

Senate Subcommittee Report

Agency: State Institutions for Intellectual Disabilities **Bill No.** SB 422 **Bill Sec.** 34

Analyst: Moore **Analysis Pg. No.** Vol. 2, pg. 1197 **Budget Page No.** 256 & 262

| Expenditure Summary | Agency Request FY 2023 | Governor Recommendation FY 2023 | Senate Subcommittee Adjustments |
|--------------------------------|------------------------------|---------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 31,705,798 | \$ 31,705,798 | \$ 0 |
| Federal Funds | 395,680 | 395,680 | 0 |
| Other Funds | 28,881,050 | 28,881,050 | 0 |
| <i>Subtotal</i> | <u>\$ 60,982,528</u> | <u>\$ 60,982,528</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| <i>Subtotal</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u>\$ 60,982,528</u> | <u>\$ 60,982,528</u> | <u>\$ 0</u> |
| FTE positions | 927.7 | 927.7 | 0.0 |

Agency Request

The **agencies** request \$61.0 million, including \$31.7 million SGF. This is an all funds increase of \$472,400, and an SGF increase of \$8.2 million, above the FY 2022 revised estimate. Significant items in the estimate include the following:

- **ENHANCEMENTS TO CONTINUE SALARY INCREASES.** Both hospitals submitted enhancement requests to continue the salary increases associated with Executive Directive Nos. 21-537 and 21-538. The agencies found means to cover these expenditures in FY 2022. KNI utilized increase federal funds the hospitals received due to COVID-19 pandemic relief funding, while Parsons utilized savings it realized due to an increased vacancy rate. Despite finding funds to cover these expenditures in FY 2022, the agencies anticipate requiring an SGF increase to their base budgets to continue these increases into the future. For FY 2023, the total cost for these salary increases is \$5.5 million SGF.
- **DECREASED TITLE XIX FUNDING.** The FY 2023 requests also includes decreased Title XIX funds for both agencies. Due to the COVID-19 pandemic, the Federal Medical Assistance Percentage (FMAP) rate was temporarily increased as a form of relief to allow for states to receive more federal funds for Medicaid expenditures. This increase will end at the end of the quarter when the federal COVID-19 public health emergency declaration expires. Currently, the declaration is set to expire in January 2022, which would continue the increased FMAP until March 2022. The total

decrease is approximately \$7.7 million, which is offset with increases in SGF utilization for FY 2023.

The request also includes 927.7 FTE positions for FY 2023, which is an increase of 13.0 FTE positions above the FY 2022 revised estimate. This is due to Parsons' enhancement request for a behavioral health crisis unit at the hospital.

Governor's Recommendation

The **Governor** concurs with the agencies' request for FY 2023 expenditures.

Senate Subcommittee Recommendation

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

Senate Committee Recommendation

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

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

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

House Budget Committee Report

Agency: State Institutions for Intellectual Disabilities **Bill No.** HB 2588

Bill Sec. 34

Analyst: Moore

Analysis Pg. No. Vol. 2, pg. 1197 **Budget Page No.** 256 & 262

| Expenditure Summary | Agency Request FY 2023 | Governor Recommendation FY 2023 | House Budget Committee Adjustments |
|-------------------------|-----------------------------|------------------------------------|---------------------------------------|
| Operating Expenditures: | | | |
| State General Fund | \$ 31,705,798 | \$ 31,705,798 | \$ 0 |
| Federal Funds | 395,680 | 395,680 | 0 |
| Other Funds | 28,881,050 | 28,881,050 | 0 |
| <i>Subtotal</i> | <u>\$ 60,982,528</u> | <u>\$ 60,982,528</u> | <u>\$ 0</u> |
| Capital Improvements: | | | |
| State General Fund | \$ 0 | \$ 0 | \$ 0 |
| Federal Funds | 0 | 0 | 0 |
| Other Funds | 0 | 0 | 0 |
| <i>Subtotal</i> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| TOTAL | <u>\$ 60,982,528</u> | <u>\$ 60,982,528</u> | <u>\$ 0</u> |
| FTE positions | 927.7 | 927.7 | 0.0 |

Agency Request

The **agencies** request \$61.0 million, including \$31.7 million SGF. This is an all funds increase of \$472,400, and an SGF increase of \$8.2 million, above the FY 2022 revised estimate. Significant items in the estimate include the following:

- **ENHANCEMENTS TO CONINTUE SALARY INCREASES.** Both hospitals submitted enhancement requests to continue the salary increases associate with Executive Directive Nos. 21-537 and 21-538. The agencies found means to cover these expenditures in FY 2022. KNI utilized increase federal funds the hospitals received due to COVID-19 pandemic relief funding, while Parsons utilized savings it realized due to an increased vacancy rate. Despite finding funds to cover these expenditures in FY 2022, the agencies anticipate requiring an SGF increase to their base budgets to continue these increases into the future. For FY 2023, the total cost for these salary increases is \$5.5 million SGF.
- **DECREASED TITLE XIX FUNDING.** The FY 2023 requests also includes decreased Title XIX funds for both agencies. Due to the COVID-19 pandemic, the Federal Medical Assistance Percentage (FMAP) rate was temporarily increased as a form of relief to allow for states to receive more federal funds for Medicaid expenditures. This increase will end at the end of the quarter when the federal COVID-19 public health

emergency declaration expires. Currently, the declaration is set to expire in January 2022, which would continue the increased FMAP until March 2022. The total decrease is approximately \$7.7 million, which is offset with increases in SGF utilization for FY 2023.

The request also includes 927.7 FTE positions for FY 2023, which is an increase of 13.0 FTE positions above the FY 2022 revised estimate. This is due to Parsons' enhancement request for a behavioral health crisis unit at the hospital.

Governor's Recommendation

The **Governor** concurs with the agencies' request for FY 2023 expenditures.

House Budget Committee Recommendation

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

House Committee Recommendation

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

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

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

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

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

Omnibus Activity (HB 2510)

No action taken for FY 2023.

State Finance Council

Kansas Neurological Institute

1. Add \$42,692 SGF for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

Parsons State Hospital and Training Center

1. Add \$53,583 SGF for a 5.0 percent salary adjustment for most state employees for FY 2023. This adjustment excludes statewide elected officials, current beneficiaries of the 24/7 pay plan, with other specific limitations for employees who receive salary adjustments in other portions of the appropriations bill.

| | Governor's Recommendation FY 2023 | Legislative Action | Legislative Approved FY 2023 | Governor's Veto FY 2023 | Final Legislative Approved FY 2023 |
|------------------------------|---|-----------------------|------------------------------------|-------------------------------|---|
| All Funds | | | | | |
| State Operations | \$ 60,982,378 | \$ 96,275 | \$ 61,078,653 | \$ 0 | \$ 61,078,653 |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 150 | 0 | 150 | 0 | 150 |
| <i>Subtotal - Operations</i> | <i>\$ 60,982,528</i> | <i>\$ 96,275</i> | <i>\$ 61,078,803</i> | <i>\$ 0</i> | <i>\$ 61,078,803</i> |
| Capital Improvements | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 60,982,528 | \$ 96,275 | \$ 61,078,803 | \$ 0 | \$ 61,078,803 |

State General Fund

| | | | | | |
|-----------------------------|----------------------|------------------|----------------------|-------------|----------------------|
| State Operations | \$ 31,705,798 | \$ 96,275 | \$ 31,802,073 | \$ 0 | \$ 31,802,073 |
| Aid to Local Units | 0 | 0 | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 0 |
| <i>Subtotal - Operating</i> | <i>\$ 31,705,798</i> | <i>\$ 96,275</i> | <i>\$ 31,802,073</i> | <i>\$ 0</i> | <i>\$ 31,802,073</i> |
| Capital Improvements | 0 | 0 | 0 | 0 | 0 |
| TOTAL | \$ 31,705,798 | \$ 96,275 | \$ 31,802,073 | \$ 0 | \$ 31,802,073 |

| | | | | | |
|---------------|-------|-----|-------|-----|-------|
| FTE Positions | 927.7 | 0.0 | 927.7 | 0.0 | 927.7 |
|---------------|-------|-----|-------|-----|-------|