

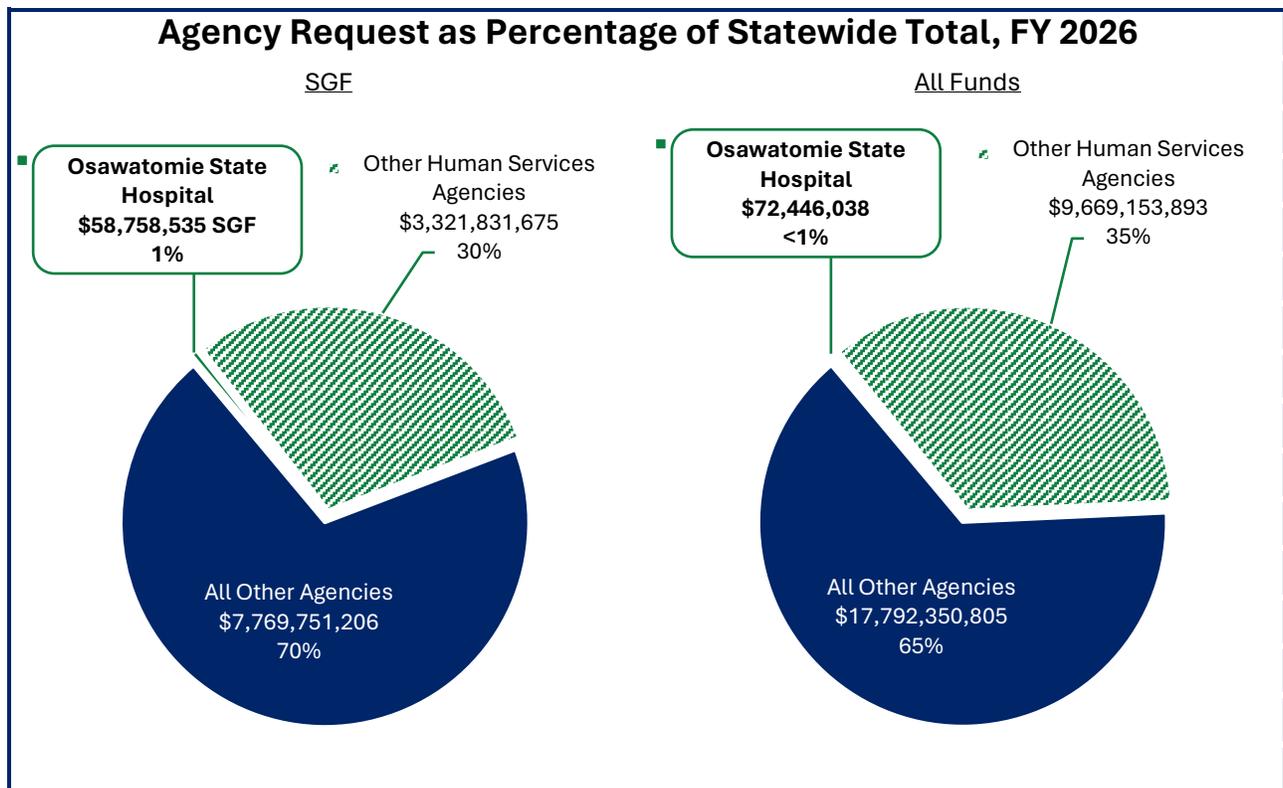
OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Executive Summary

Osawatomi State Hospital (OSH) is an acute mental health care bed facility serving individuals 18 years and older from 46 eastern and central Kansas counties who require inpatient psychiatric treatment or non-medical detoxification for substance abuse. OSH campus includes two separate units, OSH and Adair Acute Care (AAC). Adair Acute Care operates all federally certified beds on the campus. Additionally, the campus includes MiCo House, a reintegration unit of the Sexual Predator Treatment Program.

| Expenditures by Fiscal Year and Version | | | | |
|---|---------------|---------------|--|--|
| | SGF | All Funds | Note | |
| FY 2024 Actual | \$ 53,624,478 | \$ 66,425,157 | Actual expenditures | |
| FY 2025 Actual | 58,292,448 | 71,860,601 | Actual expenditures | |
| FY 2026 Approved | 51,758,535 | 66,259,266 | 2025 SB 125 | |
| FY 2026 Agency | 58,758,535 | 72,446,038 | Revised estimate, submitted September 2025 | |
| FY 2027 Agency | 57,370,005 | 72,559,709 | Agency request, submitted September 2025 | |



OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Budget and Policy Snapshot

The tables below provide a selection of items that inform the agency budget request. These items include **supplemental and enhancement requests** (NEW), adjustments related to **reappropriated funds** (E), **language-only policy changes** requested for inclusion in legislation, changes in **federal or state policy** that impact agency funding, and other budgetary items.

These tables are not intended to be a comprehensive list of changes in the agency budget request. For more detail on individual fiscal year requests, please refer to the [FY 2026 Analysis](#) and [FY 2027 Analysis](#) sections later in this document.

FY 2026

| | Item | Amount | Source | Note |
|-----|----------------------|--------------|--------|------|
| NEW | Agency Nursing Staff | \$ 7,000,000 | SGF | |

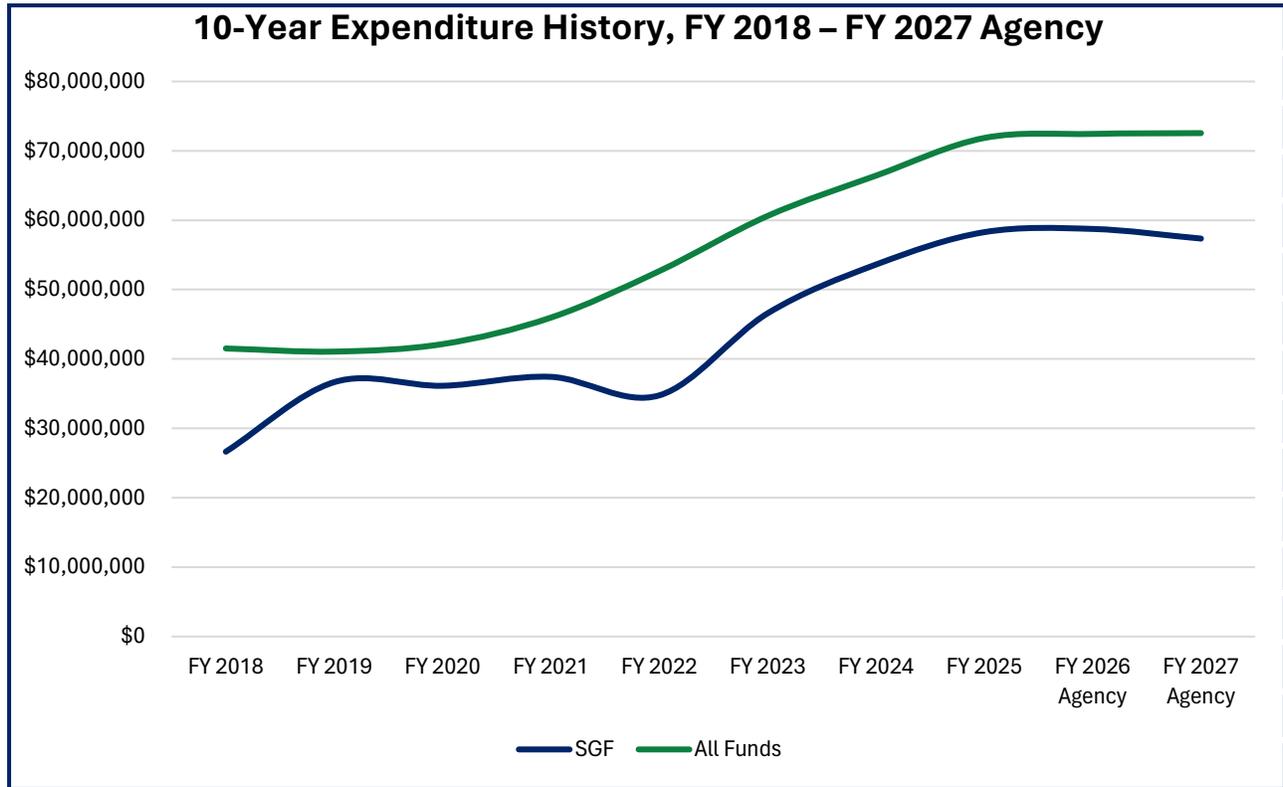
FY 2027

| | Item | Amount | Source | Note |
|-----|----------------------|--------------|--------|------|
| NEW | Agency Nursing Staff | \$ 5,000,000 | SGF | |
| NEW | Therapists | 207,837 | SGF | |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Summary of Expenditures



| Fiscal Year | SGF | | All Funds | | FTE | CPI-U* |
|----------------|---------------|------------|---------------|------------|--------|--------|
| | Amount | Change (%) | Amount | Change (%) | | |
| FY 2018 | \$ 26,666,186 | (0.1) | \$ 41,510,950 | 4.1 | 374.10 | 0.2 |
| FY 2019 | 36,683,379 | 37.6 | 41,057,076 | (1.1) | 385.85 | -- |
| FY 2020 | 36,160,828 | (1.4) | 42,139,719 | 2.6 | 486.52 | 0.8 |
| FY 2021 | 37,448,071 | 3.6 | 45,960,291 | 9.1 | 500.40 | 2.4 |
| FY 2022 | 34,779,730 | (7.1) | 52,663,995 | 14.6 | 532.95 | 9.2 |
| FY 2023 | 46,596,891 | 34.0 | 60,616,716 | 15.1 | 535.00 | 5.8 |
| FY 2024 | 53,624,478 | 15.1 | 66,425,157 | 9.6 | 544.98 | 3.0 |
| FY 2025 | 58,292,448 | 8.7 | 71,860,601 | 8.2 | 530.75 | 3.0 |
| FY 2026 Agency | 58,758,535 | 0.8 | 72,446,038 | 0.8 | 407.95 | 2.8 |
| FY 2027 Agency | 57,370,005 | (2.4) | 72,559,709 | 0.2 | 410.95 | 2.4 |

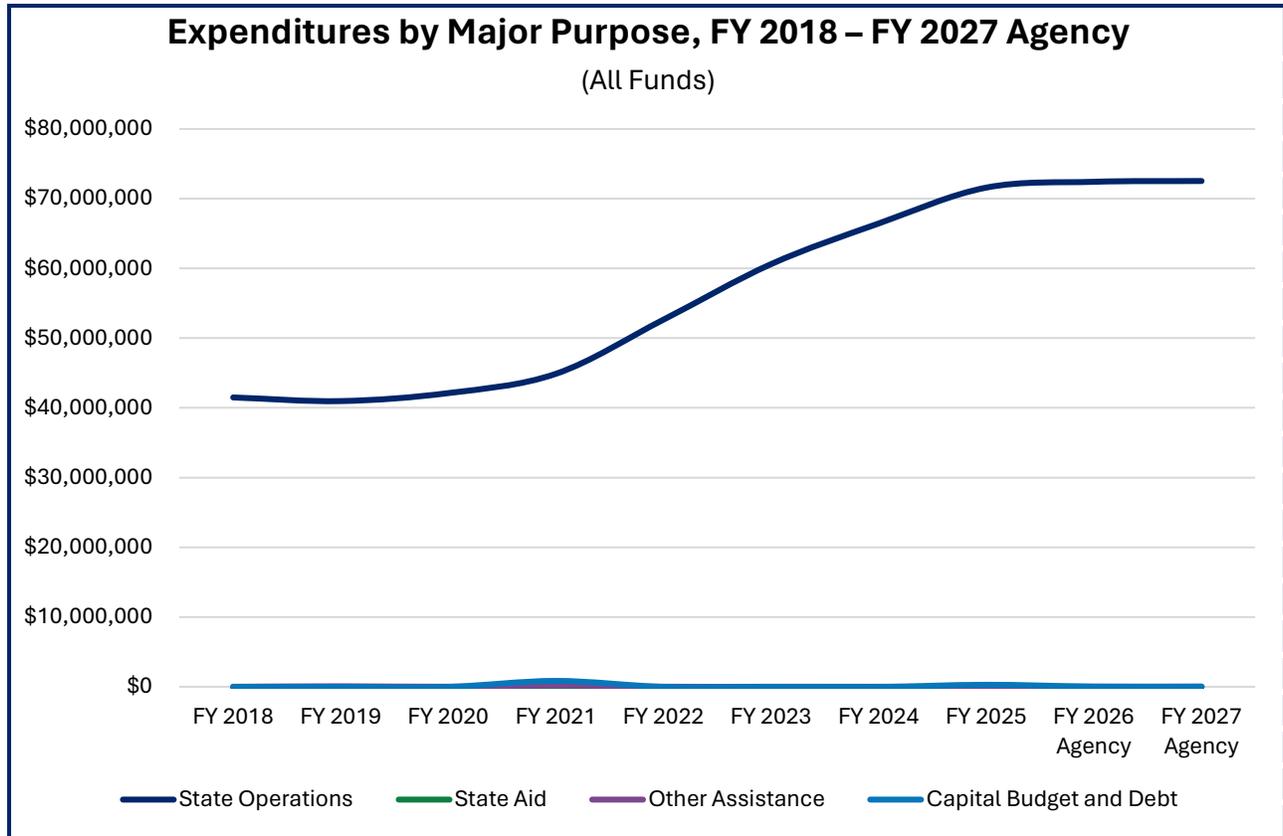
| | | | | | | |
|---------------------------------|---------------|-------|---------------|------|----------|------|
| 5-Year Change (FY 2023–2027) | \$ 10,773,114 | 23.1 | \$ 11,942,993 | 19.7 | (124.05) | 11.6 |
| 10-Year Change (FY 2018–2027) | 30,703,819 | 115.1 | 31,048,759 | 74.8 | 36.85 | 33.1 |
| 3-Year Average** (FY 2023–2025) | 52,837,939 | N/A | 66,300,825 | N/A | 536.91 | N/A |

* Note : Consumer Price Index for All Urban Consumers estimate for FY 2026–2027 is from the Consensus Revenue Estimating Group.

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

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request



Expenditures by Category, FY 2024 – FY 2027 Agency
(All Funds)

| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
|---------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| State Operations | | | | | | |
| Salaries and Wages | 57.7 % | \$ 36,156,845 | \$ 39,700,140 | \$ 43,696,803 | \$ 41,774,392 | \$ 41,446,661 |
| Contractual Services | 37.7 | 27,314,230 | 26,679,813 | 19,163,134 | 27,335,576 | 27,776,978 |
| Commodities | 3.9 | 2,539,076 | 3,491,395 | 2,840,109 | 2,815,570 | 2,815,570 |
| Capital Outlay | 0.6 | 410,571 | 1,684,305 | 555,970 | 460,500 | 460,500 |
| Operating Adjustments | -- | - | - | - | - | - |
| Subtotal | 99.9 % | \$ 66,420,722 | \$ 71,555,653 | \$ 66,256,016 | \$ 72,386,038 | \$ 72,499,709 |
| State Aid and Assistance | | | | | | |
| Aid to Locals | -- % | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other Assistance | 0.1 | 1,801 | 4,063 | 500 | 5,000 | 5,000 |
| Subtotal | 0.1 % | \$ 1,801 | \$ 4,063 | \$ 500 | \$ 5,000 | \$ 5,000 |
| Capital Budget and Debt | | | | | | |
| Capital Improvements | 0.1 % | \$ 2,634 | \$ 300,885 | \$ 2,750 | \$ 55,000 | \$ 55,000 |
| Debt Service Principal | -- | - | - | - | - | - |
| Debt Service Interest | -- | - | - | - | - | - |
| Subtotal | 0.1 % | \$ 2,634 | \$ 300,885 | \$ 2,750 | \$ 55,000 | \$ 55,000 |
| Reappropriations | -- % | \$ - |
| GRAND TOTAL | 100.0 % | \$ 66,425,157 | \$ 71,860,601 | \$ 66,259,266 | \$ 72,446,038 | \$ 72,559,709 |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

State Operations

| Expenditures by Classification, FY 2024 – FY 2027 Agency | | | | | | |
|--|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (State Operations, All Funds) | | | | | | |
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| Salaries and Wages | | | | | | |
| Employee Pay | 45.5 % | \$ 26,620,581 | \$ 29,746,554 | \$ 44,467,554 | \$ 32,988,325 | \$ 32,374,004 |
| Employee Benefits | 15.1 | 9,536,264 | 9,953,586 | 14,678,971 | 10,974,482 | 11,157,662 |
| Shrinkage | (3.0) | - | - | (15,449,722) | (2,188,415) | (2,085,005) |
| Subtotal | 57.7 % | \$ 36,156,845 | \$ 39,700,140 | \$ 43,696,803 | \$ 41,774,392 | \$ 41,446,661 |
| Contractual Services | | | | | | |
| Communication | 1.1 % | \$ 766,227 | \$ 774,220 | \$ 818,395 | \$ 773,400 | \$ 773,400 |
| Fees (Professional) | 31.6 | 23,376,332 | 21,642,110 | 14,877,257 | 22,893,057 | 23,382,909 |
| Fees (Other Services) | 0.8 | 436,686 | 539,945 | 509,380 | 598,150 | 554,700 |
| Freight and Express | 0.1 | 128 | 875 | - | 875 | 875 |
| Printing and Advertising | 0.1 | 8,810 | 1,680 | 7,250 | 1,500 | 1,500 |
| Rent and Leases | 0.5 | 318,999 | 334,217 | 329,550 | 374,920 | 374,920 |
| Repair and Servicing | 1.3 | 1,038,655 | 1,718,228 | 1,187,870 | 916,491 | 911,491 |
| Travel and Subsistence | 0.1 | 14,267 | 10,451 | 15,545 | 9,510 | 9,510 |
| Utilities | 1.7 | 1,120,257 | 1,230,512 | 1,277,250 | 1,245,000 | 1,245,000 |
| Other | 0.7 | 233,869 | 427,575 | 140,637 | 522,673 | 522,673 |
| Subtotal | 37.7 % | \$ 27,314,230 | \$ 26,679,813 | \$ 19,163,134 | \$ 27,335,576 | \$ 27,776,978 |
| Commodities | | | | | | |
| Clothing | 0.1 % | \$ 102,477 | \$ 98,393 | \$ 135,345 | \$ 104,500 | \$ 104,500 |
| Equipment and Parts | 0.3 | 203,367 | 226,645 | 193,660 | 208,785 | 208,785 |
| Feed and Forage | 0.1 | 992 | 547 | 1,750 | 550 | 550 |
| Food | 0.5 | 320,281 | 363,886 | 359,745 | 374,150 | 374,150 |
| Motor Vehicle Parts | 0.1 | 97,911 | 89,469 | 98,667 | 82,275 | 82,275 |
| Supplies (Office) | 0.1 | 111,213 | 145,600 | 71,807 | 74,185 | 74,185 |
| Supplies (Professional) | 2.2 | 1,283,966 | 1,969,277 | 1,470,845 | 1,571,900 | 1,571,900 |
| Supplies (Research) | -- | - | - | - | - | - |
| Other | 0.6 | 418,869 | 597,578 | 508,290 | 399,225 | 399,225 |
| Subtotal | 3.9 % | \$ 2,539,076 | \$ 3,491,395 | \$ 2,840,109 | \$ 2,815,570 | \$ 2,815,570 |
| Capital Outlay | | | | | | |
| Books | -- % | \$ - | \$ - | \$ - | \$ - | \$ - |
| Computer Hardware | -- | 79,800 | (48,504) | - | - | - |
| Computer Software | 0.1 | 24,697 | 49,792 | 20,220 | 70,500 | 70,500 |
| Equipment, Furniture | 0.4 | 276,434 | 1,283,504 | 475,750 | 260,550 | 260,550 |
| Information Processing | -- | 5,903 | 128,522 | - | - | - |
| Telecommunications | 0.2 | 23,737 | 270,991 | 60,000 | 129,450 | 129,450 |
| Other | -- | - | - | - | - | - |
| Subtotal | 0.6 % | \$ 410,571 | \$ 1,684,305 | \$ 555,970 | \$ 460,500 | \$ 460,500 |
| Operating Adjustments | -- % | \$ - |
| TOTAL | 99.9 % | \$ 66,420,722 | \$ 71,555,653 | \$ 66,256,016 | \$ 72,386,038 | \$ 72,499,709 |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Other Assistance

| Expenditures by Classification, FY 2024 – FY 2027 Agency | | | | | | |
|--|---------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| (Other Assistance, All Funds) | | | | | | |
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| Other Assistance | | | | | | |
| Claims | -- % \$ | 1,141 \$ | 323 \$ | 500 \$ | - \$ | - |
| State Special Grants | 0.1 | 660 | 3,740 | - | 5,000 | 5,000 |
| TOTAL | 0.1 % \$ | 1,801 \$ | 4,063 \$ | 500 \$ | 5,000 \$ | 5,000 |

Capital Budget and Debt

| Expenditures by Classification, FY 2024 – FY 2027 Agency | | | | | | |
|--|---------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| (Capital Budget and Debt, All Funds) | | | | | | |
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| Capital Improvements | | | | | | |
| Buildings | 0.1 % \$ | 2,634 \$ | 300,885 \$ | 2,750 \$ | 55,000 \$ | 55,000 |
| Highways and Bridges | -- | - | - | - | - | - |
| Land | -- | - | - | - | - | - |
| Nonstructural | -- | - | - | - | - | - |
| Other | -- | - | - | - | - | - |
| Subtotal | 0.1 % \$ | 2,634 \$ | 300,885 \$ | 2,750 \$ | 55,000 \$ | 55,000 |
| Debt Service | -- % \$ | - \$ | - \$ | - \$ | - \$ | - |
| TOTAL | 0.1 % \$ | 2,634 \$ | 300,885 \$ | 2,750 \$ | 55,000 \$ | 55,000 |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Expenditures by Program

| Expenditures by Program, FY 2024 – FY 2027 Agency | | | | | | |
|---|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| (All Funds) | | | | | | |
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| Administration | 14.2 % | \$ 5,418,821 | \$ 5,929,698 | \$ 10,577,685 | \$ 10,323,294 | \$ 9,608,010 |
| ARPA Projects | -- | - | 195,000 | - | - | - |
| Clinical Services | 53.1 | 37,912,890 | 39,861,607 | 34,678,099 | 38,503,969 | 38,947,127 |
| COVID-19 Transactions | -- | 23,394 | 27,972 | - | - | - |
| Medical and Surgical Services | 15.8 | 9,110,601 | 10,815,329 | 8,552,891 | 11,440,274 | 11,790,612 |
| Physical Plant/Central Services | 11.3 | 10,959,542 | 11,130,658 | 8,690,513 | 8,159,430 | 8,212,648 |
| SPTP/MiCo House | 3.6 | 1,906,661 | 2,325,311 | 2,645,642 | 2,637,984 | 2,612,036 |
| Staff Education and Research | 1.2 | 687,394 | 1,034,536 | 692,489 | 866,833 | 871,093 |
| Trust and Benefits | 0.7 | 405,854 | 540,490 | 421,947 | 514,254 | 518,183 |
| TOTAL | 100.0 % | \$ 66,425,157 | \$ 71,860,601 | \$ 66,259,266 | \$ 72,446,038 | \$ 72,559,709 |

| FTE Positions by Program, FY 2024 – FY 2027 Agency | | | | | | |
|--|---------------------------------|-------------------|-------------------|---------------------|-------------------|-------------------|
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| Administration | 11.2 % | 53.0 | 49.9 | 49.8 | 45.8 | 45.8 |
| ARPA Projects | -- | -- | -- | -- | -- | -- |
| Clinical Services | 51.6 | 323.1 | 319.5 | 319.5 | 210.7 | 213.7 |
| COVID-19 Transactions | -- | -- | -- | -- | -- | -- |
| Medical and Surgical Services | 6.1 | 29.0 | 29.7 | 29.8 | 25.0 | 25.0 |
| Physical Plant/Central Services | 20.8 | 96.7 | 87.8 | 87.8 | 84.9 | 84.9 |
| SPTP/MiCo House | 6.7 | 32.5 | 32.5 | 32.5 | 27.5 | 27.5 |
| Staff Education and Research | 1.7 | 4.7 | 5.4 | 5.4 | 7.1 | 7.1 |
| Trust and Benefits | 1.7 | 6.0 | 6.0 | 6.0 | 7.0 | 7.0 |
| TOTAL | 100.0 % | 545.0 | 530.8 | 530.7 | 408.0 | 411.0 |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Expenditures by Fund

| Expenditures by Fund, FY 2024 – FY 2027 Agency | | | | | | |
|--|---------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | FY 2026 Agency % of Total | FY 2024 Actual | FY 2025 Actual | FY 2026 Approved | FY 2026 Agency | FY 2027 Agency |
| State General Fund | 81.1 % | \$ 53,624,478 | \$ 58,292,448 | \$ 51,758,535 | \$ 58,758,535 | \$ 57,370,005 |
| SIBF | -- | - | 492,886 | - | - | - |
| Osawatomie State Hospital Fee Fund | 9.3 | 5,519,886 | 6,060,457 | 6,761,308 | 6,761,308 | 8,150,404 |
| Title XIX Fund | 9.5 | 7,253,950 | 6,798,788 | 7,710,498 | 6,886,895 | 7,000,000 |
| Federal Funds | -- | - | 195,000 | - | - | - |
| All Other Funds | 0.1 | 26,843 | 21,022 | 28,925 | 39,300 | 39,300 |
| TOTAL | 100.0 % | \$ 66,425,157 | \$ 71,860,601 | \$ 66,259,266 | \$ 72,446,038 | \$ 72,559,709 |

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

FY 2026 Analysis

| Summary of Agency Budget Request, FY 2026 | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|---------------|--|
| | SGF | OSH Fee Fund | All Other Funds | Total | FTE Positions | |
| Approved, FY 2026 | | | | | | |
| 1. 2025 SB 125 | \$ 51,758,535 | \$ 6,761,308 | \$ 7,739,423 | \$ 66,259,266 | 530.7 | |
| Reappropriations | | | | | | |
| No Reappropriations | \$ - | \$ - | \$ - | \$ - | -- | |
| Supplemental Requests | | | | | | |
| 2. Agency Nursing Staff | \$ 7,000,000 | \$ - | \$ - | \$ 7,000,000 | -- | |
| Other Changes | | | | | | |
| 3. Title XIX Fund | \$ - | \$ - | \$ (823,603) | \$ (823,603) | -- | |
| 4. FTE Positions | - | - | - | - | (122.8) | |
| 5. All Other Adjustments | - | - | 10,375 | 10,375 | -- | |
| Subtotal – Other Changes | \$ - | \$ - | \$ (813,228) | \$ (813,228) | (122.8) | |
| TOTAL – Agency Revised Estimate | \$ 58,758,535 | \$ 6,761,308 | \$ 6,926,195 | \$ 72,446,038 | 407.9 | |

Approved Budget

1. 2025 SB 125

The 2025 Legislature passed, and the Governor enacted, one bill appropriating and adjusting funding for state agencies. Select appropriations for this agency include:

- **Pay Plan:** The Legislature approved increasing funding for salaries and wages by \$737,694, including \$705,867 SGF in FY 2026 to provide salary increases for most state employees based on the Department of Administration’s market survey; and
- **Psychologists:** The Legislature approved increasing funding for two additional psychologists by \$253,723 SGF in FY 2026.

Supplemental Requests

2. Agency Nursing Staff

Contract nurses are temporary nursing professionals who are employed on a temporary basis, unlike permanent staff, which are employed full-time at a hospital. The agency has experienced a steady decline in retention of full-time Registered Nurses (RN), Licensed Practical Nurses (LPN), and Mental Health Technicians (MHT). Although the agency has implemented measures to retain full-time employees, it has not been enough to recover its losses. As a result, the agency continues to utilize contract direct-care staff until enough full-time employees are hired to meet the staff-to-patient cores needed, and the revised estimate includes an additional \$7.0 million SGF to fund contract agency direct-care staff in FY 2026. Including this supplemental request, the agency has budgeted \$20.1 million for contract staff in FY 2026, up from \$20.0 million in FY 2025 and \$17.9 million spent on contract staff in FY 2024.

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

Other Changes

3. Title XIX Fund

The agency's revised estimate includes a decrease of \$823,603, all from the Title XIX Fund, for certified care in FY 2026. This is primarily attributable to salaries and wages and contractual services within the Clinical Services program, which offers group and individual psychotherapy to patients across two treatment programs. The decreased expenditures are due to less reimbursements being estimated in FY 2026.

4. FTE Positions

The agency's revised estimate includes a decrease of 122.8 FTE position in FY 2026 for the Clinical Services program. The agency anticipates utilizing less FTE positions due to the supplemental request for agency nursing staff.

5. All Other Adjustments

The agency's revised estimate includes an increase of \$10,375, in all other adjustments for FY 2026. This increase is primarily attributed to commodities (\$7,900).

OSAWATOMIE STATE HOSPITAL

Budget Summary – Agency Request

FY 2027 Analysis

| Summary of Agency Budget Request, FY 2027 | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|---------------|--|
| | SGF | OSH Fee Fund | All Other Funds | Total | FTE Positions | |
| Approved, FY 2026 | | | | | | |
| 2025 SB 125 | \$ 51,758,535 | \$ 6,761,308 | \$ 7,739,423 | \$ 66,259,266 | 530.7 | |
| Enhancement Requests | | | | | | |
| 1. Agency Nursing Staff | \$ 5,000,000 | \$ - | \$ - | \$ 5,000,000 | -- | |
| 2. Therapists | 207,837 | - | - | 207,837 | 3.0 | |
| Subtotal – Enhancements | \$ 5,207,837 | \$ - | \$ - | \$ 5,207,837 | 3.0 | |
| Other Changes | | | | | | |
| 3. All Other Adjustments | 403,633 | 1,389,096 | (700,123) | 1,092,606 | (122.8) | |
| TOTAL – Agency Request | \$ 57,370,005 | \$ 8,150,404 | \$ 7,039,300 | \$ 72,559,709 | 410.9 | |

Enhancement Requests

1. Agency Nursing Staff

Contract nurses are temporary nursing professionals who are employed on a temporary basis, unlike permanent staff, which are employed full-time at a hospital. The agency has experienced a steady decline in retention of full-time Registered Nurses (RN), Licensed Practical Nurses (LPN), and Mental Health Technicians (MHT). Although the agency has implemented measures to retain full-time employees, it has not been enough to recover its losses. As a result, the agency continues to utilize contract direct-care staff until enough full-time employees are hired to meet the staff-to-patient cores needed, and the request includes an additional \$5.0 million SGF to fund contract agency direct-care staff in FY 2027. Including this enhancement request, the agency has budgeted \$20.6 million for contract staff for FY 2027, up from \$20.1 million in FY 2026, \$20.0 million in FY 2025 and \$17.9 million spent on contract staff in FY 2024.

2. Therapists

The agency’s request includes \$207,837 SGF and 3.0 FTE positions for two additional activity therapists and one additional music therapist. The hospital currently has one music therapist for four treatment units who sees over 100 patients. A second music therapist would allow additional group individual music therapy opportunities. Two additional activity therapists would allow increased opportunities to utilize off-unit locations, such as the gym and activity center.

Other Changes

3. All Other Adjustments

The agency’s request includes an increase of \$1.1 million, including \$403,633 SGF, along with a decrease of 123.0 FTE positions in all other adjustments for FY 2027. The increased funding is primarily attributable to contractual services.