

STATE INSTITUTIONS FOR INTELLECTUAL DISABILITIES

FY 2021 – FY 2023 BUDGET ANALYSIS

FIGURE 1
BUDGET OVERVIEW, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Operating Expenditures:					
State General Fund	\$ 24,926,319	\$ 23,509,569	\$ 23,494,569	\$ 31,705,798	\$ 31,705,798
Federal Funds	1,469,665	397,572	397,572	395,680	395,680
All Other Funds	29,740,044	36,602,987	36,602,987	28,881,050	28,881,050
<i>Subtotal</i>	<u>\$ 56,136,028</u>	<u>\$ 60,510,128</u>	<u>\$ 60,495,128</u>	<u>\$ 60,982,528</u>	<u>\$ 60,982,528</u>
Capital Improvements:					
State General Fund	\$ 12,980	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
All Other Funds	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 12,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL	<u>\$ 56,149,008</u>	<u>\$ 60,510,128</u>	<u>\$ 60,495,128</u>	<u>\$ 60,982,528</u>	<u>\$ 60,982,528</u>
Percentage Change:					
State General Fund	(4.7) %	(5.7) %	(5.8) %	34.9 %	34.9 %
All Funds	2.4 %	7.8 %	7.7 %	0.8 %	0.8 %
FTE Positions	914.7	914.7	914.7	927.7	927.7

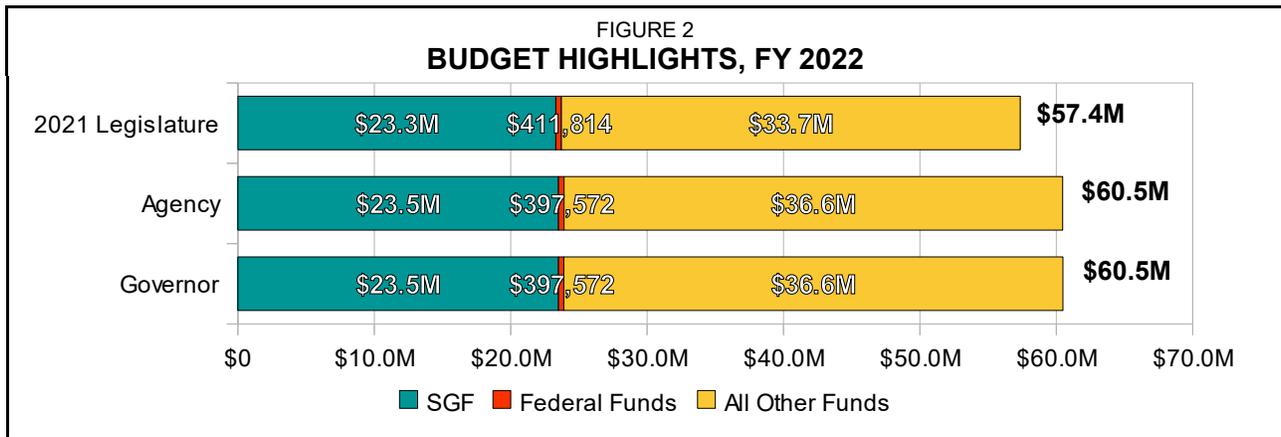
For purposes of this analysis, full-time equivalent (FTE) positions include non-FTE permanent unclassified positions but continue to exclude temporary employees. FTE positions reflect permanent state positions equating to a 40-hour work week.

The State Institutions for Intellectual Disabilities (I/D Institutions) serve individuals diagnosed with intellectual and developmental disabilities who require specialized residential service provisions. There are two residential treatment, training, and care facilities operated by the State of Kansas: Kansas Neurological Institute (KNI) and Parsons State Hospital and Training Center (Parsons). Both facilities are state agencies administered by the Kansas Department for Aging and Disability Services (KDADS), pursuant to KSA 39-1904.

The I/D Institutions' mission is to improve the lives of residents by connecting the individuals they serve to appropriate supports and services. The general philosophy of the I/D Institutions is to promote the autonomy of the residents it services through support and assistance to allow residents to make choices and achieve personal goals. Such individuals have conditions that originate early in life, most often before birth. Developmental disabilities often require some level of ongoing support throughout a lifetime. As a result, those living in state developmental disability hospitals tend to remain at the facility for much longer than patients at the state mental health hospitals. Therefore, the I/D Institutions are both treatment centers and homes for those individuals who are not served in the community.

EXECUTIVE SUMMARY

The 2021 Legislature approved a budget of \$57.4 million, including \$23.3 million from the State General Fund (SGF), for the State Institutions for Intellectual Disabilities for FY 2022.



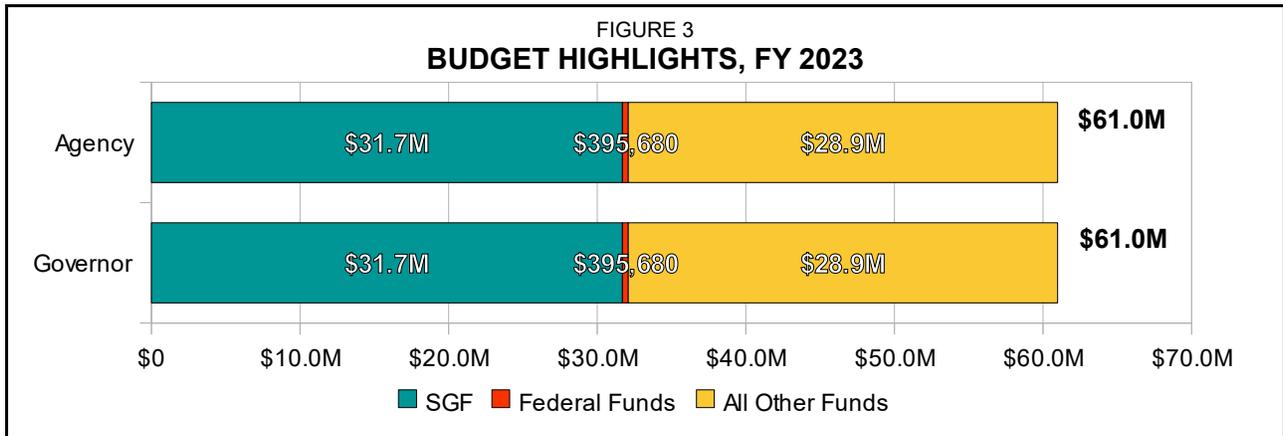
The **agencies** request a revised estimate of \$60.5 million, including \$23.5 million SGF. This is an increase of \$3.1 million above the amount approved by the 2021 Legislature. Significant items in the agencies' estimate include the following:

- **SALARY INCREASES ASSOCIATED WITH EXECUTIVE DIRECTIVES.** Included in the agencies' revised estimate are increases associated with Executive Directive Nos. 21-537 and 21-538. Both hospitals have requested salary increases for its Mental Health/Developmental Disability Technician positions. In July and August 2021, the Governor issued two Executive Directives that effectively increased the starting salaries to approximately \$16.00 per hour. In FY 2022, the total cost for these salary increases is \$5.4 million, which the agencies were able to cover with excess federal funding and salary savings due to vacancy rates.
- **CONTRACTUAL NURSING STAFF.** Included in KNI's budget is an increase in contractual nursing staff. KNI has historically reported issues with staff turnover, and therefore relies on contractual nursing staff to ensure adequate coverage for the hospital. Due to the ongoing COVID-19 pandemic, the hospital has continued to face staffing issues related to COVID-19 outbreaks, and as a result it continues to see an uptick in the use of contractual staffing services. The total increase for KNI associated with contractual nursing is \$1.1 million. However part of this contractual staffing is covered by federal funds, which allowed for a decrease in SGF expenditures of \$914,994 in FY 2022.
- **GENERAL INCREASE IN SUPPLIES.** Included in Parsons' revised estimate are several general increases in utilities and other general supplies for hospital operations. According to the hospital, it saw a general increase in the cost of these supplies in its FY 2021 actuals, and therefore adjusted its budget request accordingly. The total increase was \$513,037 which was primarily covered by federal funds, which allowed for a decrease in SGF expenditures of \$282,726.

The revised estimate also includes 914.7 FTE positions in FY 2022, which is the same as the number approved by the 2021 Legislature.

The **Governor** recommends \$60.5 million, including \$23.5 million SGF, for expenditures in FY 2022. This is a decrease of \$15,000 SGF, or less than 0.1 percent, below the agencies' revised estimate. This decrease is due to the Governor not recommending Parsons' supplemental request for \$15,000 SGF to begin development of a Crisis Stabilization Unit.

The recommendation also includes 914.7 FTE positions in FY 2022, which is the same number as the agencies' revised estimate.



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 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.

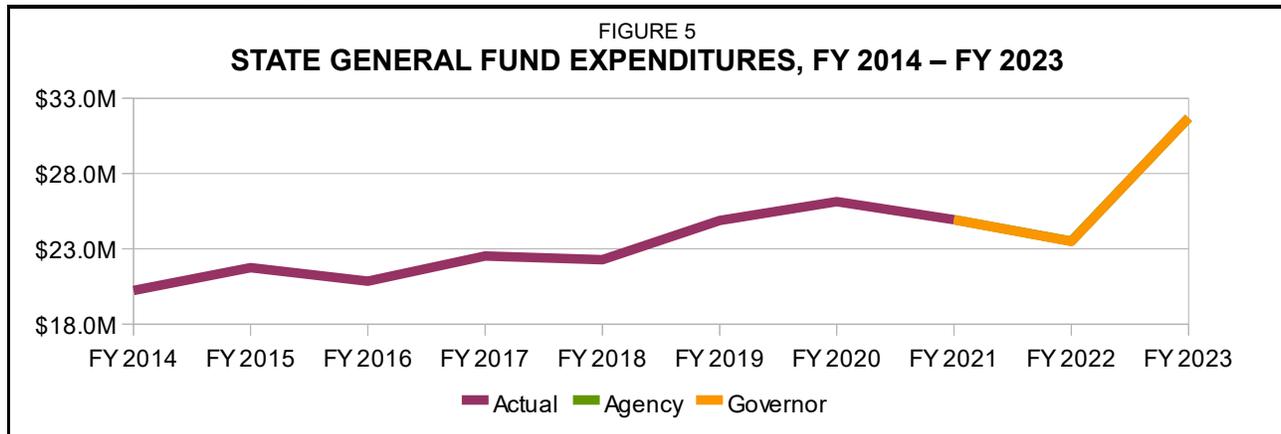
The **Governor** concurs with the agencies' request for FY 2023 expenditures.

EXPENDITURES AND FINANCING

FIGURE 4
BUDGET SUMMARY BY CATEGORY OF EXPENDITURE, FY 2021 – FY 2023

	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Category of Expenditure:					
Salaries and Wages	\$ 46,129,825	\$ 51,371,263	\$ 51,371,263	\$ 51,770,717	\$ 51,770,717
Contractual Services	5,463,889	5,528,036	5,518,036	5,529,008	5,529,008
Commodities	3,480,350	3,435,829	3,435,829	3,507,553	3,507,553
Capital Outlay	1,060,729	174,850	169,850	175,100	175,100
Debt Service Interest	-	-	-	-	-
<i>Subtotal</i>	<u>\$ 56,134,793</u>	<u>\$ 60,509,978</u>	<u>\$ 60,494,978</u>	<u>\$ 60,982,378</u>	<u>\$ 60,982,378</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	1,235	150	150	150	150
<i>Subtotal—Operating</i>	<u>\$ 56,136,028</u>	<u>\$ 60,510,128</u>	<u>\$ 60,495,128</u>	<u>\$ 60,982,528</u>	<u>\$ 60,982,528</u>
Capital Improvements	12,980	-	-	-	-
Debt Service	-	-	-	-	-
Principal	-	-	-	-	-
TOTAL	<u>\$ 56,149,008</u>	<u>\$ 60,510,128</u>	<u>\$ 60,495,128</u>	<u>\$ 60,982,528</u>	<u>\$ 60,982,528</u>
Financing:					
State General Fund	\$ 24,939,299	\$ 23,509,569	\$ 23,494,569	\$ 31,705,798	\$ 31,705,798
Special Revenue	29,704,063	36,568,232	36,568,232	28,846,403	28,846,403
Funds					
Federal Funds	1,469,665	397,572	397,572	395,680	395,680
All Other Funds	35,981	34,755	34,755	34,647	34,647
TOTAL	<u>\$ 56,149,008</u>	<u>\$ 60,510,128</u>	<u>\$ 60,495,128</u>	<u>\$ 60,982,528</u>	<u>\$ 60,982,528</u>
FTE Positions	914.7	914.7	914.7	927.7	927.7

STATE GENERAL FUND

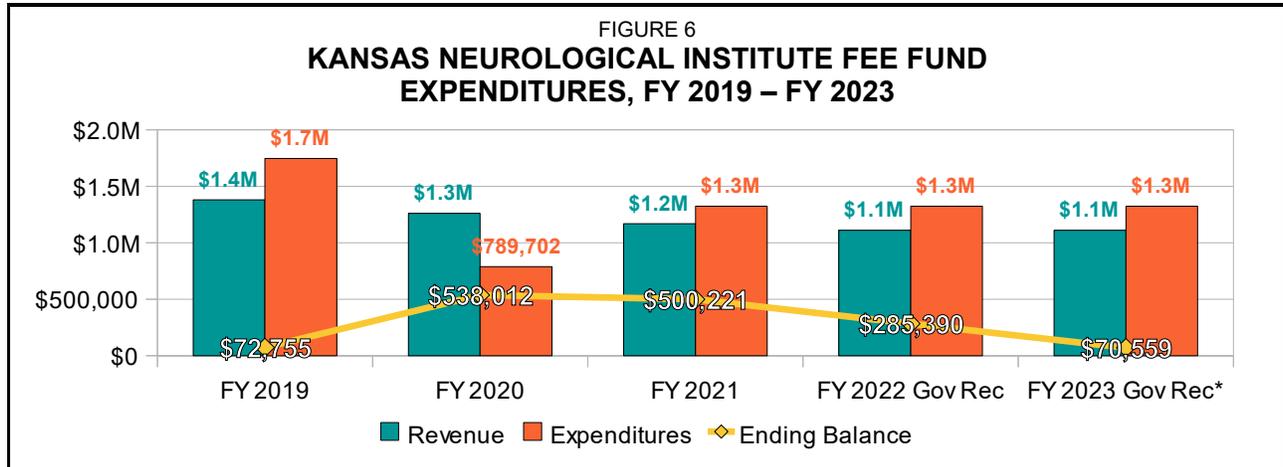


For the State Institutions for Intellectual Disabilities, SGF expenditures equal \$23.5 million in FY 2022 and \$31.7 million for FY 2023. This is an SGF increase of \$8.2 million, or 34.9 percent between the fiscal years. This increase is the combination of two major points:

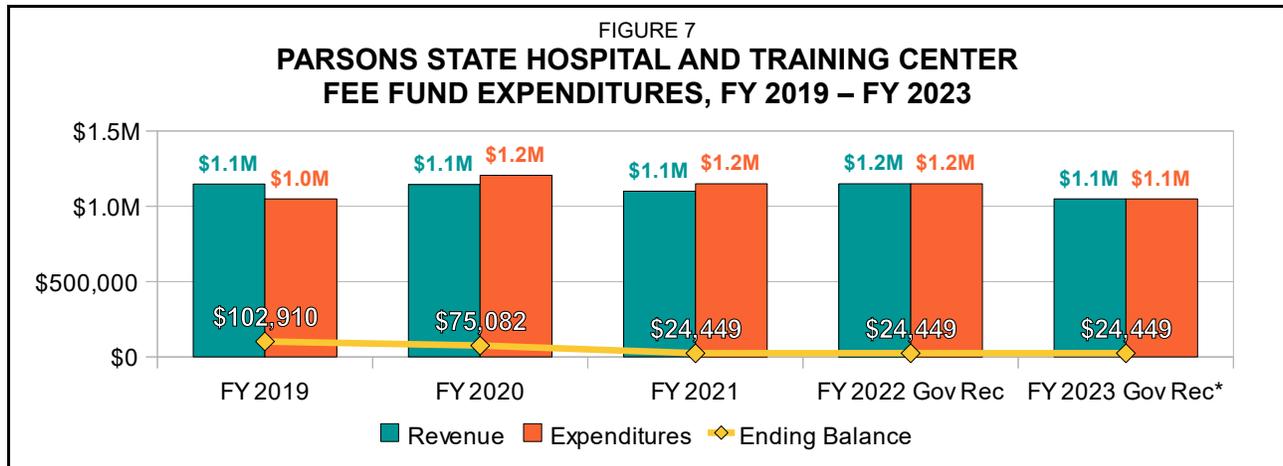
- EXECUTIVE DIRECTIVE INCREASES.** The first reason is due to the Governor's Executive Directive Nos. 21-537 and 21-538. Overall, this had a significant impact of increasing the hospitals' budgets by \$4.0 million. However, to cover the costs in FY 2022, KNI utilized additional federal funds it received through pandemic related relief, while Parsons anticipated using SGF savings resulting from its increased vacancy in FY 2022. While both hospitals found areas to cover the costs in FY 2022, the hospitals anticipate requiring additional SGF added to their base budgets going forward in order to maintain those increases. For FY 2023, the total cost for these salary increases is \$5.5 million SGF.

- SHIFTS IN FUNDING ASSOCIATED WITH PANDEMIC RELIEF.** As a result of the COVID-19 pandemic, the federal government provided for a temporary 6.2 percent increase to the FMAP with a corresponding decrease in state match. The temporary increase extends until the last day of the calendar quarter in which the federal COVID-19 related public health emergency is declared ended. Currently, this increase is anticipated to end in FY 2022. As a result, the agencies anticipate increased SGF expenditures to cover ongoing operating expenditures that had previously been paid using federal funds they received through this increase. The total decrease for FY 2023 is approximately \$7.7 million in federal funds received due to the increase FMAP rate. This decrease in federal funding is offset with increases in SGF utilization for FY 2023.

AGENCY FEE FUNDS



* For FY 2023, the lowest month ending balance for the Kansas Neurological Institute Fee Fund will occur in April, with a balance of \$20,523.



* For FY 2023, the lowest month ending balance for the Parsons State Hospital and Training Center Fee Fund will occur in July, with a balance of \$0.

Both agencies maintain fee fund accounts, however these are not traditional fee funds in which the agency collects various fees or licenses. The bulk of these fee funds are private insurance or Medicare recoupments the hospitals may receive in the course of its care for its residents. Both agencies have indicated that these funds are generally not stable sources of revenue, as they can not consistently anticipate when they will receive recoupments or exactly how much those recoupments might be.

FY 2022 ANALYSIS

FIGURE 8
SUMMARY OF BUDGET REQUEST, FY 2022

	SGF	Special Revenue Funds	All Funds	FTE
Legislative Approved:				
Amount Approved by 2021 Legislature	\$ 23,296,995	\$ 34,117,149	\$ 57,414,144	914.7
1. No Changes	-	-	-	--
<i>Subtotal—Legislative Approved</i>	<i>\$ 23,296,995</i>	<i>\$ 34,117,149</i>	<i>\$ 57,414,144</i>	<i>914.7</i>
Agency Revised Estimate:				
2. Supplemental - Parsons' Behavioral Crisis	\$ 15,000	\$ -	\$ 15,000	--
3. Executive Directive Salary Increases	2,299,170	41,237	2,340,407	--
4. Contractual Services Increases	(914,944)	2,019,651	1,104,707	--
5. All Other Adjustments	(1,186,652)	822,522	(364,130)	--
<i>Subtotal—Agency Revised Estimate</i>	<i>\$ 23,509,569</i>	<i>\$ 37,000,559</i>	<i>\$ 60,510,128</i>	<i>914.7</i>
Governor's Recommendation:				
6. Supplemental - Parsons' Behavioral Crisis	\$ (15,000)	\$ -	\$ (15,000)	--
TOTAL	\$ 23,494,569	\$ 37,000,559	\$ 60,495,128	914.7

LEGISLATIVE APPROVED

There were no subsequent adjustments made to the the \$57.4 million appropriated to the State Institutions for Intellectual Disabilities for FY 2022:

1. **NO CHANGES MADE.** The I/D Institutions did not have any funds reappropriate from FY 2021. There were no other adjustments made.

AGENCY ESTIMATE

The **agencies** request a revised estimate totaling \$60.5 million, including \$23.5 million SGF, for expenditures in FY 2022. This is an all funds increase of \$3.1 million from the FY 2022 approved amount. The estimate includes the following adjustments:

2. **SUPPLEMENTAL—BEHAVIORAL CRISIS STABILIZATION UNIT.** Parsons requests \$15,000 SGF in FY 2022 to begin development of a behavioral crisis stabilization unit at the hospital. Parsons aims to create this unit to provide short-term placement and treatment for individuals with intellectual disabilities experiencing acute behavioral or psychiatric crises.
3. **SALARY INCREASES RELATED TO EXECUTIVE DIRECTIVES.** The Governor issued Executive Directive Nos. 21-537 and 21-538, in July 2021 and August 2021, which increased the starting salaries for the Mental Health and Developmental Disability Technician positions from \$12.35 an hour to approximately \$16.00 per hour. Both hospitals have indicated historical difficulty in retaining personnel in these positions. As an effort to address turnover in these positions, the agency seeks to increase the starting salaries for these positions.
 - o **Kansas Neurological Institute.** KNI seeks to cover the increased expenditures for these executive directives with additional federal funds the hospital anticipates it will receive due to the temporary increase in the Federal Medical Assistance

Percentage (FMAP) associated with the COVID-19 pandemic. *Staff Note:* For more information on the temporary FMAP increase, please see Request 2 below.

- **Parsons State Hospital and Training Center.** Parsons seeks to cover the costs associated with these directives through increasing its shrinkage rate. In FY 2021, the agency realized a higher than anticipated vacancy rate. The agency plans to utilize the funds it originally planned for these now vacant positions to increase the salary for its direct support positions.
4. **CONTRACTUAL SERVICES INCREASES.** While there were small shifts in all of the contractual services categories to reflect the agencies' actual expenditures in FY 2021, the most significant increase was in contractual staffing for KNI. As the agencies' goals are related to the care of its residents, the major expenditures for both hospitals are primarily related to staffing. Due to the ongoing COVID-19 pandemic, KNI anticipated an increased reliance on contractual nursing staff to maintain adequate coverage for the hospital.
 5. **ALL OTHER ADJUSTMENTS.** The remainder of the increase reflects the agencies adjusting their budgets to closer reflect actual expenditures in FY 2021. There is a significant increase in the use of special revenue funds over SGF moneys, as the hospitals receive more Medicaid moneys due to the increased FMAP rate associated with the COVID-19 pandemic.

The agency estimate also includes 914.7 FTE positions, which is the same as the number approved by the 2021 Legislature.

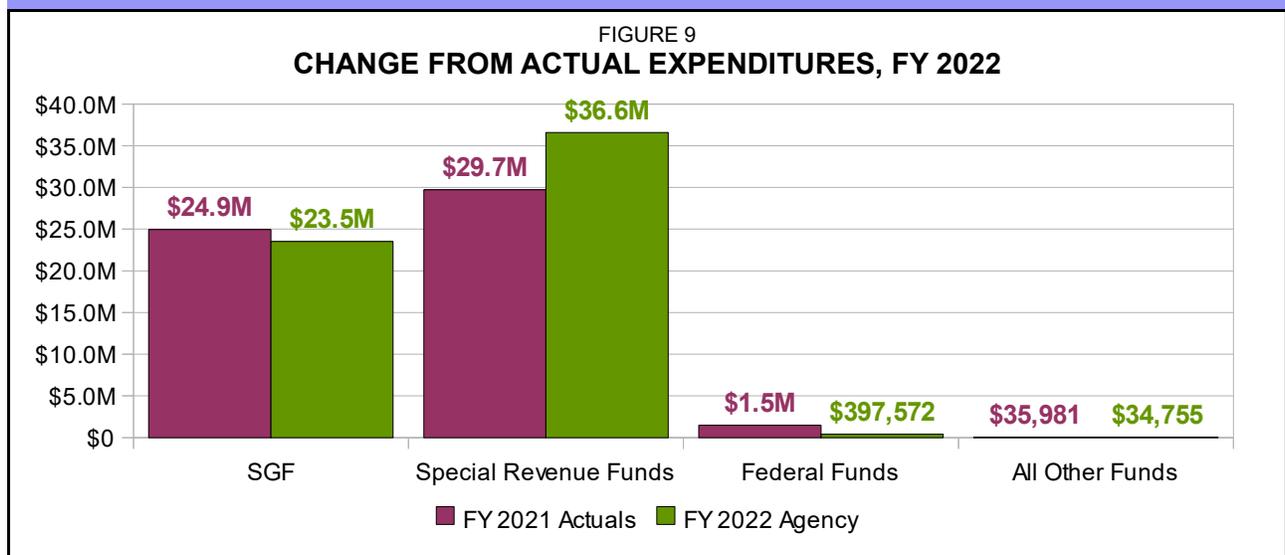
GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$60.5 million, including \$23.5 million SGF, for expenditures in FY 2022. This is a decrease of \$15,000 SGF, or less than 0.1 percent, below the agencies' revised estimate. The **Governor's** recommendation includes the following adjustments:

6. **SUPPLEMENTAL—BEHAVIORAL CRISIS STABILIZATION UNIT.** The Governor does not recommend Parsons' supplemental request for funding to begin development of its Behavioral Crisis Stabilization Unit in FY 2022.

The **Governor's** recommendation also includes 914.7 FTE positions, which is the same number as the agencies' revised estimate in FY 2022.

FY 2022 CHANGE FROM ACTUAL EXPENDITURES



The **agencies'** revised estimate increased by \$4.4 million, or 7.8 percent, above the FY 2021 actual expenditures. The increase is primarily related to the salary increases provided through Executive Directive Nos. 21-537 and 21-538. As detailed above, the agencies have previously requested salary increases for its Mental Health and Developmental Disability Technician positions in an attempt to address issues with direct support workforce shortages. While those requests were not approved, the Governor's Executive Directives effectively provided those increases. For KNI, that was an increase of \$2.7 million, and for Parsons that was an increase of \$2.8 million in FY 2022. Additionally, due to direct support staff turnover issues, the agencies experienced a higher vacancy rate than originally anticipated in FY 2021, which decreased the FY 2021 actual expenditures.

FY 2023 ANALYSIS

FIGURE 10
SUMMARY OF BUDGET REQUEST, FY 2023

	SGF	Special Revenue Funds	All Funds	FTE
Agency Revised Estimate, FY 2022	\$ 23,509,569	\$ 37,000,559	\$ 60,510,128	914.7
Agency Request:				
1. Enhancement—Parsons Behavioral Health Unit	\$ 644,388	\$ -	\$ 644,388	13.0
2. Enhancement—Salary Increases Associated With Executive Directives	5,474,042	-	5,474,042	--
3. All Other Adjustments	2,077,799	(7,723,829)	(5,646,030)	--
<i>Subtotal—Agency Estimate</i>	<u>\$ 31,705,798</u>	<u>\$ 29,276,730</u>	<u>\$ 60,982,528</u>	<u>927.7</u>
Governor’s Recommendation:				
4. No Changes	-	-	-	--
TOTAL	<u><u>\$ 31,705,798</u></u>	<u><u>\$ 29,276,730</u></u>	<u><u>\$ 60,982,528</u></u>	<u><u>927.7</u></u>

AGENCY REQUEST

The agency requests \$61.0 million, including \$31.7 million SGF, for expenditures for FY 2023. This is an all funds increase of \$472,400 from the FY 2022 revised estimate. The agencies' requests includes the following adjustments:

- 1. ENHANCEMENT—BEHAVIORAL HEALTH CRISIS UNIT AT PARSONS.** Parsons requests \$644,388 SGF and 13.0 FTE positions for staffing a new behavioral crisis stabilization unit at the hospital. In FY 2022, Parsons requested a supplemental to begin development of a short-term placement and treatment for individuals with intellectual disabilities experiencing acute behavioral or psychiatric crises. For FY 2023, the agency requests the funding and FTE positions to operate and staff that unit.
- 2. ENHANCEMENT—SALARY INCREASES ASSOICATED WITH EXECUTIVE DIRECTIVES.** As indicated above, the Governor issued Executive Directive Nos. 21-537 and 21-538, in July 2021 and August 2021, which increased the starting salaries for the Mental Health and Developmental Disability Technician positions. While the agencies plan to utilize federal funds or anticipated savings in FY 2022, they have requested an increase in their SGF appropriation to continue those increases for FY 2023. KNI requests \$2.7 million SGF, and Parsons requests \$2.8 million SGF, to continue these increases.
- 3. ALL OTHER ADJUSTMENTS.** Absent the enhancement requests for the behavioral crisis stabilization unit at Parsons and the salary increases, the agencies anticipate a similar level of spending as FY 2022, with a few adjustments in anticipated rising costs of supplies. While there is a slight increase in expenditures, the primary difference between the FY 2022 revised estimate and the FY 2023 request is a change in the source of funding, from federal funds to SGF moneys. As stated above, due to the COVID-19 pandemic, the agency anticipated receiving more federal funding in FY 2022 due to an increased FMAP. Currently, the increased FMAP is anticipated to end in March 2022. As a result, the agencies' request includes an increase in SGF utilization to cover the operating costs previously offset with federal funds.

The **agencies'** request also includes 927.7 FTE positions, which is an increase of 13.0 FTE positions above the FY 2022 revised estimates. This is due to Parsons' enhancement request for the staff for its planned behavioral crisis stabilization unit.

GOVERNOR'S RECOMMENDATION

The **Governor** recommends \$61.0 million, including \$31.7 million SGF, for expenditures for FY 2023.

4. **NO CHANGES.** The Governor concurs with the agencies' revised estimate for FY 2023.

The **Governor's** recommendation also includes 927.7 FTE positions, which is the same number as the agencies' request for FY 2023.

SUPPLEMENTAL AND ENHANCEMENT REQUESTS

REQUEST 1

PARSONS REQUEST FOR THE DEVELOPMENT OF A CRISIS STABILIZATION UNIT

Parsons requests funding to create a behavioral crisis stabilization unit at the state hospital. The goal of this unit would be to provide short-term placement and treatment for individuals with intellectual disabilities experiencing acute behavioral or psychiatric crises. The agency anticipates that the behavioral crisis stabilization team will provide services to the individual and determine when that individual no longer needs services. Parsons plans for that team to work with the individual's community provider to ensure a safe transition back to the home.

Crisis Stabilization Unit Request					
Item	FY 2022		FY 2023		
	Agency Request	Gov. Rec.	Agency Request	Gov. Rec.	
Development and Support of Behavioral Crisis Stabilization Unit	\$ 15,000	\$ -	\$ 644,388	\$ 644,388	

In FY 2022, Parsons requests \$15,000 SGF to begin the development of the unit. This includes contractual services for remodeling services to create the unit and beds, office supplies, and other equipment to properly equip the units.

The Governor does not recommend adoption of the FY 2022 supplemental request.

For FY 2023, Parsons requests \$644,388 SGF and 13.0 FTE positions for operating expenditures to begin providing care on the unit. This includes a minimal amount for food and supplies for the unit. However, the majority of the request is for the salary to staff the unit, which includes a program director and 12 direct support workers for the one-on-one care of the residents.

The Governor recommends adoption of the FY 2023 enhancement request.

REQUEST 2

SALARY INCREASES FOR DIRECT SUPPORT WORKFORCE

During the 2021 Session, the agency sought to increase the starting salaries of its Mental Health/Developmental Disability Technicians (MHDDT). At the time, the starting salary for MHDDTs was approximately \$12.35 an hour. While there were discussions during the session, those increases were not included in the FY 2022 budget. However, the Governor subsequently issued Executive Directive Nos. 21-537 and 21-538, which increased the starting salaries for these positions.

Item	FY 2022		FY 2023	
	Agency Request	Gov. Rec.	Agency Request	Gov. Rec.
KNI Salary Increases	\$ -	\$ -	\$ 2,700,659	\$ 2,700,659
Parsons Salary Increases	-	-	2,773,383	2,773,383
TOTAL	\$ -	\$ -	\$ 5,474,042	\$ 5,474,042

Both agencies indicate that they traditionally face competition with the private sector due to low salaries and the difficult realities of the job. The increase is targeted at MHDDTs, Activity Specialists, Client Training Supervisors/Training Program Managers, and Safety and Security Chief and Officers. Currently, the base salary for MHDDTs is \$12.35 per hour. The Executive Directives aim to increase the base salary to \$14.66 per hour, with comparable increases for the remaining position types.

For KNI, the request is for \$2.7 million SGF for FY 2023 and would affect approximately 343.0 FTE positions. In FY 2022, KNI anticipates using federal funds, which it has drawn down due to the continued increase in the Federal Medical Assistance Percentage (FMAP) as a result of the ongoing COVID-19 pandemic. Due to the COVID-19 pandemic, the President signed the Families First Coronavirus Response Act, which among other things, provided for a temporary 6.2 percent increase to the FMAP with a corresponding decrease in state match. The temporary increase extends until the last day of the calendar quarter in which the federal COVID-19 public health emergency is declared ended. However, as this public health emergency is currently scheduled to end in January 2022, the increase will likely end in March 2022. Therefore, to continue the salary increases for these positions, the agency will require additional SGF moneys for FY 2023.

For Parsons, the request is \$2.8 million SGF for FY 2023, and would affect approximately 345.0 FTE positions. In FY 2022, Parsons' revised estimate includes an increase in its shrinkage rate due to a higher than anticipated vacancy rate. However, in FY 2023 the agency requests an SGF increase to its base budget to continue the increase in the future. As the increase is designed to address retention problems, the agency indicates that it cannot rely on savings from the vacancy rate moving forward.

The Governor recommends adoption of this enhancement request.

PROGRAM AND PERFORMANCE MEASURES OVERVIEW

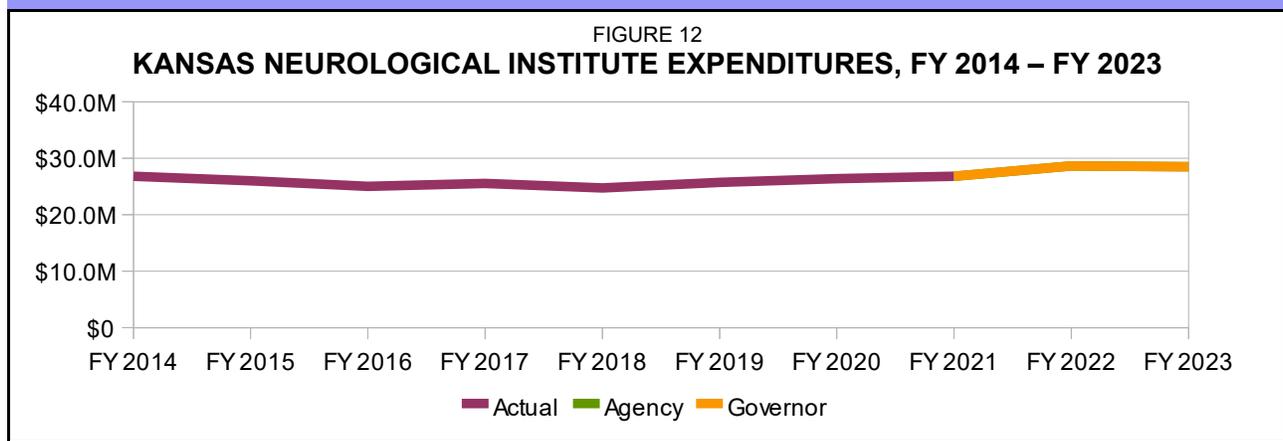
FIGURE 11
EXPENDITURES AND FTE POSITIONS BY PROGRAM, FY 2021 – FY 2023

Programs	Actual FY 2021	Agency FY 2022	Governor FY 2022	Agency FY 2023	Governor FY 2023
Expenditures:					
Kansas Neurological Institute	\$ 26,787,646	\$ 28,631,214	\$ 28,631,214	\$ 28,508,681	\$ 28,508,681
Parsons State Hospital and Training Center	29,361,362	31,878,914	31,863,914	32,473,847	32,473,847
TOTAL	\$ 56,149,008	\$ 60,510,128	\$ 60,495,128	\$ 60,982,528	\$ 60,982,528
FTE Positions:					
Kansas Neurological Institute	437.5	437.5	437.5	437.5	437.5
Parsons State Hospital & Training Center	477.2	477.2	477.2	490.2	490.2
TOTAL	914.7	914.7	914.7	927.7	927.7

PERFORMANCE MEASURES

The 2016 Legislature passed HB 2739, which outlined a three-year process for state agencies to develop and implement a system of performance budgeting using outcome measures to evaluate program effectiveness.

KANSAS NEUROLOGICAL INSTITUTE



- STATUTORY BASIS:** • KSA 76-17c01 to 76-17c08
- PROGRAM GOALS:**
- Provide quality supports for the people living at KNI in daily needs and decision-making.
 - Provide support for residents in all aspects of finding, securing, and retaining individualized and meaningful employment.
 - Engaging community people, to provide a high-quality volunteer experience that will enrich the lives of the volunteers and people with intellectual disabilities.
 - Provide health care for people who live at KNI with various types of acute and chronic conditions and intermediate health care 24 hours a day, 7 days a week.

The Kansas Neurological Institute (KNI) was established in 1959 on 183 acres formerly occupied by the Winter Veterans Hospital. The resident population at KNI is growing older and facing increasingly complex medical, physical, and behavioral support challenges. Many KNI residents require intensive physical and medical supports. Patients at KNI live in 20 homes in 4 residential lodges.

KNI's mission is to support each individual who lives at KNI to have a meaningful life. The agency aims to accomplish this mission by ensuring the well-being of its residents; providing opportunities for personal choice; promoting personal relationships; encouraging participation in the community; and recognizing residents' individuality.

FIGURE 13
**KANSAS NEUROLOGICAL INSTITUTE
 CENSUS STATISTICS**

	Actual FY 2019	Actual FY 2020	Actual FY 2021	Projected FY 2022	Projected FY 2023
Bed Capacity	145	141	135	132	132
Average Daily Census	138	132	126	128	128
Admissions	4	3	4	4	4
Separations	7	10	7	4	4

FIGURE 14
**KANSAS NEUROLOGICAL INSTITUTE
 PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Vacancy Rate for Direct Care Staff*	10.4 %	24.1 %	14.6 %	10.0 %	10.0 %
2. Vacancy Rate for Non-Direct Care Staff*	10.0 %	8.7 %	9.2 %	6.0 %	6.0 %
3. Percent of people whose guardians agree KNI treats individuals with respect and dignity	94.0 %	99.0 %	97.0 %	100.0 %	100.0 %
4. Percent of people whose guardian agree KNI provides a comprehensive array of services that meet the needs of the individual living at KNI*	95.0 %	99.0 %	97.0 %	100.0 %	100.0 %
5. Number of volunteers serving at KNI*	177	6	126	200	200
Output Measure:					
6. Total number of residence participating in Supported Employment jobs*	87	77	87	90	90
7. Percent of residents in employment jobs*	65.0 %	60.0 %	66.0 %	71.0 %	71.0 %
8. Number of KNI work requests for assistive technology services*	1,396	1,268	1,505	1,350	1,350
Financing (In Thousands)	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 11,530	\$ 11,216		\$ 10,095	\$ 13,975
Federal Funds	514	892		398	396
All Other Funds	14,366	14,680		18,138	14,138
TOTAL	\$ 26,410	\$ 26,788		\$ 28,631	\$ 28,509
Percentage Change:					
SGF	5.6 %	(2.7) %		(10.0) %	38.4 %
All Funds	2.7 %	1.4 %		6.9 %	(0.4) %
FTE Positions	437.5	437.5		437.5	437.5
*The Governor's Office does not utilize this measure for evaluation purposes.					

PERFORMANCE AND BUDGET ANALYSIS

The primary focus of KNI is providing individual supports for people with intellectual and developmental disabilities. Therefore, KNI's priority is ensuring it has adequate coverage for the care of its residents.

In FY 2019, the vacancy rate for direct care support staff was 9.2 percent. In FY 2020, that rate increased to 10.4 percent, and to 24.6 percent in FY 2021. The increase in FY 2021 is partly related to the COVID-19 pandemic. The agency reports that it has historically faced difficulty retaining staff, which is largely

attributed to low salaries and difficult nature of the work.

PREVIOUS SALARY INCREASE REQUESTS

During the 2021 session, the agency sought to increase the starting salaries of its Mental Health/Developmental Disability Technicians (MHDDTs). At the time, the starting salary for MHDDTs is approximately \$12.35 an hour. While there was discussions during the session, those increases were not included in the FY 2022 budget. However, the Governor subsequently issued Executive Directive

Nos. 21-537 and 21-538, which increased the starting salaries for these positions.

PANDEMIC RELATED FMAP INCREASE

The federal medical assistance percentage (FMAP) indicates the amount of federal moneys received per state moneys utilized for Medicaid expenditures. Due to the COVID-19 pandemic, the President signed the Families First Coronavirus Response Act, which among other things, provided for a temporary 6.2 percent increase to the FMAP with a corresponding decrease in state match. This temporary increase extends until the last day of the calendar quarter in which the COVID-19 related public health emergency is declared ended.

The agency currently anticipates utilizing the increased funding it receives from this temporary FMAP increase to cover the salary increases provided by Executive Directive Nos. 21-537 and 21-538 in FY 2022. However, when the agency submitted its budget in September 2021, that temporary increase was anticipated to end January 2022. Therefore, the agency submitted an enhancement request for \$2.7 million SGF to cover the costs associated for

these increases for FY 2023. Subsequently, the temporary increase was extended and is now anticipated to end March 2022, which is not taken into consideration in the submitted budget. (*Staff note:* Please see Topic 1 above for more information on the MHDDT increase.)

SERVICES FOR RESIDENTS

FOSTER GRANDPARENT PROGRAM

As part of its active therapies program, KNI provides leisure activities and skill development through the Foster Grandparent Program, which is a federally funded program that assists in pairing residents with older volunteers. Through this program, residents receive an array of individualized social, leisure, and spiritual opportunities by participating in leisure and other activities with the volunteer grandparents.

SUPPORTED EMPLOYMENT SERVICES

KNI also provides various supported employment services through several entrepreneurial businesses operated at KNI, as well as employment opportunities at KNI itself or other locations in the Topeka community.

FIGURE 15
KANSAS NEUROLOGICAL INSTITUTE
SUMMARY OF EXPENDITURES FY 2021 – FY 2023

Item	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Req. FY 2023	Gov. Rec. FY 2023
Expenditures:					
Salaries and Wages	\$ 21,259,150	\$ 23,871,684	\$ 23,871,684	\$ 23,691,420	\$ 23,691,420
Contractual Services	3,059,221	2,960,176	2,960,176	2,989,958	2,989,958
Commodities	1,880,563	1,799,354	1,799,354	1,827,303	1,827,303
Capital Outlay	574,633	-	-	-	-
Debt Service	-	-	-	-	-
<i>Subtotal - State Ops</i>	<u>\$ 26,773,567</u>	<u>\$ 28,631,214</u>	<u>\$ 28,631,214</u>	<u>\$ 28,508,681</u>	<u>\$ 28,508,681</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	1,099	-	-	-	-
<i>Subtotal - Operating</i>	<u>\$ 26,774,666</u>	<u>\$ 28,631,214</u>	<u>\$ 28,631,214</u>	<u>\$ 28,508,681</u>	<u>\$ 28,508,681</u>
Capital Improvements	12,980	-	-	-	-
Debt Service (Principal)	-	-	-	-	-
TOTAL	<u>\$ 26,787,646</u>	<u>\$ 28,631,214</u>	<u>\$ 28,631,214</u>	<u>\$ 28,508,681</u>	<u>\$ 28,508,681</u>
Financing:					
State General Fund	\$ 11,216,181	\$ 10,095,375	\$ 10,095,375	\$ 13,974,796	\$ 13,974,796
Federal Funds	891,588	397,572	397,572	395,680	395,680
All Other Funds	14,679,877	18,138,267	18,138,267	14,138,205	14,138,205
TOTAL	<u>\$ 26,787,646</u>	<u>\$ 28,631,214</u>	<u>\$ 28,631,214</u>	<u>\$ 28,508,681</u>	<u>\$ 28,508,681</u>
FTE Positions	437.5	437.5	437.5	437.5	437.5

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate is \$28.6 million, including \$10.1 million SGF, for expenditures in FY 2022. This is an increase of \$2.0 million above the amount approved by the 2021 Legislature. These increases are largely due to the salary increases associated with the executive directives, as well as other costs to ensure staffing coverage for the hospital. The revised estimate includes 437.5 FTE positions, which is the same as the approved number.

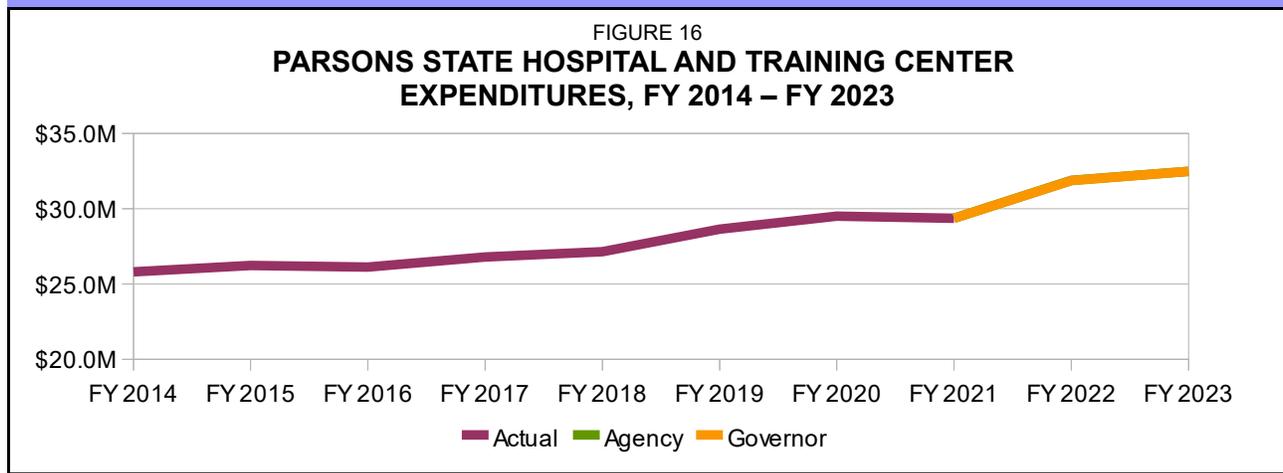
The **Governor** concurs with the agency's revised estimate for expenditures in FY 2022.

FY 2023 AGENCY REQUEST

The **agency's** request includes \$28.5 million, including \$14.0 million SGF, for expenditures in the program for FY 2023. This is a decrease of \$122,533 below the FY 2022 revised estimate. The request also replaces \$4.0 million from special revenue funds with SGF moneys. The request includes 437.5 FTE positions, which is the same as the revised estimate.

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

PARSONS STATE HOSPITAL AND TRAINING CENTER



STATUTORY BASIS: • KSA 76-1401 to KSA 76-1415

PROGRAM GOALS:

- Provide effective habilitation, rehabilitation, active treatment, and care to residents of the facility in a safe, healthy, and homelike living environment with consideration for the informed personal lifestyle choices of each resident.
- Supplement and extend development of community service provisions for developmentally disabled children and adults, especially through Outreach Services, a statewide program for persons with developmental disabilities and psychiatric impairments.
- Provide for the optimal mental and physical health of each resident with consideration for the informed personal lifestyle choices of each resident.

The Parsons State Hospital and Training Center (Parsons) was opened in 1903 as Parsons State Hospital to treat the epileptic. In 1953, the program was changed to provide residential services for children with intellectual disabilities, and the name was changed to the Parsons State Training School. Its name was changed a few years later to the Parsons State

Hospital and Training Center to more accurately describe the treatment programs.

The population at Parsons function within a profound to borderline range of intellectual abilities. Approximately 90.0 percent of the population are dually diagnosed with an accompanying psychiatric impairment.

FIGURE 17
**PARSONS STATE HOSPITAL AND TRAINING CENTER
 CENSUS STATISTICS
 (INTELLECTUAL/DEVELOPMENTAL DISABILITY ONLY)**

	Actual FY 2019	Actual FY 2020	Actual FY 2021	Projected FY 2022	Projected FY 2023
Bed Capacity	172	172	172	172	172
Average Daily Census	161	157	150	147	147
Admissions	9	7	6	9	9
Separations	10	13	14	10	10

FIGURE 18
**PARSONS STATE HOSPITAL AND TRAINING CENTER
 PERFORMANCE MEASURES**

	Actual FY 2020	Actual FY 2021	Actual 3-Year Avg.	Target FY 2022	Target FY 2023
Outcome Measure:					
1. Percent compliance to ICF/IID standards pertaining to Habilitation and Treatment Program.*	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
2. Average number of PSHTC residents that require increased supervision due to their self-injurious or aggressive behaviors.*	139	139	139	139	139
3. Average number of PSHTC residents that require their own bedroom due to their self-injurious or aggressive behaviors.*	94	83	92	83	83
4. Direct Support Staff annual turnover rate.*	28.5 %	32.2 %	29.4 %	20.2 %	18.7 %
5. Total number of new Direct Support Staff hired in the FY.*	66	60	71	55	50
Output Measure:					
6. Number of ICF/IID residents served during the fiscal year.*	169	161	167	165	165
7. Number of SPTP residents served during the fiscal year.*	12	9	11	10	11
Financing (In Thousands)	Actual FY 2020	Actual FY 2021		Governor FY 2022	Governor FY 2023
SGF	\$ 14,607	\$ 13,723		\$ 13,399	\$ 17,731
Federal Funds	106	578		-	-
All Other Funds	14,872	15,060		18,465	14,743
TOTAL	\$ 29,585	\$ 29,361		\$ 31,864	\$ 32,474
Percentage Change:					
SGF	4.6 %	(6.1) %		(2.4) %	32.3 %
All Funds	3.0 %	(0.8) %		8.5 %	1.9 %
FTE Positions	477.2	477.2		477.2	490.2
*The Governor's Office does not utilize this measure for evaluation purposes.					

PERFORMANCE AND BUDGET ANALYSIS

The mission of Parsons State Hospital and Training Center is to improve the lives of its residents by connecting people with supports and services. The agency's philosophy views services as existing to enhance the quality of life for individuals with developmental disabilities while supporting diversity and inclusion of individuals with intellectual and developmental disabilities. It views personal preferences of the individual in all aspects of life as the benchmark of all of its services.

As stated above, approximately 90.0 percent of the Parsons population are dually diagnosed with an accompanying psychiatric impairment. This results in a population which may be more prone to emotional outbursts and self-injurious/aggressive behaviors.

The agency indicates that in FY 2019 and FY 2020, Parsons saw a significant increase in the number of psychotropic medications prescribed prior to admission to the state hospital by an outside service provider. According to the

agency, these medications are generally used as a means to control aggressive behaviors in the community. The Parsons Medical Director and staff closely monitor all medications for each resident in an effort to reduce the number of psychotropic medications during a resident's stay at Parsons. The agency estimates that approximately 73.0 percent of people admitted to Parsons have had psychotropic medications reduced or eliminated since FY 2004.

EFFECT OF THE COVID-19 PANDEMIC

During FY 2020 and FY 2021, the COVID-19 pandemic affected the daily operations of the hospital. For most of FY 2020 and half of FY 2021, off-campus activities and family visitations were prohibited. Additionally, vendors and deliveries were subjected to strict measures to avoid the transmission of COVID-19. The hospital adapted its policies to promote better handwashing, surface disinfecting, and social distancing, and limited face-to-face interactions. During the second half of FY 2021, restrictions began to be lifted. With the prevalence of the delta variant, these procedures remained to some extent. As such, the hospital anticipates continued costs associated with personal protective equipment and disinfecting supplies throughout the remainder of FY 2022.

AGING POPULATION

Similar to KNI, the population of Parsons is beginning to age. Currently, the average length of stay for residents at Parsons is 19.3 years. Currently, 54.0 percent of the population is over the age of 50, including 21 residents who are over the age of 60. As these residents continue to age, Parsons anticipates seeing increased expenditures related to age-related health conditions, similar to expenditures at KNI to care for its aging population.

AGGRESSIVE AND SEXUAL BEHAVIOR

The agency reports that a majority of new admissions are individuals with serious aggressive and sexual acting-out behaviors. While the agency indicates that the overall population is aging, since FY 2019 its new admissions have been on average 17 years old. Additionally, a majority of new residents have had multiple police involvements, hospitalizations, or emergency room visits prior to being admitted to the hospital. The agency anticipates that if this trend continues, it will see an increase in aggressive and self-injurious behaviors, which it believes may create difficulty in placing individuals.

FIGURE 19
PARSONS STATE HOSPITAL AND TRAINING CENTER
SUMMARY OF EXPENDITURES FY 2021 – FY 2023

Item	Actual FY 2021	Agency Est. FY 2022	Gov. Rec. FY 2022	Agency Req. FY 2023	Gov. Rec. FY 2023
Expenditures:					
Salaries and Wages	\$ 24,870,675	\$ 27,499,579	\$ 27,499,579	\$ 28,079,297	\$ 28,079,297
Contractual Services	2,404,668	2,567,860	2,557,860	2,539,050	2,539,050
Commodities	1,599,787	1,636,475	1,636,475	1,680,250	1,680,250
Capital Outlay	486,096	174,850	169,850	175,100	175,100
Debt Service	-	-	-	-	-
<i>Subtotal - State Ops</i>	<u>\$ 29,361,226</u>	<u>\$ 31,878,764</u>	<u>\$ 31,863,764</u>	<u>\$ 32,473,697</u>	<u>\$ 32,473,697</u>
Aid to Local Units	-	-	-	-	-
Other Assistance	136	150	150	150	150
<i>Subtotal - Operating</i>	<u>\$ 29,361,362</u>	<u>\$ 31,878,914</u>	<u>\$ 31,863,914</u>	<u>\$ 32,473,847</u>	<u>\$ 32,473,847</u>
Capital Improvements	-	-	-	-	-
Debt Service (Principal)	-	-	-	-	-
TOTAL	<u>\$ 29,361,362</u>	<u>\$ 31,878,914</u>	<u>\$ 31,863,914</u>	<u>\$ 32,473,847</u>	<u>\$ 32,473,847</u>
Financing:					
State General Fund	\$ 13,723,118	\$ 13,414,194	\$ 13,399,194	\$ 17,731,002	\$ 17,731,002
Federal Funds	578,077	-	-	-	-
All Other Funds	15,060,167	18,464,720	18,464,720	14,742,845	14,742,845
TOTAL	<u>\$ 29,361,362</u>	<u>\$ 31,878,914</u>	<u>\$ 31,863,914</u>	<u>\$ 32,473,847</u>	<u>\$ 32,473,847</u>
FTE Positions	477.2	477.2	477.2	490.2	490.2

FY 2022 REVISED ESTIMATE

The **agency's** revised estimate is \$31.9 million, including \$13.4 million SGF, for expenditures in FY 2022. This is an increase of \$528,037 above the amount approved by the 2021 Legislature. The increase is largely due to the increased costs for supplies and material associated with the economy. The revised estimate includes 477.2 FTE positions, which is the same as the approved number.

The **Governor** recommends \$31.9 million, including \$13.4 million SGF, for expenditures in FY 2022. This is a decrease of \$15,000 SGF, which is due to the Governor not recommending the agency's supplemental request to begin development of a behavioral crisis stabilization unit in FY 2022.

FY 2023 AGENCY REQUEST

The **agency's** request is \$32.5 million, including \$17.7 million SGF, for expenditures in the program for FY 2023. This is an increase of \$594,933 above the FY 2022 revised estimate. Similar to the FY 2022 revised estimate, the increase is related to the agency anticipating further increases in the costs of supplies and materials. The request also increases SGF expenditures by \$4.3 million while reducing special revenue fund expenditures. The request includes 490.2 FTE positions, which is an increase of 13.0 FTE positions above the FY 2022 number.

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