



FMAP rate as an incentive for states to invest, supplement, or strengthen their home and community-based services. The agency viewed this increase as an opportunity to study some of the issues surrounding the waivers as well as provide some relief to providers. It submitted its plan to the federal Centers for Medicare and Medicaid Services (CMS) and is awaiting approval in order to draw down the additional federal funds.

- **DELAYED IMPLEMENTATION OF PROGRAMS.** There were several projects that the agency originally anticipated would begin in FY 2022. These include the installation of the infrastructure for the Electronic Health Records system at the four state hospitals and the establishment of the acute psychiatric beds for youth in Hays. Both of these projects were delayed due to the contract procurement process. Additionally, the project to remodel the Biddle Building at Osawatomie State Hospital was delayed due to supply and labor issues associated with the COVID-19 pandemic. As a result, a new estimate was drafted for the cost of the remodel. The revised estimate was \$1.7 million higher than the original appropriation, which the agency has subsequently requested as a supplemental.

The revised estimate also includes 325.5 FTE positions, which is an increase of 29.5 FTE positions above the number approved by the 2021 Legislature.

### **Governor's Recommendation**

The **Governor** recommends \$2.3 billion, including \$830.7 million SGF, for expenditures in FY 2022. This is a decrease of \$78.1 million below the agency's FY 2022 revised estimate. Significant items in the Governor's recommendation include the following:

- **HUMAN SERVICES CONSENSUS CASELOADS.** The Governor's recommendation adopts the Fall 2021 Human Services Consensus Caseloads estimate. This amounts in a decrease of approximately \$89.7 million, including \$66.0 million SGF below the agency's revised estimate. The decrease is due to a lower than anticipated Medicaid eligible population than what was originally estimated in Spring 2021.
- **GOVERNOR'S 24/7 PAY PLAN.** The Governor's recommendation includes the addition of \$9.6 million, all from federal ARPA-related funding, to allow for salary increases for the nursing staff at the state hospitals. The Governor's pay plan includes both permanent increases in the base pay for certain nursing positions as well as temporary increases if facilities meet certain criteria. The goal of these increases is to assist the state hospitals with retention issues they have historically faced, which increased due to the COVID-19 pandemic.
- **CRISIS INTERVENTION CENTERS.** The recommendation also includes \$2.0 million SGF for the implementation of crisis intervention centers. Currently, the state has several crisis stabilization centers, which provide services to individuals on a voluntary basis who are experiencing a mental health crisis. The funding aims to provide KDADS funding to establish a new classification in the state to allow involuntary patients similar services within the community. These additional services aim to reduce the number of involuntary admissions to the state hospitals.

The **Governor's** recommendation also includes 325.5 FTE positions, which is the same as the number requested in the agency's FY 2022 revised estimate.

**Senate Subcommittee Recommendation**

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

**Senate Committee Recommendation**

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

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

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

**House Budget Committee Report**

**Agency:** Kansas Department for Aging and Disability Services

**Bill No.** HB 2592

**Bill Sec.** 34

**Analyst:** Moore

**Analysis Pg. No.** Vol. 2, pg. 1096

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Expenditure Summary	Agency Estimate FY 2022	Governor Recommendation FY 2022	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 894,740,368	\$ 830,723,024	\$ 0
Federal Funds	1,365,141,240	1,358,030,931	0
Other Funds	85,373,099	78,438,499	0
<i>Subtotal</i>	<u>\$ 2,345,254,707</u>	<u>\$ 2,267,192,454</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	16,738,077	16,738,077	0
<i>Subtotal</i>	<u>\$ 16,738,077</u>	<u>\$ 16,738,077</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 2,361,992,784</b></u>	<u><b>\$ 2,283,930,531</b></u>	<u><b>\$ 0</b></u>
 FTE positions	 325.5	 325.5	 0.0

**Agency Estimate**

The **agency** requests a revised estimate of \$2.4 billion, including \$894.7 million SGF, in FY 2022. This is a decrease of \$6.9 million below the amount approved by the 2021 Legislature.

Significant items in the agency estimate include the following:

- **CONTINUED COVID-19 PANDEMIC RELIEF FUNDS.** In FY 2021, the agency received a large influx of COVID-19 pandemic-related relief funds. Some of this aid was provided through direct distributions from several federal relief acts, which the agency passed on to the appropriate organizations for disbursement. Subsequent to the calendar year 2021 budget discussions, the agency received more federal moneys from the federal American Rescue Plan Act (ARPA) to be provided to organizations in FY 2022. Additionally, the agency continues to receive an increased Federal Medical Assistance Percentage (FMAP) rate increase as the federal public health emergency continues.
- **10.0 PERCENT INCREASE IN THE FMAP RATE FOR HCBS WAIVER SERVICES.** Included in the APRA funding the agency anticipates receiving is an increase in the FMAP rate for HCBS waiver services. ARPA included a provision for the increased FMAP rate as an incentive for states to invest, supplement, or strengthen their home and community-based services. The agency viewed this increase as an opportunity to study some of the issues surrounding the waivers as well as provide some relief to providers. It submitted its plan to the federal Centers for Medicare and Medicaid Services (CMS) and is awaiting approval in order to draw down the additional federal funds.
- **DELAYED IMPLEMENTATION OF PROGRAMS.** There were several projects that the agency originally anticipated would begin in FY 2022. These include the installation of the infrastructure for the Electronic Health Records system at the four state hospitals and the establishment of the acute psychiatric beds for youth in Hays. Both of these projects were delayed due to the contract procurement process. Additionally, the project to remodel the Biddle Building at Osawatomie State Hospital was delayed due to supply and labor issues associated with the COVID-19 pandemic. As a result, a new estimate was drafted for the cost of the remodel. The revised estimate was \$1.7 million higher than the original appropriation, which the agency has subsequently requested as a supplemental.

The revised estimate also includes 325.5 FTE positions, which is an increase of 29.5 FTE positions above the number approved by the 2021 Legislature.

### **Governor's Recommendation**

The **Governor** recommends \$2.3 billion, including \$830.7 million SGF, for expenditures in FY 2022. This is a decrease of \$78.1 million below the agency's FY 2022 revised estimate. Significant items in the Governor's recommendation include the following:

- **HUMAN SERVICES CONSENSUS CASELOADS.** The Governor's recommendation adopts the Fall 2021 Human Services Consensus Caseloads estimate. This amounts in a decrease of approximately \$89.7 million, including \$66.0 million SGF below the agency's revised estimate. The decrease is due to a lower than anticipated Medicaid eligible population than what was originally estimated in Spring 2021.
- **GOVERNOR'S 24/7 PAY PLAN.** The Governor's recommendation includes the addition of \$9.6 million, all from federal ARPA-related funding, to allow for salary increases for the nursing staff at the state hospitals. The Governor's pay plan

includes both permanent increases in the base pay for certain nursing positions as well as temporary increases if facilities meet certain criteria. The goal of these increases is to assist the state hospitals with retention issues they have historically faced, which increased due to the COVID-19 pandemic.

- **CRISIS INTERVENTION CENTERS.** The recommendation also includes \$2.0 million SGF for the implementation of crisis intervention centers. Currently, the state has several crisis stabilization centers, which provide services to individuals on a voluntary basis who are experiencing a mental health crisis. The funding aims to provide KDADS funding to establish a new classification in the state to allow involuntary patients similar services within the community. These additional services aim to reduce the number of involuntary admissions to the state hospitals.

The **Governor's** recommendation also includes 325.5 FTE positions, which is the same as the number requested in the agency's FY 2022 revised estimate.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation in FY 2022 with the following notations:

1. The Committee notes its support for Midland Care's \$2.5 million PACE expansion proposal to the SPARK Advisory Panel.
2. The Committee notes its support for the \$4.5 million for the recruitment and retention of LPNs and RNs proposal submitted to the SPARK Advisory Panel.
3. The Committee notes its support for the Association of CMHCs of Kansas' \$4.8 million CCBHC implementation mini-grants proposal to the SPARK Advisory Panel.
4. The Committee notes its support for the Association of CMHCs of Kansas' capacity building initiatives proposals of approximately \$342,870 to the SPARK Advisory Panel.

### **House Committee Recommendation**

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

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

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

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

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

1. Delete \$3.0 million SGF and Add \$3.0 million, from federal ARPA funds, for operation of the 988 988 Suicide Prevention hotline in FY 2022, as authorized by 2021 SB 159 Sec. 42(a).

**Omnibus Activity (HB 2510)**

1. Adopt Governor's Budget Amendment (GBA) No. 2, Item 1, to add \$89.6 million, including \$16.0 million SGF, to the Governor's recommendation to adopt the Spring Human Services Consensus estimate in FY 2022.

	Governor's Recommendation FY 2022	Legislative Action	Legislative Approved FY 2022	Governor's Vetoed FY 2022	Final Legislative Approved FY 2022
<b>All Funds</b>					
State Operations	\$ 119,189,737	\$ 0	\$ 119,189,737	\$ 0	\$ 119,189,737
Aid to Local Units	105,814,637	0	105,814,637	0	105,814,637
Other Assistance	2,131,768,080	0	2,131,768,080	0	2,131,768,080
<i>Subtotal - Operations</i>	<i>\$ 2,356,772,454</i>	<i>\$ 0</i>	<i>\$ 2,356,772,454</i>	<i>\$ 0</i>	<i>\$ 2,356,772,454</i>
Capital Improvements	16,738,077	0	16,738,077	0	16,738,077
<b>TOTAL</b>	<b>\$ 2,373,510,531</b>	<b>\$ 0</b>	<b>\$ 2,373,510,531</b>	<b>\$ 0</b>	<b>\$ 2,373,510,531</b>

**State General Fund**

State Operations	\$ 70,989,532	\$ (3,000,000)	\$ 67,989,532	\$ 0	\$ 67,989,532
Aid to Local Units	62,573,580	0	62,573,580	0	62,573,580
Other Assistance	713,159,912	0	713,159,912	0	713,159,912
<i>Subtotal - Operating</i>	<i>\$ 846,723,024</i>	<i>\$ (3,000,000)</i>	<i>\$ 843,723,024</i>	<i>\$ 0</i>	<i>\$ 843,723,024</i>
Capital Improvements	0	0	0	0	0
<b>TOTAL</b>	<b>\$ 846,723,024</b>	<b>\$ (3,000,000)</b>	<b>\$ 843,723,024</b>	<b>\$ 0</b>	<b>\$ 843,723,024</b>

FTE Positions	325.5	0.0	325.5	0.0	325.5
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\*The Governor's recommendation includes GBA No. 2 to add \$5.3 million, including \$1.8 million SGF, to provide additional funding for the Home and Community Based Services Brain Injury waiver in order to avoid the creation of a wait list for waiver services. The recommendation also include GBA No. 3, Item 1, to delete \$110.5 million, including \$47.2 million SGF, to adopt the Spring 2021 Human Services Consensus Caseload estimate for FY 2021. Changes are reflected in the table only.