



DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Don Jordan, Secretary

**Senate Ways and Means
Subcommittee on State Hospitals
February 11, 2010**

State Hospitals

Secretary Don Jordan

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Chairwoman Schodorf and members of the committee, thank you for the opportunity to appear before you today to present the agency overview of the state hospitals. Before I begin, I would like to introduce the superintendents of the hospitals: Dr. Jerry Rea from Parsons State Hospital and Training Center; Barney Hubert from Kansas Neurological Institute; Dr. Robert Connell from Larned State Hospital; and Greg Valentine from Osawatomie State Hospital and Rainbow Mental Health Facility.

Kansas' state hospitals provide critical services to Kansans with severe mental illness and developmental disabilities as part of a statewide provider network which includes a wide range of community and inpatient services. Changes in one part of these service systems affect other parts, so I would ask that you remain mindful of reduced budgets in the community mental health, substance abuse, and developmental disabilities systems as you consider appropriations for the hospitals.

SRS has tried to absorb the SGF reductions for the State Hospitals in the SRS reduction package. State hospital budgets represent actual operating costs. Further reductions would require serving fewer people, which would be very difficult to accomplish as budget cuts in the community system increase the demand on hospitals. Grants for developmental disability assistance have been reduced by approximately \$8.1 million, resulting in reduced or eliminated services for an estimated 2,450 individuals. Grants to community mental health centers have been reduced by approximately \$11.0 million, and it is estimated that 5,232 individuals will see services reduced or eliminated during FY 2010. In addition, General Assistance eligibility for Tier Two cases was reduced from 24 months to 12 months which will reduce the MediKan Mental Health recipients by approximately 1,200 individuals.

Because of the reductions to the SRS budget, it has become increasingly difficult to absorb the reduced resource reductions and Governor's budget allotments in SRS. As a result KNI



and Parsons in FY 2010 had a 1% reduction to their base budget and in addition will be reduced \$1,217,080, in FY 2010 and \$1,448,840 in FY 2011 to meet the November Governor's budget allotments. The mental health hospitals will be reduced \$701,680 in FY 2010, and \$1,643,875 in FY 2011.

State Developmental Disability Hospitals

Parsons State Hospital and Training Center (PSH&TC) and Kansas Neurological Institute (KNI) serve people with severe, life-long disabilities that had their onset during the persons' developmental years, most frequently at or before birth. One of the more frequently occurring developmental disabilities (DD) is mental retardation. Persons with DD generally require life time services and supports.

Both facilities are surveyed at least annually by the Kansas Department on Aging and are licensed and certified to participate in federal Medicaid funding as intermediate care facilities for persons with mental retardation and other related conditions. Both facilities utilize person centered, preferred lifestyle planning to enhance the quality of their resident's lives. They also seek full inclusion of their residents in the lives of their community.

The Kansas Facilities Closure and Realignment Commission's November 2009 report recommended that SRS develop community placement criteria for people receiving services at Kansas Neurological Hospital and Parsons State Hospital, and require those meeting the criteria to transfer to community based services; that remaining individuals be served at Parsons State Hospital; and that Kansas Neurological Institute be closed.

The Governor did not accept the commission's recommendations for KNI and Parsons. The Governor concluded that while serving individuals in the community can lead to a better quality of life, it is currently not feasible to close KNI and consolidate all residents at Parsons. Therefore, the Governor issued an executive order to begin a phased reduction of the populations at KNI and Parsons that if effective, could lead to the closure of one institution in approximately three to four years.

The Governor issued Executive Order 10-01 KNI and Parsons, on January 26, 2010, with the following directives to the Secretary of SRS.

- Work in cooperation with Community Developmental Disability Organizations ("CDDOs") to establish standards to determine which individuals require the level of care provided in the state hospitals.
- Establish new standards which impose restrictions on admissions to PSH and KNI.
- Work in cooperation with CDDOs to increase the capacity in the community to appropriately and effectively serve all Kansans who are currently residents of PSH or KNI.
- Facilitate the movement of individuals currently served at PSH and KNI to community living by developing and implementing a process to introduce guardians to the potential benefits and opportunities available in their local communities.



- Pursuant to K.S.A. 39-1806, move to community living arrangements, at an appropriate pace, all individuals who do not meet the new state hospital levels of care standards.
- Establish responsible and attainable goals for the consolidation of PSH and KNI, including the movement of individual residents to community living, and monitor the progress each hospital makes in meeting these targets.
- Track the quality of services provided to individuals who leave PSH and KNI to assure their needs are met and that they experience improvement in the quality of their lives.
- In accordance with K.S.A. 39-7,161, as individuals leave PSH and KNI and move to community based living environments any savings of state funds shall be annually and timely redirected to the Home and Community Based Services for the Developmentally Disabled ("HCBS DD") Waiver.
- In cooperation with the Director of the Division of Budget, track savings accomplished through this process using the procedures established to assure savings are redirected to reducing the number of individuals on the waiting list for HCBS DD services.
- Report annually to the Governor on the status of the above directives, and whether the population at PSH and KNI combined has reached a level to make continued operation of both facilities impractical and inefficient.
- The Secretary shall also provide an annual report to the Governor on whether an Executive Reorganization Order to consolidate PSH and KNI is recommended for continued improvement of the service system for individuals with a developmental disability.

The above directives from the Governor were designed to assure that every Kansan with a developmental disability has the opportunity to live with their fellow citizens and experience the full range of activities available to Kansans, while maximizing the effective use of Kansas taxpayer dollars.

SUMMARY OF STATE DEVELOPMENTAL DISABILITY HOSPITAL CENSUS

Facility	Budgeted Beds	Average Census
PSH&TC 188		192
KNI	168	158
Total 35	6	350

Parsons State Hospital and Training Center

Parsons State Hospital and Training Center (PSH&TC) is budgeted to serve 188 persons in ten residential units. Most residential units house 16-22 persons, except for the dual diagnosis unit which currently serves 14 individuals. One residential unit was closed in December 2009 due to budget reductions. PSH&TC recently restructured its services to accommodate about 15 residents living on that unit within the ten remaining units.

On January 9, 2009 the Council on Quality and Leadership (CQL) recommended PSH&TC to be accredited for a three year term. CQL is the recognized leader for quality of life for persons with intellectual disabilities and persons with mental illness, and the people, organizations and communities who support them. Three years is the longest accreditation term awarded in the CQL's Personal Outcomes Measures 2000 process. There are very few state institutions in the country who have achieved this honor.

Fifty-two percent of PSH&TC's residents are categorized in the severe to profound range of mental retardation. In addition to their mental retardation, about 90 percent of the residents present significant behavioral challenges or symptoms of emotional disturbance. Last fiscal year, 20 persons were discharged from PSH&TC to community settings and 17 persons were admitted.

Important quality outcomes achieved for individuals admitted to PSH&TC during the past five years include:

- Nearly half (48.43%) of the psychotropic medications used by persons prior to admission to PSH&TC were able to be eliminated, resulting in substantial cost savings while improving the individual's quality of life.
- Altogether, 70% of people admitted to PSH&TC have had psychotropic medications reduced or eliminated.
- The average length of stay at PSH&TC has decreased from 2,318 days to 160 days for individuals admitted and discharged within the past five years.

PSH&TC also provides a research-based treatment program for persons with developmental disabilities who have a history of sexual offenses. During FY 2009, PSH&TC worked with 56 persons in assessment and treatment programs designed to reduce the probability of new offenses. In addition, PSH&TC psychologists provided sex offender training either in the form of in-servicing prior to discharge, or follow up for those previously discharged, to approximately 120 community agency staff.

PSH&TC's Dual Diagnosis Treatment and Training Services (DDT&TS) provides treatment and consultation for persons with DD and severe mental illness. With seven staff stationed throughout the state, the DDT&TS provides on-site delivery of psychological services to



individuals, as well as direct training to parents, families, schools and staff of community service providers. Of those individuals served, less than one percent required admission to PSH&TC for treatment. In FY 2009, the DDT&TS Outreach Service Program provided services to 122 individuals in 49 Kansas communities, Osawatomie State Hospital and Larned State Hospital.

The Parsons Research Center and the Kansas University Center on Developmental Disabilities (KUCDD) are also located on the PSH&TC campus. These programs have a 53-year history at PSH&TC and employ 44 faculty and staff with \$5.70 million in contracts and grant awards.

KUCDD provides community service programs within the catchment area of PSH&TC, including the Foster Care Project (SEK TFC), Respite Services Program, Birth-to-Three and Coordinated Resource Support Services. During FY 2009, these programs provided services to more than 575 families and children.

KUCDD also supports an Assistive Technology for Kansans (ATK) project that provides a number of services to Kansans with disabilities. A major component managed by the ATK is the Kansas Equipment Exchange Program which provides good, used equipment and assistive technology devices to Kansans at no charge. Nearly 21,000 inquiries were made about services available through this program during FY 2009 and equipment valued at nearly \$700,000 was assigned at no cost to individuals who used these services.

Another active program is PSH&TC's own Assistive Technology Department. The department designs, develops and "invents" a number of adaptive devices for use by residents and has responded to a number of requests from surrounding communities providing consultation and advice.

Kansas Neurological Institute

Kansas Neurological Institute (KNI) serves 158 persons, 96 percent of whom are categorized in the severe to profound range of mental retardation. Most KNI residents require intensive physical and medical supports. Most are unable to walk or speak, about two-thirds have seizure disorders, and about one-third are unable to eat by mouth and receive their nutrition through feeding tubes. Individuals at KNI live in 23 homes in five residential lodges.

KNI seeks to support each person living at KNI to have a meaningful life by:

- Ensuring well-being;
- Providing opportunities for choice;
- Encouraging community participation;



- Promoting personal relationships; and
- Recognizing individuality.

KNI also operates one of four seating clinics in Kansas providing individually designed seating for persons using wheelchairs and provides additional assistive technology support to people with DD living in the community. The seating clinic served 186 individuals from the community in FY 2008, 207 people last fiscal year, and expects to serve at least 230 individuals this fiscal year. Assistive technology assistance was provided to 153 people in FY 2008, 177 people in FY 2009, and services will be provided to approximately 180 people in FY 2010. The increase in number of people served through the seating clinic and assistive technology services is expected to continue in FY 2011.

KNI also provides dental services to persons with DD living in the community who are unable to access needed care. Since this service was initiated, 129 people have utilized these services, and it is anticipated that 70 people will participate in these services during FY 2010. Because dental services have recently been eliminated for adults served through the HCBS waiver for people with developmental disabilities it is anticipated that demand for dental services will increase in FY 2011.

KNI has also provided a variety of medical and therapeutic services to people with developmental disabilities who could not obtain these services through community providers because of a variety of special needs or circumstances. These services include primary care services, support during recovery from surgery, evaluative services, diabetes management and occupational and physical therapy services. Support of this nature was provided to 20 people in FY 2009, and it is anticipated a similar number of people will require these services by the end of FY 2010 and in FY 2011.

Starting in FY 2006, KNI began providing behavioral consultation and support to people with DD receiving community-based services. In FY 2009 these services were utilized by 23 people. Approximately 30 people will utilize these services in FY 2010, and a comparable number of people are expected to request behavioral consultation and support in FY 2011. In FY 2009 and again in FY 2010, KNI has also fielded increased requests from community service providers to serve as a resource in the provision of various other person-centered supports for people who present behavioral or medical challenges.

Because of a very gradual decrease in census, KNI has begun a process that will result in the consolidation of one home and a reduction of ten FTE by approximately March 1, 2010. The six people living in this home will move to other homes within KNI, and staff currently working in this home will be reassigned to other homes at KNI as attrition occurs.



State Mental Health Hospitals

The state mental health hospitals – Osawatomie State Hospital (OSH), Rainbow Mental Health Facility (RMHF) and Larned State Hospital (LSH) – serve persons experiencing serious symptoms of severe mental illness. Only persons who have been determined to be a danger to themselves or others are referred to state mental health hospitals. These people generally exhibit symptoms that community providers cannot treat safely and effectively. Once severe symptoms are stabilized, they can successfully return home with supports provided by their community mental health centers (CMHCs).

The state mental health hospitals also serve prisoners needing inpatient mental health treatment and persons committed as violent sexual predators. In addition, hospitals complete mental health evaluations on persons referred by the courts.

The state mental health hospitals are accredited by the Joint Commission (JC) and are certified to participate in federal Medicaid and Medicare funding.

Osawatomie State Hospital and Rainbow Mental Health Facility

OSH serves adults from 46 eastern Kansas counties, including Sedgwick, Shawnee, Wyandotte, and Johnson counties. OSH shares its catchment area with Rainbow Mental Health Facility. Between 50 and 70 percent of the people served by OSH also need substance abuse treatment. Increased admissions mean that OSH has frequently exceeded its budgeted bed capacity:



SUMMARY OF OSAWATOMIE AND RAINBOW CENSUS

Facility and Population	Budgeted Bed Capacity	Average Census YTD
Osawatomie State Hospital – Adults	176	170
Rainbow Mental Health Center Adults	50	47
TOTAL	226	217

Osawatomie State Hospital		
Number of (and Percent) Days Over Census		
Fiscal Year	Number Days Over Census	Percent of Time Over Census
FY 2005	73	20%
FY 2006	81	22%
FY 2007	100	28%
FY 2008	64	17%
FY 2009	82	23%
FY 2010 (Year to Date, 12/31/09)	42	23%

Osawatomie State Hospital History of Admissions		
Fiscal Year	Number of Admissions	Percent Increase From Prior Year
FY 2005	1943	----
FY 2006	2016	3.8%
FY 2007	1969	-2.3%
FY 2008	2181	11.8%
FY 2009	2042	-6.4%
FY 2010, YTD 12/31/-09	Year-to-date 1105 Projected 2192	7.3%

Elevated census strains OSH's ability to provide services. Regulators require that each patient be actively involved in his/her individually developed treatment plan and not have extensive idle time in between treatment sessions. Ensuring active treatment requires a significant number of direct care staff. OSH has been able to maintain Medicaid and Medicare certification through dedicated efforts from treatment staff. However, at current staff levels, they are struggling to maintain their normal level of care.

Rainbow Mental Health Facility

Rainbow Mental Health Facility (RMHF) provides inpatient psychiatric care to adults from five counties served by three CMHCs. RMHF is struggling to maintain the active treatment requirements of CMS, and to meet the increasing nursing care demands of a more challenging and medically needy patient population.

Rainbow Mental Health Facility Time Over Census		
Fiscal Year	Number Days Over Census	Percent of Time Over Census
FY 2007	19	5%
FY 2008	36	10%
FY 2009	27	7%
FY 2010 (YTD 12/31/09)	41	22%

Rainbow Mental Health Facility History of Admissions		
Fiscal Year	Number of Admissions	Increase From Prior Year
2005	671	----
2006	664	-1%
2007	671	1%
2008	810	20.7%
2009	875	8.0%
2010	Year-to-date 455 Projected 902	3.1%

Larned State Hospital

Larned State Hospital (LSH) operates the following three distinctly different treatment programs:

Psychiatric Services Program (PSP)

The PSP serves persons from 59 western Kansas counties and provides acute psychiatric inpatient services for adults, adolescents, and children. The program provides the same services as OSH and Rainbow for their respective catchment areas. LSH PSP admissions have risen steadily over time, but ongoing efforts to provide more intensive treatment have reduced lengths of stay as much as possible.

SRS solicited competitive bids for a facility to provide inpatient psychiatric treatment services to children and adolescents from western Kansas who would otherwise be served by Larned State Hospital. SRS has selected KVC Behavioral HealthCare to provide this service. KVC will begin providing inpatient mental health treatment services to these youth in early spring 2010. The new KVC facility will serve all youth in western Kansas determined by community mental health centers to be in need of state mental health hospital level of treatment on a no eject, no reject basis. KVC will provide inpatient treatment to these youth until their serious mental health symptoms are stabilized and they can be safely and effectively treated in their home and community. The facility will be located in Hays, Kansas.



Once this facility is fully operational, SRS expects to save about \$900,000 per year at Larned State Hospital. In addition, treatment space will be freed up to allow all Larned State Hospital adult civil psychiatric services to be located in the same building complex. This will make delivering services easier, free up needed space for the sexual predator treatment program, and allow for expanded bed capacity of Larned State Hospital's adult civil psychiatric services program when sufficient funding is available.

SUMMARY OF LARNED PSYCHIATRIC SERVICES PROGRAM CENSUS

Facility and Population	Budgeted Bed Capacity	Average Census YTD (July 1, to Dec. 31, 2009)
LSH Psychiatric Services		
Program Adults -	79	86
Adolescent -	12	6
Children -	8	1
TOTAL	99	93

LARNED PSYCHIATRIC SERVICES PROGRAM

Days Over Census (Adults Only)

Fiscal Year	Number Days Over Census	Percent of Time Over Census
FY 2006	31	8%
FY 2007	34	9%
FY 2008	259	71%
FY 2009	141	39%
FY2010 (July 1 to Dec. 31, 2009)	156	85%

State Security Program (SSP)



The State Security Program provides forensic evaluation and inpatient psychiatric care for the Department of Corrections (DoC) and criminal courts. This program includes a forensic evaluation unit, two acute psychiatric treatment units, two psychiatric rehabilitation units for inmates of the Department of Corrections, a psychiatric unit for females and a security behavior unit. The security behavior unit serves patients from all the state hospitals whose behaviors are extremely dangerous, requiring the highest level of security. The need for beds by the district courts and DoC exceeds the current budgeted capacity of the SSP. The waiting list for admissions from the district courts reached an all time high of 86 in May 2008, and there are currently 63 on the waiting list.

Sexual Predator Treatment Program (SPTP)

The SPTP serves persons with a civil commitment through the Kansas sexual predator treatment laws for indefinite treatment. The LSH inpatient program is budgeted for 160 residents, but continues to be over capacity and currently serves 189 residents. LSH has accommodated the increase in census without any additional funding by reducing therapeutic and recreational programs and by managing staffing levels. When the census reaches 191 there will no more rooms available in the existing buildings. A new unit will have to be opened in a different building at that time, and funding will have to be made available for additional staff. The Governor has recommended \$450,000 in funding in FY 2010 and \$1.4 million for FY 2011.

When persons successfully complete their treatment at the SPTP inpatient program at LSH, they are referred to the SPTP Transition program. LSH also manages the SPTP Transition Program located on the grounds of OSH. Due to legislative action during the 2009 session, there is now an eight person cap on the number of SPTP transition residents in any one county. The current census at the Transition Program is seven. We are currently working on what other state facilities, in other counties, would be available to house a SPTP transition program.



SUMMARY OF LARNED CENSUS – ALL PROGRAMS

Population/Program	Budgeted Bed Capacity	Average Census YTD (July 1. to
Adult Psychiatric	79	86
Adolescent Psychiatric	12	6
Children Psychiatric	8	1
State Security Program	200	188
Total Average Daily Census	299	281

SPTP	Budgeted Bed Capacity	Current Census
SPTP In-Patient Program	160	189
SPTP Transition Program	6	7

Building and Capacity Issues

In response to a KDHE survey of the old Hospital Building, the Crisis Stabilization Unit (CSU) has moved from that location, and psychiatric patients are being temporarily housed in space that will be needed for the SPTP. LSH received planning money for the construction of an additional 30 beds in the Adult Treatment Center (ATC) building, which would provide capacity for the CSU, and provide an additional 11 beds to meet the increased demand for PSP services. Contracting with KVC to provide youth services in Hays will vacate space to house the CSU, and the request for the 30 bed expansion has been removed from our Five Year Capital Improvement Plan.

The current SPTP census at Larned is 189 residents, with 214 beds currently available. Although the rate of growth of SPTP has varied from year to year, the average growth over the life of the program is almost 16 residents per year. At this rate the program will exceed physical capacity by FY 2012. An architectural plan for a 90 bed expansion of SPTP was prepared in the fall of FY 2009, and design funding was requested for FY 2010. No funding was provided in FY 2010, so this funding is being requested for FY 2011.



In FY 2010 the Legislature approved \$4,262,950 from the State Institutions Building Fund (SIBF) for Institutions Rehabilitation and Repair projects for the five state hospitals and the SRS Chanute Service Center. Of this \$4.2 million approved for Rehab and Repair, \$1.6 million was for the renovation of the Meyer building at Larned. This is the building that will be needed next to house the Sexual Predator Treatment Program (SPTP) residents.

Last spring there was a fire in the laundry building at Larned and it was almost completely destroyed. Larned State Hospital provides the laundry services for all three of the organizations located on the Larned campus. LSH is currently providing the laundry services by transporting the laundry to the Hutchinson Correctional Facility to be cleaned. This arrangement cannot continue forever, as the Hutchinson laundry facilities were not built to handle this volume of laundry, and this is not a very efficient way to provide the service. LSH has conducted a cost-benefit analysis of its options, including contracting out the laundry services. The rebuilding of the facility proved to be the most cost effective alternative.

We have estimated it will cost \$1.3 million to rebuild the facility and to replace the industrial laundry equipment. We believe it is important that we move forward with using \$1.3 million of the \$1.6 million approved for the Meyer building renovation to rebuild the laundry facilities at Larned

We will adjust our FY 2011 Capital Improvement Plan request to reflect the \$1.6 million for the renovation of Meyer as a part of the FY 2011 Rehab and Repair projects. Although it is expected the SPTP will need to move into the Meyer building this fiscal year, the renovations could be completed around the residents during FY 2011.

Safety, Quality and Efficiencies

The employees of LSH continue to devote themselves to the pursuit of safety, treatment quality, and efficiency. Here are some examples of ongoing efforts and achievements:

- LSH had a four-day survey by The Joint Commission during FY 2009 and was granted accreditation for all services surveyed under the Comprehensive Accreditation Manuals for Hospitals
- Restraint and seclusion hours have been consistently below the national average since FY 2006
- The reduction of staff injuries from assault continues to be a focus, with a 50% reduction from December 2008 to December 2009
- Patient injuries have declined and remain well below the national average
- FY 2009 readmission rates in the Psychiatric Services Program were at their lowest levels since FY 2004, though still above the national average



- The median length of stay has continued to decline hospital-wide, and reached a low of 10 days in the Psychiatric Services Program in FY 2009



Other State Agencies on the Larned Campus

LSH shares the campus with the Larned Juvenile Correctional Facility (LJCF) and the Larned Correctional Mental Health Facility (LCMHF). LSH provides the LJCF, the LCMHF, and the Ft. Dodge Soldiers Home with support services, such as dietary, maintenance, laundry, and water. Sharing LSH resources with Department of Corrections (DOC) and Juvenile Justice Authority (JJA) increases efficiencies in those agencies but increases LSH's support costs above those of other state hospitals.

The Department of Corrections is remodeling the West Unit of the Larned Correctional Mental Health Facility (LCMHF) to accommodate approximately 68 additional inmates. When completed and occupied, this 20 percent increase in the inmate population will also result in a corresponding increase in dietary, laundry, water and sewer services provided by LSH. LCMHF will provide LSH as much advanced notice as possible regarding the estimated completion date and increased numbers of inmates.

Key State Hospital Issues

Resource Challenges

Sufficient resources are needed to ensure quality state hospital services are available to Kansans who need them. In recent years, the state hospitals have experienced serious challenges to the adequacy of their resources. Therefore, the state hospitals have not submitted reduced resource budgets. Instead, SRS' reduced resource budget includes the reduced resource targets for the state hospitals.

Operating Challenges

The current state budget situation has required us to review all of our programs for efficiencies. The most recent allotment issued by the Governor will result in policy changes we would prefer not to do but are necessary to save money to meet our current budget. As mentioned earlier, state grants to the CMHCs and CDDOs have been reduced, which will tend to increase demand on state institutions.

The hospitals are also implementing various personnel actions, unit consolidations, and other operating reductions to reduce expenditures in both FY 2010 and FY 2011. Major changes include closing the Youth Services Unit at Larned State Hospital; consolidating a home in FY 2009 and another home in FY 2010 at KNI; and closing Willow cottage at Parsons State Hospital and consolidating these residents into another cottage.



The Mental Health Hospitals are operating at the bare minimum staffing to ensure active treatment and the safety of staff and patients. Current vacancy rates at the Mental Health Hospitals are running from 6.9 percent to 14.0 percent. It should also be noted that further reductions of the hospital budgets would necessitate the need to cease voluntary admissions at the Mental Health Hospitals and the closure of patient units. Any further reductions, without reducing patient census at the MH hospitals, could put the hospital at risk of losing their license and certification.

Building Conditions

The state hospital buildings contain about 2,037,525 gross square feet of floor area. Many of the buildings are 20 to 50 years old. The buildings are deteriorating and the equipment continues to wear out. Currently, state hospitals are only allocated \$1.4 million per year for maintenance and repair and major capital improvement projects for these vast complexes of facilities. This is insufficient to keep up with the demand for repairs on these aging facilities. So, a new backlog of needed maintenance and repair is beginning to once again accumulate. Our 5 year capital improvement plan has a request for \$4.8 million for our first priority rehabilitation and repair and \$5.2 million for major rehabilitation and repair (including the \$1.6 million for the remodel of the Meyer building).

I will now stand for questions.



KANSAS
DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

Description	FY 2010 SGF	FY 2010 All Funds	FY 2011 SGF	FY 2011 All Funds
<i>November Allotments and Governor's Recommended Reductions</i>				
Reduction in Operating Expenditures SGF operating expenditures for the five state hospitals have been decreased by a total of \$3.0 million. These reductions will result in the consolidation of units at KNI, the closing of children's beds at Larned, the consolidation of cottages at Parsons, and various other reductions in salaries and other operating expenditures. In addition, fee fund balances will be used in FY 2010 to replace approximately \$1.1 million SGF.	(3,002,763)	(1,918,759)	(3,000,000)	(3,000,000)
Replace SGF with Unbudgeted State Hospital ARRA Funds. Approximately \$3.1 million SGF will be replaced with unbudgeted ARRA funds. This has no effect on services.	(3,092,047)	--	--	--
Replace SGF with Fee Funds Balances in various hospital fee funds will be used to replace SGF expenditures.	--	--	(4,200,000)	--
TOTAL NOVEMBER and GOVERNOR'S RECOMMENDED REDUCTIONS	(6,094,810)	(1,918,759)	(7,200,000)	(3,000,000)
<i>Other Recommended Adjustments</i>				
SPTP 17-Bed Expansion The census for the Sexual Predator Treatment Program (SPTP) is currently 187, which is 27 persons more than Larned State Hospital has funding to serve. This additional funding will provide a 17-bed expansion for the program to be implemented around March 2010. The \$450,000 SGF in FY 2010 represents a transfer from SRS, which was made available by replacing SGF expenditures with fee fund expenditures in SRS. The funding available in FY 2011 for this expansion is a result of increasing Title XIX expenditures throughout the Hospitals.	450,000	450,000	--	1,402,261
Workers Compensation Increase The Hospitals will be using balances in their fee funds to cover increasing workers compensation costs in FY 2010 and FY 2011.	--	2,272,410	--	1,894,705
TOTAL OTHER RECOMMENDED ADJUSTMENTS	450,000	2,722,410	--	3,296,966