicaid to reflect the updated FMAP for FY 2026.
- **LBC:** No change.

#### **21. ALL OTHER ADJUSTMENTS**

The agency's request includes a decrease of \$2.4 million, including an SGF increase of \$361,008, for other adjustments for FY 2026. This is primarily related to changes in special revenue and federal funds. The FTE increase is due to the agency adding 5.0 quality assurance FTE positions and 7.0 HCBS final settings FTE positions, for which funding was approved by the 2024 Legislature. The request does not include the 11.0 temporary FTE positions included in the agency's revised estimate in FY 2025.

- **Agency:** Add \$2.4 million, and delete \$361,008 SGF, and 15.0 FTE positions to account for changes in special revenue and federal funds and for positions funded by the 2024 Legislature for FY 2026.
- **LBC:** No change.

#### **22. FALL HUMAN SERVICES CASELOAD ESTIMATE**

The Legislative Budget Committee added \$319.3 million, including \$87.0 million SGF, to adopt the Fall 2024 Human Services Caseload estimate for FY 2026. The all funds increase is primarily due to changes in population and increases in rates, which increased by an average of 10.6 percent over the FY 2025 approved amount.

The all funds increase is also attributable to a rebase of all CCBHCs, which results in an increase of \$94.0 million all funds, including a decrease of \$15.1 million SGF, below the approved amount.

The all funds increase is also attributable to an inflationary adjustment to the nursing

facility reimbursement rates of 3.75 percent, which results in an increase of \$33.0 million, including \$13.0 million SGF, above the approved amount. This does not include a full rebase based on the prior three years' cost reports.

- **Agency:** No action.
- **LBC:** Add \$319.3 million, including \$87.0 million SGF, to adopt the fall human services caseload estimate for FY 2026.

## CAPITAL BUDGET AND DEBT

FIG. 8 **CAPITAL BUDGET AND DEBT, FY 2024 – FY 2026**

	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
<b>EXPENDITURES:</b>					
<b>Capital Projects</b>	<b>\$ 8,793,862</b>	<b>\$ 98,198,102</b>	<b>\$ 98,198,102</b>	<b>\$ 26,694,516</b>	<b>\$ 15,567,616</b>
Sedgwick County Hospital	-	76,298,754	76,298,754	12,115,116	12,115,116
Rehab and Repair Priority 1	-	3,200,000	3,200,000	3,452,500	3,452,500
Rehab and Repair Priority 2	-	5,627,350	5,627,350	3,489,200	-
Razing	-	3,150,200	3,150,200	-	-
Ongoing Projects	8,793,862	9,921,798	9,921,798	-	-
Enhancement Requests	-	-	-	7,637,700	-
<b>Debt Service Principal*</b>	<b>\$ 260,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Debt Service Interest*</b>	<b>\$ 8,450</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL</b>	<b>\$ 9,062,312</b>	<b>\$ 98,198,102</b>	<b>\$ 98,198,102</b>	<b>\$ 26,694,516</b>	<b>\$ 15,567,616</b>
<b>FINANCING:</b>					
SGF	\$ -	\$ 76,298,754	\$ 76,298,754	\$ 12,115,116	\$ -
All Other Funds	9,062,312	21,899,348	21,899,348	14,579,400	3,452,500
<b>TOTAL</b>	<b>\$ 9,062,312</b>	<b>\$ 98,198,102</b>	<b>\$ 98,198,102</b>	<b>\$ 26,694,516</b>	<b>\$ 3,452,500</b>

\* Note: Includes debt service expenditures on capital improvement projects only.

### FY 2025 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$98.2 million in capital improvement expenditures in FY 2025, including \$76.3 million SGF and \$21.9 million from the State Institutions Building Fund (SIBF). The revised estimate includes the following capital projects:

#### 1. SEDGWICK COUNTY HOSPITAL

In collaboration with Sedgwick County, the agency is constructing a state psychiatric hospital in Sedgwick County. In FY 2025, \$76.3 million SGF is budgeted for this purpose. This funding was approved by the Legislature over a number of years and has reappropriated. The agency anticipates it will be expended in FY 2025.

#### 2. REHABILITATION AND REPAIR PROJECTS - PRIORITY 1

The agency's revised estimate includes \$3.2 million SIBF in Priority 1 Rehabilitation and Repair projects identified in the agency's 2023 5-Year Plan and approved by the 2024 Legislature. This includes air conditioning and chiller replacements at buildings on the Larned State Hospital (LSH) campus, replacing condensing units and walk-in freezers on the Osawatomie State Hospital (OSH) campus, reroofing a building on the Parsons State Hospital and Training Center (PSHT&C) campus, and reroofing two buildings on the Kansas Neurological Institute (KNI) campus.

#### 3. REHABILITATION AND REPAIR PROJECTS - PRIORITY 2

The agency's revised estimate includes \$5.6 million SIBF for Priority 2 Rehabilitation and Repair projects identified in the agency's 2023 5-Year Plan and approved by the 2024 Legislature. This includes \$2.4 million to replace the medium-voltage electrical system at OSH, upgrading sewer mains at KNI and OSH, replacing a chiller at LSH, and replacing piping at PSH&TC.

#### 4. RAZING PROJECTS

The agency's revised estimate includes \$3.2 million SIBF for razing projects at OSH campus. This funding was approved by the 2024 Legislature. The funding would allow for the razing of all nine buildings in need of razing as identified in the agency's 2023 5-Year Plan.

## **5. ONGOING PROJECTS**

The agency's revised estimate includes \$9.9 million SIBF that reappropriated from FY 2024 to FY 2025 for ongoing projects. These projects include a number of miscellaneous projects approved by the 2024 Legislature.

## **FY 2026 CAPITAL IMPROVEMENTS**

The **agency** requests \$26.7 million in capital improvement expenditures for FY 2026, including \$12.1 million SGF and \$14.6 million SIBF. The request includes the following projects:

### **1. SEDGWICK COUNTY HOSPITAL**

The agency's request includes \$12.1 million SGF to complete construction of the regional psychiatric hospital in Sedgwick County.

### **2. REHABILITATION AND REPAIR - PRIORITY 1**

The agency's request includes \$3.5 million SIBF for the Priority 1 Rehabilitation and Repair projects listed in the agency's 2024 5-Year Plan. The request would fund the following projects:

- LSH: Replacing a fire alarm system at the Volunteer Building (\$180,000) and Jung Building (\$255,000), replacing medium-voltage protection relays at the Power Plant (\$115,000), and repainting the exterior wood fascia of the Dillon building (\$460,000).
- OSH: Replacing a steam boiler (\$850,000); repairing Greenhouse sidewalks, tunnel top and access, and Fire Station tunnel and driveway (\$184,000); installing automation on air handling units in the Biddle dining room (\$42,000); and replacing windows on Adair E, F, and G cottages (\$185,000).
- KNI: Replacing a chiller at Pleasantview (\$384,000), upgrading emergency lighting (\$245,000), and replacing the fire alarm system at Cottonwood (\$235,000).
- PSH&TC: Installing a fire sprinkler system in Elm and Holly cottages (\$242,500) and installing a fire alarm system at Hickory and Willow cottages (\$175,000).

### **3. REHABILITATION AND REPAIR - PRIORITY 2**

The agency's request includes \$3.5 million SIBF for the Priority 2 Rehabilitation and Repair projects listed in the agency's 2024 5-Year Plan. The request would fund the following projects:

- LSH: Repairing drainage area problems (\$620,000), replacing flooring in the ATC and North buildings (\$225,000), adding concrete walking paths and seating areas along the exterior of the ATC building (\$145,000), and replacing flooring tiles in the Isaac Ray building (\$310,000).
- OSH: Purchasing and installing a summer time boiler (\$625,000), replacing condensing units at the Sedriks building (\$418,000), replacing windows at Cottonwood activity center (\$77,200), and reroofing the Cottonwood Resource Center (\$65,500).
- KNI: Upgrading lighting (\$360,000).
- PSH&TC: Installing a fire sprinkler system in the cafeteria (\$253,500) and installing a fire sprinkler system in Oak, Cedar, and Pine cottages (\$390,000).

#### 4. ENHANCEMENT REQUESTS

The agency's request also includes \$7.7 million to fund the agency's three enhancement requests related to capital improvements:

- **Adair Acute Care - Building Remodel.** The agency requests \$4.7 million SIBF to remodel the A building at Adair Acute Care on OSH campus. Adair Acute Care houses the federally certified beds on the campus. The project would remodel unit A, which includes 15 patient rooms. The renovation includes updating flooring, plumbing, electrical, HVAC systems, patient common areas, medication rooms, and unit treatment rooms to meet federal requirements. The remodel would increase the OSH capacity from 159 to 189 by the end of FY 2028.
- **Osawatomie State Hospital - Cottonwood Building Remodel.** The agency requests \$2.0 million SIBF to remodel the Cottonwood Resource Center building at OSH. The building was constructed in 1956 and has not been remodeled since then. The project would include sealing and tuckpointing, installing new windows, making ADA-compliant modifications, updating the HVAC system, upgrading restrooms, and repairing and repainting moisture-damaged walls. Additionally, the project includes improving exterior site drainage and soil elevations. The building includes patient recreation areas.
- **Osawatomie State Hospital - Special Services / MICO House Remodel.** The agency requests \$926,000 SIBF to remodel the Special Services building and the office area in the MICO House reintegration facility at OSH. The project would include asbestos abatement, installing new vinyl flooring, repairing and repainting walls, repairing the heating system, and improving site drainage and soil elevations. The agency reports the third floor of the Special Services building is unused due to water damage from missing windows that threatens the other floors in the building. The building houses IT and staff education programs on the second floor. Additionally, the project would expand office space at the MICO Sexual Predator Treatment Program reintegration facility on the campus.



## REFERENCE TABLES

FIG. 9 10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$ 648,920,943	-- %	\$ 1,582,475,407	2.3 %	295.0	0.0 %
FY 2018	697,322,988	7.5	1,663,876,113	5.1	283.0	0.2
FY 2019	760,717,209	9.1	1,812,958,123	9.0	282.0	0.0
FY 2020	752,187,869	(1.1)	2,011,840,022	11.0	287.0	0.8
FY 2021	651,793,279	(13.3)	2,159,468,572	7.3	316.0	2.4
FY 2022	712,441,169	9.3	2,283,402,805	5.7	334.0	9.2
FY 2023	914,882,588	28.4	2,629,978,226	15.2	362.3	5.8
FY 2024	1,107,238,271	21.0	2,892,357,544	10.0	380.6	3.0
FY 2025 Agency	1,511,568,440	36.5	3,516,562,443	21.6	392.6	2.5
FY 2026 Agency	1,386,191,045	(8.3)	3,369,915,711	(4.2)	381.6	2.4
10-Yr. Chg. (FY 2017– 2026)	\$ 737,270,102	113.6 %	\$ 1,787,440,304	113.0 %	86.6	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	911,520,676		2,601,912,858		359.0	

\* Note: Reflects three most recent years of actuals data.

\*\* Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

FIG. 10 EXPENDITURES BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	\$ 126,296,038	\$ 30,398,659	\$ 26,714,373	\$ 28,928,077	\$ 28,928,077
Aging Commission	43,091,255	41,933,130	41,933,130	42,104,486	40,822,486
Behavioral Health	182,425,430	232,028,505	232,028,505	223,303,658	222,803,658
Capital Improvements	9,062,312	98,198,102	98,198,102	26,694,516	15,567,616
Long Term Services and Supports	20,361,982	30,024,098	30,024,098	73,230,843	24,230,843
Medicaid	2,486,420,925	3,053,789,400	3,139,138,109	2,945,054,570	3,234,871,089
State Hospital Commission	14,910,859	17,208,557	17,208,557	17,392,697	17,392,697
Survey and Certification	9,788,743	12,981,992	12,981,992	13,206,864	13,206,864
<b>TOTAL</b>	<b>\$ 2,892,357,544</b>	<b>\$ 3,516,562,443</b>	<b>\$ 3,598,226,866</b>	<b>\$ 3,369,915,711</b>	<b>\$ 3,597,823,330</b>

FIG. 11 FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
Administration	131.6	119.6	119.6	119.6	119.6
Aging Commission	20.0	20.0	20.0	18.0	18.0
Behavioral Health	61.0	63.0	63.0	63.0	63.0
Capital Improvements	-	-	-	-	-
Long Term Services and Supports	34.0	46.0	46.0	48.0	48.0
Medicaid	-	11.0	-	-	-
State Hospital Commission	9.0	10.0	10.0	10.0	10.0
Survey and Certification	125.0	123.0	123.0	123.0	123.0
<b>TOTAL</b>	<b>380.6</b>	<b>392.6</b>	<b>381.6</b>	<b>381.6</b>	<b>381.6</b>