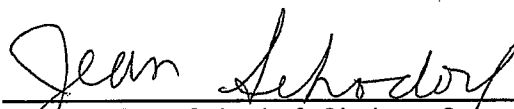


FY 2012 and FY 2013

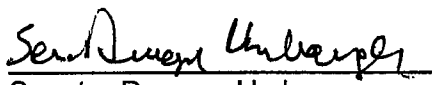
Senate Ways and Means Subcommittee

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

  
\_\_\_\_\_  
Senator Jean Schodorf, Chair

  
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Senator Terrie Huntington

  
\_\_\_\_\_  
Senator Kelly Kuitala

  
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Senator Dwayne Umbarger

## House Budget Committee Report

**Agency:** Kansas Neurological Institute

**Bill No.** 2493

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 632

**Budget Page No.** 228

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,462,196	\$ 10,462,196	\$ 0
Other Funds	18,813,906	18,813,906	0
Subtotal	\$ 29,276,102	\$ 29,276,102	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	141,521	141,521	0
Subtotal	\$ 141,521	\$ 141,521	\$ 0
<b>TOTAL</b>	<b>\$ 29,417,623</b>	<b>\$ 29,417,623</b>	<b>\$ 0</b>
FTE positions	485.7	485.7	0.0
Non FTE Uncl. Perm. Pos.	6.0	6.0	0.0
<b>TOTAL</b>	<b>491.7</b>	<b>491.7</b>	<b>0.0</b>

### Agency Estimate

The **agency** estimates FY 2012 operating expenditures of \$29.3 million, including \$10.5 million from the State General Fund. The estimate is a special revenue funds increase of \$431,712, or 1.5 percent, above the amount approved by the 2011 Legislature. The revised State General Fund estimate is the same as the amount approved by the 2011 Legislature, including State General Fund reappropriations of \$3,736. The agency request does not include any supplemental funding requests. The agency increases the number of unclassified permanent non-FTE positions from 4.0 to 6.0.

### Governor's Recommendation

The **Governor** concurs with the agency's revised estimate.

### House Budget Committee Recommendation

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

**House Committee Recommendation**

The House Committee concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Kansas Neurological Institute

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 632

**Budget Page No.** 228

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,462,196	\$ 10,462,196	\$ 0
Other Funds	18,813,906	18,813,906	0
Subtotal	\$ 29,276,102	\$ 29,276,102	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	141,521	141,521	0
Subtotal	\$ 141,521	\$ 141,521	\$ 0
<b>TOTAL</b>	<b>\$ 29,417,623</b>	<b>\$ 29,417,623</b>	<b>\$ 0</b>
FTE positions	485.7	485.7	0.0
Non FTE Uncl. Perm. Pos.	6.0	6.0	0.0
<b>TOTAL</b>	<b>491.7</b>	<b>491.7</b>	<b>0.0</b>

**Agency Estimate**

The agency estimates FY 2012 operating expenditures of \$29.3 million, including \$10.5 million from the State General Fund. The estimate is a special revenue funds increase of \$431,712, or 1.5 percent, above the amount approved by the 2011 Legislature. The revised State General Fund estimate is the same as the amount approved by the 2011 Legislature, including State General Fund reappropriations of \$3,736. The agency request does not include any supplemental funding requests. The agency increases the number of unclassified permanent non-FTE positions from 4.0 to 6.0.

**Governor's Recommendation**

The **Governor** concurs with the agency's revised estimate.

**Senate Subcommittee Recommendation**

The **Senate Subcommittee** concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Kansas Neurological Institute

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 632

**Budget Page No.** 228

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,681,370	\$ 10,345,259	\$ 0
Other Funds	18,813,906	18,128,349	0
Subtotal	<u>\$ 29,495,276</u>	<u>\$ 28,473,608</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	141,521	141,521	0
Subtotal	<u>\$ 141,521</u>	<u>\$ 141,521</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,636,797</u></u>	<u><u>\$ 28,615,129</u></u>	<u><u>\$ 0</u></u>
FTE positions	485.7	469.7	0.0
Non FTE Uncl. Perm. Pos.	6.0	6.0	0.0
<b>TOTAL</b>	<u><u>491.7</u></u>	<u><u>475.7</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$29.5 million including \$10.7 million from the State General Fund. The request is an all funds increase of \$219,174, or 0.7 percent, above the FY 2012 agency revised estimate. The entire increase is from the State General Fund and is 2.1 percent above the agency's FY 2012 revised State General Fund estimate. The agency request maintains staff at 485.7 FTE positions and 6.0 non FTE positions.

### Governor's Recommendation

The **Governor** recommends expenditures totaling \$28.5 million of which \$10.3 million is from the State General Fund and 469.7 FTE positions. The reduction of \$1.0 million in expenditures is due to the salary savings from the reduction of 16.0 FTE positions associated with the Voluntary Retirement Incentive Program. Further reductions equivalent to the reduced resource target of \$534,069 will be taken from the Social and Rehabilitation Services budget, as suggested by the agency. The Governor recommends the transfer of the administration of the Kansas Neurological Institute and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

## House Budget Committee Recommendation

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

1. The Budget Committee approached the deliberations on KNI with the goal of providing a recommendation that strives to make the agency more efficient and yet maintains the high caliber of services to patients. The Budget Committee considered several ideas and believes more information is needed to make such a recommendation.
2. The Budget Committee encourages continuing the effort to downsize the facility, acknowledging that the size of KNI's operations and the number of residents served have decreased from 189 to 157, or 16.9 percent between FY 2000 and FY 2010. As of February 2012, the census is 151. The Committee notes that KNI received only one admission last year as the agency works very closely with community providers to ensure placements are made benefiting the clients and that KNI is used as a last resort. The Budget Committee notes that according to the KNI audit, that staff ratios have remained constant from FY 2000 to FY 2010 at approximately 3.3 staff per resident. As of August 2011, KNI's total staff ratio dropped to 3.2. The staffing ratio is higher than Parsons State Hospital which is 2.3 staff per resident, but the Committee acknowledges that the higher ratio may be due to the severity and complexity of client medical issues.
3. The Budget Committee discussed whether it was possible to restructure the KNI into a Home and Community Based Services program environment. The Budget Committee inquired of the agency whether this approach may lower the overall cost of the facility and still maintain a quality environment. The Committee questioned the agency about the Money Follows The Person federal grant and its availability to assist in the transition from an institution to a Home and Community Based Services setting. The agency is to review the restructuring concept before Omnibus and provide the Social Services Budget Committee with additional information on restructuring KNI to a Home and Community based environment.
4. The Budget Committee heard the KNI Post Audit Report. The Committee notes that the first audit question asked "*What opportunities exist for the Kansas Neurological Institute to decrease costs or increase revenue through improved use of its resources and restructuring non-essential services?*". The Legislative Post Audit recommended KNI implement several cost savings and revenue enhancement ideas which will have little to no effect on KNI residents or services, and consider savings ideas in the other two categories. The recommendations which, according to the report have little to no effect on KNI residents are listed below:
  - Bill Medicare for all eligible durable medical equipment saving up to an estimated \$166,000 in State funds annually.
  - Reduce 3.0 FTE custodial positions, saving an estimated \$46,000 in state funds and \$116,000 from all funds annually.
  - Eliminate 1.0 qualified developmental disability professional position, saving an estimated \$24,000 in State funds and \$59,000 in all funds annually.

- Hire a part-time physical therapist instead of contracting for physical therapy services, saving approximately \$9,000 in state funds and \$23,000 from all funds annually.
- Sell unused tracts of land on the KNI campus upon receiving approval from the Legislature, saving \$18,000 in state funds and \$46,000 in all funds annually and receiving one time revenue of an estimated \$416,000.
- Sell the superintendent's house located on the KNI campus upon receiving approval from the Legislature, for one time estimated revenue of \$117,000.
- Sell 16 vehicles that do not appear to be used efficiently, and improve the assignment and use of its remaining vehicles to ensure residents' activities and campus maintenance are not compromised, for an annual estimated savings of \$3,000 from state funds and \$7,500 from all funds. In addition, there are estimated one time revenues of \$13,000 projected from the sale.

The total one-time revenue which could be generated is estimated at \$546,000. Estimated annual state fund savings are \$266,000 and total fund savings are estimated at \$418,000.

The Post Audit recommendations that would reduce staffing levels that potentially may affect residents, but not eliminate essential services include:

- Reduce 13.0 FTE direct care and medical staff, for an estimated annual savings of \$250,000 in state funds and \$627,000 from all funds.
- Reduce 3.0 FTE dental staff or contract for dental services, with an estimated savings of between \$40,000 and \$70,000 in state funds and between \$101,000 and \$176,000 in total funds.
- Reduce 3.0 FTE non-essential or miscellaneous positions including the volunteer coordinator and two staff education positions saving the state approximately \$68,000 in state funds and \$170,000 from all funds.

The total annual state savings are estimated at \$388,000 and \$973,000 from all funds, annually.

The Budget Committee also would note the KNI audit discussed another set of recommendations that would most likely affect residents through comprehensive service delivery changes resulting in an estimated savings of state funds of \$539,000.

The Budget Committee notes the agency must report back to the Post Audit Committee on its intended course of action in each area by April 1, 2012. The Budget Committee recommends a copy of the report be shared with the Budget Committee. Further, the Department of Social and Rehabilitation Services stated in its comments to the House Appropriations Committee regarding the KNI Legislative Post Audit, that it would not make specific comments on the audit report, stating it would first convene a stakeholder meeting to discuss the report. Following the stakeholder's meeting, SRS will report back to the Legislature by the end of February at the latest, with any consensus recommendations of the stakeholder group. The Budget Committee recommends that a copy of this report also be made available to the Social Services Budget Committee.

- The Budget Committee will review the information provided at Omnibus and make a recommendation with the goal of improving efficiencies and moving the savings to the developmentally disabled Home and Community Based Services list of patients waiting for services.

**House Committee Recommendation**

The House Committee concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Kansas Neurological Institute

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 632

**Budget Page No.** 228

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,681,370	\$ 10,345,259	\$ 0
Other Funds	18,813,906	18,128,349	0
Subtotal	<u>\$ 29,495,276</u>	<u>\$ 28,473,608</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	141,521	141,521	0
Subtotal	<u>\$ 141,521</u>	<u>\$ 141,521</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,636,797</u></u>	<u><u>\$ 28,615,129</u></u>	<u><u>\$ 0</u></u>
FTE positions	485.7	469.7	0.0
Non FTE Uncl. Perm. Pos.	6.0	6.0	0.0
<b>TOTAL</b>	<u><u>491.7</u></u>	<u><u>475.7</u></u>	<u><u>0.0</u></u>

**Agency Request**

The agency requests FY 2013 operating expenditures of \$29.5 million including \$10.7 million from the State General Fund. The request is an all funds increase of \$219,174, or 0.7 percent, above the FY 2012 agency revised estimate. The entire increase is from the State General Fund and is 2.1 percent above the agency's FY 2012 revised State General Fund estimate. The agency request maintains staff at 485.7 FTE positions and 6.0 non FTE positions.



### **Governor's Recommendation**

The **Governor** recommends expenditures totaling \$28.5 million of which \$10.3 million is from the State General Fund and 469.7 FTE positions. The reduction of \$1 million in expenditures is due to the salary savings from the reduction of 16.0 FTE positions associated with the Voluntary Retirement Incentive Program. Further, reductions equivalent to the reduced resource target of \$534,069 will be taken from the Social and Rehabilitation Services budget, as suggested by the agency. The Governor recommends the transfer of the administration of the Kansas Neurological Institute and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

### **Senate Subcommittee Recommendation**

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

1. The Subcommittee notes that at all state hospitals the number of staff positions have decreased significantly over the last several years, most recently due to the implementation of the Voluntary Retirement Incentive Program. At many hospitals the reduction of staff has caused remaining staff to work significant amounts of overtime. The Subcommittee also learned that recruitment and retention of medical staff is a problem at many of the hospitals. The agency indicates it will be studying and making a recommendation next year regarding professional medical staff retention and pay issues to insure the state is able to attract quality professional medical staff.
2. The Subcommittee notes that state hospitals are required to submit reduced resource budgets. The Department of Social and Rehabilitation Services has, for several years, absorbed the budget reductions within the Department's budget. As the administration for the state hospital budget transfers with the enactment of Executive Reorganization Order No. 41, the Subcommittee is concerned how the Department on Aging will be able to maintain this practice.
3. The Subcommittee notes that the Legislative Post Audit Report, completed in December, contained a number of recommendations concerning cost savings and revenue enhancement ideas which would have little or no effect on KNI residents or services. The Superintendent stated that several of the recommendations had already been implemented. The Subcommittee requests the agency report back prior to Omnibus on the continued progress of the agency in implementing the recommendations. Further, the Subcommittee would note the Department of Social and Rehabilitation Services stated that it convened a stakeholder meeting February 1, to discuss the audit report recommendations and provided the Subcommittee a copy of the Stakeholder report.

## House Budget Committee Report

**Agency:** Rainbow Mental Health Facility

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 761

**Budget Page No.** 236

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 4,529,785	\$ 4,529,785	\$ 0
Other Funds	3,906,426	3,906,426	0
Subtotal	\$ 8,436,211	\$ 8,436,211	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 8,436,211</b>	<b>\$ 8,436,211</b>	<b>\$ 0</b>
FTE positions	112.2	112.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>112.2</b>	<b>112.2</b>	<b>0.0</b>

### Agency Estimate

The **agency** estimates FY 2012 operating expenditures of \$8.4 million including \$4.5 million from the State General Fund. The estimate is an all funds decrease of \$164,662, or 1.9 percent, below the amount approved by the 2011 Legislature. The State General Fund estimate is the same amount as approved by the 2011 Legislature. The agency requests 112.2 FTE positions, the same as the approved number.

### Governor's Recommendation

The **Governor** concurs with the agency's estimate.

### House Budget Committee Recommendation

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

### House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Rainbow Mental Health Facility

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 761

**Budget Page No.** 236

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 4,529,785	\$ 4,529,785	\$ 4,529,785
Other Funds	3,906,426	3,906,426	3,906,426
Subtotal	\$ 8,436,211	\$ 8,436,211	\$ 8,436,211
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
<b>TOTAL</b>	<b>\$ 8,436,211</b>	<b>\$ 8,436,211</b>	<b>\$ 8,436,211</b>
FTE positions	112.2	112.2	112.2
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>112.2</b>	<b>112.2</b>	<b>112.2</b>

**Agency Estimate**

The **agency** estimates FY 2012 operating expenditures of \$8.4 million including \$4.5 million from the State General Fund. The estimate is an all funds decrease of \$164,662, or 1.9 percent, below the amount approved by the 2011 Legislature. The State General Fund estimate is the same amount as approved by the 2011 Legislature. The agency requests 112.2 FTE positions, the same as the approved number.

**Governor's Recommendation**

The **Governor** concurs with the agency's estimate.

**Senate Subcommittee Recommendation**

The **Senate Subcommittee** concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Rainbow Mental Health Facility

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 761

**Budget Page No.** 236

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 4,601,493	\$ 4,473,536	\$ 0
Other Funds	3,906,424	3,831,275	0
Subtotal	\$ 8,507,917	\$ 8,304,811	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	\$ 0	\$ 0	\$ 0
 TOTAL	 \$ 8,507,917	 \$ 8,304,811	 \$ 0
 FTE positions	 112.2	 109.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	112.2	109.2	0.0

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$8.5 million including \$4.6 million from the State General Fund. The estimate is a State General Fund increase of \$71,708, or 1.6 percent, above the FY 2012 revised estimate and an all funds increase of 0.8 percent. The agency requests 112.2 FTE positions, the same as the revised current year estimate.

### Governor's Recommendation

The **Governor** recommends expenditures totaling \$8.3 million including \$4.5 million from the State General Fund and 109.2 FTE positions. The reduction of \$203,106 in expenditures is due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends reductions equivalent to the hospital's reduced resource target of \$230,075 be taken from the Social and Rehabilitation Services budget as suggested by the agency. The Governor recommends the transfer of the administration of the Rainbow Mental Health Facility and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

### House Budget Committee Recommendation

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

1. The Budget Committee notes that in November 2011, because of safety concerns related to life safety code violations identified by the State Fire Marshal, it was necessary to move all Rainbow Mental Health Facility patients from their current treatment environment in Kansas City to a vacant 30 bed unit at Osawatomie State Hospital until renovations are completed in June 2012. An eight bed Admissions and Evaluation Center was opened at Rainbow to serve as the primary arrival point for new patients. After a brief assessment, patients needing treatment likely to take more than four days are taken by staff or Sheriff to the Osawatomie State Hospital. The Department of Social and Rehabilitation Services estimates the capital improvement renovations will cost an estimated \$0.4 million, all from the State Institutions Building Fund.

The Budget Committee notes that in March 2011, the overall licensed census was reduced at Rainbow from 50 to 36 beds based on the Centers for Medicare and Medicaid Services decision that the north and south living areas constituted independent living units which required staffing beyond what the hospital could afford to provide. To help offset the closure of the 14 beds at Rainbow, SRS opened up an 11 bed unit at Larned State Hospital. During deliberations, the Budget Committee was advised of several different scenarios regarding reopening the 14 beds including:

- complete a capital improvement renovation to allow the 14 beds to be reopened;
- complete a capital improvement renovation to allow the 14 beds to be reopened as 6 new evaluation and assessment beds and 8 regular beds; and
- complete a capital improvement renovation to allow the 14 beds to be reopened plus 6 new evaluation and assessment beds.

The Budget Committee also inquired about the possible use of the Osawatomie State Hospital 30 bed unit that will be vacant once the Rainbow patients are moved back, and the costs and benefits to using that unit in lieu of adding beds at Rainbow.

The Budget Committee did not receive the information necessary to make a recommendation about reopening beds at Rainbow and the overall effect on the state's mental health system. Therefore, the Budget Committee requests that before Omnibus the agency provide clear and concise information that discusses the need for the beds; the advantages and disadvantages of each of the proposals; and the renovation and staffing costs of the proposals, including the 30 bed unit at Osawatomie State Hospital.

2. The Budget Committee notes that because of the complexity of issues surrounding Rainbow, a field trip to tour the facility before Omnibus would be extremely beneficial.

### **House Committee Recommendation**

The **House Committee** concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Rainbow Mental Health Facility

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 761

**Budget Page No.** 236

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 4,601,493	\$ 4,473,536	\$ 300,000
Other Funds	3,906,424	3,831,275	0
Subtotal	<u>\$ 8,507,917</u>	<u>\$ 8,304,811</u>	<u>\$ 300,000</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 8,507,917</u></u>	<u><u>\$ 8,304,811</u></u>	<u><u>\$ 300,000</u></u>
FTE positions	112.2	109.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>112.2</u></u>	<u><u>109.2</u></u>	<u><u>0.0</u></u>

**Agency Request**

The **agency** requests FY 2013 operating expenditures of \$8.5 million including \$4.6 million from the State General Fund. The estimate is a State General Fund increase of \$71,708, or 1.6 percent, above the FY 2012 revised estimate and an all funds increase of 0.8 percent. The agency requests 112.2 FTE positions, the same as the revised current year estimate.

**Governor's Recommendation**

The **Governor** recommends expenditures totaling \$8.3 million including \$4.5 million from the State General Fund and 109.2 FTE positions. The reduction of \$203,106 in expenditures is due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends reductions equivalent to the hospital's reduced resource target of \$230,075 be taken from the Social and Rehabilitation Services budget as suggested by the agency. The Governor recommends the transfer of the administration of the Rainbow Mental Health Facility and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

## Senate Subcommittee Recommendation

The **Subcommittee** concurs with the Governor's recommendation with the following notations and adjustments:

1. The Subcommittee notes that at all state hospitals the number of staff positions have decreased significantly over the last several years, most recently due to the implementation of the Voluntary Retirement Incentive Program. At many hospitals the reduction of staff has caused remaining staff to work significant amounts of overtime. The Subcommittee expresses concern about the safety of staff and patients as the staff to patient ratio is affected by these reductions.

The Subcommittee also learned that recruitment and retention of medical staff is a problem at many of the hospitals. The agency indicates it will be studying and making a recommendation next year regarding professional medical staff retention and pay issues to insure the state is able to attract quality professional medical staff.

2. The Subcommittee notes that state hospitals are required to submit reduced resource budgets. The Department of Social and Rehabilitation Services has, for several years, absorbed these budget reductions within the Department's budget. As the administration for the state hospital budgets transfers with the enactment of Executive Reorganization Order No. 41, the Subcommittee is concerned how the Department on Aging will be able to maintain this practice.
3. The Subcommittee notes that census continues to be an issue for the state mental hospitals and that hospitals have been running above licensed capacity for increasing percentages of the year and have had to utilize overflow contracts which are extremely expensive.
4. The Subcommittee notes it concerns about the reductions in financial support to the community mental health centers over the last several years and the ultimate effect the reduction has had on local hospitals and jails in coping with individuals who should be receiving treatment and services through the local community health centers. The Subcommittee recommends that as the revenues to the state improve, these reductions be restored as it is more cost effective to provide services in a community setting rather than in an institutional setting.
5. The Subcommittee notes that the state mental health system is in a state of disarray and recommends that the Department on Aging begin the process of developing a strategic or long term plan for mental health care in Kansas. The agency should be as inclusive as possible in bringing stakeholders together from all aspects of mental health service care. The Subcommittee requests the agency report back to the Legislature next year with recommendations. It is essential that a long term continuum of care be established for individuals needing mental health services.
6. The Subcommittee recommends the addition of \$300,000, all from the State General Fund, for salaries and other operating expenditures associated with the additional 14 beds which will be opened due to the renovation of the Rainbow facility. The Subcommittee was provided information by the agency that operational costs for a full year for the 14 beds is \$600,000. The Subcommittee understands the facility renovation may take six to nine months with December being the earliest patients could return from Osawatomie State Hospital to Rainbow and that expenditures would only be needed for

six months. The Subcommittee notes that full funding of \$600,000 for FY 2014 will be necessary.

7. The Committee was apprised that the evaluation/crisis unit, established at Rainbow in November when all patients were transferred to Osawatomie State Hospital due to life safety code violations, has been extremely beneficial. The unit averages four of the six beds being full 24 hours a day. The Subcommittee agrees that six to eight beds of the new 14 beds should continue to be dedicated to this use.



## House Budget Committee Report

**Agency:** Osawatomi State Hospital

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 717

**Budget Page No.** 232

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 14,764,199	\$ 14,764,199	\$ 0
Other Funds	14,671,679	14,671,679	0
Subtotal	<u>\$ 29,435,878</u>	<u>\$ 29,435,878</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	18,227	18,227	0
Subtotal	<u>\$ 18,227</u>	<u>\$ 18,227</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,454,105</u></u>	<u><u>\$ 29,454,105</u></u>	<u><u>\$ 0</u></u>
FTE positions	396.4	396.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>396.4</u></u>	<u><u>396.4</u></u>	<u><u>0.0</u></u>

### Agency Estimate

The **agency** estimates FY 2012 operating expenditures of \$29.4 million including \$14.8 million from the State General Fund. The estimate is an all funds increase of \$785,411, or 2.7 percent, above the amount approved by the 2011 Legislature. Beginning November 9, 2011, Rainbow Mental Health Facility patients are being housed in a vacant 30 bed unit on the grounds of the OSH until renovations are completed at Rainbow.

### Governor's Recommendation

The **Governor** concurs with the agency's estimate.

### House Budget Committee Recommendation

The **House Budget Committee** concurs with the Governor's recommendation.

### House Committee Recommendation

The **House Committee** concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Osawatomie State Hospital

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 717

**Budget Page No.** 232

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 14,764,199	\$ 14,764,199	\$ 0
Other Funds	14,671,679	14,671,679	0
Subtotal	<u>\$ 29,435,878</u>	<u>\$ 29,435,878</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	18,227	18,227	0
Subtotal	<u>\$ 18,227</u>	<u>\$ 18,227</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,454,105</u></u>	<u><u>\$ 29,454,105</u></u>	<u><u>\$ 0</u></u>
FTE positions	396.4	396.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>396.4</u></u>	<u><u>396.4</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

The agency estimates FY 2012 operating expenditures of \$29.4 million including \$14.8 million from the State General Fund. The estimate is an all funds increase of \$785,411, or 2.7 percent, above the amount approved by the 2011 Legislature. Beginning November 9, 2011, Rainbow Mental Health Facility patients are being housed in a vacant 30 bed unit on the grounds of the OSH until renovations are completed at Rainbow.

**Governor's Recommendation**

The Governor concurs with the agency's estimate.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Osawatomi State Hospital

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 717

**Budget Page No.** 232

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 14,991,244	\$ 14,666,027	\$ 0
Other Funds	14,671,679	14,479,148	0
Subtotal	<u>\$ 29,662,923</u>	<u>\$ 29,145,175</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	18,227	18,227	0
Subtotal	<u>\$ 18,227</u>	<u>\$ 18,227</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 29,681,150</u></u>	<u><u>\$ 29,163,402</u></u>	<u><u>\$ 0</u></u>
<b>FTE positions</b>			
FTE positions	396.4	386.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>396.4</u></u>	<u><u>386.4</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$29.7 million including \$15.0 million from the State General Fund. The estimate is an all funds increase of \$227,045, or 0.8 percent, all from the State General fund, above the FY 2012 revised estimate.

### Governor's Recommendation

The **Governor** recommends operating expenditures totaling \$29.1 million including \$14.7 million from the State General Fund and 386.4 FTE positions. The reduction of \$517,748 in expenditures and 10.0 FTE positions is from savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends \$736,262 in reductions, equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the agency. The Governor recommends the transfer of the administration of the Osawatomi State Hospital and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

### House Budget Committee Recommendation

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

1. The Budget Committee notes that the 2007 legislature approved the remodeling of a 30-bed stabilization unit for the agency but due to budget constraints these additional beds were not opened by the Department of Social and Rehabilitation Services until August 20, 2009, when patients were moved into the new unit from an existing unit. In November 2011, because of safety concerns related to life safety code violations, it was necessary to move Rainbow patients from their current treatment environment in Kansas City to this now vacant 30 bed unit at the Osawatomie State Hospital until renovations at Rainbow are completed in June. The Budget Committee inquired about the future use of the 30 bed unit at Osawatomie once the Rainbow patients are moved back.

Further, the Budget Committee notes that the state mental health system continues to see an increased demand for services and that last year Osawatomie experienced 33.0 percent of their days over the budgeted bed capacity. The Budget Committee heard from the agency that several private inpatient facilities (Via Christi in Wichita; Cushing Hospital in Leavenworth and Prairie View in Newton) are under contract for use by the agency when census at the mental hospitals runs at capacity or over. The agency shared that when used, the contract beds are very expensive. While the Budget Committee understands the use of these facilities may be necessary, it questions whether serving patients in the community at a higher cost makes sense over utilizing existing hospital beds such as the 30 bed unit at the Osawatomie State Hospital. Therefore, the Budget Committee requests the Department of Social and Rehabilitation Services provide information before Omnibus, including costs to operate the 30 bed unit and how utilization of this unit would fit into the Department's overall mental health system plan. Further, how does care and treatment of the patients compare between the hospitals and private facilities?

#### **House Committee Recommendation**

The **House Committee** concurs with the House Budget Committee's Recommendation.

**Senate Subcommittee Report**

**Agency:** Osawatomie State Hospital

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 717

**Budget Page No.** 232

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 14,991,244	\$ 14,666,027	\$ 0
Other Funds	14,671,679	14,479,148	0
Subtotal	\$ 29,662,923	\$ 29,145,175	\$ 0
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	18,227	18,227	0
Subtotal	\$ 18,227	\$ 18,227	\$ 0
<b>TOTAL</b>	<b>\$ 29,681,150</b>	<b>\$ 29,163,402</b>	<b>\$ 0</b>
FTE positions	396.4	386.4	386.4
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<b>396.4</b>	<b>386.4</b>	<b>386.4</b>

**Agency Request**

The **agency** requests FY 2013 operating expenditures of \$29.7 million including \$15.0 million from the State General Fund. The estimate is an all funds increase of \$227,045, or 0.8 percent, all from the State General fund, above the FY 2012 revised estimate.

**Governor's Recommendation**

The **Governor** recommends operating expenditures totaling \$29.1 million including \$14.7 million from the State General Fund and 386.4 FTE positions. The reduction of \$517,748 in expenditures and 10.0 FTE positions is from savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends \$736,262 in reductions, equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the agency. The Governor recommends the transfer of the administration of the Osawatomie State Hospital and the other four hospitals from the

Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

### Senate Subcommittee Recommendation

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

1. The Subcommittee notes that at all state hospitals the number of staff positions have decreased significantly over the last several years, most recently due to the implementation of the Voluntary Retirement Incentive Program. At many hospitals the reduction of staff has caused remaining staff to work significant amounts of overtime. The Subcommittee expresses concern about the safety of staff and patients as the staff to patient ratio is affected by these reductions.

The Subcommittee also learned that recruitment and retention of medical staff is a problem at many of the hospitals. The agency indicates it will be studying and making a recommendation next year regarding professional medical staff retention and pay issues to insure the state is able to attract quality professional medical staff.

2. The Subcommittee notes that state hospitals are required to submit reduced resource budgets. The Department of Social and Rehabilitation Services has, for several years, absorbed these budget reductions within the Department's budget. As the administration for the state hospital budgets transfers with the enactment of Executive Reorganization Order No. 41, the Subcommittee is concerned how the Department on Aging will be able to maintain this practice.
3. The Subcommittee notes that census continues to be an issue for the state mental hospitals and that hospitals have been running above licensed capacity for increasing percentages of the year and have had to utilize overflow contracts which are extremely expensive. While the Superintendent at Osawatome State Hospital has not had to trigger the overflow contract, Osawatome is over capacity 33 percent of the year.
4. The Subcommittee notes it concerns about the reductions in financial support to the community mental health centers over the last several years and the ultimate effect the reduction has had on local hospitals and jails in coping with individuals who should be receiving treatment and services through the local community health centers. The Subcommittee recommends that as the revenues to the state improve, these reductions be restored as it is more cost effective to provide services in a community setting rather than in an institutional setting.

The Subcommittee notes that 50 to 70 percent of the population at Osawatome State Hospital have a dual diagnosis of mental illness and substance abuse issues. The partnership of the Osawatome State Hospital and local community mental health resources is critical in keeping these individuals from readmitting once they leave the hospital. The resources must be available in the community for continued treatment.

5. The Subcommittee notes that the state mental health system is in a state of disarray and recommends that the Department on Aging begin the process of developing a strategic or long term plan for mental health care in Kansas. The agency should be as inclusive as possible in bringing stakeholders together from all aspects of mental health service care. The Subcommittee requests the agency report back to the Legislature next year

with recommendations. It is essential that a long term continuum of care be established for individuals need mental health services.

6. The Subcommittee understands the 30 bed unit at Osawatomie State Hospital will become vacant once the Rainbow patients move back to their renovated facility in December, 2012. The Subcommittee learned that it would cost \$4 million a year in operating costs to keep this unit open. The Subcommittee believes it is important to keep this unit available for use and would like to review this issue again at Omnibus.

## House Budget Committee Report

**Agency:** Larned State Hospital

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 688

**Budget Page No.** 230

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 44,120,652	\$ 44,334,457	\$ 0
Other Funds	15,192,011	15,192,011	0
Subtotal	<u>\$ 59,312,663</u>	<u>\$ 59,526,468</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 59,312,663</u></u>	<u><u>\$ 59,526,468</u></u>	<u><u>\$ 0</u></u>
FTE positions	839.2	886.2	0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
<b>TOTAL</b>	<u><u>862.2</u></u>	<u><u>909.2</u></u>	<u><u>0.0</u></u>

### Agency Estimate

The **agency** estimates FY 2012 operating expenditures of \$59.3 million including \$44.1 million from the State General Fund. The estimate is an all funds increase of \$1.5 million or 2.6 percent, above the amount approved by the 2011 Legislature. The agency proposes to open a new 30 bed Sexual Predator Treatment Program unit in the Isaac Ray building. The agency's estimate includes 839.2 FTE positions and 23.0 non FTE positions, a reduction of 137.0 FTE positions from FY 2011. The agency also submitted a capital improvements supplemental request in the Department of Social and Rehabilitation Services Capital Improvements budget section.

### Governor's Recommendation

The **Governor** recommends expenditures totaling \$59.5 million including \$44.3 million from the State General Fund, and 886.2 FTE positions and 23.0 non-FTE positions. The all funds increase of \$1.7 million includes \$852,805 from the State General Fund and 47.0 FTE positions which allows Larned State Hospital to open and operate a 30 bed wing of the Issac Ray building as requested by the agency. Further, the Governor recommends a second wing be opened to accommodate the growing Sexual Predator Treatment Program census. The Social and Rehabilitation Services capital improvements supplemental request is also funded in the Governor's recommendation.



### **House Budget Committee Recommendation**

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

1. The Budget Committee notes that capital improvements for the state hospitals are budgeted in the Department of Social and Rehabilitation Services in FY 2012. The Budget Committee supports the recommendation of the Governor to spend \$2,058,900, all from the State Institutions Building Fund, to renovate a 30 bed wing of the Meyer building on the Larned Campus, as requested by the agency to alleviate an ongoing overcrowding problem in the Sexual Predator Treatment Program.

### **House Committee Recommendation**

The **House Committee** concurs with the Budget Committee recommendation with the following notation:

1. The House Committee recommends that while concurring with the Governor's recommendation for the need for additional beds at Larned State Hospital, the Committee would like to review prior to Omnibus, the bed expansion configuration at the Isaac Ray building to include forensic beds.



**Senate Subcommittee Report**

**Agency:** Larned State Hospital

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 688

**Budget Page No.** 230

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 44,120,652	\$ 44,334,457	\$ 0
Other Funds	15,192,011	15,192,011	0
Subtotal	<u>\$ 59,312,663</u>	<u>\$ 59,526,468</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 59,312,663</u></u>	<u><u>\$ 59,526,468</u></u>	<u><u>\$ 0</u></u>
FTE positions	839.2	886.2	0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
<b>TOTAL</b>	<u><u>862.2</u></u>	<u><u>909.2</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

The **agency** estimates FY 2012 operating expenditures of \$59.3 million including \$44.1 million from the State General Fund. The estimate is an all funds increase of \$1.5 million or 2.6 percent, above the amount approved by the 2011 Legislature. The agency proposes to open a new 30 bed Sexual Predator Treatment Program unit in the Isaac Ray building. The agency's estimate includes 839.2 FTE positions and 23.0 non FTE positions, a reduction of 137.0 FTE positions from FY 2011. The agency also submitted a capital improvements supplemental request in the Department of Social and Rehabilitation Services Capital Improvements budget section.

**Governor's Recommendation**

The **Governor** recommends expenditures totaling \$59.5 million including \$44.3 million from the State General Fund, and 886.2 FTE positions and 23.0 non-FTE positions. The all funds increase of \$1.7 million includes \$852,805 from the State General Fund and 47.0 FTE positions which allows Larned State Hospital to open and operate a 30 bed wing of the Issac Ray building as requested by the agency. Further, the Governor recommends a second wing be opened to accommodate the growing Sexual Predator Treatment Program census. The Social

and Rehabilitation Services capital improvements supplemental request is also funded in the Governor's recommendation.

**Senate Subcommittee Recommendation**

The **Subcommittee** concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Larned State Hospital

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 688

**Budget Page No.** 230

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 46,531,499	\$ 46,486,223	\$ 0
Other Funds	15,192,011	15,147,426	0
Subtotal	<u>\$ 61,723,510</u>	<u>\$ 61,633,649</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 61,723,510</u></u>	<u><u>\$ 61,633,649</u></u>	<u><u>\$ 0</u></u>
FTE positions	850.2	866.2	0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
<b>TOTAL</b>	<u><u>873.2</u></u>	<u><u>889.2</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$61.7 million including \$46.5 million from the State General Fund and 850.2 FTE positions and 23.0 non FTE positions. The estimate is an all funds increase of \$2.4 million, or 4.1 percent increase above the FY 2012 revised estimate. The increase is all from the State General Fund. The agency request includes one enhancement for FY 2013 totaling \$951,203, all from the State General Fund and 11.0 FTE positions to staff an eight bed Sexual Predator Treatment Program (SPTP) transition house to be located at Parsons State Hospital. The agency also includes \$1.3 million for the annualization of costs associated with the opening of the Sexual Predator Treatment Program units in the Isaac Ray building. The agency has also included a capital improvements enhancement in the SRS budget related to the transition house enhancement request. Absent the enhancement, the FY 2013 operating expenditures for the agency request would be \$60.8 million, including \$45.6 million from the State General Fund. The request is an all funds increase of \$1,459,644, or 2.5 percent, all from the State General Fund, above the FY 2012 agency estimate. The agency requests 839.2 FTE positions and 23.0 non FTE positions.

### Governor's Recommendation

The **Governor** recommends expenditures totaling \$61.6 million including \$46.5 million from the State General Fund and 866.2 FTE positions and 23.0 non-FTE positions. The recommendation includes an additional 16.0 FTE positions over the agency's request. The

Governor recommends the agency's enhancement request totaling \$951,203 and 11.0 FTE to staff an eight bed Sexual Predator Treatment Program transition house to be located at Parsons State Hospital. The recommendation includes funding in the Department on Aging budget for capital improvements related to the Parsons transition house project. The Governor recommends an additional \$1.3 or million and 47.0 FTE positions to fully fund and annualize costs associated with both Sexual Predator Treatment Program units at Isaac Ray. The Governor recommends \$70,000 to finance pay adjustments for direct care workers. The Governor recommends the reduction of \$1.4 million and 31.0 FTE due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends reductions of \$2.2 million equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the agency. Finally, the Governor recommends the transfer of the administration of the Larned State Hospital and the other four state hospitals from the Department of Social and Rehabilitation Services to the Department on Aging.

### **House Budget Committee Recommendation**

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

1. The Budget Committee notes that capital improvements for the state hospitals are budgeted in the Department of Aging budget for FY 2013. The Budget Committee supports the recommendation of the Governor to spend \$202,000, all from the State Institutions Building Fund, for capital improvements for a new Sexual Predator Treatment Program transition house to be located in Maple Cottage on the grounds of Parsons State Hospital and Training Center.
2. The Budget Committee notes that the growth in the Sexual Predator Treatment Program is at a rate of approximately 1.5 clients per month. The Department on Social and Rehabilitation Services shared that due to changes made to the sentencing guidelines, the growth of clients coming from the correctional facilities should begin to slow several years from now.

### **House Committee Recommendation**

The **House Committee** concurs with the House Budget Committee recommendation.

**Senate Subcommittee Report**

**Agency:** Larned State Hospital

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 32

**Budget Page No.** 230

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 46,531,499	\$ 46,486,223	\$ 0
Other Funds	15,192,011	15,147,426	0
Subtotal	<u>\$ 61,723,510</u>	<u>\$ 61,633,649</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>\$ 61,723,510</u>	 <u>\$ 61,633,649</u>	 <u>\$ 0</u>
 FTE positions	 850.2	 866.2	 0.0
Non FTE Uncl. Perm. Pos.	23.0	23.0	0.0
TOTAL	<u>873.2</u>	<u>889.2</u>	<u>0.0</u>

**Agency Request**

The **agency** requests FY 2013 operating expenditures of \$61.7 million including \$46.5 million from the State General Fund and 850.2 FTE positions and 23.0 non FTE positions. The estimate is an all funds increase of \$2.4 million, or 4.1 percent increase above the FY 2012 revised estimate. The increase is all from the State General Fund. The agency request includes one enhancement for FY 2013 totaling \$951,203, all from the State General Fund and 11.0 FTE positions to staff an eight bed Sexual Predator Treatment Program (SPTP) transition house to be located at Parsons State Hospital. The agency also includes \$1.3 million for the annualization of costs associated with the opening of the Sexual Predator Treatment Program units in the Isaac Ray building. The agency has also included a capital improvements enhancement in the SRS budget related to the transition house enhancement request. Absent the enhancement, the FY 2013 operating expenditures for the agency request would be \$60.8 million, including \$45.6 million from the State General Fund. The request is an all funds increase of \$1,459,644, or 2.5 percent, all from the State General Fund, above the FY 2012 agency estimate. The agency requests 839.2 FTE positions and 23.0 non FTE positions.

## **Governor's Recommendation**

The **Governor** recommends expenditures totaling \$61.6 million including \$46.5 million from the State General Fund and 866.2 FTE positions and 23.0 non-FTE positions. The recommendation includes an additional 16.0 FTE positions over the agency's request. The Governor recommends the agency's enhancement request totaling \$951,203 and 11.0 FTE to staff an eight bed Sexual Predator Treatment Program transition house to be located at Parsons State Hospital. The recommendation includes funding in the Department on Aging budget for capital improvements related to the Parsons transition house project. The Governor recommends an additional \$1.3 or million and 47.0 FTE positions to fully fund and annualize costs associated with both Sexual Predator Treatment Program units at Isaac Ray. The Governor recommends \$70,000 to finance pay adjustments for direct care workers. The Governor recommends the reduction of \$1.4 million and 31.0 FTE due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends reductions of \$2.2 million equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the agency. Finally, the Governor recommends the transfer of the administration of the Larned State Hospital and the other four state hospitals from the Department of Social and Rehabilitation Services to the Department on Aging.

## **Senate Subcommittee Recommendation**

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

1. The Subcommittee notes that at all state hospitals the number of staff positions have decreased significantly over the last several years, most recently due to the implementation of the Voluntary Retirement Incentive Program. At many hospitals the reduction of staff has caused remaining staff to work significant amounts of overtime. The Subcommittee expresses concern about the safety of staff and patients as the staff to patient ratio is affected by these reductions.

The Subcommittee learned that at Larned State Hospital the vacancy rate for positions was at 38 percent in November, 2011. The Superintendent provided that the agency had worked diligently to fill positions and that the vacancy rate is now at 10 percent. The Subcommittee notes the Governor recommended \$70,000 for pay parity for hospital workers in competition with the other institutions located on the Larned campus.

The Subcommittee also learned that recruitment and retention of medical staff is a problem at many of the hospitals. The agency indicates it will be studying and making a recommendation next year regarding professional medical staff retention and pay issues to insure the state is able to attract quality professional medical staff.

2. The Subcommittee notes that state hospitals are required to submit reduced resource budgets. The Department of Social and Rehabilitation Services has, for several years, absorbed these budget reductions within the Department's budget. As the administration for the state hospital budgets transfers with the enactment of Executive Reorganization Order No 41, the Subcommittee is concerned how the Department on Aging will be able to maintain this practice.
3. The Subcommittee notes that census continues to be an issue for the state mental hospitals and that hospitals have been running above licensed capacity for increasing

percentages of the year and have had to utilize overflow contracts which are extremely expensive.

4. The Subcommittee notes its concerns about the reductions in financial support to the community mental health centers over the last several years and the ultimate effect the reduction has had on local hospitals and jails in coping with individuals who should be receiving treatment and services through the local community health centers. The Subcommittee recommends that as the revenues to the state improve, these reductions be restored as it is more cost effective to provide services in a community setting rather than in an institutional setting.
5. The Subcommittee notes that the state mental health system is in a state of disarray and recommends that the Department on Aging begin the process of developing a strategic or long term plan for mental health care in Kansas. The agency should be as inclusive as possible in bringing stakeholders together from all aspects of mental health service care. The Subcommittee requests the agency report back to the Legislature next year with recommendations. It is essential that a long term continuum of care be established for individuals needing mental health services.
6. The Subcommittee supports the recommendation of the Governor to spend \$202,000, all from the State Institutions Building Fund, for a new Sexual Predator Treatment Program transition house to be located in Maple Cottage on the grounds of Parsons State Hospital and Training Center. Maple Cottage was selected for a variety of reasons and will need only minor building modifications for use. Further, the Subcommittee supports the recommendation of \$951,203, all from the State General Fund and 11.0 FTE positions to staff this eight bed transition house. The Subcommittee notes that state law (KSA 59-29a11) provides that no more than eight transition patients be housed in a county.
7. The Subcommittee notes the Sexual Predator Treatment Program is 40 residents over census and the growth is approximately 18 new residents each year. Overcrowding has become a serious issue and the safety of the public, staff, and residents is of concern as the staff to resident ratios decrease. The over census has been managed by conversion of staff offices to resident rooms and the occupation of modular housing is considered temporary and once the new beds are ready, these facilities will not be used. The Governor's recommendation for the Sexual Predator Treatment Program provides the following:
  - 30 bed secure unit in Isaac Ray building open May 2012;
  - 30 bed secure unit in Isaac Ray building open August 2012;
  - 8 bed transition house (Maple Cottage at PSH&TC) open fall 2012; and
  - 34 bed unit in Meyer Building open August 2013

The agency estimates these new beds will be full June of 2015.

8. The Subcommittee expresses concern that only 3 residents have graduated from the Sexual Predator Treatment Program since 1994. The Subcommittee recommends a Legislative Post Audit be conducted on the Sexual Predator Treatment Program because of the estimates that the population is continuing to increase eighteen each year and a concern that the treatment offered is effective.



# House Budget Committee Report

**Agency:** Parsons State Hospital and Training Center

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 738

**Budget Page No.** 234

Expenditure Summary	Agency Estimate FY 2012	Governor Recommendation FY 2012	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 10,358,250	\$ 10,358,250	\$ 0
Other Funds	15,254,317	15,254,317	0
Subtotal	<u>\$ 25,612,567</u>	<u>\$ 25,612,567</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	133,930	133,930	0
Subtotal	<u>\$ 133,930</u>	<u>\$ 133,930</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 25,746,497</u></u>	 <u><u>\$ 25,746,497</u></u>	 <u><u>\$ 0</u></u>
 FTE positions	 455.2	 455.2	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>455.2</u></u>	<u><u>455.2</u></u>	<u><u>0.0</u></u>

## Agency Estimate

The **agency** requests revised FY 2012 operating expenditures of \$25.6 million including \$10.4 million from the State General Fund. The estimate is an all funds increase of \$261,215, or 1.0 percent, above the amount approved by the 2011 Legislature. The State General Fund does not increase in FY 2012 over the the amount approved by the 2011 Legislature. The estimate includes 455.2 FTE positions. The agency does not request any supplemental expenditures.

## Governor's Recommendation

The **Governor** concurs with the agency's revised estimate.

## House Budget Committee

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

1. The Budget Committee notes that although historically, the overtime has been low at Parsons State Hospital, the Superintendent shared that it was up 139 percent this fiscal year due to the enactment of the Voluntary Retirement Incentive Program and the number of holidays.

The Superintendent further stated that overtime pay is not a budgeted item. The Department of Social and Rehabilitation Services added that Superintendents have the ability to move funds within their budget to make up for overtime funding issues.

**House Committee Recommendation**

The **House Committee** concurs with the House Budget Committee's recommendation.

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**Senate Subcommittee Report**

**Agency:** Parsons State Hospital and Training Center

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 738

**Budget Page No.** 234

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2012</u>	<u>Governor Recommendation FY 2012</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 10,358,250	\$ 10,358,250	\$ 0
Other Funds	15,254,317	15,254,317	0
Subtotal	<u>\$ 25,612,567</u>	<u>\$ 25,612,567</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	133,930	133,930	0
Subtotal	<u>\$ 133,930</u>	<u>\$ 133,930</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 25,746,497</u></u>	<u><u>\$ 25,746,497</u></u>	<u><u>\$ 0</u></u>
FTE positions	455.2	455.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>455.2</u></u>	<u><u>455.2</u></u>	<u><u>0.0</u></u>

**Agency Estimate**

The **agency** requests revised FY 2012 operating expenditures of \$25.6 million including \$10.4 million from the State General Fund. The estimate is an all funds increase of \$261,215, or 1.0 percent, above the amount approved by the 2011 Legislature. The State General Fund does not increase in FY 2012 over the the amount approved by the 2011 Legislature The estimate includes 455.2 FTE positions. The agency does not request any supplemental expenditures.

**Governor's Recommendation**

The **Governor** concurs with the agency's revised estimate.

**Senate Subcommittee Recommendation**

The **Senate Subcommittee** concurs with the Governor's recommendation.

## House Budget Committee Report

**Agency:** Parsons State Hospital and Training Center

**Bill No.** 2760

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 738

**Budget Page No.** 234

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,569,872	\$ 10,221,423	\$ 0
Other Funds	15,248,715	14,805,243	0
Subtotal	<u>\$ 25,818,587</u>	<u>\$ 25,026,666</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	139,532	139,532	0
Subtotal	<u>\$ 139,532</u>	<u>\$ 139,532</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 25,958,119</u></u>	<u><u>\$ 25,166,198</u></u>	<u><u>\$ 0</u></u>
FTE positions	455.2	437.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>455.2</u></u>	<u><u>437.2</u></u>	<u><u>0.0</u></u>

### Agency Request

The **agency** requests FY 2013 operating expenditures of \$25.8 million including \$10.6 million from the State General Fund. The request is an all funds increase of \$206,020, or 0.8 percent, above the FY 2012 revised estimate and a State General Fund increase of \$211,622, or 2.0 percent, above the FY 2012 revised estimate. The request includes 455.2 FTE positions and does not include any enhancement requests.

### Governor's Recommendation

The **Governor** recommends expenditures totaling \$25.0 million including \$10.2 million from the State General Fund and the reduction of 18.0 FTE positions. The reduction of \$791,921 in expenditures is due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends \$528,494 in reductions, equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the Department of Social and Rehabilitation Services. The Governor recommends the transfer of the administration of the Parsons State Hospital and Training Center and the other four hospitals from the Department of Social and Rehabilitation Services to the Department on Aging, effective July 1, 2012.

### **House Budget Committee Recommendation**

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

1. The Budget Committee notes that although historically, the overtime at Parsons State Hospital has been low, the Superintendent shared that it was up 139 percent this fiscal year due to the enactment of the Voluntary Retirement Incentive Program and the number of holidays. The Superintendent further stated that overtime pay is not a budgeted item. The Department of Social and Rehabilitation Services added that Superintendents have the ability to move funds within their budget to make up for overtime funding shortfalls.
2. The Budget Committee notes that while Parsons State Hospital is licensed by the Centers for Medicaid and Medicare Service for 366 patients, the facility is budgeted for 188 beds for FY 2013. The facility is, according to the agency, staffed to meet the Centers requirements. The Budget Committee notes there are 437.2 staff and 188 residents which is a ratio of 2.3 staff per patient, although not all staff provide direct care to patients and are responsible for other duties such as custodial, administration, etc.

### **House Committee Recommendation**

The **House Committee** concurs with the House Budget Committee's recommendation.

**Senate Subcommittee Report**

**Agency:** Parsons State Hospital and Training Center

**Bill No.** 433

**Bill Sec.** 32

**Analyst:** Duffy

**Analysis Pg. No.** 738

**Budget Page No.** 234

Expenditure Summary	Agency Request FY 2013	Governor Recommendation FY 2013	Senate Subcommittee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 10,569,872	\$ 10,221,423	\$ 0
Other Funds	15,248,715	14,805,243	0
Subtotal	<u>\$ 25,818,587</u>	<u>\$ 25,026,666</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	139,532	139,532	0
Subtotal	<u>\$ 139,532</u>	<u>\$ 139,532</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><u>\$ 25,958,119</u></u>	<u><u>\$ 25,166,198</u></u>	<u><u>\$ 0</u></u>
FTE positions	455.2	437.2	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>455.2</u></u>	<u><u>437.2</u></u>	<u><u>0.0</u></u>

**Agency Request**

The **agency** requests FY 2013 operating expenditures of \$25.8 million including \$10.6 million from the State General Fund. The request is an all funds increase of \$206,020, or 0.8 percent, above the FY 2012 revised estimate and a State General Fund increase of \$211,622, or 2.0 percent, above the FY 2012 revised estimate. The request includes 455.2 FTE positions and does not include any enhancement requests.

**Governor's Recommendation**

The **Governor** recommends expenditures totaling \$25.0 million including \$10.2 million from the State General Fund and the reduction of 18.0 FTE positions. The reduction of \$791,921 in expenditures is due to the salary savings associated with the Voluntary Retirement Incentive Program. Further, the Governor recommends \$528,494 in reductions, equivalent to the hospital's reduced resource target, be taken from the Social and Rehabilitation Services budget as suggested by the Department of Social and Rehabilitation Services.

## Senate Subcommittee Recommendation

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

1. The Subcommittee notes that at all state hospitals the number of staff positions has decreased significantly over the last several years, most recently due to the implementation of the Voluntary Retirement Incentive Program. At many hospitals the reduction of staff has caused remaining staff to work significant amounts of overtime. The Subcommittee expresses concern about the safety of staff and patients as the staff to patient ratio is affected by these reductions.

The Subcommittee also learned that recruitment and retention of medical staff is a problem at many of the hospitals. The agency indicates it will be studying and making a recommendation next year regarding professional medical staff retention and pay issues to insure the state is able to attract quality professional medical staff.

2. The Subcommittee notes that state hospitals are required to submit reduced resource budgets. The Department of Social and Rehabilitation Services has, for several years, absorbed these budget reductions within the Department's budget. As the administration for the state hospital budgets transfers with the enactment of Executive Reorganization Order No.41, the Subcommittee is concerned how the the Department on Aging will be able to maintain this practice.
3. The Subcommittee concurs with the Governor's recommendation to establish a second transition house on the Parsons State Hospital campus and commends the effort by the superintendent and staff at Parsons in working with city officials, law enforcement, concerned parents of residents and Medicaid reviewers on this endeavor.
4. The Subcommittee acknowledges the research based treatment program operated by Parsons State Hospital for individuals with a dual diagnosis of developmental disabilities and severe mental illness. With seven staff located around the state, the Dual Diagnosis Treatment and Training Services provides on-site delivery of psychological services to individuals and training to parents, community service providers, parents and others. Of the 148 individuals served in 46 counties, only three percent required admission to Parsons State Hospital for treatment.