

KANSAS NEUROLOGICAL INSTITUTE

	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:							
State General Fund	\$ 9,261,525	\$ 11,129,049	\$ 11,030,478	\$ 9,711,030	\$ 9,509,289	\$ 10,643,482	\$ 10,439,098
Other Funds	17,534,266	15,791,532	15,686,104	15,983,532	15,781,577	15,983,532	15,777,551
TOTAL	\$ 26,795,791	\$ 26,920,581	\$ 26,716,582	\$ 25,694,562	\$ 25,290,866	\$ 26,627,014	\$ 26,216,649
Capital Improvements:							
State General Fund	\$ 210,464	\$ 0	\$ 0	\$ 192,000	\$ 0	\$ 192,000	\$ 0
Other Funds	0	210,121	210,121	18,121	210,121	18,121	210,121
TOTAL	\$ 210,464	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121
GRAND TOTAL	\$ 27,006,255	\$ 27,130,702	\$ 26,926,703	\$ 25,904,683	\$ 25,500,987	\$ 26,837,135	\$ 26,426,770
Percentage Change:							
Operating Expenditures							
State General Fund	(12.4) %	20.2 %	19.1 %	(12.7) %	(13.8) %	9.6 %	9.8 %
All Funds	(4.0)	0.5	(0.3)	(4.6)	(5.3)	3.6	3.7
FTE Positions	473.2	473.2	461.7	473.2	461.2	473.2	457.2
Non-FTE							
Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	473.2	473.2	461.7	473.2	461.2	473.2	457.2

AGENCY OVERVIEW

The Kansas Neurological Institute provides treatment for adults with intellectual and developmental disabilities. Individuals with intellectual and developmental disabilities have conditions that originate early in life, most often before birth. The Kansas Neurological Institute (KNI) was established in 1959 on 183 acres formerly occupied by the Winter Veterans Hospital. 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 state developmental disability hospitals are both treatment centers and homes for those individuals who are not served in the community. The agency's mission is "to support each person who lives at KNI to have a meaningful life," which is accomplished by ensuring well-being, providing

opportunities for choice, promoting personal relationships, encouraging participation in the community, and recognizing individuality. The agency has developed a person-centered approach to patient treatment, which focuses on the desires of the resident and not just on the assessments of the various professional disciplines. Many KNI residents require intensive physical and medical supports, most are unable to speak, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. The people who live at KNI are growing older and due to the aging process face increasingly complex medical, physical, and behavioral support challenges. Patients at KNI live in 20 homes in four residential lodges. In addition, KNI provides dental services to persons with developmental disabilities living in the community.

MAJOR ISSUES FROM PRIOR YEARS

In FY 2008, the Department of Social and Rehabilitation Services was unsuccessful in litigation with the federal government regarding a \$13.6 million disallowance of settlement costs and timely filing of education costs. The Department decided not to pursue additional litigation.

During the **2009 Legislative Session**, the Governor created the Facilities Closure and Realignment Commission by Executive Order 09-01. The Commission was charged to study and evaluate closure, realignment, and alternative uses of various state facilities in order to find efficiencies and cost savings in state government. Specifically, the Commission was charged to study the Kansas State School for the Deaf, Kansas State School for the Blind, the Beloit Juvenile Correctional Facility, State Developmental Disability Hospitals and Rainbow

Mental Health Facility. The Executive Order required the Commission to submit recommendations regarding these and any other facilities studied to the Governor and the Legislature. The Commission recommended that the Department of Social and Rehabilitation Services (SRS) review the residents at Kansas Neurological Institute who meet the requirements for placement in the community or for transfer to Parsons State Hospital and Training Center and that Kansas Neurological Institute be closed. The Commission also recommended the remaining residents at Parsons State Hospital and Training Center be reviewed for placement in the community. In addition, the Commission recommended that when the Governor prepares his Executive Reorganization Order to carry out the recommendations concerning the closure of Kansas Neurological Institute and downsizing of Parsons State Hospital

and Training Center, that the ERO be written as clearly and strongly as possible to ensure any savings go to expand funding for the Home and Community Based Services for the Developmentally Disabled Waiver.

The Governor chose not to accept the Commission's recommendation for Kansas Neurological Institute and Parsons State Hospital and Training Center. However, the Governor agreed that serving individuals in the community can lead to a better quality of life and encouraged SRS to consolidate resources on the developmental disability hospital campuses and identify individuals who can be better served in the community. As a result, Kansas Neurological Institute consolidated one home on its campus in FY 2009, another in FY 2010, and another in FY 2014.

The Governor recommended the closure of the Kansas Neurological Institute for FY 2012. The Governor estimated it would take the agency 23 months to close the facility if the agency achieved a goal of moving seven residents a month to community placements. The deletion of \$658,832 from all funds, including \$277,039 from the State General Fund, represented the savings the Governor estimated as a result of a recommendation to begin the closure of the agency for FY 2012. The 2011 Legislature restored the funding. This addition by the 2011 Legislature fully funded the operation of the agency

for FY 2012 and eliminated the Governor's plan to close the KNI facility.

The Senate Ways and Means Committee recommended the Department on Social and Rehabilitation Services reject closure or downsizing plans for Kansas Neurological Institute and to continue operations at the facility. Further, the Committee requested an audit independent of SRS that would investigate and identify: 1) management and service efficiencies that could be implemented for KNI and Parsons State Hospital and Training Facility which would create cost-savings at the facilities while maintaining current operations and care, and 2) additional programs and resources that the two developmental disability facilities can implement to assist the entire developmental disabilities community and help reduce Home and Community Based Services for Individuals with Developmental Disabilities waiver expenditures. The Committee directed the Department to fund the independent audit and report the audit findings to the Senate Ways and Means chair on September 1, 2011. The audit, conducted by Legislative Post Audit, was presented to the Legislative Post Audit Committee on December 13, 2011.

The **2013 Legislature** deleted \$753,000, including \$301,000 from the State General Fund, and 12.0 FTE positions as part of the consolidation of a cottage on the Kansas Neurological Institute campus for FY 2014 and FY 2015.

BUDGETED BED CAPACITY

The chart below shows the budgeted bed capacity for Kansas Neurological Institute.

	FY 13 Actual	FY 14 Actual	FY 15 Projected	FY 16 Projected	FY 17 Projected
Total	160	160	160	160	160

AVERAGE DAILY CENSUS

Average Daily Census (ADC) represents the average number of patients in a hospital over a fiscal year for Kansas Neurological Institute.

	FY 13 Actual	FY 14 Actual	FY 15 Projected	FY 16 Projected	FY 17 Projected
Total	145	144	144	143	142

ADMISSIONS

The chart below shows admissions for Kansas Neurological Institute. This does not include transfers in from other KDADS Institutions.

	FY 13 Actual	FY 14 Actual	FY 15 Projected	FY 16 Projected	FY 17 Projected
Total	1	4	2	2	2

SEPARATIONS

The chart below shows separations due to discharge and death for Kansas Neurological Institute.

	FY 13 Actual	FY 14 Actual	FY 15 Projected	FY 16 Projected	FY 17 Projected
Total	7	5	3	3	3

BUDGET SUMMARY AND KEY POINTS

FY 2015 Agency Estimate

The **agency** estimates total expenditures of \$27.1 million, including \$11.1 million from the State General Fund, in FY 2015. Of this amount, the agency estimates operating expenditures of \$27.1 million, including \$11.1 million from the State General Fund, in FY 2015. This is an all funds decrease of \$700,929, or 2.5 percent, and a State General Fund increase of \$798,571, or 7.7 percent, from the amount approved by the 2014 Legislature. These changes are primarily attributable to supplemental requests by the agency. The first supplemental request would replace \$1.5 million in Title XIX funding with State General Fund moneys, having a net zero effect on total expenditures. This action corresponds to the replacement of \$1.5 million in State General Funds with Title XIX funds for Osawatomie State Hospital, and the agency reports that these supplemental requests are necessary for matching requirements for federal funds. The second supplemental

request would transfer \$800,000 in agency savings, all from the State General Fund, to the Kansas Department for Aging and Disability Services for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. Additionally, the agency received a reappropriation of \$400,371 from the State General Fund, which was not spent in FY 2014 and has carried over to FY 2015. The agency also has budgeted KPERS contributions above the amount approved by the 2014 Legislature, due to the agency submitting a revised estimate prior to the Governor’s December 9th allotment, which reduced employer KPERS contributions.

The agency estimates capital improvement expenditures of \$210,121, all from special revenue funds, in FY 2015. This is an increase of \$46,371, or 28.3 percent, above the amount approved by the 2014 Legislature.

FY 2015 Governor Recommendation

The **Governor** recommends total expenditures of \$26.9 million, including \$11.0 million from the State General Fund, for operating expenditures and capital improvements in FY 2015. Of this amount, the Governor recommends operating expenditures of \$26.7 million, including \$11.0 million from the State General Fund, in FY 2015. This is an all funds decrease of \$203,999, or 0.8 percent, and a State General Fund decrease of

\$98,571, or 0.9 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for KPERS contributions, due to the Governor's December allotment. The Governor recommends capital improvement expenditures of \$210,121, all from special revenue funds, in FY 2015. This is the same amount as the agency's request.

FY 2016 Agency Request

The **agency** requests total expenditures of \$25.9 million, including \$9.9 million from the State General Fund, for operating expenditures and capital improvements, for FY 2016. Of this amount, the agency requests operating expenditures of \$25.7 million, including \$9.7 million from the State General Fund, for FY 2016. This is an all funds decrease of \$1.2 million, or 4.6 percent, and a State General Fund decrease of \$1.4 million, or 12.7 percent, below the revised FY 2015 estimate. The

decrease is primarily attributable to an adjustment in shrinkage, partially offset by increased salaries and wages fringe benefit costs.

The agency requests capital improvement expenditures of \$210,121, including \$192,000 from the State General Fund, for FY 2016. This is the same all funds amount as the revised FY 2015 estimate. The State General Fund amount is an increase of \$192,000, above the revised FY 2015 estimate.

FY 2016 Governor Recommendation

The **Governor** recommends total expenditures of \$25.5 million, including \$9.5 million from the State General Fund, for operating expenditures and capital improvement expenditures, for FY 2016. Of this amount, the Governor recommends operating expenditures of \$25.3 million, including \$9.5 million from the State General Fund, for FY 2016. This is an all funds decrease of \$403,696, or 1.6 percent, and a State General Fund decrease of \$201,741, or 2.1 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance and the Governor recommending both agency reduced resource submissions for FY 2016.

The Governor recommends capital improvement expenditures of \$210,121, all from special revenue funds, for FY 2016. This is the same all funds amount as the agency's request, and a State General Fund decrease of \$192,000, or 100.0 percent, below the agency's request. The State General Fund decrease is attributable to the Governor recommending the agency's reduced resource submission to replace expenditures from the State General Fund with funds from the State Institutions Building Fund for capital improvements for FY 2016.

FY 2017 Agency Request

The **agency** requests total expenditures of \$26.8 million, including \$10.8 million from the State General Fund, for operating expenditures and capital improvements, for FY 2017. Of this amount, the agency requests operating expenditures of \$26.6 million, including \$10.6 million from the State General Fund, for FY 2017. This is an all funds increase of \$932,452, or 3.6 percent, and a State General Fund increase of \$932,452, or 9.6 percent, above the FY 2016 request. The increase is

primarily attributable to an increase in salaries and wages due to the 27th payroll period which occurs in that fiscal year and increased fringe benefit costs, partially offset by an adjustment to shrinkage.

The agency requests capital improvement expenditures of \$210,121, including \$192,000 from the State General Fund, for FY 2017. These are the same amounts as the agency's FY 2016 request.

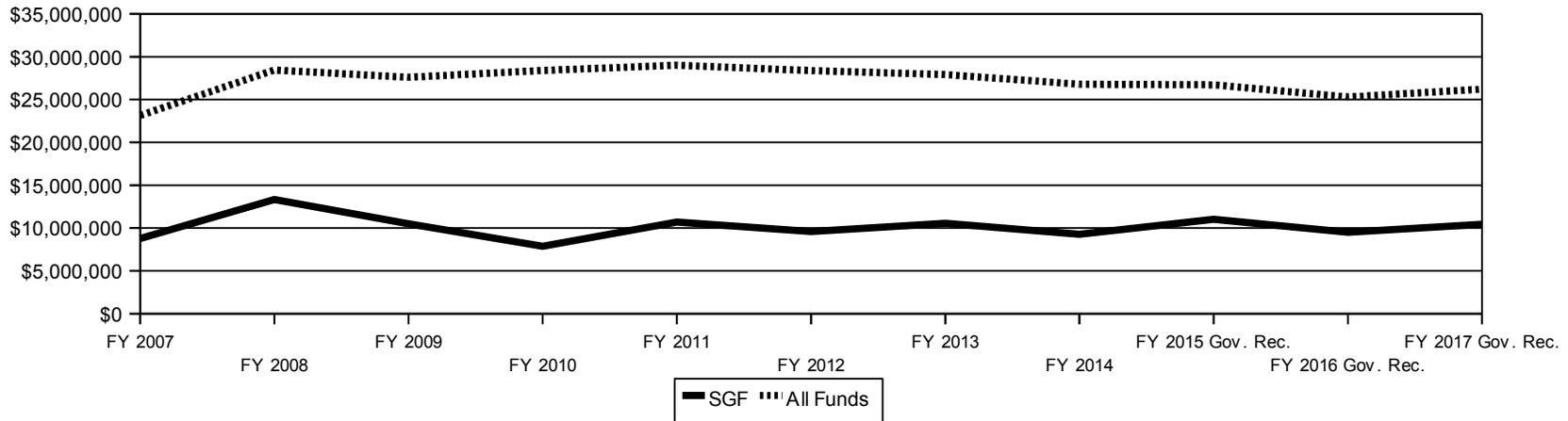
FY 2017 Governor Recommendation

The **Governor** recommends total expenditures of \$26.4 million, including \$10.4 million from the State General Fund, for operating expenditures and capital improvements, for FY 2017. Of this amount, the Governor recommends operating expenditures of \$26.2 million, including \$10.4 million from the State General Fund, for FY 2017. This is an all funds decrease of \$410,365, or 1.5 percent, and a State General Fund decrease of \$204,384, or 1.9 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance and the Governor

recommending both agency reduced resource submissions. The Governor recommends capital improvement expenditures of \$210,121, all from special revenue funds, for FY 2017. This is the same all funds amount as the agency's request, and a State General Fund decrease of \$192,000, or 100.0 percent, below the agency's request. The State General Fund decrease is attributable to the Governor recommending the agency's reduced resource option to substitute expenditures from the State General Fund with funds from the State Institutions Building Fund for capital improvements for FY 2017.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2007 – FY 2017



Fiscal Year	SGF	% Change	All Funds	% Change	FTE
2007	\$ 8,774,198	2.7 %	\$ 23,133,649	0.9 %	570.0
2008	13,322,979	51.8	28,445,701	23.0	570.0
2009	10,503,632	(21.2)	27,598,217	(3.0)	570.0
2010	7,876,610	(25.0)	28,394,478	2.9	570.0
2011	10,709,270	36.0	29,004,350	2.1	546.7
2012	9,605,217	(10.3)	28,375,878	(2.2)	491.7
2013	10,567,612	10.0	27,918,672	(1.6)	491.7
2014	9,261,525	(12.4)	26,795,791	(4.0)	473.2
2015 Gov. Rec.	11,030,478	19.1	26,716,582	(0.3)	461.7
2016 Gov. Rec.	9,509,289	(13.8)	25,290,866	(5.3)	461.2
2017 Gov. Rec.	10,439,098	9.8	26,216,649	3.7	457.2
Eleven-Year Change	\$ 1,664,900	19.0 %	\$ 3,083,000	13.3 %	(112.8)

Summary of Operating Budget FY 2014 - FY 2016

	Actual 2014	Agency Estimate				Governor's Recommendation			
		Estimate FY 2015	Request FY 2016	Dollar Change from FY 15	Percent Change from FY 15	Rec. FY 2015	Rec. FY 2016	Dollar Change from FY 15	Percent Change from FY 15
By Program:									
Administration	\$ 1,420,171	\$ 1,457,147	\$ 1,421,871	\$ (35,276)	(2.4) %	\$ 1,447,895	\$ 1,410,345	\$ (37,550)	(2.6)%
Staff Edu and Research	602,085	685,944	622,427	(63,517)	(9.3)	680,012	612,963	(67,049)	(9.9)
Habilitation and Treatmt	14,198,097	14,017,629	13,689,015	(328,614)	(2.3)	13,896,207	13,461,664	(434,543)	(3.1)
Ancillary Services	2,618,352	2,920,371	2,603,715	(316,656)	(10.8)	2,902,332	2,583,331	(319,001)	(11.0)
Med and Surg Services	3,041,677	3,206,229	2,949,295	(256,934)	(8.0)	3,178,398	2,918,616	(259,782)	(8.2)
Phys Plant/Central Svcs	4,915,409	4,633,261	4,408,239	(225,022)	(4.9)	4,611,738	4,303,947	(307,791)	(6.7)
TOTAL	\$ 26,795,791	\$ 26,920,581	\$ 25,694,562	\$ (1,226,019)	(4.6) %	\$ 26,716,582	\$ 25,290,866	\$ (1,425,716)	(5.3)%
By Major Object of Expenditure:									
Salaries and Wages	\$ 22,140,055	\$ 22,671,648	\$ 21,445,629	\$ (1,226,019)	(5.4) %	\$ 22,467,649	\$ 21,041,933	\$ (1,425,716)	(6.3)%
Contractual Services	2,110,670	2,092,338	2,092,338	0	0.0	2,092,338	2,092,338	0	0.0
Commodities	1,843,284	1,844,432	1,844,432	0	0.0	1,844,432	1,844,432	0	0.0
Capital Outlay	467,177	133,281	133,281	0	0.0	133,281	133,281	0	0.0
Debt Service	35,659	28,749	28,749	0	0.0	28,749	28,749	0	0.0
Subtotal - Operations	\$ 26,596,845	\$ 26,770,448	\$ 25,544,429	\$ (1,226,019)	(4.6) %	\$ 26,566,449	\$ 25,140,733	\$ (1,425,716)	(5.4)%
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	198,946	150,133	150,133	0	0.0	150,133	150,133	0	0.0
TOTAL	\$ 26,795,791	\$ 26,920,581	\$ 25,694,562	\$ (1,226,019)	(4.6) %	\$ 26,716,582	\$ 25,290,866	\$ (1,425,716)	(5.3)%
Financing:									
State General Fund	\$ 9,261,525	\$ 11,129,049	\$ 9,711,030	\$ (1,418,019)	(12.7) %	\$ 11,030,478	\$ 9,509,289	\$ (1,521,189)	(13.8)%
KNI Fee Fund	1,351,483	1,355,537	1,355,537	0	0.0	1,343,443	1,334,653	(8,790)	(0.7)
Title XIX Fund	15,660,275	13,953,868	14,145,868	192,000	1.4	13,861,669	13,966,320	104,651	0.8
All Other Funds	522,508	482,127	482,127	0	0.0	480,992	480,604	(388)	(0.1)
TOTAL	\$ 26,795,791	\$ 26,920,581	\$ 25,694,562	\$ (1,226,019)	(4.6) %	\$ 26,716,582	\$ 25,290,866	\$ (1,425,716)	(5.3)%

Summary of Operating Budget FY 2016 - FY 2017

	Agency Estimate				Governor's Recommendation			
	Request FY 2016	Request FY 2017	Dollar Change from FY 16	Percent Change from FY 16	Rec. FY 2016	Rec. FY 2017	Dollar Change from FY 16	Percent Change from FY 16
By Program:								
Administration	\$ 1,421,871	\$ 1,423,955	\$ 2,084	0.1 %	\$ 1,410,345	\$ 1,412,198	\$ 1,853	0.1 %
Staff Edu and Research	622,427	622,772	345	0.1	612,963	613,118	155	0.0
Habilitation and Treatmt	13,689,015	14,612,671	923,656	6.7	13,461,664	14,380,767	919,103	6.8
Ancillary Services	2,603,715	2,606,692	2,977	0.1	2,583,331	2,585,901	2,570	0.1
Med and Surg Services	2,949,295	2,950,645	1,350	0.0	2,918,616	2,919,374	758	0.0
Phys Plant/Central Svcs	4,408,239	4,410,279	2,040	0.0	4,303,947	4,305,291	1,344	0.0
TOTAL	\$ 25,694,562	\$ 26,627,014	\$ 932,452	3.6 %	\$ 25,290,866	\$ 26,216,649	\$ 925,783	3.7 %
By Major Object of Expenditure:								
Salaries and Wages	\$ 21,445,629	\$ 22,378,081	\$ 932,452	4.3 %	\$ 21,041,933	\$ 21,967,716	\$ 925,783	4.4 %
Contractual Services	2,092,338	2,092,338	0	0.0	2,092,338	2,092,338	0	0.0
Commodities	1,844,432	1,844,432	0	0.0	1,844,432	1,844,432	0	0.0
Capital Outlay	133,281	133,281	0	0.0	133,281	133,281	0	0.0
Debt Service	28,749	28,749	0	0.0	28,749	28,749	0	0.0
Subtotal - Operations	\$ 25,544,429	\$ 26,476,881	\$ 932,452	3.7 %	\$ 25,140,733	\$ 26,066,516	\$ 925,783	3.7 %
Aid to Local Units	0	0	0	--	0	0	0	--
Other Assistance	150,133	150,133	0	0.0	150,133	150,133	0	0.0
TOTAL	\$ 25,694,562	\$ 26,627,014	\$ 932,452	3.6 %	\$ 25,290,866	\$ 26,216,649	\$ 925,783	3.7 %
Financing:								
State General Fund	\$ 9,711,030	\$ 10,643,482	\$ 932,452	9.6 %	\$ 9,509,289	\$ 10,439,098	\$ 929,809	9.8 %
KNI Fee Fund	1,355,537	1,355,537	0	0.0	1,334,653	1,334,242	(411)	(0.0)
Title XIX Fund	14,145,868	14,145,868	0	0.0	13,966,320	13,962,735	(3,585)	(0.0)
All Other Funds	482,127	482,127	0	0.0	480,604	480,574	(30)	(0.0)
TOTAL	\$ 25,694,562	\$ 26,627,014	\$ 932,452	3.6 %	\$ 25,290,866	\$ 26,216,649	\$ 925,783	3.7 %

BUDGET OVERVIEW

A. FY 2015 – Current Year

Adjustments to Approved State General Fund Budget

The Legislature approved a State General Fund budget of \$10,028,678 for Kansas Neurological Institute in FY 2015. Adjustments have subsequently been made to that amount. These adjustments change the current year approved amount without any legislative action required. For this agency, the following adjustments have been made.

- An increase of \$400,371, based on the reappropriation of FY 2014 funding which was not spent in FY 2014 and has shifted to FY 2015.

- A reduction of \$98,571, as the result of the Governor’s December 2014, State General Fund allotment.

These adjustments change the FY 2015 approved State General Fund to \$10,330,478. That amount is reflected in the table below as the currently approved FY 2015 State General Fund amount. The agency’s budget was submitted prior to the December allotment, so the agency’s revised budget estimates do not incorporate the allotment.

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2015	Agency Estimate FY 2015	Agency Change from Approved	Governor Rec. FY 2015	Governor Change from Approved
State General Fund	\$ 10,330,478	\$ 11,129,049	\$ 798,571	\$ 11,030,478	\$ 700,000
All Other Funds	17,501,153	16,001,653	(1,499,500)	15,896,225	(1,604,928)
TOTAL	<u>\$ 27,831,631</u>	<u>\$ 27,130,702</u>	<u>\$ (700,929)</u>	<u>\$ 26,926,703</u>	<u>\$ (904,928)</u>
FTE Positions	473.2	473.2	0.0	461.7	(11.5)

The **agency** estimates revised expenditures of \$27.1 million, including \$11.1 million from the State General Fund, in FY 2015. This is an all funds decrease of \$700,929, or 2.5 percent, and a State General Fund increase of \$798,571, or 7.7 percent, above

the amount approved by the 2014 Legislature. The change is primarily attributable to two supplemental requests by the agency. The first supplemental request would replace \$1.5 million in Title XIX funding with State General Fund moneys,

having a net zero effect on total expenditures. This corresponds to replacement of \$1.5 million in State General Funds with Title XIX funds for Osawatometie State Hospital, and the agency reports that these supplemental requests are necessary for matching requirements for federal funds. The agency's second supplemental request would transfer \$800,000 in agency savings, all from the State General Fund, to the Kansas Department for Aging and Disability Services for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. The changes are also affected by the reappropriation of \$400,371 from the State General Fund, which was not spent in FY 2014 and has carried over to FY 2015. The agency budgeted KPERS contributions above the amount approved by the 2014 Legislature, due to the agency submitting a revised estimate prior to the Governor's December 9th allotment, which reduced employer KPERS contributions.

The request is outlined by object of expenditure.

- **Salaries and Wages.** The agency estimates \$22.7 million, including \$11.1 million from the State General Fund, for salaries and wages in FY 2015. This is an all funds decrease of \$348,939, or 1.5 percent, below the amount approved by the 2014 Legislature. The decrease is primarily attributable to an increase in salaries and wage shrinkage.
- **Contractual Services.** The agency estimates \$2.1 million, all from special revenue funds, for contractual services in FY 2015. This is an increase of \$241,503, or 13.0 percent, above the amount approved by the 2014 Legislature. The increase is primarily attributable to an increase in computer services, medical services, grounds repairs, and utilities expenditures.
- **Commodities.** The agency estimates \$1.8 million, including \$150 from the State General Fund, for

commodities in FY 2015. This is an all funds decrease of \$214,112, or 10.4 percent, below the amount approved by the 2014 Legislature. The State General Fund amount is the same amount approved by the 2014 Legislature. The all funds decrease is attributable to a decrease in household supplies, food for patients, and drug and pharmaceutical expenditures.

- **Capital Outlay.** The agency estimates \$133,281, all from special revenue funds, for capital outlay in FY 2015. This is an all funds decrease of \$5,514, or 4.0 percent, below the amount by the 2014 Legislature. The all funds decrease is attributable to a decrease in computer equipment, partially offset by an increase in furniture and other fixtures.
- **Debt Services.** The agency estimates \$28,749, all from special revenue funds, for debt service interest expenditures in FY 2015. This is the same amount approved by the 2014 Legislature.
- **Other Assistance.** The agency estimates \$150,133, all from special revenue funds, for other assistance in FY 2015. This is a decrease of \$19,867, or 11.7 percent, below the amount approved by the 2014 Legislature. The decrease is attributable to a decrease in voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$26.7 million, including \$11.0 from the State General Fund, in FY 2015. This is an all funds decrease of \$203,999, or 0.8 percent, and a State General Fund decrease of \$98,571, or 0.9 percent, from the agency's request. The all funds decrease is primarily attributable to a reduction in KPERS employer contributions.

Supplemental Detail

Supplementals	FY 2015 SUPPLEMENTALS					
	Agency Estimate			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
DD Waiver transfer	\$ (800,000)	\$ (800,000)	0.0	\$ (800,000)	\$ (800,000)	0.0
Title XIX funding moved to SGF	1,500,000	0	0.0	1,500,000	0	0.0
TOTAL	\$ 700,000	\$ (800,000)	0.0	\$ 700,000	\$ (800,000)	0.0

The **agency** requests approval of two supplements, totaling an all funds decrease of \$800,000, and a State General Fund increase of \$700,000, in FY 2015.

The first supplemental request would replace \$1.5 million from Title XIX funds, with State General Funds. This request would have no effect on all funds expenditures, and would be an increase of \$1.5 million in State General Funds, in FY 2015. This action corresponds to the replacement of \$1.5 million in State General Funds with Title XIX funds for Osawatomie State Hospital.

The second supplemental request would transfer agency savings of \$800,000 from the State General Fund, the Kansas Department for Aging and Disability Services for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities. This savings is associated with a decrease in FTE positions for efficiency, reflected in the reduced resource options submitted by the agency in FY 2015, FY 2016, and FY 2017. The agency offers to reduce FTE positions by 11.5 in FY 2015.

The **Governor** recommends both agency supplemental requests, totaling an all funds decrease of \$800,000, and a State General Fund increase of \$700,000, in FY 2015.

Governor's Allotments

The consensus revenue estimating process was completed on November 10, 2014 subsequent to agencies submitting budgets with revised expenditures for the current fiscal year. The results of the new consensus revenue estimates identified a \$278.7 million State General Fund shortfall for FY 2015. This prompted the Governor to address the shortfall with an allotment plan totaling \$280.0 million which reduced

expenditures by \$60.1 million. The allotment plan also included recommendations to transfer funds and adjust Non-State General Fund expenditures an additional \$219.9 million. The adjustments included in the \$219.9 million will require legislative approval to implement. The allotments shown in the table below reflect only those allotments which have already taken place.

GOVERNOR'S ALLOTMENTS			
Allotment	SGF	All Funds	FTE
December Allotment			
Reduce KPERS Contribution Rate	\$ (98,571)	\$ (98,571)	0.0
TOTAL	<u>\$ (98,571)</u>	<u>\$ (98,571)</u>	<u>0.0</u>

Kansas Public Employees Retirement System (KPERS) Reduction:

A reduction of \$98,571, as a result of the Governor's State General Fund allotment reducing the Kansas Public Employer

Regular and School Member employer contribution rate (excluding KPERS Death and Disability) from 11.27 percent to 8.65 percent in FY 2015. This allotment will have no impact on the agency expenditures but is reflective of a reduction of expenditures from the State General Fund.

B. FY 2016 – Budget Year

FY 2016 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 25,694,562	\$ 25,290,866	\$ (403,696)
FTE Positions	473.2	461.2	(12.0)
Change from FY 2015:			
<i>Dollar Change:</i>			
State General Fund	\$ (1,418,019)	\$ (1,521,189)	
All Other Funds	192,000	95,473	
TOTAL	<u>\$ (1,226,019)</u>	<u>\$ (1,425,716)</u>	
<i>Percent Change:</i>			
State General Fund	(12.7) %	(13.8) %	
All Other Funds	1.2	0.6	
TOTAL	<u>(4.6) %</u>	<u>(5.3) %</u>	
Change in FTE Positions	0.0	(0.5)	

The **agency** requests expenditures of \$25.7 million, including \$9.7 million from the State General Fund, for FY 2016. This is an all funds decrease of \$1.2 million, or 4.6 percent, and a State General Fund decrease of \$1.4 million, or 12.7 percent, below the revised FY 2015 estimate. The decrease is primarily attributable to an increase in shrinkage, and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, absent the \$250 bonus for state

employees in FY 2015. This includes four reduced resource submissions totaling \$69,629 all funds, \$261,629 from the State General Fund, and 10.0 FTE positions, for FY 2016.

The request includes replacement of \$1.5 million from Title XIX funds, with State General Funds. This action corresponds to the replacement of \$1.5 million in State General Funds with Title XIX funds for Osawatomet State Hospital.

The request also includes a transfer of \$1.5 million, all from the State General Fund, to the Kansas Department for Aging and Disability Services for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities.

The request is outlined by object of expenditure below.

- **Salaries and Wages.** The agency requests \$21.4 million, including \$8.2 million from the State General Fund, for salaries and wages for FY 2016. This is an all funds decrease of \$1.2 million, and a State General Fund decrease of \$2.9 million, below the revised FY 2015 estimate. The decrease is primarily attributable to an increase in shrinkage, and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, absent the \$250 bonus for state employees in FY 2015.
- **Contractual Services.** The agency requests \$2.1 million, including \$1.0 million from the State General Fund, for contractual services for FY 2016. This is the same all funds amount as the revised FY 2015 estimate, and it is a State General Fund increase of \$1.0 million, above the revised FY 2015 estimate. The State General Fund increase is attributable to the agency replacing Title XIX funds with funds from the State General Fund.
- **Commodities.** The agency requests \$1.8 million, including \$460,929 from the State General Fund, for commodities for FY 2016. This is the same all funds amount as the revised FY 2015 estimate,

and it is a State General Fund increase of \$460,779, or 307,186.0 percent, above the revised FY 2015 estimate. The State General Fund increase is attributable to the agency replacing Title XIX funds with funds from the State General Fund.

- **Capital Outlay.** The agency requests \$133,281, including \$19,373 from the State General Fund, for capital outlay for FY 2016. The all funds total is the same amount as the revised FY 2015 estimate, and the State General Fund is \$19,373 above the revised FY 2015 estimate. The State General Fund increase is attributable to the agency replacing Title XIX funds with funds from the State General Fund.
- **Debt Service.** The agency requests \$28,749, all from special revenue funds, for debt service interest payments for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Other Assistance.** The agency requests \$150,133, all from special revenue funds, for other assistance for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$25.3 million, including \$9.5 million from the State General Fund, for FY 2016. This is an all funds decrease of \$403,696, or 1.6 percent, and a State General Fund decrease of \$201,741, or 2.1 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance, and the Governor recommending the agency's reduced resource submission.

FY 2016 Reduced Resources

The agency was not required to submit reduced resources, but submitted four for FY 2016.

Item	FY 2016 REDUCED RESOURCES					
	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
SIBF for Bond Payment	\$ (192,000)	\$ 0	0.0	\$ (192,000)	\$ 0	0.0
Eliminate Custodial Specialist	(32,600)	(32,600)	0.0	(32,600)	(32,600)	(1.0)
Eliminate Security Officer	(37,029)	(37,029)	0.0	(37,029)	(37,029)	(1.0)
Reduce FTE's for Efficiency	0	0	(10.0)	0	0	(10.0)
TOTAL	\$ (261,629)	\$ (69,629)	(10.0)	\$ (261,629)	\$ (69,629)	(12.0)

The **agency** submitted reduced resources, totaling an all funds decrease of \$69,629, a State General Fund decrease of \$261,629, and a FTE reduction of 10.0 FTE positions, for FY 2016.

The first reduced resource submission concerns the State of Kansas Energy Conservation Improvement Program. KNI pays semi-annual bond payments to the State of Kansas for participation in the State's Energy Conservation Improvement Program. KNI would substitute funds from the State Buildings Fund in place of State General Fund for these payments, which would total \$192,000 for FY 2016.

The second reduced resource submission concerns elimination of one custodial specialist position. KNI proposes the reorganization of Housekeeping Services and reducing by one Custodial Specialist position through attrition, which would reduce \$32,600, all from the State General Fund, for FY 2016.

The third reduced resource submission concerns contracting for routine security services. KNI currently contracts with

Universal Protection Services for security services and proposes to increase the provisions of the contract and eliminate a Safety & Security Officer I position, which would reduce \$37,029, all from the State General Fund, for FY 2016.

The final reduced resource submission concerns reductions in FTE positions for efficiency. KNI was reviewed for efficiencies in its processes by the Buckley Group, and the reduction package is to reduce the FTE positions that were recommended for reduction. The suggested reduction of the positions was spread over three years, as positions are expected to be vacated. The savings gained by the reduction of these positions has been shifted to the Home and Community Based Services Waiver for Individuals with Developmental Disabilities in KDADS as required by legislation. The decrease in FTE positions for FY 2016 is 10.0 FTE positions.

The **Governor** recommends all four agency submitted reduced resources, for a total reduction of \$69,629 all funds, \$261,629 from the State General Fund, and 12.0 FTE positions for FY 2016.

C. FY 2017 – Budget Year

FY 2017 OPERATING BUDGET SUMMARY			
	Agency Request	Governor's Recommendation	Difference
Total Request/Recommendation	\$ 26,627,014	\$ 26,216,649	\$ (410,365)
FTE Positions	473.2	457.2	(16.0)
Change from FY 2016:			
<i>Dollar Change:</i>			
State General Fund	\$ 932,452	\$ 929,809	
All Other Funds	0	(4,026)	
TOTAL	<u>\$ 932,452</u>	<u>\$ 925,783</u>	
<i>Percent Change:</i>			
State General Fund	9.6 %	9.8 %	
All Other Funds	0.0	(0.0)	
TOTAL	<u>3.6 %</u>	<u>3.7 %</u>	
Change in FTE Positions	0.0	(4.0)	

The **agency** requests expenditures of \$26.6 million, including \$10.6 million from the State General Fund, for FY 2017. This an all funds increase of \$932,452, or 3.6 percent, and a State General Fund increase of \$932,452, or 9.6 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries and wages due to the 27th payroll period which occurs in that fiscal year and increased

fringe benefit costs, partially offset by an adjustment to shrinkage.

The request includes replacement of \$1.5 million from Title XIX funds, with State General Funds. This action corresponds to the replacement of \$1.5 million in State General Funds with Title XIX funds for Osawatomet State Hospital.

The request also includes a transfer of \$1.5 million, all from the State General Fund, to the Kansas Department for Aging and Disability Services for the Home and Community Based Services Waiver for Individuals with Developmental Disabilities.

The request is outlined by object of expenditures below.

- **Salaries and Wages.** The agency requests \$22.4 million, including \$9.1 million from the State General Fund, for salaries and wages for FY 2017. This is an increase of \$932,452, or 11.4 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period which occurs in that fiscal year, partially offset by an increase in shrinkage.
- **Contractual Services.** The agency requests \$2.1 million, including \$1.1 million from the State General Fund, for contractual services for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.
- **Commodities.** The agency requests \$1.8 million, including \$460,929 from the State General Fund, for commodities for FY 2017. This is the same all

FY 2017 Reduced Resources

The agency was not required to submit reduced resources, but submitted four for FY 2017.

funds and State General Fund amount as the FY 2016 request.

- **Capital Outlay.** The agency requests \$133,281, including \$19,373 from the State General Fund, for capital outlay for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.
- **Debt Service.** The agency requests \$28,749, all from special revenue funds, for debt service interest payment for FY 2017. This is the same amount as the FY 2016 request.
- **Other Assistance.** The agency requests \$150,133, all from special revenue funds, for other assistance for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends expenditures of \$26.2 million, including \$10.4 million from the State General Fund, for FY 2017. This is an all funds decrease of \$410,365, or 1.5 percent, and a State General Fund decrease of \$204,384, or 1.9 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

FY 2017 REDUCED RESOURCES						
Item	Agency Submission			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
SIBF for Bond Payment	\$ (192,000)	\$ 0	0.0	\$ (192,000)	\$ 0	0.0
Eliminate Custodial Specialist	(32,600)	(32,600)	0.0	(32,600)	(32,600)	(1.0)
Eliminate Security Officer	(37,029)	(37,029)	0.0	(37,029)	(37,029)	(1.0)
Reduce FTE's for Efficiency	0	0	(14.0)	0	0	(14.0)
TOTAL	\$ (261,629)	\$ (69,629)	(14.0)	\$ (261,629)	\$ (69,629)	(16.0)

The **agency** submitted reduced resources, totaling an all funds decrease of \$69,629, a State General Fund decrease of \$261,629, and a decrease of 14.0 FTE positions, for FY 2017.

The first reduced resource concerns the State of Kansas Energy Conservation Improvement Program. KNI pays semi-annual bond payments to the State of Kansas for participation in the State's Energy Conservation Improvement Program. KNI would substitute funds from the State Buildings Fund in place of State General Fund for these payments, which would total \$192,000 for FY 2017.

The second reduced resource concerns elimination of one custodial specialist position. KNI proposes the reorganization of Housekeeping Services and eliminating one Custodial Specialist position through attrition, which would reduce \$32,600, all from the State General Fund, for FY 2017.

The third reduced resource concerns contracting for routine security services. KNI currently contracts with Universal

Protection Services for security services and proposes to increase the provisions of the contract and eliminate one Safety & Security Officer I position, which would reduce \$37,029, all from the State General Fund, for FY 2017.

The final reduced resource concerns reductions in FTE positions for efficiency. KNI was reviewed for efficiencies in their processes by the Buckley Group, and the reduction package is to reduce the FTE positions that were recommended for reduction. The reduction of the FTE positions was spread over three years, as positions are expected to be vacated. The savings gained by the reduction of these positions has been shifted to the Home and Community Based Services Waiver for Individuals with Developmental Disabilities in KDADS as required by legislation. The decrease in FTE positions for FY 2017 is 14.0.

The **Governor** recommends all of the agency's reduced resources, totaling \$69,629 all funds, \$261,629 from the State General Fund, and 14.0 FTE positions, for FY 2017.

Governor's Recommended Salary and Wage Adjustments

State Employee Pay Increases. The 2014 Legislature approved funding of \$11.3 million, including \$4.5 million from the State General Fund, in FY 2015 for a \$250 bonus for all full-time employees except elected officials who were employed on December 6, 2013, and which was paid December 6, 2014. **For this agency, the FY 2015 bonus totals \$125,648, all from the State General Fund, and affects 404 employees.**

Longevity Bonus Payments. For FY 2016 and FY 2017, the Governor recommends funding longevity bonus payments for eligible state employees at the statutory rate of \$40 per year of service, with a 10-year minimum (\$400), and a 25-year maximum (\$1,000). Classified employees hired after June 15, 2008 are not eligible for longevity bonus payments. The estimated cost for the recommended FY 2016 payments is \$7.2 million, including \$2.8 million from the State General Fund. For FY 2017, the estimated cost for the payments is \$7.7 million, including \$3.0 million from the State General Fund. **For this agency, FY 2016 longevity payments total \$188,946, including \$71,918 from the State General Fund, and FY 2017 longevity payments total \$198,277, including \$80,681 from the State General Fund.**

Group Health Insurance. The Governor recommends Group Health and Hospitalization employer contributions of \$282.8 million, including \$108.2 million from the State General Fund, for FY 2016 and \$289.2 million, including \$110.7 million from the State General Fund, for FY 2017. For FY 2016 and FY 2017, the Governor recommends reducing the employer contributions for group health insurance by 8.5 percent. **For this agency this is a reduction of \$334,067, including \$132,112 from the State General Fund for FY 2016. This is a reduction of \$340,736, including \$134,755 from the State General Fund, for FY 2017.**

Kansas Public Employees Retirement System (KPERs) Rate Adjustments. The FY 2015 employer retirement contribution for KPERs regular and school members was scheduled to be 11.27 percent, an increase of 1.0 percent from 10.27 in FY 2014. The Governor reduced the employer contribution rate from 11.27 percent to 8.65 percent for the second half of FY 2015, for an effective contribution rate of 9.96 percent as part of the Governor's allotment plan. For FY 2016, the Governor recommends the retirement rate increase by 2.41 percent from 9.96 percent to 12.37 percent. For FY 2017, the Governor recommends the retirement rate increase by 1.2 percent from 12.37 percent to 13.57 percent. This increase is attributable to the annual statutory increase for financing the unfunded liability of the KPERs fund.

In addition, the employer contribution for the KPERs death and disability insurance rate will be increased to 1.0 percent, from 0.85 percent, for FY 2016 and for FY 2017.

The Governor further proposes offering \$1.5 billion in Pension Obligation Bonds, backed by the State General Fund, to be paid back over 30 years and extending the amortization on the current bonds by ten years to 2043. The proceeds of the bonds would be used to help reduce the future employer contribution rates of the State/School Group. The Kansas Public Employee Retirement System estimates this plan could reduce employer contributions by \$68.43 million in FY 2016 and \$132.85 in FY 2017. The Kansas Development Finance Authority estimates that the bond service would be \$90.3 million in FY 2016 through FY 2017, assuming the Kansas credit ratings are not downgraded.

Funding Sources

Federal Title XIX funding (Medicaid) comprises approximately one-third of all funding for state hospitals. Currently, all federal Medicaid payments for state hospitals are placed in a central account and funds are then transferred to the four state hospitals in amounts equal to its approved appropriations. State developmental disabilities hospitals are Medicaid certified as intermediate care facilities for persons with mental retardation and nearly all of the people living in the facilities are covered by Medicaid. The state developmental disabilities hospitals submit annual cost reports that establish *per diem* rates are charged to Medicaid for each day a person covered by Medicaid lives in the facility. The Kansas Neurological Institute is a developmental disability hospital.

The state mental health hospitals establish *per diem* rates in much the same way as the state developmental disability hospitals but are classified as institutions for mental disease. The result is that, due to federal rules, most patients are not eligible for standard Medicaid match but the hospitals are eligible for federal Medicaid payments through the

Disproportionate Share Hospital program. This program assists all acute care hospitals that serve a disproportionately high number of indigent persons. Over the last decade, the amount of Disproportionate Share Hospital funding available to the hospitals has decreased which decreases receipts into the central fund.

KNI is primarily funded through four sources. The first is the State General Fund, which consists of funds collected through various statewide taxes. The second is the KNI Fee Fund, which includes collections from Medicare, private payments, Social Security, and insurance. The third source is Medicaid (Title XIX Funding), which is earned by the developmental disability institutions as Medicaid reimbursements for services provided based on a daily room rate. The Title XIX funding is transferred to the Department for Aging and Disability Services central pool and is then redistributed among the five state hospitals in amounts equal to its approved appropriations. The fourth major source of funding is through the Foster Grandparent program, which is funded by various federal grants.

Funding Source	Agency Req. Percent of Total FY 2016	Gov. Rec. Percent of Total FY 2016	Agency Req. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	37.8 %	37.6 %	40.0 %	39.8 %
KNI Fee Fund	5.3	5.3	5.1	5.1
Title XIX Fund	55.1	55.2	53.1	53.3
All Other Funds	1.9	1.9	1.8	1.8
TOTAL	100.0 %	100.0 %	100.0 %	100.0 %

Note: Percentages may not add due to rounding.

Kansas Neurological Institute Fee Fund Analysis

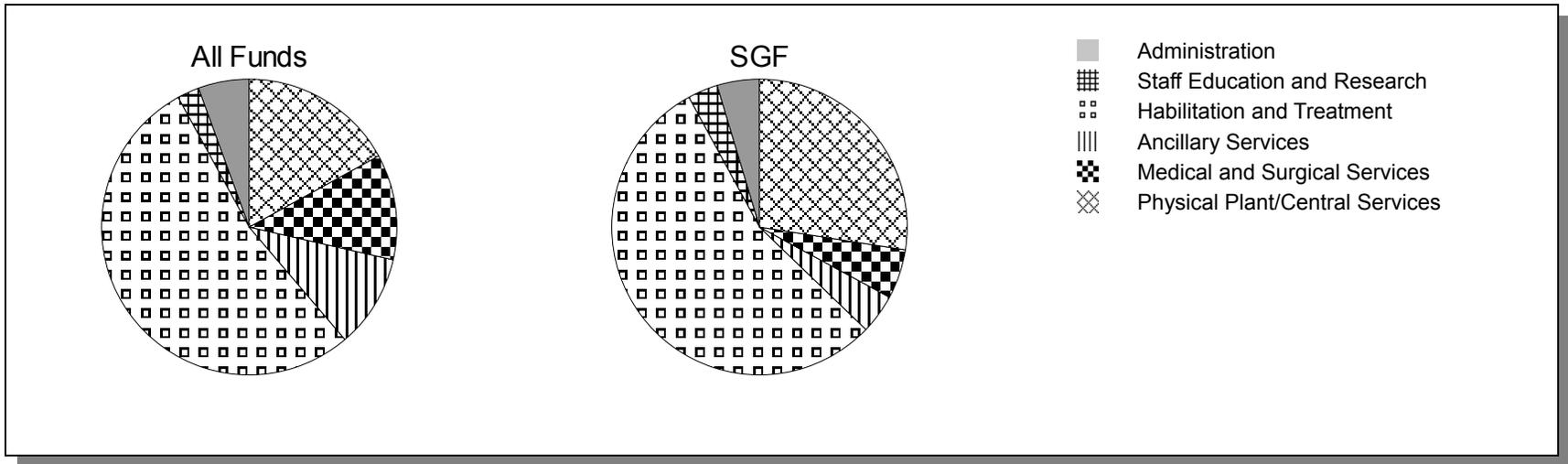
KSA 76-11c01a provides that the superintendent of the Kansas Neurological Institute shall remit all moneys received from charges made under KSA 59-2006 and deposit them into the Kansas Neurological Institute Fee Fund. KSA 59-2006

relates to the duty of parents and spouses to pay for the maintenance, care and treatment of a patient in a state institution.

Resource Estimate	Actual FY 2014	Agency Estimate FY 2015	Governor Rec. FY 2015	Agency Request FY 2016	Gov. Rec. FY 2016	Agency Request FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 487,775	\$ 484,305	\$ 484,305	\$ 464,768	\$ 476,862	\$ 445,231	\$ 478,209
Revenue	1,348,013	1,336,000	1,336,000	1,336,000	1,336,000	1,336,000	1,336,000
Transfers in	0	0	0	0	0	0	0
Total Funds Available	\$ 1,835,788	\$ 1,820,305	\$ 1,820,305	\$ 1,800,768	\$ 1,812,862	\$ 1,781,231	\$ 1,814,209
Less: Expenditures	1,351,483	1,355,537	1,343,443	1,355,537	1,334,653	1,355,537	1,334,242
Encumbrance Adjustment	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0	0	0
Ending Balance	<u>\$ 484,305</u>	<u>\$ 464,768</u>	<u>\$ 476,862</u>	<u>\$ 445,231</u>	<u>\$ 478,209</u>	<u>\$ 425,694</u>	<u>\$ 479,967</u>
Ending Balance as Percent of Expenditures	35.8%	34.3%	35.5%	32.8%	35.8%	31.4%	36.0%
Month Highest Ending Balance	May \$ 893,043	May \$ 797,401	May \$ 797,401	May \$ 773,149	May \$ 773,149	May \$ 793,419	May \$ 793,419
Month Lowest Ending Balance	June \$ 484,305	June \$ 464,768	May \$ 464,768	June \$ 445,231	June \$ 445,231	June \$ 425,694	June \$ 425,694

PROGRAM DETAIL

EXPENDITURES BY PROGRAM—GOVERNOR’S FY 2016 RECOMMENDATION



Program	Gov. Rec. All Funds FY 2016	Percent of Total	Gov. Rec. SGF FY 2016	Percent of Total
Administration	\$ 1,410,345	5.6 %	\$ 440,221	4.6 %
Staff Education and Research	612,963	2.4	315,571	3.3
Habilitation and Treatment	13,461,664	53.2	5,216,725	54.9
Ancillary Services	2,583,331	10.2	410,355	4.3
Medical and Surgical Services	2,918,616	11.5	515,016	5.4
Physical Plant/Central Services	4,303,947	17.0	2,611,401	27.5
TOTAL	\$ 25,290,866	100.0 %	\$ 9,509,289	100.0 %

FTE POSITIONS BY PROGRAM FY 2014 – FY 2017

Program	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Administration	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Staff Edu and Research	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Habilitation and Treatmt	322.0	322.0	310.5	322.0	312.0	322.0	308.0
Ancillary Services	26.2	26.2	26.2	26.2	26.2	26.2	26.2
Med and Surg Services	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Phys Plant/Central Svcs	53.0	53.0	53.0	53.0	51.0	53.0	51.0
TOTAL	473.2	473.2	461.7	473.2	461.2	473.2	457.2

A. Administration

The General Administration program provides overall management activities such as budgeting, planning, and staffing designed to ensure that the residents' basic needs are met and that proper care and treatment are received. This program ensures the effective and efficient provision of supports and services for people with developmental disabilities who live at

KNI and ensures that KNI meets the requirements of rules, regulations, policies, and standards of relevant state and federal agencies. This program is responsible for business services, personnel, legal services, management and information systems, quality improvement, risk management, and reimbursement.

ADMINISTRATION
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 922,169	\$ 972,873	\$ 963,621	\$ 937,597	\$ 926,071	\$ 939,681	\$ 927,924
Contractual Services	248,179	312,141	312,141	312,141	312,141	312,141	312,141
Commodities	23,079	15,500	15,500	15,500	15,500	15,500	15,500
Capital Outlay	28,746	6,500	6,500	6,500	6,500	6,500	6,500
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 1,222,173	\$ 1,307,014	\$ 1,297,762	\$ 1,271,738	\$ 1,260,212	\$ 1,273,822	\$ 1,262,065
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	197,998	150,133	150,133	150,133	150,133	150,133	150,133
TOTAL	<u>\$ 1,420,171</u>	<u>\$ 1,457,147</u>	<u>\$ 1,447,895</u>	<u>\$ 1,421,871</u>	<u>\$ 1,410,345</u>	<u>\$ 1,423,955</u>	<u>\$ 1,412,198</u>
Financing:							
State General Fund	\$ 819,218	\$ 150	\$ 150	\$ 445,083	\$ 440,221	\$ 426,964	\$ 422,005
All Other Funds	600,953	1,456,997	1,447,745	976,788	970,124	996,991	990,193
TOTAL	<u>\$ 1,420,171</u>	<u>\$ 1,457,147</u>	<u>\$ 1,447,895</u>	<u>\$ 1,421,871</u>	<u>\$ 1,410,345</u>	<u>\$ 1,423,955</u>	<u>\$ 1,412,198</u>
FTE Positions	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>

The **agency** requests expenditures of \$1.4 million, including \$445,083 from the State General Fund, for FY 2016. This is an all funds decrease of \$35,276, or 2.4 percent, below the revised FY 2015 request. The State General Fund amount is \$444,933, or 296,622.0 percent, above the revised FY 2015 request. The all fund decrease is primarily attributable to an increase in shrinkage, partially offset by an increase in salaries, including fringe benefit expenditures.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$937,597, including \$444,933 from the State General Fund, for salaries and wages for FY 2016. This is an all funds decrease of \$35,276, or 3.6 percent, and a State General Fund increase of \$444,933 from the revised FY 2015 estimate.

The all funds decrease is attributable to an increase in shrinkage.

- **Contractual Services.** The agency requests \$312,141, all from special revenue funds, for contractual services for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Commodities.** The agency requests \$15,500, including \$150 from the State General Fund, for commodities for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Capital Outlay.** The agency requests \$6,500, all from special revenue funds, for capital outlay for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Other Assistance.** The agency requests \$150,133, all from special revenue funds, for other assistance for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$1.4 million, including \$440,221 from the State General Fund, for FY 2016. This is an all funds decrease \$11,546, or 0.8 percent, and a State General Fund decrease of \$4,862, or 1.1 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

The **agency** requests expenditures of \$1.4 million, including \$426,964 from the State General Fund, for FY 2017. This is an all funds increase of \$2,084, or 0.1 percent, above the FY 2016 request. The State General Fund amount is \$18,119, or 4.1 percent, below the FY 2016 request. The all funds increase is

primarily attributable to an increase in salary, including fringe benefit expenditures, due to payment of the 27th payroll period, partially offset by an adjustment to shrinkage.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$939,681, including \$425,814 from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$2,084, or 0.2 percent, and a State General Fund decrease of \$18,119, or 4.1 percent, from the FY 2016 request. The all funds increase is attributable an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period which occurs in that fiscal year, partially offset by an increase in shrinkage.
- **Contractual Services.** The agency requests \$312,141, all from special revenue funds, for contractual services for FY 2016. This is the same amount as the FY 2016 request.
- **Commodities.** The agency request \$15,500, including \$150 from the State General Fund, for commodities for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.
- **Capital Outlay.** The agency requests \$6,500, all from special revenue funds, for capital outlay for FY 2017. This is the same amount as the FY 2016 request.

- **Other Assistance.** The agency requests \$150,133, all from special revenue funds, for other assistance for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends expenditures of \$1.4 million, including \$422,055 from the State General Fund, for FY 2017. This is an all funds decrease of \$11,757, and a State General Fund decrease of \$4,959, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

B. Staff Education and Research

The Staff Education and Research program provides, facilitates, and coordinates all training for current and new employees as well as specialized training for staff working in community developmental disability facilities to ensure they develop and maintain the skills necessary to provide high quality

person-centered services. In addition, field placements for college students seeking developmental disability experience and training of job training participants are provided by this program.

**STAFF EDUCATION AND RESEARCH
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 559,445	\$ 648,944	\$ 643,012	\$ 585,427	\$ 575,963	\$ 585,772	\$ 576,118
Contractual Services	41,386	35,000	35,000	35,000	35,000	35,000	35,000
Commodities	886	700	700	700	700	700	700
Capital Outlay	368	1,300	1,300	1,300	1,300	1,300	1,300
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 602,085	\$ 685,944	\$ 680,012	\$ 622,427	\$ 612,963	\$ 622,772	\$ 613,118
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 602,085	\$ 685,944	\$ 680,012	\$ 622,427	\$ 612,963	\$ 622,772	\$ 613,118
Financing:							
State General Fund	\$ 142,871	\$ 0	\$ 0	\$ 320,171	\$ 315,571	\$ 334,704	\$ 330,011
All Other Funds	459,214	685,944	680,012	302,256	297,392	288,068	283,107
TOTAL	\$ 602,085	\$ 685,944	\$ 680,012	\$ 622,427	\$ 612,963	\$ 622,772	\$ 613,118
FTE Positions	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	13.0	13.0	13.0	13.0	13.0	13.0	13.0

The **agency** requests expenditures of \$622,427, including \$320,171 from the State General Fund, for FY 2016. This is an all funds decrease of \$63,517, or 9.3 percent, below the revised FY 2015 request. The State General Fund amount is \$320,171, above the revised FY 2015 request. The all funds decrease is primarily attributable to an adjustment to salaries and wages shrinkage and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate

absent the \$250 bonus payment for state employees in FY 2015.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$585,427, including \$320,171 from the State General Fund, for salaries and wages for FY

2016. This is an all funds decrease of \$63,517, or 9.8 percent, and a State General Fund increase of \$320,171, from the revised FY 2015 estimate. The all funds decrease is primarily attributable to an increase in shrinkage and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, absent the \$250 bonus for state employees in FY 2015.

- **Contractual Services.** The agency requests \$35,000, all from special revenue funds, for contractual services, for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Commodities.** The agency request \$700, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Capital Outlay.** The agency requests \$1,300, all from special revenue funds, for capital outlay for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$612,963, including \$315,571 from the State General Fund, for FY 2016. This is an all funds decrease of \$9,464, or 1.5 percent, and a State General Fund decrease of \$4,600, or 1.4 percent, below the agency's request. The decrease is attributable to a decrease in employer contributions for state employees health insurance.

The **agency** requests expenditures of \$622,772, including \$334,704 from the State General Fund, for FY 2017. This is an all funds increase of \$345, or 0.1 percent, and a State General Fund increase of \$14,533, or 4.5 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries, including fringe benefit expenditures, due to payment

of the 27th payroll period, partially offset by an adjustment to shrinkage.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$585,772, including \$334,704 from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$345, or 0.1 percent, and a State General Fund increase of \$14,533, or 4.5 percent, from the FY 2016 request. The all funds decrease is attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period which occurs in that fiscal year, partially offset by an increase in shrinkage.
- **Contractual Services.** The agency requests \$35,000, all from special revenue funds, for contractual services for FY 2017. This is the same amount as the FY 2016 request.
- **Commodities.** The agency request \$700, all from special revenue funds, for commodities for FY 2017. This is the same amount as the FY 2016 request.
- **Capital Outlay.** The agency requests \$1,300, all from special revenue funds, for capital outlay for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends \$613,118, including \$330,011 from the State General Fund, for FY 2017. This is an all funds decrease of \$9,654, or 1.6 percent, and a State General Fund decrease of \$4,693, or 1.4 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employees health insurance.

C. Habilitation and Treatment

The goal of KNI is to support each resident so that each person has a meaningful life. This is accomplished by providing opportunities for choice, promoting personal relationships, and encouraging community involvement for KNI residents. The Personalized Lifestyle Designs maps the services, supports, and training which are appropriate, given the person's needs

and wants. Living units provide a more home-like environment and each resident can experience normal responsibilities such as cooking meals and doing laundry. According to the agency, this model of responsibility, choice, and independence provides a better match to the community placement where each person will move when they have completed their residential treatment.

HABILITATION AND TREATMENT SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 13,806,760	\$ 13,614,196	\$ 13,492,774	\$ 13,285,582	\$ 13,058,231	\$ 14,209,238	\$ 13,977,334
Contractual Services	36,256	21,475	21,475	21,475	21,475	21,475	21,475
Commodities	331,212	360,658	360,658	360,658	360,658	360,658	360,658
Capital Outlay	22,921	21,300	21,300	21,300	21,300	21,300	21,300
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 14,197,149	\$ 14,017,629	\$ 13,896,207	\$ 13,689,015	\$ 13,461,664	\$ 14,612,671	\$ 14,380,767
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	948	0	0	0	0	0	0
TOTAL	<u>\$ 14,198,097</u>	<u>\$ 14,017,629</u>	<u>\$ 13,896,207</u>	<u>\$ 13,689,015</u>	<u>\$ 13,461,664</u>	<u>\$ 14,612,671</u>	<u>\$ 14,380,767</u>
Financing:							
State General Fund	\$ 3,609,206	\$ 11,128,899	\$ 11,030,328	\$ 5,313,463	\$ 5,216,725	\$ 6,120,760	\$ 6,022,085
All Other Funds	10,588,891	2,888,730	2,865,879	8,375,552	8,244,939	8,491,911	8,358,682
TOTAL	<u>\$ 14,198,097</u>	<u>\$ 14,017,629</u>	<u>\$ 13,896,207</u>	<u>\$ 13,689,015</u>	<u>\$ 13,461,664</u>	<u>\$ 14,612,671</u>	<u>\$ 14,380,767</u>
FTE Positions	322.0	322.0	310.5	322.0	312.0	322.0	308.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>322.0</u>	<u>322.0</u>	<u>310.5</u>	<u>322.0</u>	<u>312.0</u>	<u>322.0</u>	<u>308.0</u>

The **agency** requests expenditures of \$13.7 million, including \$5.3 million from the State General Fund, for FY 2016. This is an all funds decrease of \$328,614, or 2.3 percent, and a State General Fund decrease of \$5.8 million, or 52.3 percent, below the revised FY 2015 estimate. The decrease is primarily attributable to an increase in salary shrinkage, partially offset by an increase in salaries, including fringe benefit expenditures.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$13.3 million, including \$5.3 million from the State General Fund, for salaries and wages for FY 2016. This is an all funds decrease of \$328,614, or 2.4 percent, and a State General Fund decrease of \$5.8 million, below the revised FY 2015 estimate. The all funds decrease is primarily attributable to a decrease in shrinkage, partially offset by an increase in salaries, including fringe benefit expenditures.
- **Contractual Services.** The agency requests \$21,475, all from special revenue funds, for contractual services for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Commodities.** The agency request \$360,658, all from special revenue funds, for commodities for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Capital Outlay.** The agency requests \$21,300, all from special revenue funds, for capital outlay for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends \$13.5 million, including \$5.2 million from the State General Fund, for FY 2016. This is an all funds decrease of \$227,351, or 1.7 percent, and a State General Fund decrease of \$96,738, or 1.8 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employees health insurance.

The **agency** requests expenditures of \$14.6 million, including \$6.1 million from the State General Fund, for FY 2017. This is an all funds increase of \$923,656, or 6.7 percent, and a State General Fund increase of \$807,297, or 15.2 percent, above the FY 2017 request. The increase is primarily attributable to a decrease in shrinkage and an increase in salaries and wages and fringe benefits due to payment of the 27th payroll period which occurs in that fiscal year.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$14.2 million, including \$6.1 million from the State General Fund, salaries and wages for FY 2017. This is an all funds increase of \$923,656, or 7.0 percent, and a State General Fund increase of \$807,297, or 15.2 percent, above the FY 2016 request. The increase is primarily attributable to an increase and salaries, including fringe benefit expenditures, due to payment of the 27th payroll period, and a decrease in shrinkage.
- **Contractual Services.** The agency requests \$21,475, all from special revenue funds, for contractual services for FY 2017. This is the same amount as the FY 2016 request.

- **Commodities.** The agency request \$360,658, all from special revenue funds, for commodities for FY 2017. This is the same amount as the FY 2016 request.
- **Capital Outlay.** The agency requests \$21,300, all from special revenue funds, for capital outlay for FY

2017. This is the same amount as the FY 2016 request.

The **Governor** recommends expenditures of \$14.4 million, including \$6.0 million from the State General Fund, for FY 2017. This is an all funds decrease of \$231,904, or 1.6 percent, and a State General Fund decrease of \$98,675, or 1.6 percent, below the FY 2016 request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

D. Ancillary Services

The Ancillary Services program is composed of three sub-programs: Activity Therapies, Supported Employment Services, and Allied Clinical Services. The sub-programs operate in conjunction with the self-directed work teams, where the teams participate in the resident evaluation process and, with other team members, in planning the personalized lifestyle design. Activity Therapies provide an expanded array of individualized social, leisure and spiritual opportunities for those living at KNI including activities with their foster grandparents. The Supported

Employment sub-program provides support for the people who live at KNI in all aspects of finding, securing, and retaining individualized and meaningful employment either in the community or in one of the entrepreneurial businesses operated at KNI. Allied Clinical Services provides the specialized services required by medical and program needs identified for all residents such as radiology, dental, psychological, speech and hearing, and chaplaincy services.

ANCILLARY SERVICES
SUMMARY OF EXPENDITURES FY 2014 – 2017

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 1,736,454	\$ 2,067,620	\$ 2,049,581	\$ 1,750,964	\$ 1,730,580	\$ 1,753,941	\$ 1,733,150
Contractual Services	415,213	387,775	387,775	387,775	387,775	387,775	387,775
Commodities	401,719	409,295	409,295	409,295	409,295	409,295	409,295
Capital Outlay	64,966	55,681	55,681	55,681	55,681	55,681	55,681
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 2,618,352	\$ 2,920,371	\$ 2,902,332	\$ 2,603,715	\$ 2,583,331	\$ 2,606,692	\$ 2,585,901
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	\$ 2,618,352	\$ 2,920,371	\$ 2,902,332	\$ 2,603,715	\$ 2,583,331	\$ 2,606,692	\$ 2,585,901
Financing:							
State General Fund	\$ 874,376	\$ 0	\$ 0	\$ 414,672	\$ 410,355	\$ 433,774	\$ 429,370
All Other Funds	1,743,976	2,920,371	2,902,332	2,189,043	2,172,976	2,172,918	2,156,531
TOTAL	\$ 2,618,352	\$ 2,920,371	\$ 2,902,332	\$ 2,603,715	\$ 2,583,331	\$ 2,606,692	\$ 2,585,901
FTE Positions	26.2	26.2	26.2	26.2	26.2	26.2	26.2
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	26.2	26.2	26.2	26.2	26.2	26.2	26.2

The **agency** requests expenditures of \$2.6 million, including \$414,672 from the State General Fund, for FY 2016. This is an all funds decrease of \$316,656, or 10.8 percent, and a State General Fund increase of \$414,672, above the the revised FY 2015 estimate. The increase is primarily attributable to a decrease in shrinkage, partially offset by an increase in salaries, including fringe benefit expenditures.

- **Salaries and Wages.** The agency requests \$1.8 million, including \$414,672 from the State General Fund, for FY 2016. This is an all funds decrease of \$316,656, or 15.3 percent, and a State General Fund increase of \$414,672, from the revised FY 2015 estimate. The all funds decrease is primarily attributable to an increase

The request is detailed by object of expenditure.

in shrinkage, partially offset by an increase in salaries, including fringe benefit expenditures.

- **Contractual Services.** The agency requests \$387,775, all from special revenue funds, for contractual services for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Commodities.** The agency request \$409,295, all from special revenue funds, for commodities for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Capital Outlay.** The agency requests \$55,681, all from special revenue funds, for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$2.6 million, including \$414,672 from the State General Fund, for FY 2016. This is an all funds decrease of \$20,384, or 0.8 percent, and a State General Fund decrease of \$4,317, or 1.0 percent, below the agency's request. The decrease is primarily attributable to a reduction in employer contributions for state employees health insurance.

The **agency** requests expenditures of \$2.6 million, including \$433,774 from the State General Fund, for FY 2017. This is an all funds increase of \$2,977, or 0.1 percent, and a State General Fund increase of \$19,102, or 4.6 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period which occurs in that fiscal year, partially offset by an increase in shrinkage.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$1.8 million, including \$433,774 from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$2,977, or 0.2 percent, and a State General Fund increase of \$19,102, or 4.6 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period which occurs in that fiscal year, partially offset by an increase in shrinkage.
- **Contractual Services.** The agency requests \$387,775, all from special revenue funds, for contractual services for FY 2017. This is the same amount as the FY 2016 request.
- **Commodities.** The agency request \$409,295, all from special revenue funds, for commodities for FY 2017. This is the same amount as the FY 2016 request.
- **Capital Outlay.** The agency requests \$55,681, all from special revenue funds, for capital outlay for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends \$2.6 million, including \$429,370 from the State General Fund, for FY 2017. This is an all funds decrease of \$20,791, or 0.8 percent, and a State General Fund decrease of \$4,404, or 1.0 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employees health insurance.

E. Medical and Surgical Services

The Medical and Surgical Services program provides health care for all clients with various types of acute and chronic conditions. It provides intermediate health care twenty-four hours a day, seven days a week. When it is not feasible to serve patients at the facility, the institution provides services through

contracts with other medical providers or specialists in the community. Therapeutic modifications of diets and other clinical services are provided by a staff dietitian. The major portion of the cost is covered by Medicaid, Medicare, or other insurance.

MEDICAL AND SURGICAL SERVICES SUMMARY OF EXPENDITURES FY 2014 – 2017							
Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 2,752,404	\$ 2,953,630	\$ 2,925,799	\$ 2,696,696	\$ 2,666,017	\$ 2,698,046	\$ 2,666,775
Contractual Services	113,675	119,099	119,099	119,099	119,099	119,099	119,099
Commodities	124,064	122,500	122,500	122,500	122,500	122,500	122,500
Capital Outlay	51,534	11,000	11,000	11,000	11,000	11,000	11,000
Debt Service	0	0	0	0	0	0	0
Subtotal - Operations	\$ 3,041,677	\$ 3,206,229	\$ 3,178,398	\$ 2,949,295	\$ 2,918,616	\$ 2,950,645	\$ 2,919,374
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 3,041,677</u>	<u>\$ 3,206,229</u>	<u>\$ 3,178,398</u>	<u>\$ 2,949,295</u>	<u>\$ 2,918,616</u>	<u>\$ 2,950,645</u>	<u>\$ 2,919,374</u>
Financing:							
State General Fund	\$ 721,996	\$ 0	\$ 0	\$ 520,278	\$ 515,016	\$ 575,135	\$ 569,772
All Other Funds	2,319,681	3,206,229	3,178,398	2,429,017	2,403,600	2,375,510	2,349,602
TOTAL	<u>\$ 3,041,677</u>	<u>\$ 3,206,229</u>	<u>\$ 3,178,398</u>	<u>\$ 2,949,295</u>	<u>\$ 2,918,616</u>	<u>\$ 2,950,645</u>	<u>\$ 2,919,374</u>
FTE Positions	42.0	42.0	42.0	42.0	42.0	42.0	42.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>	<u>42.0</u>

The **agency** requests expenditures of \$2.9 million, including \$520,278 from the State General Fund, for FY 2016. This is an all funds decrease of \$256,934, or 8.0 percent, below the amount in the revised FY 2015 estimate. The State General Fund amount is \$520,278, above the revised FY 2015 estimate. The all funds decrease is primarily attributable to an increase in shrinkage, and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, after the \$250 state employee bonus payment in FY 2015.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$2.7 million, including \$520,278 from the State General Fund, for salaries and wages for FY 2016. This is an all funds decrease of \$256,934, or 8.7 percent, and a State General Fund increase of \$520,278, from the revised FY 2015 estimate. The all funds decrease is primarily attributable to an increase in shrinkage, and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate absent the \$250 bonus for state employees in FY 2015.
- **Contractual Services.** The agency requests \$119,099, all from special revenue funds, for contractual services for FY 2016. This is the same amount as the revised FY 2015 estimate.
- **Commodities.** The agency request \$122,500, all from special revenue funds, for commodities for FY 2016. This is the same amount as the revised FY 2015 estimate.

- **Capital Outlay.** The agency requests \$11,000, all from special revenue funds, for capital outlay for FY 2016. This is the same amount as the revised FY 2015 estimate.

The **Governor** recommends expenditures of \$2.9 million, including \$515,016 from the State General Fund, for FY 2016. This is an all funds decrease of \$30,679, or 1.0 percent, and a State General Fund decrease of \$5,262, or 1.0 percent, below the revised FY 2015 estimate. The decrease is primarily attributable to a decrease in employer contributions for state employee health insurance.

The **agency** requests expenditures of \$3.0 million, including \$575,135 from the State General Fund, for FY 2017. This is an all funds increase of \$1,350, or less than 0.1 percent, and a State General Fund increase of \$54,857, or 10.5 percent, above the FY 2016 request. The increase is primarily attributable to and increase in salaries, including fringe benefit expenditures, due to the 27th payroll period, partially offset by an increase in shrinkage.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$2.7 million, including \$575,135 from the State General Fund, for salaries and wages for FY 2017. This is an increase of \$1,350, or 0.1 percent, and a State General Fund increase of \$54,857, or 10.5 percent, above the FY 2016 request. The increase is attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period, partially offset by an increase to shrinkage.

- **Contractual Services.** The agency requests \$119,099, all from special revenue funds, for contractual services for FY 2017. This is the same amount as the FY 2016 request.
- **Commodities.** The agency request \$122,500, all from special revenue funds, for commodities for FY 2017. This is the same amount as the FY 2016 request.

- **Capital Outlay.** The agency requests \$11,000, all from special revenue funds, for capital outlay for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends \$2.9 million, including \$569,772 from the State General Fund, for FY 2017. This is an all funds decrease of \$31,271, or 1.1 percent, and a State General Fund decrease of \$5,363, or 0.9 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

F. Physical Plant/Central Services

The Physical Plant and Central Services program operates the central heating and cooling plant; maintains the buildings, grounds, and equipment; provides dietary, safety, security, and purchasing services; and receives goods and supplies. The program is composed of three sub-programs: Engineering, Supply Services, and Security and Protection. Engineering and Protection manages the operation of the heating and cooling systems, power plant, water distribution systems, sewage

disposal, emergency electrical service, maintenance of 183 acres, parking lots, and roadways as well as performing maintenance on 12 buildings and all types of equipment. Supply Services is responsible for procurement, storage, and issue of all commodities and equipment and for activities including purchasing, warehousing, delivery, clothing fitting, alterations, and clothing repairs. Laundry services are provided through a contract with the Department of Corrections.

**PHYSICAL PLANT/CENTRAL SERVICES
SUMMARY OF EXPENDITURES FY 2014 – 2017**

Item	Actual FY 2014	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Expenditures:							
Salaries and Wages	\$ 2,362,823	\$ 2,414,385	\$ 2,392,862	\$ 2,189,363	\$ 2,085,071	\$ 2,191,403	\$ 2,086,415
Contractual Services	1,255,961	1,216,848	1,216,848	1,216,848	1,216,848	1,216,848	1,216,848
Commodities	962,324	935,779	935,779	935,779	935,779	935,779	935,779
Capital Outlay	298,642	37,500	37,500	37,500	37,500	37,500	37,500
Debt Service	35,659	28,749	28,749	28,749	28,749	28,749	28,749
Subtotal - Operations	\$ 4,915,409	\$ 4,633,261	\$ 4,611,738	\$ 4,408,239	\$ 4,303,947	\$ 4,410,279	\$ 4,305,291
Aid to Local Units	0	0	0	0	0	0	0
Other Assistance	0	0	0	0	0	0	0
TOTAL	<u>\$ 4,915,409</u>	<u>\$ 4,633,261</u>	<u>\$ 4,611,738</u>	<u>\$ 4,408,239</u>	<u>\$ 4,303,947</u>	<u>\$ 4,410,279</u>	<u>\$ 4,305,291</u>
Financing:							
State General Fund	\$ 3,093,858	\$ 0	\$ 0	\$ 2,697,363	\$ 2,611,401	\$ 2,752,145	\$ 2,665,855
All Other Funds	1,821,551	4,633,261	4,611,738	1,710,876	1,692,546	1,658,134	1,639,436
TOTAL	<u>\$ 4,915,409</u>	<u>\$ 4,633,261</u>	<u>\$ 4,611,738</u>	<u>\$ 4,408,239</u>	<u>\$ 4,303,947</u>	<u>\$ 4,410,279</u>	<u>\$ 4,305,291</u>
FTE Positions	53.0	53.0	53.0	53.0	51.0	53.0	51.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>53.0</u>	<u>53.0</u>	<u>53.0</u>	<u>53.0</u>	<u>51.0</u>	<u>53.0</u>	<u>51.0</u>

The **agency** requests expenditures of \$4.4 million, including \$2.7 million from the State General Fund, for FY 2016. This is an all funds decrease of \$225,022, or 4.9 percent, below the revised FY 2015 estimate. The State General Fund total is \$2.7 million, above the revised FY 2015 estimate. The all funds decrease is primarily attributable to an adjustment to shrinkage and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, absent the \$250 state employee bonus in FY 2015.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$2.2 million, including \$1.2 million from the State General Fund, for salaries and wages for FY 2016. This is an all funds decrease of \$225,022, or 9.3 percent, and a State General Fund increase of \$1.2 million, from the revised FY 2015 estimate. The all funds decrease is

attributable to an increase in shrinkage and a decrease in salaries, including fringe benefit expenditures, due to salaries returning to a normalized rate, absent the \$250 bonus for state employees in FY 2015.

- **Contractual Services.** The agency requests \$1.2 million, including \$1.0 million from the State General Fund, for contractual services for FY 2016. The all funds amount is the same as the revised FY 2015 estimate. The State General Fund amount is an increase of \$1.0 million, above the revised FY 2015 estimate.
- **Commodities.** The agency requests \$935,779, including \$460,779 from the State General Fund, for commodities for FY 2016. The all funds amount is the same as the revised FY 2015 estimate. The State General Fund amount is an increase of \$460,779, above the revised FY 2015 estimate.
- **Capital Outlay.** The agency requests \$37,500, including \$19,373 from the State General Fund for FY 2016. The all funds amount is the same as the revised FY 2015 estimate. The State General Fund amount is an increase of \$19,373, above the revised FY 2015 estimate.

The **Governor** recommends \$4.3 million, including \$2.6 million from the State General Fund, for FY 2016. This is an all funds decrease of \$104,292, or 2.4 percent, and a State General Fund decrease of \$85,962, or 3.2 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

The **agency** requests expenditures of \$4.4 million, including \$2.8 million from the State General Fund, for FY 2017. This is

an all funds increase of \$2,040, or less than 0.1 percent, and a State General Fund increase of \$54,782, or 2.0 percent, above the FY 2016 request. The increase is primarily attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period, partially offset by and adjustment to shrinkage.

The request is detailed by object of expenditure.

- **Salaries and Wages.** The agency requests \$2.2 million, including \$1.3 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$2,040, or 0.1 percent, and a State General Fund increase of \$54,782, or 4.6 percent, above the FY 2016 request. The increase is attributable to an increase in salaries, including fringe benefit expenditures, due to payment of the 27th payroll period, partially offset by an increase in shrinkage.
- **Contractual Services.** The agency requests \$1.2 million, including \$1.0 million from the State General Fund, for contractual services for FY 2017. This is the same all funds and special revenue fund amount as the FY 2016 request.
- **Commodities.** The agency request \$935,779, including \$460,779 from the State General Fund, for commodities for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.
- **Capital Outlay.** The agency requests \$37,500, including \$19,373 from the State General Fund, for capital outlay for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.

- **Debt Service.** The agency requests \$28,749, all from special revenue funds, for debt service expenditures for FY 2017. This is the same amount as the FY 2016 request.

The **Governor** recommends expenditures of \$4.3 million, including \$2.7 million from the State General Fund, for FY 2017. This is an all funds decrease of \$104,988, or 2.4 percent, and a State General Fund decrease of \$86,290, or 3.1 percent, below the agency's request. The decrease is attributable to a reduction in employer contributions for state employee health insurance.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS						
	Agency Est. FY 2015	Gov. Rec. FY 2015	Agency Req. FY 2016	Gov. Rec. FY 2016	Agency Req. FY 2017	Gov. Rec. FY 2017
Bond Principal	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121
	0	0	0	0	0	0
TOTAL	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121
Financing:						
State General Fund	\$ 0	\$ 0	\$ 192,000	\$ 0	\$ 192,000	\$ 0
All Other Funds	210,121	210,121	18,121	210,121	18,121	210,121
TOTAL	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121	\$ 210,121

Current Year Agency Estimate

FY 2015 – Current Year. The agency estimates revised capital improvement expenditures of \$210,121, all from special revenue funds, in FY 2015. This is an increase of \$46,371, or 28.3 percent, above the amount approved by the 2014 Legislature. Although most capital improvements for KNI are submitted in the KDADS budget request, these capital

improvement expenditures are listed under the Physical Plant/Central Services program, and are used for bond principal payments to the Department of Administration for the agency's participation in the state's Facility Conservation Improvement Program (FCIP). The conservation project was accomplished through a comprehensive energy service performance audit and

subsequent contract for improvements to several buildings. The state program was designed to help facilities capture savings in energy costs through improvements such as lighting retrofits,

mechanical improvements and water conservation measures. The debt service is then paid by the savings generated by the improvements and is amortized over 15 years.

Current Year Governor Recommendation

The **Governor** recommends expenditures of \$210,121, all from special revenue funds, for capital improvements in FY 2015. This is the same amount as the agency request.

Budget Year Agency Request

FY 2016 – Budget Year. The agency requests capital improvement expenditures of \$210,121, including \$192,000 from the State General Fund, for FY 2016. The all funds total is the same amount as the revised FY 2015 estimate. This is a State General Fund increase of \$192,000 above the revised FY 2015 estimate. The State General Fund increase is attributable to the agency using State General Fund moneys rather than

Title XIX funds for part of the capital improvement expenditures, for FY 2016. These capital improvement expenditures are listed under the Physical Plant/Central Services program, and are used for bond principal payments to the Department of Administration for the agency's participation in the state's Facility Conservation Improvement Program (FCIP).

Budget Year Governor Recommendation

The **Governor** recommends expenditures of \$210,121, all from special revenue funds, for capital improvements for FY 2016. This is the same all funds amount as the agency request, and a decrease of \$192,000, or 100.0 percent, below the State General Fund amount in the agency request. The State General

Fund decrease is attributable to the Governor recommending the agency's reduced resource submission to replace expenditures from the State General Fund with State Institutions Building Fund for capital improvements for FY 2016.

Budget Year Agency Request

FY 2017 – Budget Year. The agency requests capital improvement expenditures of \$210,121, including \$192,000

from the State General Fund, for FY 2017. This is the same all funds and State General Fund amount as the FY 2016 request.

These capital improvement expenditures are listed under the Physical Plant/Central Services program, and are used for bond principal payments to the Department of Administration for the

agency's participation in the state's Facility Conservation Improvement Program (FCIP).

Budget Year Governor Recommendation

The **Governor** recommends expenditures of \$210,121, all from special revenue funds, for capital improvements for FY 2017. This is the same all funds amount as the agency request, and a decrease of \$192,000, or 100.0 percent, below the State General Fund amount in the agency request. The State General

Fund decrease is attributable to the Governor recommending the agency's reduced resource submission to replace expenditures from the State General Fund with State Institutions Building Fund for capital improvements for FY 2017.

Measure	PERFORMANCE MEASURES				
	Gov. Rec. for FY 2014	Actual FY 2014	Gov. Rec. FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of patients participating in supported employment	121	115	115	110	110
Percent of patients whose guardians agree the patient is treated with respect and dignity at KNI	100.0%	99.0%	100.0%	100.0%	100.0%
Percent of patients whose guardians agree that KNI provides a comprehensive array of services that meets the patient's overall needs and expectations	100.0%	99.0%	100.0%	100.0%	100.0%