

# LARNED STATE HOSPITAL

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	\$ 42,588,858	\$ 42,148,300	\$ 42,148,300	\$ 46,572,808	\$ 46,572,808
Other Funds	15,006,455	15,013,832	15,013,832	14,982,212	14,982,212
TOTAL	\$ 57,595,313	\$ 57,162,132	\$ 57,162,132	\$ 61,555,020	\$ 61,555,020
Capital Improvements:					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Funds	17,188	0	0	0	0
TOTAL	\$ 17,188	\$ 0	\$ 0	\$ 0	\$ 0
<b>GRAND TOTAL</b>	<b>\$ 57,612,501</b>	<b>\$ 57,162,132</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 61,555,020</b>

## Percentage Change:

### Operating Expenditures

State General Fund	(0.1) %	(1.0) %	(1.0) %	10.5 %	10.5 %
All Funds	(0.6)	(0.8)	(0.8)	7.7	7.7
FTE Positions	934.5	924.5	924.5	924.5	924.5
Non-FTE Perm.Uncl.Pos.	23.0	23.0	23.0	23.0	23.0
TOTAL	957.5	947.5	947.5	947.5	947.5

## AGENCY OVERVIEW

Larned State Hospital (LSH) provides psychiatric treatment and limited detox facilities to adults from the 61 western counties of the state through collaborative efforts with consumers, community based mental health providers, the judicial system, and the Department of Corrections. Larned State Hospital was established in 1911. The State Security Hospital, opened in 1937, serves the entire state as a secure setting for criminal forensic patients during evaluation and treatment, and non-forensic patients with severe behavioral problems who may be transferred from other hospitals. Since 1994, the Sexual Predator Treatment Program (SPTP) has provided treatment for convicted sex offenders who have completed their prison sentences and have been civilly committed under the Kansas Sexual Predator Law because of ongoing danger to the community. The Sexual Predator Transition House Program is located on the grounds of Osawatomie State Hospital, but is funded in the Larned State Hospital budget. The Transition House Program, known as MiCo House, accepts clients in Phases 6 and 7 of their treatment and who have been deemed ready for transition from the treatment program. Larned State Hospital also provides various support services for Larned Juvenile Correctional Facility, Larned Correctional Mental Health Facility, and the Kansas Soldiers' Home at Fort Dodge.

## MAJOR ISSUES FROM PRIOR YEARS

**Sexual Predator Treatment Program.** Since 1994, 273 persons have been committed to the Sexual Predator Treatment Program. Of the residents presently assigned to the Program, seventy-one have been received within the past five years. According to the agency, the steady increase in referrals to the program and the length of time it takes to complete the program combine to create a continuing budget and public policy challenge.

In April 2005, Legislative Post Audit concluded that the state will either have to change policies to commit fewer sex offenders to the Sexual Predator Treatment Program, allow clients to be released sooner, or commit to supporting a new class of institutionalized individuals. The report recommended that the Legislature examine these issues and that the Department of Social and Rehabilitation Services should develop multi-year forecasts based on several scenarios to address resident capacity, housing costs and staffing costs. The 2005 Legislature added \$597,665 from the State General Fund and 22.0 FTE positions to address staffing issues. Additionally, the Legislature added \$1,116,296 from the State General Fund and 41.0 FTE positions to address growth in the program with staff being hired gradually as additional clients enter the program. The 2006 Legislature added 14.0 FTE positions and \$390,145 to reoccupy the Dillon building after remodeling was completed in Spring 2006.

The **2009 Legislature** passed House Sub. for SB 91 that prohibits the Department of Social and Rehabilitation Services from placing more than eight sexually violent predators in any one county on transitional release or conditional release; stated that these patients be housed only on state property; and required a report to the Governor every year on the status of transitional persons. The Department of Social and Rehabilitation Services testified that 2009 House Sub. for SB 91 created both programmatic and fiscal challenges for the Sexual Predator Treatment Program. The more populated counties such as Johnson, Wyandotte, Shawnee, and Sedgwick typically have the optimal resources for affordable housing, employment, and follow-up sex offender treatment, which are critical elements to reduce the risk for reoffending and increase successful reintegration into the community. In addition, current zoning and residency restrictions make it more difficult to place offenders back into the community after treatment. According to the Department, if a court orders an individual to transitional or conditional release and that person cannot be placed because the counties that offer the needed resources have reached the eight person maximum, and no other county can be found to provide the needed services for that individual, the Department of Social and Rehabilitation Services and the State of Kansas risk contempt of court charges and lawsuits.

As part of a submitted 10.0 percent reduced resources option prepared at the direction of the Senate Ways and Means Committee in 2009, the Department of Social and Rehabilitation Services included the closure of the Inpatient Psychiatric Treatment Unit for Youth located on the Larned campus and the option to contract out these services to a private facility. The new private program, KVC Behavioral HealthCare began operation in Spring 2010 in Hays, Kansas. When the space reserved for the Inpatient Psychiatric Treatment Unit for Youth was vacated during the summer of 2010, eleven additional Adult Civil Psychiatric Service beds were opened in the building complex. Funding for the staffing of the newly opened eleven bed unit at Larned was from savings realized from contracting out the youth beds at Larned.

The opening of the additional adult beds was determined necessary by the Department of Social and Rehabilitation Services as the agency temporarily suspended voluntary admissions to the three Kansas mental health hospitals during May 2010 and July 2010. The hospitals continued to accept people ordered to the facilities by the courts or escorted by police. Voluntary admissions require a referral by one of the state's 27 Community Mental Health Centers and involve adults who must have the capacity to consent to care, have a treatment facility that agrees the person is in need of services offered by a facility and are mentally ill as defined by law and medical understanding. When the hospitals are full, the community centers are expected to find placement alternatives for people who otherwise would be admitted.

According to the Department, all three facilities were full beyond licensed capacities and the agency did not have additional resources to serve persons seeking voluntary admissions. Additional actions were taken such as initiating agreements with community partners to establish alternative inpatient resources but SRS expected census issues to continue in FY 2012 and FY 2013.

The **Legislature** deleted 138.0 vacant FTE positions for FY 2012 and did not approve two enhancement requests to fund an expansion of the Sexual Predator Treatment Program on the Larned campus or a Sexual Predator Treatment Program transition house.

The **2012 Legislature** approved funding to open an additional 30 bed unit for the Sexual Predator Treatment Program that was completed on July 31, 2012 in the Isaac Ray Building on the grounds of the facility. This has improved space constrictions in the main Sexual Predator Treatment Program building.

In September 2013, Legislative Post Audit performed a follow-up audit of the Sexual Predator Treatment program and determined that overall, the SPTP has sufficiently addressed staff and resident safety and security issues. However, it identified further areas of concern including: inadequate key controls, employees working excessive amounts of overtime, and prohibited items entering the residential buildings. Agency officials concurred with the report's findings for the most part and are taking action to comply with the recommendations from Legislative Post Audit. The agency did not agree that it had not met its own minimum staffing goals because audit findings were based on data errors and that any drop below minimum staffing is planned and approved.

In April of 2015, Legislative Post Audit performed a follow-up audit of the Sexual Predator Treatment program and determined that Kansas' program did not adhere to the recommended practices of programs in Iowa, Washington, and Wisconsin regarding emphasizing individualized treatment. It noted that the Kansas SPTP met many legal requirements and most statutory program requirements, however the program may not have adequately addressed other statutory requirements related to education and rehabilitation. It was also noted that the residents who completed the first five phases at Larned did not necessarily arrive at the reintegration facilities with the skills to be successful, program officials had not maintained appropriate records and documentation to effectively manage the program, policies and program guidance were outdated and not adhered to and, until recently, the Kansas Department for Aging and Disability Services (KDADS) had not filed annual reports with the Legislature as required by statute. The audit also found program costs were anticipated to double by 2025 and an insufficient labor force will create staffing problems for the program as it grows. Agency officials disagreed with a number of the report findings, noting recent changes to the program after the audit had been completed.

The **2015 Legislature** deleted \$5.4 million, all from the State General Fund, in FY 2015 and \$2.2 million, all from the State General Fund, for FY 2016 to adopt the agency's reduced resource option to delay opening of the Meyer Building for the Sexual Predator Treatment Program until January 2016.

## BUDGETED BED CAPACITY

The chart below shows the budgeted bed capacity for Larned State Hospital at the end of the fiscal year.

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Projected	FY 17 Projected
Psychiatric Services Program	90	90	90	90	90
State Security Program	220	220	220	220	220
SPTP	207	240	240	240	240
Meyer Reintegration	-	-	-	16	16
MiCo Transition House	8	8	8	8	8
<b>Total</b>	<b>525</b>	<b>558</b>	<b>558</b>	<b>574</b>	<b>574</b>

## AVERAGE DAILY CENSUS

Average Daily Census represents the average number of patients at Larned State Hospital over a fiscal year.

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Projected	FY 17 Projected
Psychiatric Services Prgm	94	98	101	102	104
State Security Program	183	198	202	207	213
SPTP	218	223	228	241	249
MiCo Transition House	7	6	7	8	8
MiCo Transition House	-	-	-	8	16
<b>Total</b>	<b>502</b>	<b>528</b>	<b>548</b>	<b>566</b>	<b>590</b>

## ADMISSIONS

The chart below shows admissions for Larned State Hospital.

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Projected	FY 17 Projected
First Admissions	673	668	634	668	668
Readmission	623	641	532	641	641
Transfers in - Other KDADS Institutions	105	111	34	111	111
<b>Total</b>	<b>1,401</b>	<b>1,420</b>	<b>1,200</b>	<b>1,420</b>	<b>1,420</b>

## AVERAGE LENGTH OF STAY

The chart below shows the average length of days stay for adults at Larned State Hospital.

	FY 13 Actual	FY 14 Actual	FY 15 Actual	FY 16 Projected	FY 17 Projected
Psychiatric Services Program	38	45	51	47	47
State Security Program	156	251	252	175	175

## BUDGET SUMMARY AND KEY POINTS

**FY 2016 – Current Year.** The **agency** requests a revised estimate of \$57.2 million, including \$42.1 million from the State General Fund, for operating expenditures in FY 2016. This is an all funds decrease of \$201,637, or 0.4 percent, and a State General Fund decrease of \$151,461, or 0.4 percent, below the amount approved by the 2015 Legislature, after adjustments. The all funds decrease is primarily attributable to a decrease in salary and wages and capital outlay expenditures, partially offset by an increase in contractual services and commodities expenditures. The revised estimate includes a transfer of funding for positions and services to the Kansas Department for Aging and Disability Services, Parsons State Hospital, and State General Fund. The revised estimate includes 924.5 FTE positions and 23.0 non-FTE positions, which is a decrease of 12.0 FTE positions below the number approved by the 2015 Legislature. The decrease is primarily attributable to shifting 10.0 FTE positions to Parsons State Hospital for the expansion of the Sexual Predator Treatment Program transition unit program and shifting a forensic psychologist and a legal support position to the Kansas Department for Aging and Disability Services.

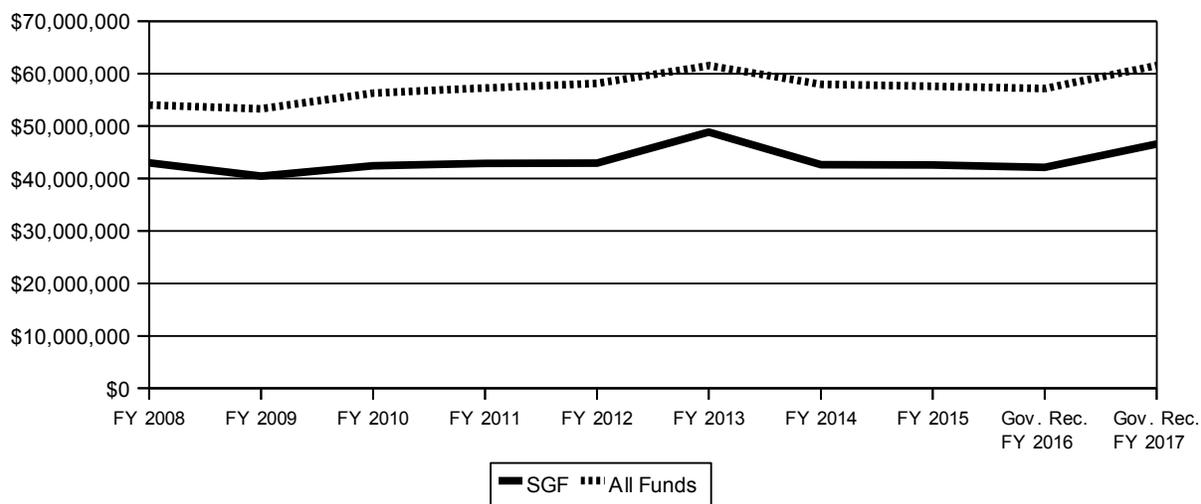
The **Governor** concurs with the agency’s revised estimate.

**FY 2017 – Budget Year.** The **agency** requests a revised estimate of \$61.6 million, including \$46.6 million from the State General Fund, for operating expenditures for FY 2017. This is an all funds decrease of \$155,776, or 0.3 percent, and a State General Fund decrease of \$155,989, or 0.3 percent, below the amount approved by the 2015 Legislature, after adjustments. The all funds decrease is primarily attributable to a decrease in salaries and wages and capital outlay expenditures, partially offset by an increase in contractual services and commodities expenditures. The revised estimate includes a transfer of funding for positions and services to the Kansas Department for Aging and Disability Services and Parsons State Hospital. The revised estimate includes 924.5 FTE positions and 23.0 non-FTE positions, which is a decrease of 12.0 FTE positions below the number approved by the 2015 Legislature. The decrease is primarily attributable to shifting 10.0 FTE positions to Parsons State Hospital for the expansion of the Sexual Predator Treatment Program transition unit program and shifting a Forensic Psychologist position and a Legal Support position to the Kansas Department for Aging and Disability Services.

The **Governor** concurs with 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	\$ 42,987,347	7.7 %	\$ 54,010,787	5.1 %	976.2
2009	40,465,385	(5.9)	53,301,562	(1.3)	976.2
2010	42,466,987	4.9	56,297,843	5.6	976.2
2011	42,887,827	1.0	57,260,017	1.7	976.2
2012	42,935,618	0.1	58,138,073	1.5	839.2
2013	48,870,060	13.8	61,519,684	5.8	932.2
2014	42,639,096	(12.8)	57,964,370	(5.8)	936.5
2015	42,588,858	(0.1)	57,595,313	(0.6)	934.5
2016 Gov. Rec.	42,148,300	(1.0)	57,162,132	(0.8)	924.5
2017 Gov. Rec.	46,572,808	10.5	61,555,020	7.7	924.5
Ten-Year Change Dollars/Percent	\$ 3,585,461	8.3 %	\$ 7,544,233	14.0 %	(51.7)

**Summary of Operating Budget FY 2015 - FY 2017**

Larned State Hospital

	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
<b>By Program:</b>									
Administration	\$ 4,312,356	\$ 3,248,937	\$ 3,468,264	\$ 219,327	6.8 %	\$ 3,248,937	\$ 3,468,264	\$ 219,327	6.8 %
Staff Edu & Research	271,040	277,071	281,322	4,251	1.5	277,071	281,322	4,251	1.5
Psychiatric Services	8,794,887	8,308,934	8,928,564	619,630	7.5	8,308,934	8,928,564	619,630	7.5
State Security Program	17,007,099	16,264,596	17,082,341	817,745	5.0	16,264,596	17,082,341	817,745	5.0
Sexual Predator Trmt	16,387,534	18,094,272	20,404,981	2,310,709	12.8	18,094,272	20,404,981	2,310,709	12.8
Ancillary Services	5,385,863	5,409,658	5,662,733	253,075	4.7	5,409,658	5,662,733	253,075	4.7
Phys Plant/Ctrl Services	5,436,534	5,558,664	5,726,815	168,151	3.0	5,558,664	5,726,815	168,151	3.0
<b>TOTAL</b>	<b>\$ 57,595,313</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>
<b>By Major Object of Expenditure:</b>									
Salaries and Wages	\$ 43,904,791	\$ 44,026,078	\$ 48,412,021	\$ 4,385,943	10.0 %	\$ 44,026,078	\$ 48,412,021	\$ 4,385,943	10.0 %
Contractual Services	8,064,911	7,541,422	7,618,285	76,863	1.0	7,541,422	7,618,285	76,863	1.0
Commodities	5,390,139	5,396,536	5,427,783	31,247	0.6	5,396,536	5,427,783	31,247	0.6
Capital Outlay	58,917	45,845	45,845	0	0.0	45,845	45,845	0	0.0
Debt Service	0	0	0	0	--	0	0	0	--
Subtotal - Operations	\$ 57,418,758	\$ 57,009,881	\$ 61,503,934	\$ 4,494,053	7.9 %	\$ 57,009,881	\$ 61,503,934	\$ 4,494,053	7.9 %
Aid to Local Units	0	0	0	0	--	0	0	0	--
Other Assistance	176,555	152,251	51,086	(101,165)	(66.4)	152,251	51,086	(101,165)	(66.4)
<b>TOTAL</b>	<b>\$ 57,595,313</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>
<b>Financing:</b>									
State General Fund	\$ 42,588,858	\$ 42,148,300	\$ 46,572,808	\$ 4,424,508	10.5 %	\$ 42,148,300	\$ 46,572,808	\$ 4,424,508	10.5 %
LSH Fee Fund	4,338,963	4,449,444	4,441,913	(7,531)	(0.2)	4,449,444	4,441,913	(7,531)	(0.2)
Title XIX Fund	10,324,797	10,225,086	10,200,997	(24,089)	(0.2)	10,225,086	10,200,997	(24,089)	(0.2)
All Other Funds	342,695	339,302	339,302	0	0.0	339,302	339,302	0	0.0
<b>TOTAL</b>	<b>\$ 57,595,313</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>	<b>\$ 57,162,132</b>	<b>\$ 61,555,020</b>	<b>\$ 4,392,888</b>	<b>7.7 %</b>

# BUDGET OVERVIEW

## A. FY 2016 – Current Year

### Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$43,850,484 for Larned State Hospital in FY 2016. Several 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:

- A reduction of \$500,000, on July 30 as the result of the authority given under 2015 Senate Sub. for HB 2135;
- A reduction of \$77,723, as a result of the privatization of food services and corresponding transfer to KDADS to pay the vendor directly; and
- A reduction of \$973,000, and a corresponding transfer to Parsons State Hospital for the Sexual Predator Treatment Program reintegration unit program.

These adjustments change the FY 2016 approved State General Fund to \$42,299,761. That amount is reflected in the table below as the currently approved FY 2016 State General Fund amount.

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	\$ 42,299,761	\$ 42,148,300	\$ (151,461)	\$ 42,148,300	\$ (151,461)
All Other Funds	15,064,008	15,013,832	(50,176)	15,013,832	(50,176)
<b>TOTAL</b>	<b>\$ 57,363,769</b>	<b>\$ 57,162,132</b>	<b>\$ (201,637)</b>	<b>\$ 57,162,132</b>	<b>\$ (201,637)</b>
FTE Positions	936.5	924.5	(12.0)	924.5	(12.0)

The **agency** requests a revised estimate of \$57.2 million, including \$42.1 million from the State General Fund, for operating expenditures in FY 2016. This is an all funds decrease of \$201,637, or 0.4 percent, and a State General Fund decrease of \$151,461, or 0.4 percent, below the amount approved by the 2015 Legislature, after adjustments. The all funds decrease is primarily attributable to a decrease in salaries and wages and capital outlay expenditures, partially offset by an increase in contractual services and commodities expenditures. The revised estimate includes a transfer of funding for positions and services to the Kansas Department for Aging and Disability Services, Parsons State Hospital, and State General Fund due to the Governor’s allotment. The transfer of funding for positions to the Kansas Department for Aging and Disability Services totals \$151,461, all from the State General Fund, for a Legal Support position and partial funding for a Forensic Psychologist position. The revised estimate includes 924.5 FTE positions and 23.0 non-FTE positions, which is a decrease of 12.0 FTE

positions below the number approved by the 2015 Legislature. The decrease is primarily attributable to shifting 10.0 FTE positions to Parsons State Hospital for the expansion of the Sexual Predator Treatment Program transition program, and shifting a Forensic Psychologist position and a Legal Support position to the Kansas Department for Aging and Disability Services.

The revised estimate, absent adjustments, is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$44.0 million, including \$38.9 million from the State General Fund, for salaries and wages in FY 2016. This is an all funds decrease of \$3.7 million, or 7.7 percent, and a State General Fund decrease of \$1.8 million, or 4.5 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefits due to transferring funding and 10.0 FTE positions to Parsons State Hospital for the Sexual Predator Treatment Program Transition program, partially offset by a reallocation of salary shrinkage across all agency programs;
- **Contractual Services.** The agency requests \$7.5 million, including \$2.0 million from the State General Fund, for contractual services in FY 2016. This is an all funds increase of \$2.2 million, or 40.1 percent, and a State General Fund increase of \$82,570, or 4.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in professional fees for patient medical treatment, an increase in utilities expenditures, and an increase in computer services expenditures;
- **Commodities.** The agency requests \$5.4 million, including \$1.3 million from the State General Fund, for commodities in FY 2016. This is an all funds increase of \$347,169, or 6.9 percent, and a State General Fund increase of \$151,262, or 13.1 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in drug and pharmaceutical expenditures and food for patients, partially offset by a decrease in data processing supplies, household supplies, and grounds materials;
- **Capital Outlay.** The agency requests \$45,845, all from special revenue funds, for capital outlay in FY 2016. This is a decrease of \$588,667, or 92.8 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in computer and information processing equipment, radio equipment, and equipment for patient care; and
- **Other Assistance.** The agency requests \$152,251, including \$25,823 from the State General Fund, for other assistance in FY 2016. This is an all funds decrease of \$10,042, or 6.2 percent, and a State General Fund decrease of \$37,956, or 59.5 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$57.2 million, including \$42.1 million from the State General Fund, in FY 2016. This is the same amount as the agency's revised estimate.

## Governor's Allotments

The 2015 Legislature, through the enactment of Senate Sub. for HB 2135, authorized the Director of the Division of the Budget to lapse appropriations or transfer funding from special revenue funds to the State General Fund (SGF), up to a total of \$100.0 million, at any time during FY 2016 if the Director determines the unencumbered ending balance of the SGF for FY 2016 will be less than \$100.0 million. This authority does not apply to appropriations for the Judicial Branch, Legislative Branch agencies, debt service, employer contributions to the Kansas Public Employees Retirement System (KPERs), the Department of Education (except the agency's operating expenditures account), or demand transfers to the school district capital improvements fund. On July 30, 2015, the Director announced various SGF lapses and transfers totaling \$60.7 million of which \$17.7 million require legislative approval.

On November 6, 2015, the Consensus Revenue Estimating Group met to revise the SGF Revenue Estimate for FY 2016. The estimate was decreased by \$159.1 million, for FY 2016. Excluding Governor recommended legislative adjustments, the ending balance for FY 2016 was estimated to require \$135.9 million in adjustments to achieve a zero ending balance. This estimate assumes that human services caseloads are funded at the recommended level and school finance KPERs contributions are reduced to reflect current estimates. As a result, on November 6, 2015 the Director exercised his authority under Senate Sub. for HB 2135 to make an additional \$56.9 million in revenue adjustments. The Governor further made \$52.6 million in expenditure reductions under the Governor's allotment authority. Finally, the Governor recommended the Legislature make an additional \$14.3 million in revenue adjustments.

Between the July and November adjustments, the Governor has reduced expenditures by a total of \$73.2 million, made \$79.4 million in revenue adjustments, and recommended the Legislature enact an additional \$32.0 million through the allotment authority and authority under 2015 Senate Sub. for HB 2135 or the special allotment statute. These adjustments, including the recommended Legislative adjustments, would result in a State General Fund ending balance of approximately \$5.6 million in FY 2016. This estimate excludes monthly SGF receipts subsequent to the November 6, 2015 consensus revenue estimate and any further adjustments made within the FY 2016 Governor's Budget Recommendation. The impact of these adjustments on this agency is described below.

<b>GOVERNOR'S ALLOTMENTS</b>			
<b>Allotment</b>	<b>SGF</b>	<b>All Funds</b>	<b>FTE</b>
July Special Allotment			
SPTP delayed bldg opening	\$ (500,000)	\$ (500,000)	0.0
November Allotment			
None	\$ 0	\$ 0	0.0
<b>TOTAL</b>	<b>\$ (500,000)</b>	<b>\$ (500,000)</b>	<b>0.0</b>

## Meyer Building Delayed Opening

A reduction of \$500,000, as a result of the delayed opening of the Sexual Predator Treatment Program (SPTP) Meyer Building. By maximizing existing beds in the SPTP's Dillon and Annex Buildings and delaying the opening of the Meyer Building until July 1, 2016, the agency anticipates being able to reduce State General Fund expenditures by \$500,000 in FY 2016.

## B. FY 2017 – Budget Year

### Adjustments to Approved State General Fund Budget

The 2015 Legislature approved a State General Fund budget of \$47,806,520 for Larned State Hospital for FY 2017. Several 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:

- A reduction of \$77,723, as a result of the privatization of food services and corresponding transfer to KDADS to pay the vendor directly; and
- A reduction of \$1,000,000 million, and a corresponding transfer to Parsons State Hospital for the Sexual Predator Treatment Program reintegration house.

These adjustments change the FY 2017 approved State General Fund to \$46,728,797. That amount is reflected in the table below as the currently approved FY 2017 State General Fund amount.

<b>CHANGE FROM APPROVED BUDGET</b>					
	Legislative Approved FY 2017	Agency Estimate FY 2017	Agency Change from Approved	Governor Rec. FY 2017	Governor Change from Approved
State General Fund	\$ 46,728,797	\$ 46,572,808	\$ (155,989)	\$ 46,572,808	\$ (155,989)
All Other Funds	14,981,999	14,982,212	213	14,982,212	213
<b>TOTAL</b>	<b>\$ 61,710,796</b>	<b>\$ 61,555,020</b>	<b>\$ (155,776)</b>	<b>\$ 61,555,020</b>	<b>\$ (155,776)</b>
FTE Positions	936.5	924.5	(12.0)	924.5	(12.0)

The **agency** requests a revised estimate of \$61.6 million, including \$46.6 million from the State General Fund, for operating expenditures for FY 2017. This is an all funds decrease of \$155,776, or 0.3 percent, and the State General Fund decrease of \$155,989, or 0.3 percent, below the amount approved by the 2015 Legislature, after adjustments. The all funds decrease is primarily attributable to a decrease in salaries and wages and capital outlay expenditures, partially offset by an increase in contractual services and commodities expenditures. The revised estimate includes a transfer of funding for positions and services to the Kansas Department for Aging and Disability Services and Parsons State Hospital. The transfer of funding for positions to the Kansas Department for Aging and Disability Services totals \$155,989, all from the State General Fund, for a Legal Support position and partial funding for a

Forensic Psychologist position. The revised estimate includes 924.5 FTE positions and 23.0 non-FTE positions, which is a decrease of 12.0 FTE positions below the number approved by the 2015 Legislature. The decrease is primarily attributable to shifting 10.0 FTE positions to Parsons State Hospital for the expansion of the Sexual Predator Treatment Program transition program, and shifting a Forensic Psychologist position and a Legal Support position to the Kansas Department for Aging and Disability Services.

The revised estimate, absent adjustment, is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$48.4 million, including \$42.6 million from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$2.9 million, or 5.6 percent, and a State General Fund decrease of \$1.4 million, or 3.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages and associated fringe benefits due to transferring funding and 10.0 FTE positions to Parsons State Hospital for the Sexual Predator Treatment Program Transition program, partially offset by a reallocation of salary shrinkage across all agency programs;
- **Contractual Services.** The agency requests \$7.6 million, including \$1.5 million from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$1.9 million, or 32.2 percent, and a State General Fund decrease of \$1.0 million, or 40.9 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in professional fees for patient medical treatment, an increase in utilities expenditures, and an increase in computer services expenditures;
- **Commodities.** The agency requests \$5.4 million, including \$2.4 million from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$378,029, or 7.5 percent, and a State General Fund increase of \$1.3 million, or 110.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in drug and pharmaceutical expenditures and food for patients, partially offset by a decrease in data processing supplies, household supplies, and grounds materials;
- **Capital Outlay.** The agency requests \$45,845, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$588,670, or 92.8 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in computer and information processing equipment, radio equipment, and equipment for patient care; and
- **Other Assistance.** The agency requests \$51,086, including \$8,682 from the State General Fund, for other assistance expenditures for FY 2017. This is an all funds increase of \$17,546, or 52.3 percent, and a State General fund decrease of \$5,455, or 38.6 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$61.6 million, including \$46.6 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

## Funding Sources

Funding Source	Agency Est. Percent of Total FY 2017	Gov. Rec. Percent of Total FY 2017
State General Fund	75.7 %	75.7 %
LSH Fee Fund	7.2	7.2
Title XIX Fund	16.6	16.6
All Other Funds	0.5	0.5
<b>TOTAL</b>	<b>100.0 %</b>	<b>100.0 %</b>

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

## Larned State Hospital Fee Fund Analysis

KSA 76-1302a requires that the superintendent of the Larned State Hospital remit all moneys received from charges under KSA 59-2006 and deposit them into the Larned State Hospital 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.

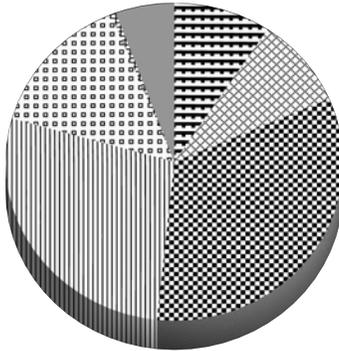
Resource Estimate	Actual FY 2015	Agency Estimate FY 2016	Gov. Rec. FY 2016	Agency Estimate FY 2017	Gov. Rec. FY 2017
Beginning Balance	\$ 1,029,223	\$ 74,768	\$ 74,768	\$ 0	\$ 0
Revenue	3,375,192	4,372,145	4,372,145	4,439,382	4,439,382
Transfers in	2,531	2,531	2,531	2,531	2,531
Total Funds Available	\$ 4,406,946	\$ 4,449,444	\$ 4,449,444	\$ 4,441,913	\$ 4,441,913
Less: Expenditures	4,332,178	4,449,444	4,449,444	4,441,913	4,441,913
Transfers Out	0	0	0	0	0
Off Budget Expenditures	0	0	0	0	0
Ending Balance	<u>\$ 74,768</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance as Percent of Expenditures	1.7%	0.0%	0.0%	0.0%	0.0%
Month Highest Ending Balance	May \$ 1,180,016	June \$ 1,407,162	June \$ 1,407,162	June \$ 1,877,148	June \$ 1,877,148
Month Lowest Ending Balance	December \$ 180,638	August \$ 0	August \$ 0	July \$ 0	July \$ 0

# PROGRAM DETAIL

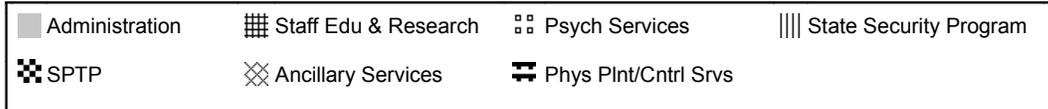
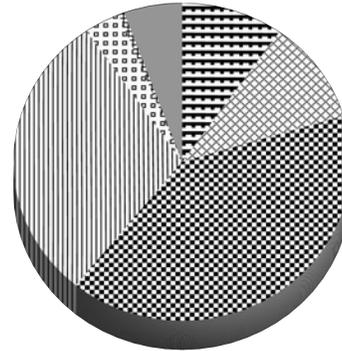
## Expenditures by Program

Governor's FY 2017 Recommendation

All Funds



State General Fund



Program	Gov. Rec. All Funds FY 2017	Percent of Total	Gov. Rec. SGF FY 2017	Percent of Total
Administration	\$ 3,468,264	5.6 %	\$ 2,604,499	5.6 %
Staff Edu & Research	281,322	0.5	256,320	0.6
Psychiatric Services	8,928,564	14.5	1,610,426	3.5
State Security Program	17,082,341	27.8	13,764,646	29.6
Sexual Predator Treatment Program	20,404,981	33.1	18,878,824	40.5
Ancillary Services	5,662,733	9.2	4,917,801	10.6
Phys Plant/Ctrl Services	5,726,815	9.3	4,540,292	9.7
<b>TOTAL</b>	<b>\$ 61,555,020</b>	<b>100.0 %</b>	<b>\$ 46,572,808</b>	<b>100.0 %</b>

## 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	48.0	48.0	48.0	46.0	46.0
Staff Edu & Research	4.0	4.0	4.0	4.0	4.0
Psychiatric Services	120.0	120.0	120.0	121.0	121.0
State Security Program	246.0	246.0	246.0	246.0	246.0
Sexual Predator Trmt	355.5	345.5	345.5	346.5	346.5
Ancillary Services	51.0	51.0	51.0	51.0	51.0
Phys Plant/Ctrl Services	110.0	110.0	110.0	110.0	110.0
<b>TOTAL</b>	<b>934.5</b>	<b>924.5</b>	<b>924.5</b>	<b>924.5</b>	<b>924.5</b>

## A. Administration

The Administration Program provides overall management activities such as budgeting, planning, and staffing designed to ensure that the patients' basic needs are met and that proper care and treatment are received. This program is responsible for maintaining accreditation and certification with federal agencies. In addition, this program is responsible for business services, personnel, legal services, management and information systems, quality improvement, risk management, and reimbursement. Lastly, LSH has a partnership with three other agencies that receive a significant level of goods and services from Larned State Hospital: Larned Juvenile Correctional Facility, Larned Correctional Mental Health Facility, and the Fort Dodge Soldiers' Home. According to the agency, a goal of Administration is to focus on the successful execution of hospital policies and procedures, to provide exemplary customer service, and increase stakeholders' confidence in hospital services.

<b>ADMINISTRATION SUMMARY OF EXPENDITURES FY 2015 – FY 2017</b>					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>					
Salaries and Wages	\$ 3,409,910	\$ 2,351,309	\$ 2,351,309	\$ 2,575,628	\$ 2,575,628
Contractual Services	727,541	685,149	685,149	685,149	685,149
Commodities	150,194	191,824	191,824	191,824	191,824
Capital Outlay	16,807	12,958	12,958	12,958	12,958
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<i>\$ 4,304,452</i>	<i>\$ 3,241,240</i>	<i>\$ 3,241,240</i>	<i>\$ 3,465,559</i>	<i>\$ 3,465,559</i>
Aid to Local Units	0	0	0	0	0
Other Assistance	7,904	7,697	7,697	2,705	2,705
<b>TOTAL</b>	<b><u>\$ 4,312,356</u></b>	<b><u>\$ 3,248,937</u></b>	<b><u>\$ 3,248,937</u></b>	<b><u>\$ 3,468,264</u></b>	<b><u>\$ 3,468,264</u></b>
<b>Financing:</b>					
State General Fund	\$ 122,697	\$ 2,351,912	\$ 2,351,912	\$ 2,604,499	\$ 2,604,499
All Other Funds	4,189,659	897,025	897,025	863,765	863,765
<b>TOTAL</b>	<b><u>\$ 4,312,356</u></b>	<b><u>\$ 3,248,937</u></b>	<b><u>\$ 3,248,937</u></b>	<b><u>\$ 3,468,264</u></b>	<b><u>\$ 3,468,264</u></b>
FTE Positions	48.0	48.0	48.0	46.0	46.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>48.0</u></b>	<b><u>48.0</u></b>	<b><u>48.0</u></b>	<b><u>46.0</u></b>	<b><u>46.0</u></b>

The **agency** requests a revised estimate of \$3.5 million, including \$2.6 million from the State General Fund, for the Administration program for FY 2017. This is an all funds decrease of \$776,077, or 18.3 percent, and a State General Fund increase of \$296,044, or 12.8 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salaries and wages and capital outlay expenditures, partially offset by an increase in contractual services, commodities, and other assistance expenditures. The revised estimate includes 46.0 FTE positions, which a decrease of 2.2 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 \$2.6 million, all from the State General Fund, for salaries and wages for FY 2017. This is an all funds decrease of \$490,122, or 16.0 percent, and a State General Fund increase of \$267,280, or 11.6 percent, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in salary and wages and associated fringe benefit expenditures, partially offset by a reallocation of salary shrinkage across all programs;
- **Contractual Services.** The agency requests \$685,149, including \$28,871 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$135,046, or 24.5 percent, and a State General Fund increase of \$28,764, or 26,882.2 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in utilities expenditures, accounting and auditing expenditures, and advertising expenditures, partially offset by a decrease in computer services expenditures;
- **Commodities.** The agency requests \$191,824, all from special revenue funds, for commodities for FY 2017. This is an increase of \$20,287, or 11.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in food for patients, partially offset by a decrease in stationary and office supplies;
- **Capital Outlay.** The agency requests \$12,958, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$442,244, or 97.2 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in computer equipment and radio equipment; and
- **Other Assistance.** The agency requests \$2,705, all from special revenue funds, for other assistance expenditures for FY 2017. This is an increase of \$956, or 54.7 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$3.5 million, including \$2.6 million 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 has two primary areas of focus: recruitment and education. Recruitment involves general nursing recruitment and clinical rotations offered to several state nursing programs. Other recruitment involves internship and practicum arrangements with professional staff in psychiatry, psychology, social work, and activity therapy. Education involves ensuring identification and provision of minimum hospital, KDADS, and other training requirements as dictated by policy and standards. Larned is moving from classroom instructor lead training toward more online training for educational sessions.

**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
<b>Expenditures:</b>					
Salaries and Wages	\$ 240,921	\$ 246,966	\$ 246,966	\$ 255,788	\$ 255,788
Contractual Services	21,361	21,347	21,347	21,347	21,347
Commodities	1,902	1,902	1,902	1,902	1,902
Capital Outlay	0	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 264,184</u>	<u>\$ 270,215</u>	<u>\$ 270,215</u>	<u>\$ 279,037</u>	<u>\$ 279,037</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	6,856	6,856	6,856	2,285	2,285
<b>TOTAL</b>	<b><u>\$ 271,040</u></b>	<b><u>\$ 277,071</u></b>	<b><u>\$ 277,071</u></b>	<b><u>\$ 281,322</u></b>	<b><u>\$ 281,322</u></b>
<b>Financing:</b>					
State General Fund	\$ 241,453	\$ 247,498	\$ 247,498	\$ 256,320	\$ 256,320
All Other Funds	29,587	29,573	29,573	25,002	25,002
<b>TOTAL</b>	<b><u>\$ 271,040</u></b>	<b><u>\$ 277,071</u></b>	<b><u>\$ 277,071</u></b>	<b><u>\$ 281,322</u></b>	<b><u>\$ 281,322</u></b>
FTE Positions	4.0	4.0	4.0	4.0	4.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>4.0</u></b>	<b><u>4.0</u></b>	<b><u>4.0</u></b>	<b><u>4.0</u></b>	<b><u>4.0</u></b>

The **agency** requests a revised estimate of \$281,322, including \$256,320 from the State General Fund, for the Staff Education and Research program for FY 2017. This is an all funds increase of \$58,313, or 26.1 percent, and a State General Fund increase of \$246,732, or 2,573.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in salaries and wages, contractual services, and other assistance expenditures, partially offset by a decrease in commodities expenditures. The revised estimate includes 4.0 FTE positions, which is the same number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$255,788, all from the State General Fund, for salaries and wages for FY 2017. This is an all funds increase of \$39,127, or 18.1 percent, and a State General Fund increase of \$246,200, or 2,567.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a reallocation of salary shrinkage across all programs;
- **Contractual Services.** The agency requests \$21,347, including \$532 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$17,892, or 517.9 percent, and a State General Fund increase of \$532, above the amount approved by the 2015 Legislature. The agency did not previously request expenditures from the State General Fund for contractual services. The increase is primarily attributable to an increase in lecturers expenditures and job related training expenditures;

- **Commodities.** The agency requests \$1,902, all from special revenue funds, for commodities for FY 2017. This is an all funds decrease of \$991, or 34.3 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in computer processing supplies, household supplies, and stationary and office supplies;
- **Capital Outlay.** The agency did not request capital outlay for FY 2017; and
- **Other Assistance.** The agency requests \$2,285, all from the special revenue funds, for other assistance expenditures for FY 2017. This is an all funds increase of \$2,285, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a decrease in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$281,322, including \$256,320 from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

### ***C. Psychiatric Services***

The Psychiatric Services Program provides psychiatric treatment to Kansas citizens 18 years or older. Patients are referred to the hospital after being screened by community mental health centers. Upon admission, a comprehensive evaluation is completed and an individual treatment plan is developed. The Psychiatric Services program no longer serves youth and only provides adult inpatient services. Service units include a 30 bed Crisis Stabilization Unit for acute stabilization and treatment and two Adult Treatment Units for patients with chronic conditions budgeted for 30 beds each. Growing demands for in-patient psychiatric services are resulting in steadily increasing admissions that often exceed the program's budgeted bed capacity. The adult units had an average daily census of 98 in FY 2014. The highest monthly average in FY 2014 was 103 in June of 2014. A major goal of the program is to reduce re-admissions.

**PSYCHIATRIC 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
<b>Expenditures:</b>					
Salaries and Wages	\$ 6,237,231	\$ 5,814,491	\$ 5,814,491	\$ 6,438,692	\$ 6,438,692
Contractual Services	1,490,433	1,437,971	1,437,971	1,437,971	1,437,971
Commodities	1,058,514	1,047,763	1,047,763	1,047,763	1,047,763
Capital Outlay	1,788	1,788	1,788	1,788	1,788
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 8,787,966</u>	<u>\$ 8,302,013</u>	<u>\$ 8,302,013</u>	<u>\$ 8,926,214</u>	<u>\$ 8,926,214</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	6,921	6,921	6,921	2,350	2,350
<b>TOTAL</b>	<b><u>\$ 8,794,887</u></b>	<b><u>\$ 8,308,934</u></b>	<b><u>\$ 8,308,934</u></b>	<b><u>\$ 8,928,564</u></b>	<b><u>\$ 8,928,564</u></b>
<b>Financing:</b>					
State General Fund	\$ 4,769,329	\$ 1,474,380	\$ 1,474,380	\$ 1,610,426	\$ 1,610,426
All Other Funds	4,025,558	6,834,554	6,834,554	7,318,138	7,318,138
<b>TOTAL</b>	<b><u>\$ 8,794,887</u></b>	<b><u>\$ 8,308,934</u></b>	<b><u>\$ 8,308,934</u></b>	<b><u>\$ 8,928,564</u></b>	<b><u>\$ 8,928,564</u></b>
FTE Positions	120.0	120.0	120.0	121.0	121.0
Non-FTE Uncl. Perm. Pos.	2.0	2.0	2.0	2.0	2.0
<b>TOTAL</b>	<b><u>122.0</u></b>	<b><u>122.0</u></b>	<b><u>122.0</u></b>	<b><u>123.0</u></b>	<b><u>123.0</u></b>

The **agency** requests a revised estimate of \$8.9 million, including \$1.6 million from the State General Fund, for the Psychiatric Services program for FY 2017. This is an all funds increase of \$752,066, or 9.2 percent, and a State General Fund increase of \$1.5 million, or 1,492.8 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in contractual services and commodities, partially offset by a decrease in salaries and wages, capital outlay, and other assistance expenditures. The revised estimate includes 121.0 FTE positions and 2.0 non-FTE positions, which is 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 \$6.4 million for salaries and wages for FY 2017. This is a decrease of \$49,546, or 0.8 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 reallocation of salary shrinkage across all programs;
- **Contractual Services.** The agency requests \$1.4 million, including \$580,388 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$618,248, or 75.4 percent, and a State General Fund increase of \$580,388, above the amount approved by the 2015 Legislature. The agency did not previously request expenditures from the State General Fund for contractual services. The increase is primarily attributable to an increase in

professional fees for patient Medicare care, utilities expenditures, and computer services expenditures;

- **Commodities.** The agency requests \$1.0 million, including \$1.0 million from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$184,232, or 21.3 percent, and a State General Fund increase of \$1.0 million, or 314,026.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in drug and pharmaceutical expenditures and an increase in building grounds materials;
- **Capital Outlay.** The agency requests \$1,788, all from special revenue funds, for FY 2017. This is a decrease of \$863, or 32.6 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to an increase in equipment for patient care; and
- **Other Assistance.** The agency requests \$2,350, all from special revenue funds, for FY 2017. This is a decrease of \$5, or 0.2 percent, below the amount approved by the 2015 Legislature.

The **Governor** recommends expenditures of \$8.9 million, including \$1.6 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

#### ***D. State Security Program***

The State Security Program was originally established in 1937. This program, also known in Kansas statutes as the State Security Hospital, serves male and female adults from all 105 Kansas counties who are admitted through forensic commitment statutes. The State Security Hospital delivers specialized mental health services to persons committed by the District Courts and those transferred from the Kansas Department of Corrections. The State Security Hospital consists of 200 beds in seven units housed at the Isaac Ray Building.

The program also provides competency, mental state, pre-sentence, and sexual predator evaluations. The goal is to complete evaluations in 60 days or less. However, in recent years wait-lists have increased and a top priority of the State Security Program is to decrease the wait list for forensic admissions to the extent possible within resources. The State Security Program collaborates with the KDADS Coordinator of Forensic Services to explore alternative resources and ideas to decreasing the wait list. The effect of the wait is local jails have to retain these individuals until the evaluation is completed. Many local jails have agreements with Community Mental Health Centers to provide services in the jail. Local jails have the option of getting the evaluation done locally. There is also a process for local jails to ask to have the person moved to the top of list if they can demonstrate the person's condition has worsened to a point they can no longer safely handle the individual.

**STATE SECURITY PROGRAM  
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
<b>Expenditures:</b>					
Salaries and Wages	\$ 13,102,842	\$ 12,479,730	\$ 12,479,730	\$ 13,335,749	\$ 13,335,749
Contractual Services	1,641,271	1,594,251	1,594,251	1,594,251	1,594,251
Commodities	2,184,665	2,126,231	2,126,231	2,126,231	2,126,231
Capital Outlay	7,060	6,851	6,851	6,851	6,851
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 16,935,838</u>	<u>\$ 16,207,063</u>	<u>\$ 16,207,063</u>	<u>\$ 17,063,082</u>	<u>\$ 17,063,082</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	71,261	57,533	57,533	19,259	19,259
<b>TOTAL</b>	<b><u>\$ 17,007,099</u></b>	<b><u>\$ 16,264,596</u></b>	<b><u>\$ 16,264,596</u></b>	<b><u>\$ 17,082,341</u></b>	<b><u>\$ 17,082,341</u></b>
<b>Financing:</b>					
State General Fund	\$ 13,104,724	\$ 12,479,730	\$ 12,479,730	\$ 13,764,646	\$ 13,764,646
All Other Funds	3,902,375	3,784,866	3,784,866	3,317,695	3,317,695
<b>TOTAL</b>	<b><u>\$ 17,007,099</u></b>	<b><u>\$ 16,264,596</u></b>	<b><u>\$ 16,264,596</u></b>	<b><u>\$ 17,082,341</u></b>	<b><u>\$ 17,082,341</u></b>
FTE Positions	246.0	246.0	246.0	246.0	246.0
Non-FTE Uncl. Perm. Pos.	1.0	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b><u>247.0</u></b>	<b><u>247.0</u></b>	<b><u>247.0</u></b>	<b><u>247.0</u></b>	<b><u>247.0</u></b>

The **agency** requests a revised estimate of \$17.1 million, including \$13.8 million from the State General Fund, for the State Security Program for FY 2017. This is an all funds increase of \$990,651, or 6.2 percent, and a State General Fund increase of \$720,089, or 5.5 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in salaries and wages, contractual services, and other assistance, partially offset by a decrease in commodities and capital outlay expenditures. The revised estimate includes 246.0 FTE positions and 1.0 non-FTE position, which is an increase of 1.0 FTE position and a decrease of 1.0 non-FTE positions from the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$13.3 million, all from the State General Fund, for salaries and wages for FY 2017. This is an increase of \$296,856, or 2.3 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a reallocation of salary shrinkage across all programs, partially offset by a decrease in salaries and wages and fringe benefit expenditures;
- **Contractual Services.** The agency requests \$1.6 million, including \$108,025 from the State General Fund, for FY 2017. This is an all funds increase of \$727,257, or 83.9 percent, and a State General Fund increase of \$108,025, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in professional fees for medical care for patients,

utilities expenditures, and computer services expenditures, partially offset by a decrease in equipment repairs;

- **Commodities.** The agency requests \$2.1 million, including \$320,872 from the State General Fund, for FY 2017. This is an all funds decrease of \$2,619, or 0.1 percent, and a State General Fund increase of \$320,872, from the amount approved by the 2015 Legislature. The all funds decrease is primarily attributable to a decrease in household supplies, grounds materials, and stationary and office supplies, partially offset by an increase in drug and pharmaceutical expenditures.
- **Capital Outlay.** The agency requests \$6,851, all from special revenue funds, for FY 2017. This is a decrease of \$33,054, or 82.8 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in equipment for patient care; and
- **Other Assistance.** The agency requests \$19,259, all from special revenue funds, for other assistance for FY 2017. This is an increase of \$2,211, or 13.0 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$17.1 million, including \$13.8 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

### ***E. Sexual Predator Treatment Program***

The Sexual Predator Treatment Program (SPTP) was established in 1994 by the Sexual Predator Act (KSA 59-29A01 *et seq.*) to provide treatment for convicted sex offenders who have finished their prison sentences, and who have been civilly committed by the courts to the SPTP inpatient treatment program at Larned State Hospital. The SPTP is comprised of seven phases of treatment. Phases one through five are located at LSH; phases six and seven are located at Osawatomie State Hospital. The SPTP was given a dual mission. First, SPTP's goal is to protect the public from any further victimization by sexual offenders committed to the program. Second, SPTP is required to provide a program of treatment which would assist motivated offenders to reduce their risk for re-offense to the point that they could safely live in open society and become contributing citizens.

MiCo House is a state funded program on the grounds of Osawatomie State Hospital and is limited to eight beds. MiCo House accepts clients who have been deemed ready for transition from Larned State Hospital's Sexual Predator Treatment Program. MiCo House serves clients that are in Phases 6 and 7 of the Sexual Predator Treatment Program. To be deemed ready for the program, clients must have successfully progressed through the residential portion of the treatment program and have a motivation to re-enter into a normal lifestyle. MiCo House provides shelter, monetary assistance, and transportation to aid client transition and residents will spend anywhere from six to 36 months at MiCo House. MiCo House also encourages clients to utilize community resources for other services such as psychiatric and vocational assistance. MiCo House staff are aware of clients' whereabouts at all times through visual contact and phone checks. In most cases, clients will obtain a job, learn to budget and save money, purchase their own transportation, and eventually live on their own in

the community. Clients transition through the program on a step system that slowly allows them more and more freedom to make their own decisions and be on their own.

<b>SEXUAL PREDATOR TREATMENT PROGRAM SUMMARY OF EXPENDITURES FY 2015 – FY 2017</b>					
Item	Actual FY 2015	Agency Est. FY 2016	Gov. Rec. FY 2016	Agency Est. FY 2017	Gov. Rec. FY 2017
<b>Expenditures:</b>					
Salaries and Wages	\$ 12,619,454	\$ 14,750,641	\$ 14,750,641	\$ 17,020,720	\$ 17,020,720
Contractual Services	2,413,356	2,053,174	2,053,174	2,079,698	2,079,698
Commodities	1,305,316	1,264,634	1,264,634	1,295,881	1,295,881
Capital Outlay	75	0	0	0	0
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 16,338,201</u>	<u>\$ 18,068,449</u>	<u>\$ 18,068,449</u>	<u>\$ 20,396,299</u>	<u>\$ 20,396,299</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	49,333	25,823	25,823	8,682	8,682
<b>TOTAL</b>	<b><u>\$ 16,387,534</u></b>	<b><u>\$ 18,094,272</u></b>	<b><u>\$ 18,094,272</u></b>	<b><u>\$ 20,404,981</u></b>	<b><u>\$ 20,404,981</u></b>
<b>Financing:</b>					
State General Fund	\$ 16,046,831	\$ 16,545,208	\$ 16,545,208	\$ 18,878,824	\$ 18,878,824
All Other Funds	340,703	1,549,064	1,549,064	1,526,157	1,526,157
<b>TOTAL</b>	<b><u>\$ 16,387,534</u></b>	<b><u>\$ 18,094,272</u></b>	<b><u>\$ 18,094,272</u></b>	<b><u>\$ 20,404,981</u></b>	<b><u>\$ 20,404,981</u></b>
FTE Positions	355.5	345.5	345.5	346.5	346.5
Non-FTE Uncl. Perm. Pos.	19.0	19.0	19.0	19.0	19.0
<b>TOTAL</b>	<b><u>374.5</u></b>	<b><u>364.5</u></b>	<b><u>364.5</u></b>	<b><u>365.5</u></b>	<b><u>365.5</u></b>

The **agency** requests a revised estimate of \$20.4 million, including \$18.9 million from the State General Fund, for the Sexual Predator Treatment Program for FY 2017. This is an all funds increase of \$277,159, or 1.4 percent, and a State General Fund decrease of \$1.1 million, or 5.7 percent, from the amount approved by the 2015 Legislature. The all funds increase is partially attributable to an increase in salaries and wages, commodities, and other assistance expenditures, partially offset by a decrease in contractual services and capital outlay expenditures. The revised estimate includes 346.5 FTE positions and 19.0 non-FTE positions, which is an increase of 24.0 FTE positions and 1.0 non-FTE position greater than the number approved by the 2015 Legislature.

The request is detailed below by category of expenditure.

- **Salaries and Wages.** The agency requests \$17.0 million, all from the State General Fund, for salaries and wages for FY 2017. This is an increase of \$804,721, or 5.0 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to a reallocation of salary shrinkage across all programs and an increase in salaries and wages and associated fringe benefit expenditures;
- **Contractual Services.** The agency requests \$2.1 million, including \$785,416 from the State General Fund, for contractual services for FY 2017. This is an all

funds decrease of \$586,781, or 22.0 percent, and a State General Fund decrease of \$1.8 million, or 69.2 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in professional fees for patient treatment and in-state travel expenditures, partially offset by an increase in computer expenditures;

- **Commodities.** The agency requests \$1.3 million, including \$1.1 million from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$141,400, or 12.2 percent, and a State General Fund decrease of \$90,475, or 7.8 percent, from the amount approved by the 2015 Legislature. The all funds increase is primarily attributable to an increase in equipment for patient treatment, drug and pharmaceutical expenditures, and household supplies, partially offset by a decrease in grounds materials;
- **Capital Outlay.** The agency did not request capital outlay for FY 2017; and
- **Other Assistance.** The agency requests \$8,682, all from the State General Fund, for other assistance expenditures for FY 2017. This is an increase of \$2,124, or 32.4 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in voluntary retirement incentive expenditures.

The **Governor** recommends expenditures of \$20.4 million, including \$18.9 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

### ***F. Ancillary Services***

The Ancillary Services Program consists of Allied Clinical Services which is comprised of medical services, nursing services, chaplaincy services, psychology department, social services department, pharmacy, clinical pathology laboratory, and clinic/infection control.

**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
<b>Expenditures:</b>					
Salaries and Wages	\$ 3,901,627	\$ 4,042,887	\$ 4,042,887	\$ 4,258,955	\$ 4,258,955
Contractual Services	1,085,522	1,070,948	1,070,948	1,121,287	1,121,287
Commodities	366,714	268,642	268,642	268,642	268,642
Capital Outlay	12,003	7,184	7,184	7,184	7,184
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 5,365,866</u>	<u>\$ 5,389,661</u>	<u>\$ 5,389,661</u>	<u>\$ 5,656,068</u>	<u>\$ 5,656,068</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	19,997	19,997	19,997	6,665	6,665
<b>TOTAL</b>	<b><u>\$ 5,385,863</u></b>	<b><u>\$ 5,409,658</u></b>	<b><u>\$ 5,409,658</u></b>	<b><u>\$ 5,662,733</u></b>	<b><u>\$ 5,662,733</u></b>
<b>Financing:</b>					
State General Fund	\$ 3,895,245	\$ 4,695,715	\$ 4,695,715	\$ 4,917,801	\$ 4,917,801
All Other Funds	1,490,618	713,943	713,943	744,932	744,932
<b>TOTAL</b>	<b><u>\$ 5,385,863</u></b>	<b><u>\$ 5,409,658</u></b>	<b><u>\$ 5,409,658</u></b>	<b><u>\$ 5,662,733</u></b>	<b><u>\$ 5,662,733</u></b>
FTE Positions	51.0	51.0	51.0	51.0	51.0
Non-FTE Uncl. Perm. Pos.	1.0	1.0	1.0	1.0	1.0
<b>TOTAL</b>	<b><u>52.0</u></b>	<b><u>52.0</u></b>	<b><u>52.0</u></b>	<b><u>52.0</u></b>	<b><u>52.0</u></b>

The **agency** requests \$5.7 million, including \$4.9 million from the State General Fund, for the Ancillary Services program for FY 2017. This is an all funds decrease of \$1.5 million, or 20.7 percent, and a State General Fund decrease of \$1.5 million, or 23.6 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, partially offset by an increase in contractual services and other assistance expenditures. The revised estimate includes 51.0 FTE positions and 1.0 FTE position, 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 \$4.3 million for salaries and wages for FY 2017. This is an all funds decrease of \$2.1 million, or 33.3 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 reallocation of salary shrinkage across all programs;
- **Contractual Services.** The agency requests \$1.1 million, including \$596 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$690,350, or 160.2 percent, and a State General Fund increase of \$596, above the amount approved by the 2015 Legislature. The agency did not previously request expenditures from the State General Fund for contractual

services. The increase is primarily attributable to an increase in professional fees for medical services for patients and an increase in utilities expenditures;

- **Commodities.** The agency requests \$268,642, all from special revenue funds, for commodities for FY 2017. This is a decrease of \$49,290, or 15.5 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to supplies for patient treatment, household supplies, and grounds materials, partially offset by an increase in stationary and office supplies;
- **Capital Outlay.** The agency requests \$7,184, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$511, or 6.6 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in computer equipment, partially offset by an increase in patient care equipment; and
- **Other Assistance.** The agency requests \$6,665, all from special revenue funds for other assistance expenditures for FY 2017. This is an increase of \$3,750, or 128.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$5.7 million, including \$4.9 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

### ***G. Physical Plant / Central Services***

The Physical Plant and Central Services Program is comprised of the following: Engineering, Environmental Services, Safety/Security, Purchasing/Supply, Dietary, and Laundry. The Engineering program is responsible for the repair and upkeep of 78 buildings and 949,579 square feet of space on 120 acres of grounds. The Engineering program also provides physical plant service for the hospital, Larned Juvenile Correctional Facility and Larned Correctional Mental Health Facility. Supply Services provides centralized procurement and warehousing of supplies, equipment, and materials needed to operate LSH and also works cooperatively with LJCF and LCMHF. Dietary Services was contracted out for FY 2014 and FY 2015 to A'viands which provides meal services for the hospital and averages 2,500 meals per day. Meals are also delivered to the LJCF and LCMHF. Also within this program, Larned State Hospital pays a portion of the City of Larned's waste water treatment facility bond payments from the State Institutions Building Fund.

**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
<b>Expenditures:</b>					
Salaries and Wages	\$ 4,392,806	\$ 4,340,054	\$ 4,340,054	\$ 4,526,489	\$ 4,526,489
Contractual Services	685,427	678,582	678,582	678,582	678,582
Commodities	322,834	495,540	495,540	495,540	495,540
Capital Outlay	21,184	17,064	17,064	17,064	17,064
Debt Service	0	0	0	0	0
<i>Subtotal - Operations</i>	<u>\$ 5,422,251</u>	<u>\$ 5,531,240</u>	<u>\$ 5,531,240</u>	<u>\$ 5,717,675</u>	<u>\$ 5,717,675</u>
Aid to Local Units	0	0	0	0	0
Other Assistance	14,283	27,424	27,424	9,140	9,140
<b>TOTAL</b>	<b><u>\$ 5,436,534</u></b>	<b><u>\$ 5,558,664</u></b>	<b><u>\$ 5,558,664</u></b>	<b><u>\$ 5,726,815</u></b>	<b><u>\$ 5,726,815</u></b>
<b>Financing:</b>					
State General Fund	\$ 4,408,579	\$ 4,353,857	\$ 4,353,857	\$ 4,540,292	\$ 4,540,292
All Other Funds	1,027,955	1,204,807	1,204,807	1,186,523	1,186,523
<b>TOTAL</b>	<b><u>\$ 5,436,534</u></b>	<b><u>\$ 5,558,664</u></b>	<b><u>\$ 5,558,664</u></b>	<b><u>\$ 5,726,815</u></b>	<b><u>\$ 5,726,815</u></b>
FTE Positions	110.0	110.0	110.0	110.0	110.0
Non-FTE Uncl. Perm. Pos.	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>110.0</u></b>	<b><u>110.0</u></b>	<b><u>110.0</u></b>	<b><u>110.0</u></b>	<b><u>110.0</u></b>

The **agency** requests \$5.7 million, including \$4.5 million from the State General Fund, for the Physical Plant / Central Services program for FY 2017. This is an all funds decrease of \$1.0 million, or 15.4 percent, and a State General Fund decrease of \$1.4 million, or 22.9 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages and capital outlay, and other assistance expenditures, partially offset by an increase in contractual services, commodities, and other assistance expenditures. The revised estimate includes 110.0 FTE positions, which is a decrease of 34.8 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 \$4.5 million, all from the State General Fund, for salaries and wages for FY 2017. This is a decrease of \$1.4 million, or 23.1 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in salaries and wages and fringe benefit expenditures, partially offset by a reallocation of salary shrinkage across all programs;
- **Contractual Services.** The agency requests \$678,582, including \$3,666 from the State General Fund, for contractual services for FY 2017. This is an all funds increase of \$252,947, or 59.4 percent, and a State General Fund increase of \$3,366, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in computer services expenditures, repair services, and utilities expenditures;

- **Commodities.** The agency requests \$495,540, including \$10,437 from the State General Fund, for commodities for FY 2017. This is an all funds increase of \$85,000, or 20.7 percent, and a State General Fund increase of \$10,437, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in power plant supplies, fuel for facility machinery, and equipment parts, partially offset by a decrease in grounds materials;
- **Capital Outlay.** The agency requests \$17,064, all from special revenue funds, for capital outlay for FY 2017. This is a decrease of \$27,693, or 61.9 percent, below the amount approved by the 2015 Legislature. The decrease is primarily attributable to a decrease in agricultural equipment and machinery, shop and plant equipment, and furniture fixtures, partially offset by an increase in household equipment; and
- **Other Assistance.** The agency requests \$9,140, all from special revenue funds, for other assistance for FY 2017. This is an increase of \$6,225, or 213.6 percent, above the amount approved by the 2015 Legislature. The increase is primarily attributable to an increase in expenditures associated with the voluntary retirement incentive program.

The **Governor** recommends expenditures of \$5.7 million, including \$4.5 million from the State General Fund, for FY 2017. This is the same amount as the agency's revised estimate.

# CAPITAL IMPROVEMENTS

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The FY 2016 and FY 2017 capital improvement requests for Larned State Hospital are included in the five-year plan in the Kansas Department for Aging and Disability Services (KDADS) budget.

<b>PERFORMANCE MEASURES</b>				
<b>Measure</b>	<b>Gov. Rec. for FY 2015</b>	<b>Actual FY 2015</b>	<b>Gov. Rec. FY 2016</b>	<b>Gov. Rec. FY 2017</b>
Average serious patient injuries from patient aggression per 1,000 inpatient days	0.071	0.071	0.068	0.064
Average restraint hours per 1,000 inpatient hours	0.088	0.088	0.084	0.080
Percent of direct care staff, clinicians and designated support staff trained in crisis intervention techniques	99.23%	99.23%	99.23%	99.23%