

KANSAS NEUROLOGICAL INSTITUTE

Expenditure	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Operating Expenditures:					
State General Fund	\$ 10,654,029	\$ 9,406,046	\$ 9,406,046	\$ 10,251,771	\$ 10,251,771
Other Funds	15,334,168	15,654,243	15,654,243	15,513,559	15,513,559
TOTAL	\$ 25,988,197	\$ 25,060,289	\$ 25,060,289	\$ 25,765,330	\$ 25,765,330
Capital Improvements:					
State General Fund	\$ 339,472	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	69,437	170,469	170,469	170,469	170,469
TOTAL	\$ 408,909	\$ 170,469	\$ 170,469	\$ 170,469	\$ 170,469
GRAND TOTAL	\$ 26,397,106	\$ 25,230,758	\$ 25,230,758	\$ 25,935,799	\$ 25,935,799

Percentage Change:

Operating Expenditures					
State General Fund	15.0 %	(11.7) %	(11.7) %	9.0 %	9.0 %
All Funds	(3.0)	(3.6)	(3.6)	2.8	2.8
FTE Positions	461.7	451.7	451.7	437.7	437.7
Non-FTE Perm.Uncl.Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	461.7	451.7	451.7	437.7	437.7

AGENCY OVERVIEW

The Kansas Neurological Institute (KNI) 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.

The **2015 Legislature** implemented the agency's reduced resource option to delete 11.5 FTE positions in FY 2015, 10.0 FTE positions for FY 2016, and 14.0 FTE positions for FY 2017 and transfer the savings under statutory authority to the Kansas Department for Aging and Disability Services Home and Community Based Services Waiver for Individuals with Developmental Disabilities in the amount of \$800,000 in FY 2015 and \$1.5 million for FY 2016 and FY 2017.

BUDGETED BED CAPACITY

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

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Projected	FY 17 Projected
Total	160	160	160	144	144

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 Actual	FY 16 Projected	FY 17 Projected
Total	145	144	143	144	144

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 Actual	FY 16 Projected	FY 17 Projected
Total	1	4	4	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 Actual	FY 16 Projected	FY 17 Projected
Total	7	5	5	2	2

BUDGET SUMMARY AND KEY POINTS

FY 2016 – Current Year. The **agency** requests a revised estimate of \$25.2 million, including \$9.4 million from the State General Fund, for operational expenditures and capital improvements in FY 2016. Of this amount, the agency requests \$25.1 million, including \$9.4 million from the State General Fund, for operational expenditures in FY 2016. This is an all funds increase of \$40,652, or 0.2 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The all Funds increase is primarily attributable to an increase in contractual services, commodities, and capital outlay expenditures, partially offset by a decrease in salaries and wages, debt service interest expenditures, and other assistance expenditures. The agency requests 451.7 FTE positions, which is a decrease of 9.5 FTE positions below the number approved by the 2015 Legislature. The decrease in positions is primarily attributable to the agency decreasing positions as a reduced resource option approved by the 2015 Legislature, as positions come open. The agency requests a revised estimate of \$170,469, all from the State Institutions Building Fund, for capital improvements in FY 2016. This is a decrease of \$39,652, or 18.9 percent, below the amount approved by the 2015 Legislature.

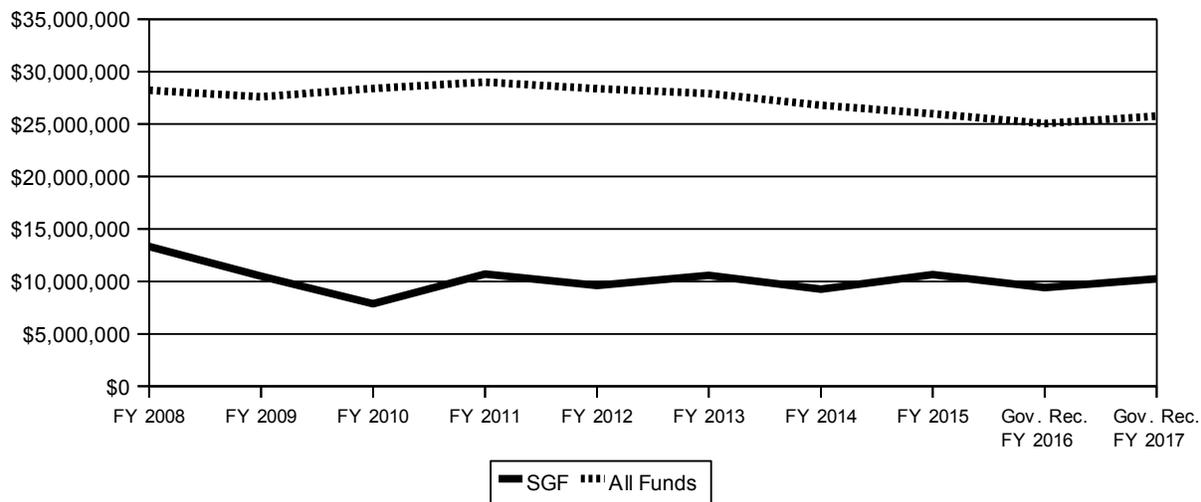
The **Governor** recommends expenditures of \$25.2 million, including \$9.4 million from the State General Fund, for operating expenditures and capital improvements in FY 2016. Of this amount, the Governor recommends operating expenditures of \$25.1 million, including \$9.4 million from the State General Fund, in FY 2016. This is the same amount as the agency's revised estimate. The Governor recommends capital improvement expenditures of \$170,469, all from special revenue funds, in FY 2016. This is the same amount as the agency's revised estimate.

FY 2017 – Budget Year. The **agency** requests a revised estimate of \$25.9 million, including \$10.3 million from the State General Fund, for operational expenditures and capital improvements for FY 2017. Of this amount, the agency requests a revised estimate of \$25.8 million, including \$10.3 million from the State General Fund, for operational expenditures for FY 2017. This is an all funds increase of \$40,652, or 0.2 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in contractual services, commodities, and capital outlay expenditures, partially offset by a decrease in salaries and wages, debt service interest expenditures, and other assistance expenditures. The agency requests 437.7 FTE positions, which is a decrease of 19.5 FTE positions below the number approved by the 2015 Legislature. The decrease in positions is primarily attributable to the agency decreasing positions as a reduced resource option approved by the 2015 Legislature, as positions come open. The agency requests \$170,469, all from the State Institutions Building Fund, for capital improvements for FY 2017. This is a decrease of \$39,652, or 18.9 percent, below the amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$25.9 million, including \$10.3 million from the State General Fund, for operating expenditures and capital improvements for FY 2017. Of this amount, the Governor recommends operating expenditures of \$25.8 million, including \$10.3 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate. The Governor recommends capital improvement expenditures of \$170,469, all from special revenue funds, for FY 2017. This is the same amount as the agency's revised estimate.

BUDGET TRENDS

OPERATING EXPENDITURES FY 2008 – FY 2017



OPERATING EXPENDITURES FY 2008 – FY 2017

Fiscal Year	SGF	% Change	All Funds	% Change	FTE
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	10,654,029	15.0	25,988,197	(3.0)	461.7
2016 Gov. Rec.	9,406,046	(11.7)	25,060,289	(3.6)	451.7
2017 Gov. Rec.	10,251,771	9.0	25,765,330	2.8	437.7
Ten-Year Change Dollars/Percent	\$ (3,071,208)	(23.1)%	\$ (2,680,371)	(9.4)%	(132.3)

Summary of Operating Budget FY 2015 - FY 2017

	Actual 2015	Agency Estimate				Governor's Recommendation			
		Estimate FY 2016	Estimate 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	\$ 1,427,528	\$ 1,498,215	\$ 1,531,447	\$ 33,232	2.2 %	\$ 1,498,215	\$ 1,531,447	\$ 33,232	2.2 %
Staff Edu & Research	472,655	453,500	467,380	13,880	3.1	453,500	467,380	13,880	3.1
Program & Supp Living	13,844,310	13,361,199	13,793,220	432,021	3.2	13,361,199	13,793,220	432,021	3.2
Ancillary Services	2,479,809	2,417,682	2,477,675	59,993	2.5	2,417,682	2,477,675	59,993	2.5
Med & Surgical Srvs	3,103,503	2,903,607	2,994,328	90,721	3.1	2,903,607	2,994,328	90,721	3.1
Phys Plant/Ctrl Srvs	4,660,392	4,426,086	4,501,280	75,194	1.7	4,426,086	4,501,280	75,194	1.7
TOTAL	\$ 25,988,197	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %
By Major Object of Expenditure:									
Salaries and Wages	\$ 21,349,037	\$ 20,717,942	\$ 21,422,983	\$ 705,041	3.4 %	\$ 20,717,942	\$ 21,422,983	\$ 705,041	3.4 %
Contractual Services	2,183,722	2,182,141	2,182,141	0	0.0	2,182,141	2,182,141	0	0.0
Commodities	1,969,427	1,876,100	1,876,100	0	0.0	1,876,100	1,876,100	0	0.0
Capital Outlay	325,135	152,575	152,575	0	0.0	152,575	152,575	0	0.0
Debt Service	28,749	21,531	21,531	0	0.0	21,531	21,531	0	0.0
Subtotal - Operations	\$ 25,856,070	\$ 24,950,289	\$ 25,655,330	\$ 705,041	2.8 %	\$ 24,950,289	\$ 25,655,330	\$ 705,041	2.8 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	132,127	110,000	110,000	0	0.0	110,000	110,000	0	0.0
TOTAL	\$ 25,988,197	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %
Financing:									
State General Fund	\$ 10,654,029	\$ 9,406,046	\$ 10,251,771	\$ 845,725	9.0 %	\$ 9,406,046	\$ 10,251,771	\$ 845,725	9.0 %
KNI Fee Fund	937,298	1,317,402	1,302,962	(14,440)	(1.1)	1,317,402	1,302,962	(14,440)	(1.1)
Title XIX Fund	13,942,037	13,835,364	13,710,500	(124,864)	(0.9)	13,835,364	13,710,500	(124,864)	(0.9)
All Other Funds	454,833	501,477	500,097	(1,380)	(0.3)	501,477	500,097	(1,380)	(0.3)
TOTAL	\$ 25,988,197	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %	\$ 25,060,289	\$ 25,765,330	\$ 705,041	2.8 %

BUDGET OVERVIEW

A. FY 2016 – Current Year

Adjustments to Approved State General Fund Budget

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2016	Agency Estimate FY 2016	Agency Change from Approved	Governor Rec. FY 2016	Governor Change from Approved
State General Fund	\$ 9,406,046	\$ 9,406,046	\$ 0	\$ 9,406,046	\$ 0
All Other Funds	15,823,712	15,824,712	1,000	15,824,712	1,000
TOTAL	\$ 25,229,758	\$ 25,230,758	\$ 1,000	\$ 25,230,758	\$ 1,000
FTE Positions	461.2	451.7	(9.5)	451.7	(9.5)

The **agency** requests a revised estimate of \$25.2 million, including \$9.4 million from the State General Fund, for operational expenditures and capital improvements in FY 2016. Of this amount, the agency requests \$25.1 million, including \$9.4 million from the State General Fund, for operational expenditures in FY 2016. This is an all funds increase of \$40,652, or 0.2 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The all Funds increase is primarily attributable to an increase in contractual services, commodities, and capital outlay expenditures, partially offset by a decrease in salaries and wages, debt service, and other assistance expenditures. The increase in operating expenditures is partially offset by a decrease in capital improvement expenditures. The agency requests 451.7 FTE positions, which is a decrease of 9.5 FTE positions below the number approved by the 2015 Legislature. The decrease in positions is primarily attributable to the agency decreasing positions as a reduced resource option approved by the 2015 Legislature, as positions come open.

The request is detailed below by category of expenditure.

- Salaries and Wages.** The agency requests \$20.7 million, including \$9.4 million from the State General Fund, for salaries and wages in FY 2016. This is an all funds decrease of \$53,054, or 0.3 percent, and a State General Fund increase of \$1.5 million, or 19.0 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefit expenditures in the Staff Education and Research program and the Ancillary Services program, partially offset by an increase in salaries and wages and associated fringe benefit expenditures in the Physical Plant/Central Services Program and a decrease in salary shrinkage;
- Contractual Services.** The agency requests \$2.2 million, all from special revenue funds, for contractual services in FY 2016. This is an increase of \$90,095, or 4.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer services expenditures, electricity, equipment and furniture repairs, and insurance

expenditures, partially offset by a decrease in building repairs, facility vehicle repairs, natural gas, travel expenditures, and other repairs;

- **Commodities.** The agency requests \$1.9 million, including \$150 from the State General Fund, for commodities in FY 2016. This is an increase of \$31,668, or 1.7 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in supplies for patient treatment, household supplies, patient food, and drugs and pharmaceuticals expenditures, partially offset by a decrease in equipment materials parts, gasohol and parts for repairs to facility vehicles, small tools, and agricultural supplies and materials;
- **Capital Outlay.** The agency requests \$152,575, all from special revenue funds, for capital outlay in FY 2016. This is an increase of \$19,294, or 14.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer equipment and patient rehabilitation equipment, partially offset by a decrease in furniture fixtures;
- **Debt Service Interest.** The agency requests \$21,531, all from special revenue funds, for debt service interest expenditures in FY 2016. This is a decrease of \$7,218, or 25.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in debt service interest expenditures; and
- **Other Assistance.** The agency requests \$110,000, all from special revenue funds, for other assistance expenditures in FY 2016. This is a decrease of \$40,133, or 26.7 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to a decrease in voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$25.2 million, including \$9.4 million from the State General Fund, for operating expenditures and capital improvements in FY 2016. Of this amount, the Governor recommends operating expenditures of \$25.1 million, including \$9.4 million from the State General Fund, in FY 2016. This is the same amount as the agency's revised estimate.

B. FY 2017 – Budget Year

Adjustments to Approved State General Fund Budget

	CHANGE FROM APPROVED BUDGET				
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 10,251,771	\$ 10,251,771	\$ 0	\$ 10,251,771	\$ 0
All Other Funds	15,683,028	15,684,028	1,000	15,684,028	1,000
TOTAL	\$ 25,934,799	\$ 25,935,799	\$ 1,000	\$ 25,935,799	\$ 1,000
FTE Positions	457.2	437.7	(19.5)	437.7	(19.5)

The **agency** requests a revised estimate of \$25.9 million, including \$10.3 million from the State General Fund, for operational expenditures and capital improvements for FY 2017. Of this amount, the agency requests a revised estimate of \$25.8 million, including \$10.3 million from the State General Fund, for operational expenditures for FY 2017. This is an all funds increase of \$40,652, or 0.2 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in contractual services, commodities, and capital outlay expenditures, partially offset by a decrease in salaries and wages, debt service, and other assistance expenditures. The increase in operating expenditures is partially offset by a decrease in capital improvement expenditures. The agency requests 437.7 FTE positions, which is a decrease of 19.5 FTE positions below the number approved by the 2015 Legislature. The decrease in positions is primarily attributable to the agency decreasing positions as a reduced resource option approved by the 2015 Legislature, as positions come open.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$21.4 million, including \$10.3 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$53,054, or 0.2 percent, and a State General Fund increase of \$1.5 million, or 17.1 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefit expenditures in the Staff Education and Research program and the Ancillary Services program, partially offset by an increase in salaries and wages and associated fringe benefit expenditures in the Physical Plant/Central Services Program and an overall decrease in salary shrinkage;
- **Contractual Services.** The agency requests \$2.2 million, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$90,095, or 4.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer services expenditures, electricity, equipment and furniture repairs, and insurance expenditures, partially offset by a decrease in building repairs, facility vehicle repairs, natural gas, travel expenditures, and other repairs;
- **Commodities.** The agency requests \$1.9 million, including \$150 from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$31,668, or 1.7 percent, and a State General Fund decrease of \$460,779, or more than 99.9 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in supplies for patient care, household supplies, patient food, and drug and pharmaceutical expenditures, partially offset by a decrease in gasohol and repairs for facility vehicles, agricultural supplies, and small tool expenditures;
- **Capital Outlay.** The agency requests \$152,575, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$19,294, or 14.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer equipment and patient rehabilitation equipment, partially offset by a decrease in furniture fixture expenditures;
- **Debt Service Interest.** The agency requests \$21,531, all from special revenue funds, for debt service interest for FY 2017. This is a decrease of \$7,218, or 25.1

percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in debt service interest expenditures; and

- **Other Assistance.** The agency requests \$110,000, all from special revenue funds, for other assistance for FY 2017. This is a decrease of \$40,133, or 26.7 percent, below the amount approved by the 2015 Legislature. The decrease is attributable to a decrease in voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$25.9 million, including \$10.3 million from the State General Fund, for operating expenditures and capital improvements for FY 2017. Of this amount, the Governor recommends operating expenditures of \$25.8 million, including \$10.3 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

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 Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	39.5 %	39.5 %
KNI Fee Fund	5.0	5.0
Title XIX Fund	52.9	52.9
All Other Funds	2.6	2.6
TOTAL	100.0 %	100.0 %

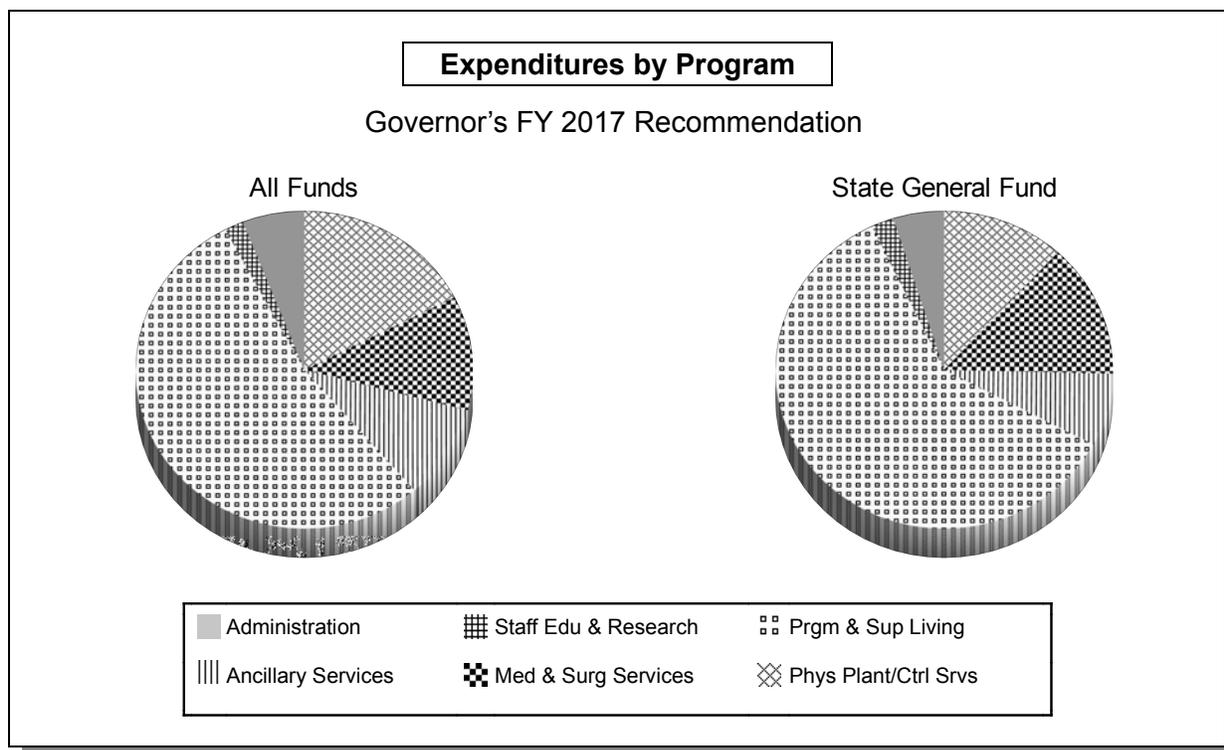
Note: Details may not add to totals due to rounding.

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 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 562,810	\$ 858,245	\$ 858,245	\$ 875,735	\$ 875,735
Revenue	1,339,170	1,334,892	1,334,892	1,334,892	1,334,892
Transfers in	0	0	0	0	0
Total Funds Available	\$ 1,901,980	\$ 2,193,137	\$ 2,193,137	\$ 2,210,627	\$ 2,210,627
Less: Expenditures	1,006,735	1,317,402	1,317,402	1,302,962	1,302,962
Transfers Out	0	0	0	0	0
Off Budget Expenditures	37,000	0	0	0	0
Ending Balance	<u>\$ 858,245</u>	<u>\$ 875,735</u>	<u>\$ 875,735</u>	<u>\$ 907,665</u>	<u>\$ 907,665</u>
Ending Balance as Percent of Expenditures	85.3%	66.5%	66.5%	69.7%	69.7%
Month Highest Ending Balance	May <u>\$ 1,632,576</u>	July <u>\$ 1,237,200</u>	July <u>\$ 1,237,200</u>	May <u>\$ 1,040,876</u>	May <u>\$ 1,040,876</u>
Month Lowest Ending Balance	July <u>\$ 662,744</u>	June <u>\$ 793,803</u>	June <u>\$ 793,803</u>	June <u>\$ 567,476</u>	June <u>\$ 567,476</u>

PROGRAM DETAIL



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Administration	\$ 1,531,447	5.9 %	\$ 502,014	4.9 %
Staff Edu & Research	467,380	1.8	221,471	2.2
Program & Supp Living	13,793,220	53.5	6,167,489	60.2
Ancillary Services	2,477,675	9.6	759,238	7.4
Med & Surgical Svcs	2,994,328	11.6	1,396,737	13.6
Phys Plant/Ctrl Svcs	4,501,280	17.5	1,204,822	11.8
TOTAL	\$ 25,765,330	100.0 %	\$ 10,251,771	100.0 %

FTE POSITIONS BY PROGRAM FY 2015 – FY 2017					
Program	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Administration	17.0	16.0	16.0	16.0	16.0
Staff Edu & Research	13.0	9.0	9.0	9.0	9.0
Program & Supp Living	310.5	310.0	310.0	298.0	298.0
Ancillary Services	26.2	23.7	23.7	22.7	22.7
Med & Surgical Srvs	42.0	40.0	40.0	40.0	40.0
Phys Plant/Ctrl Srvs	53.0	53.0	53.0	52.0	52.0
TOTAL	461.7	451.7	451.7	437.7	437.7

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 2015 – FY 2017					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 876,217	\$ 936,593	\$ 936,593	\$ 969,825	\$ 969,825
Contractual Services	375,448	432,672	432,672	432,672	432,672
Commodities	17,841	13,950	13,950	13,950	13,950
Capital Outlay	26,502	5,000	5,000	5,000	5,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 1,296,008</i>	<i>\$ 1,388,215</i>	<i>\$ 1,388,215</i>	<i>\$ 1,421,447</i>	<i>\$ 1,421,447</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	131,520	110,000	110,000	110,000	110,000
TOTAL	\$ 1,427,528	\$ 1,498,215	\$ 1,498,215	\$ 1,531,447	\$ 1,531,447
Financing:					
State General Fund	\$ 736,265	\$ 459,541	\$ 459,541	\$ 502,014	\$ 502,014
All Other Funds	691,263	1,038,674	1,038,674	1,029,433	1,029,433
TOTAL	\$ 1,427,528	\$ 1,498,215	\$ 1,498,215	\$ 1,531,447	\$ 1,531,447
FTE Positions	17.0	16.0	16.0	16.0	16.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	17.0	16.0	16.0	16.0	16.0

The **agency** requests a revised estimate of \$1.5 million, including \$502,014 from the State General Fund, for the Administration program for FY 2017. This is an all funds increase of \$174,574, or 10.3 percent, and a State General Fund increase of \$89,192, or 21.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in salaries and wages and contractual services, partially offset by a decrease in commodities, capital outlay, and other assistance expenditures. The program includes 16.0 FTE positions, which is a decrease of 1.0 FTE position below the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$969,825, including \$501,864 from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$64,934, or 7.2 percent, and a State General Fund increase of \$89,900, or 21.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a decrease in salary shrinkage, partially offset by a decrease in salaries and wages expenditures and associated fringe benefits;
- **Contractual Services.** The agency requests \$432,672, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$120,823, or 38.7 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer and telephone services expenditures;
- **Commodities.** The agency requests \$13,950, including \$150 from the State General Fund, for commodities for FY 2017. This is an all funds decrease of \$1,550, or 10.0 percent, and the State General Fund total is the same amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in data processing supplies;
- **Capital Outlay.** The agency requests \$5,000, all from special revenue funds, for capital outlay for FY 2017. This is an all funds decrease of \$1,500, or 23.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in office furniture expenditures; and
- **Other Assistance.** The agency requests \$110,000, all from special revenue funds, for other assistance expenditures for FY 2017. This is a decrease of \$40,133, or 26.7 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$1.5 million, including \$502,014 from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

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 2015 – FY 2017**

Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 427,327	\$ 414,100	\$ 414,100	\$ 427,980	\$ 427,980
Contractual Services	42,759	38,000	38,000	38,000	38,000
Commodities	335	400	400	400	400
Capital Outlay	2,234	1,000	1,000	1,000	1,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 472,655</u>	<u>\$ 453,500</u>	<u>\$ 453,500</u>	<u>\$ 467,380</u>	<u>\$ 467,380</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 472,655</u>	<u>\$ 453,500</u>	<u>\$ 453,500</u>	<u>\$ 467,380</u>	<u>\$ 467,380</u>
Financing:					
State General Fund	\$ 127,479	\$ 203,112	\$ 203,112	\$ 221,471	\$ 221,471
All Other Funds	345,176	250,388	250,388	245,909	245,909
TOTAL	<u>\$ 472,655</u>	<u>\$ 453,500</u>	<u>\$ 453,500</u>	<u>\$ 467,380</u>	<u>\$ 467,380</u>
FTE Positions	13.0	9.0	9.0	9.0	9.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>

The **agency** requests \$467,380, including \$221,471 from the State General Fund, for the Staff Education and Research program for FY 2017. This is an all funds decrease of \$132,031, or 22.0 percent, and a State General Fund decrease of \$101,877, or 31.5 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages, commodities, and capital outlay expenditures, partially offset by an increase in contractual services. The program includes 9.0 FTE positions, which is a decrease of 4.0 FTE positions below the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$427,980, including \$221,471 from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$134,431, or 23.9 percent, and a State General Fund decrease of \$101,877, or 31.5 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefit expenditures, partially offset by a decrease in salary shrinkage;
- **Contractual Services.** The agency requests \$38,000, all from special revenue funds, for contractual services, for FY 2017. This is an increase of \$3,000, or 8.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in job related training expenditures;
- **Commodities.** The agency requests \$400, all from special revenue funds, for commodities for FY 2017. This is a decrease of \$300, or 42.9 percent, below the

amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in food for patient consumption;

- **Capital Outlay.** The agency requests \$1,000, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$300, or 23.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in patient bed and lifts equipment expenditures; and
- **Other Assistance.** The agency did not request other assistance expenditures for FY 2017.

The **Governor** recommends expenditures of \$467,380, including \$221,471 from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

C. Program & Supported Living

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. The Program and Supported Living program includes the Habilitation and Treatment and the Program and Supported Living sub-programs.

PROGRAM AND SUPPORTED LIVING SUMMARY OF EXPENDITURES FY 2015 – FY 2017					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 13,390,899	\$ 12,966,746	\$ 12,966,746	\$ 13,398,767	\$ 13,398,767
Contractual Services	15,785	14,753	14,753	14,753	14,753
Commodities	347,494	349,700	349,700	349,700	349,700
Capital Outlay	89,525	30,000	30,000	30,000	30,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 13,843,703</u>	<u>\$ 13,361,199</u>	<u>\$ 13,361,199</u>	<u>\$ 13,793,220</u>	<u>\$ 13,793,220</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	607	0	0	0	0
TOTAL	<u>\$ 13,844,310</u>	<u>\$ 13,361,199</u>	<u>\$ 13,361,199</u>	<u>\$ 13,793,220</u>	<u>\$ 13,793,220</u>
Financing:					
State General Fund	\$ 4,098,123	\$ 5,664,627	\$ 5,664,627	\$ 6,167,489	\$ 6,167,489
All Other Funds	9,746,187	7,696,572	7,696,572	7,625,731	7,625,731
TOTAL	<u>\$ 13,844,310</u>	<u>\$ 13,361,199</u>	<u>\$ 13,361,199</u>	<u>\$ 13,793,220</u>	<u>\$ 13,793,220</u>
FTE Positions	310.5	310.0	310.0	298.0	298.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>310.5</u>	<u>310.0</u>	<u>310.0</u>	<u>298.0</u>	<u>298.0</u>

The **agency** requests \$13.8 million, including \$6.2 million from the State General Fund, for the program and supported living program for FY 2017. This is an all funds decrease of \$290,684, or 2.1 percent, and a State General Fund increase of \$272,016, or 4.6 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages, contractual services, and commodities, partially offset by an increase in capital outlay expenditures. The program includes 298.0 FTE positions, which is a decrease of 10.0 FTE positions below the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$13.4 million, including \$6.2 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$281,704, or 2.1 percent, and a State General Fund increase of \$272,016, or 4.6 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefit expenditures, partially offset by a decrease in salary shrinkage;
- **Contractual Services.** The agency requests \$14,753, all from special revenue funds, for contractual services for FY 2017. This is a decrease of \$6,722, or 31.3 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in patient recreational services by hospital staff and travel expenditures;
- **Commodities.** The agency requests \$349,700, all from special revenue funds, for commodities for FY 2017. This is a decrease of \$10,958, or 3.0 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in household supplies and patient food expenditures;
- **Capital Outlay.** The agency requests \$30,000, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$8,700, or 40.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in household equipment and furniture expenditures; and
- **Other Assistance.** The agency did not request other assistance expenditures for FY 2017.

The **Governor** recommends expenditures of \$13.8 million, including \$6.2 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

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 2015 – FY 2017					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 1,606,198	\$ 1,539,029	\$ 1,539,029	\$ 1,599,022	\$ 1,599,022
Contractual Services	386,295	412,153	412,153	412,153	412,153
Commodities	408,318	395,500	395,500	395,500	395,500
Capital Outlay	78,998	71,000	71,000	71,000	71,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 2,479,809</u>	<u>\$ 2,417,682</u>	<u>\$ 2,417,682</u>	<u>\$ 2,477,675</u>	<u>\$ 2,477,675</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 2,479,809</u>	<u>\$ 2,417,682</u>	<u>\$ 2,417,682</u>	<u>\$ 2,477,675</u>	<u>\$ 2,477,675</u>
Financing:					
State General Fund	\$ 1,071,396	\$ 694,254	\$ 694,254	\$ 759,238	\$ 759,238
All Other Funds	1,408,413	1,723,428	1,723,428	1,718,437	1,718,437
TOTAL	<u>\$ 2,479,809</u>	<u>\$ 2,417,682</u>	<u>\$ 2,417,682</u>	<u>\$ 2,477,675</u>	<u>\$ 2,477,675</u>
FTE Positions	26.2	23.7	23.7	22.7	22.7
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>26.2</u>	<u>23.7</u>	<u>23.7</u>	<u>22.7</u>	<u>22.7</u>

The **agency** requests \$2.5 million, including \$759,238 from the State General Fund, for the Ancillary Services program for FY 2017. This is an all funds decrease of \$67,948, or 2.7 percent, and a State General Fund increase of \$338,416, or 80.4 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages and commodities expenditures, partially offset by an increase in contractual services and capital outlay expenditures. The program includes 22.7 FTE positions, which is a decrease of 3.5 FTE positions below the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$1.6 million, including \$759,238 from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$93,850, or 5.5 percent, and a State General Fund increase of \$338,416 or 80.4 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages expenditures and associated fringe benefit expenditures, partially offset by a decrease in salary shrinkage;

- **Contractual Services.** The agency requests \$412,153, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$24,378, or 6.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in laundry and labor services, partially offset by a decrease in travel expenditures;
- **Commodities.** The agency requests \$395,500, all from special revenue funds, for commodities for FY 2017. This is a decrease of \$13,795, or 3.4 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in patient medical treatment supplies, partially offset by an increase in drug and pharmaceutical supplies;
- **Capital Outlay.** The agency requests \$71,000, all from special revenue funds, for capital outlay for FY 2017. This is an increase of \$15,319, or 27.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in patient rehabilitation equipment; and
- **Other Assistance.** The agency does not request other assistance expenditures for FY 2017.

The **Governor** recommends expenditures of \$2.5 million, including \$759,238 from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

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 2015 – FY 2017**

Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 2,753,185	\$ 2,608,407	\$ 2,608,407	\$ 2,699,128	\$ 2,699,128
Contractual Services	145,496	121,700	121,700	121,700	121,700
Commodities	164,838	163,500	163,500	163,500	163,500
Capital Outlay	39,984	10,000	10,000	10,000	10,000
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 3,103,503</u>	<u>\$ 2,903,607</u>	<u>\$ 2,903,607</u>	<u>\$ 2,994,328</u>	<u>\$ 2,994,328</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 3,103,503</u>	<u>\$ 2,903,607</u>	<u>\$ 2,903,607</u>	<u>\$ 2,994,328</u>	<u>\$ 2,994,328</u>
Financing:					
State General Fund	\$ 1,513,520	\$ 1,279,400	\$ 1,279,400	\$ 1,396,737	\$ 1,396,737
All Other Funds	1,589,983	1,624,207	1,624,207	1,597,591	1,597,591
TOTAL	<u>\$ 3,103,503</u>	<u>\$ 2,903,607</u>	<u>\$ 2,903,607</u>	<u>\$ 2,994,328</u>	<u>\$ 2,994,328</u>
FTE Positions	42.0	40.0	40.0	40.0	40.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>42.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>

The **agency** requests \$3.0 million, including \$1.4 million from the State General Fund, for the Medical and Surgical Services program for FY 2017. This is an all funds increase of \$141,263, or 5.0 percent, and a State General Fund increase of \$838,993, or 150.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in salaries and wages, contractual services, and commodities expenditures, partially offset by a decrease in capital outlay. The program includes 40.0 FTE positions, which is a decrease of 2.0 FTE positions below the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$2.7 million, including \$1.4 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$98,662, or 3.8 percent, and a State General Fund increase of \$838,993, or 150.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a decrease in salary shrinkage and an increase in employer contributions for state employee health insurance, partially offset by a decrease in salary and wages expenditures;
- **Contractual Services.** The agency requests \$121,700, all from special revenue funds, for contractual services for FY 2017. This is an increase of \$2,601, or 2.2 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in job related training, partially offset by a decrease in professional fees for patient care;

- **Commodities.** The agency requests \$163,500, all from special revenue funds, for commodities for FY 2017. This is an increase of \$41,000, or 33.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in patient medical treatment supplies, partially offset by an increase in stationary and office supplies;
- **Capital Outlay.** The agency requests \$10,000, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$1,000, or 9.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in medical equipment and household equipment, partially offset by an increase in software expenditures; and
- **Other Assistance.** The agency does not request other assistance expenditures for FY 2017.

The **Governor** recommends expenditures of \$3.0 million, including \$1.4 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

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 2015 – FY 2017**

Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Expenditures:					
Salaries and Wages	\$ 2,295,211	\$ 2,253,067	\$ 2,253,067	\$ 2,328,261	\$ 2,328,261
Contractual Services	1,217,939	1,162,863	1,162,863	1,162,863	1,162,863
Commodities	1,030,601	953,050	953,050	953,050	953,050
Capital Outlay	87,892	35,575	35,575	35,575	35,575
Debt Service	28,749	21,531	21,531	21,531	21,531
<i>Subtotal - Operations</i>	<i>\$ 4,660,392</i>	<i>\$ 4,426,086</i>	<i>\$ 4,426,086</i>	<i>\$ 4,501,280</i>	<i>\$ 4,501,280</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	0	0	0	0	0
TOTAL	<u>\$ 4,660,392</u>	<u>\$ 4,426,086</u>	<u>\$ 4,426,086</u>	<u>\$ 4,501,280</u>	<u>\$ 4,501,280</u>
Financing:					
State General Fund	\$ 3,107,246	\$ 1,105,112	\$ 1,105,112	\$ 1,204,822	\$ 1,204,822
All Other Funds	1,553,146	3,320,974	3,320,974	3,296,458	3,296,458
TOTAL	<u>\$ 4,660,392</u>	<u>\$ 4,426,086</u>	<u>\$ 4,426,086</u>	<u>\$ 4,501,280</u>	<u>\$ 4,501,280</u>
FTE Positions	53.0	53.0	53.0	52.0	52.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
TOTAL	<u>53.0</u>	<u>53.0</u>	<u>53.0</u>	<u>52.0</u>	<u>52.0</u>

The **agency** requests \$4.5 million, including \$1.2 million from the State General Fund, for the Physical Plant/Central Services program for FY 2017. This is an all funds increase of \$247,478, or 5.8 percent, and a State General Fund decrease of \$1.4 million, or 54.4 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in salaries and wages, partially offset by a decrease in contractual services, commodities, capital outlay, and debt service interest expenditures. The program includes 52.0 FTE positions, which is an increase of 1.0 FTE position above the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$2.3 million, including \$1.2 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$293,335, or 14.4 percent, and a State General Fund increase of \$63,260, or 5.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a decrease in the shrinkage rate, an increase in salaries and wages expenditures, and an increase in employer contributions for state employee health insurance;
- **Contractual Services.** The agency requests \$1.2 million, all from special revenue funds, for contractual services for FY 2017. This is a decrease of \$53,985, or 4.4 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in building repairs, facility

vehicle repairs, and natural gas expenditures, partially offset by an increase in electricity expenditures;

- **Commodities.** The agency requests \$953,050, all from special revenue funds, for commodities for FY 2017. This is an increase of \$17,271, or 1.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in construction supplies, household supplies, and food for patients, partially offset by a decrease in gasohol for facility vehicles, equipment material parts, and parts for facility vehicles;
- **Capital Outlay.** The agency requests \$35,575, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$1,925, or 5.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in furniture fixtures and household equipment, partially offset by an increase in construction equipment;
- **Debt Service Interest.** The agency requests \$21,531, all from the State Institutions Building Fund, for debt service interest expenditures for FY 2017. This is a decrease of \$7,218, or 25.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to the agency spending a lower amount on debt service interest, and a higher amount on debt service principal expenditures; and
- **Other Assistance.** The agency did not request other assistance expenditures for FY 2017.

The **Governor** recommends expenditures of \$4.5 million, including \$1.2 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

CAPITAL IMPROVEMENTS

CAPITAL IMPROVEMENTS				
Project	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
Bond Principal	\$ 170,469	\$ 170,469	\$ 170,469	\$ 170,469
Financing:				
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0
All Other Funds	170,469	170,469	170,469	170,469
TOTAL	\$ 170,469	\$ 170,469	\$ 170,469	\$ 170,469

FY 2016 – Current Year. The agency requests a revised estimate of \$170,469, all from special revenue funds, for capital improvements in FY 2016. This is a decrease of \$39,652, or 18.9 percent, below the amount approved by the 2015 Legislature. The decrease is partially attributable to the agency decreasing planned expenditures for minor projects at the facility, as the work was finished in FY 2015. The decrease is partially offset by an increase of \$7,848 in bond principal payments, as the agency recalculated the amount of payments for bond principal. Although most capital improvements for KNI are submitted in the KDADS budget revised estimate, 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. 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.

The **Governor** recommends expenditures of \$170,469, all from special revenue funds, in FY 2016. This is the same amount as the agency’s revised estimate.

FY 2017 – Budget Year. The agency requests a revised estimate of \$170,469, all from the State Institutions Building Fund, for capital improvements for FY 2017. This is a decrease of \$39,652, or 18.9 percent, below the amount approved by the 2015 Legislature. The decrease is partially attributable to the agency decreasing planned expenditures for minor projects at the facility, as the work was finished in FY 2015. The decrease is partially offset by an increase of \$7,848 in bond principal payments, as the agency recalculated the amount of payments for bond principal. 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.

The **Governor** recommends expenditures of \$170,469, all from special revenue funds, for FY 2017. This is the same amount as the agency’s revised estimate.

PERFORMANCE MEASURES

Measure	Gov. Rec. for FY 2015	Actual FY 2015	Gov. Rec. FY 2016	Gov. Rec. FY 2017
Number of patients participating in supported employment.	115	113	115	115
Percent of patients whose guardians agree the patient is treated with respect and dignity at KNI.	100%	98%	100%	100%
Percent of patients whose guardians agree that KNI provides a comprehensive array of services that meets the patient's overall needs and expectations.	100%	100%	100%	100%