

OSAWATOMIE STATE HOSPITAL

FY 2024 – FY 2026 BUDGET SUMMARY

FIG. 1 BUDGET SUMMARY, FY 2024 – FY 2026

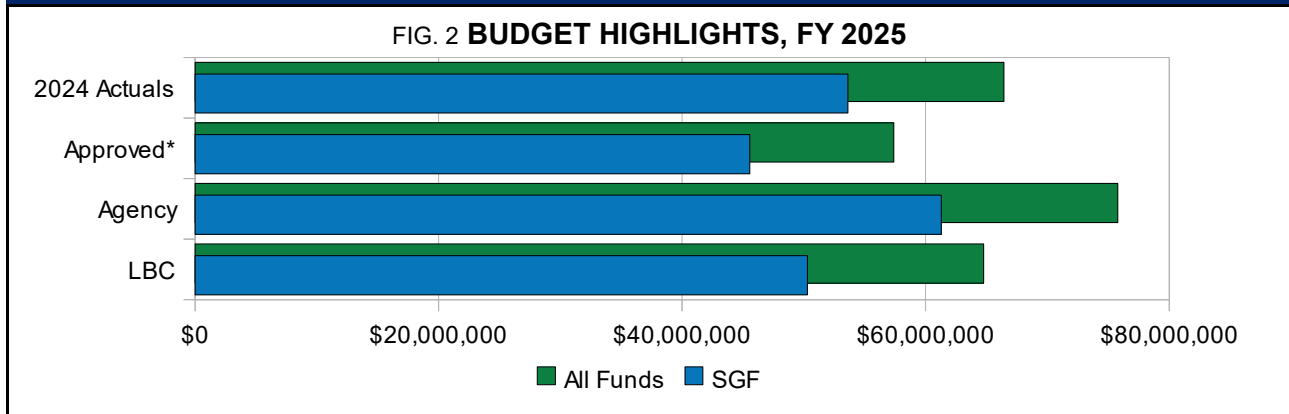
	Actual FY 2024	Agency FY 2025	Legislative Budget Committee FY 2025	Agency FY 2026	Legislative Budget Committee FY 2026
EXPENDITURES:					
State Operations*	\$ 66,420,722	\$ 75,276,667	\$ 64,276,667	\$ 76,518,322	\$ 65,264,599
Salaries and Wages	36,156,845	41,832,417	41,832,417	42,959,109	42,705,386
Contractual Services	27,314,230	29,867,571	18,867,571	30,163,134	19,163,134
Commodities	2,539,076	3,020,709	3,020,709	2,840,109	2,840,109
Capital Outlay	410,571	555,970	555,970	555,970	555,970
State Aid and Assistance	\$ 1,801	\$ 500	\$ 500	\$ 500	\$ 500
Aid to Local Units	-	-	-	-	-
Other Assistance	1,801	500	500	500	500
Capital Budget and Debt	\$ 2,634	\$ 495,636	\$ 495,636	\$ 2,750	\$ 2,750
Capital Improvements	2,634	495,636	495,636	2,750	2,750
Debt Service Principal	-	-	-	-	-
Debt Service Interest	-	-	-	-	-
TOTAL	\$ 66,425,157	\$ 75,772,803	\$ 64,772,803	\$ 76,521,572	\$ 65,267,849
FINANCING:					
State General Fund	\$ 53,624,478	\$ 61,292,448	\$ 50,292,448	\$ 62,052,668	\$ 50,798,945
OSH Fee Fund	5,519,886	6,060,432	6,060,432	6,761,308	6,761,308
Title XIX Fund	7,253,950	7,703,112	7,703,112	7,678,671	7,678,671
All Other Funds	26,843	716,811	716,811	28,925	28,925
TOTAL	\$ 66,425,157	\$ 75,772,803	\$ 64,772,803	\$ 76,521,572	\$ 65,267,849
PERCENTAGE CHANGE:					
State General Fund	15.1 %	14.3 %	(17.9) %	1.2 %	(18.1) %
All Funds	9.6 %	14.1 %	(14.5) %	1.0 %	(14.7) %
FTE Positions	545.0	530.7	530.7	532.7	530.7

* Note: Expenditures for debt service interest are reflected under "Capital Budget and Debt."

AGENCY OVERVIEW

Osawatomi State Hospital (OSH) is an acute mental health care bed facility serving individuals 18 years and older from 46 eastern and central Kansas counties who require inpatient psychiatric treatment or non-medical detoxification for substance abuse. OSH campus includes two separate units, OSH and Adair Acute Care (AAC). Adair Acute Care operates all federally certified beds on the campus. Additionally, the campus includes MiCo House, a reintegration unit of the Sexual Predator Treatment Program.

FY 2025 ANALYSIS



* Note: Includes SGF reappropriations.

FIG. 3 BUDGET COMPARISON, FY 2025

Fund	2024 Actuals	2025 Approved*	2025 Agency	Agency Change from Previous-Year Actuals		Agency Change from Approved*	
SGF	\$ 53,624,478	\$ 45,551,220	\$ 61,292,448	\$ 7,667,970	14.3 %	\$ 15,741,228	34.6 %
All Other Funds	12,800,679	11,830,906	14,480,355	1,679,676	13.1	2,649,449	22.4
TOTAL	\$ 66,425,157	\$ 57,382,126	\$ 75,772,803	\$ 9,347,646	14.1 %	\$ 18,390,677	32.0 %

* Note: Includes SGF reappropriations.

BUDGET ANALYSIS

FIG. 4 SUMMARY OF BUDGET REQUEST, FY 2025

	Agency			Legislative Budget Committee		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Approved, FY 2025	\$ 45,551,220	\$ 57,382,126	518.1	\$ 45,551,220	\$ 57,382,126	518.1
2024 SB 28 & HB 2551	45,551,220	57,382,126	518.1	45,551,220	57,382,126	518.1
1. SGF Reappropriation	-	-	-	-	-	-
Supplemental Requests	\$ 11,000,000	\$ 11,000,000	-	\$ -	\$ -	-
2. Agency Nursing Staff	11,000,000	11,000,000	-	-	-	-
Other Changes	\$ 4,741,228	\$ 7,390,677	12.6	\$ 4,741,228	\$ 7,390,677	12.6
3. 24/7 Pay Plan	4,741,228	4,741,228	-	4,741,228	4,741,228	-
4. Salaries and Wages	2,560,173	6,615,758	12.6	2,560,173	6,615,758	12.6
5. Contractual Services	(3,118,920)	(5,247,369)	-	(3,118,920)	(5,247,369)	-
6. All Other Adjustments	558,747	1,281,060	-	558,747	1,281,060	-
TOTAL	\$ 61,292,448	\$ 75,772,803	530.7	\$ 50,292,448	\$ 64,772,803	530.7

1. SGF REAPPROPRIATION

The agency did not have any SGF funds reappropriated from FY 2024 into FY 2025.

2. AGENCY NURSING STAFF

Contract nurses are temporary nursing professionals who are employed on a temporary basis, unlike permanent staff, which are employed full-time at a hospital. During and after the COVID-19 pandemic, the agency experienced a steady decline in retention of full-time Registered Nurses (RN), Licensed Practical Nurses (LPN), and Mental Health Technicians (MHT). Although the agency has implemented measures to retain full-time employees, it has not been enough to recover its losses. As a result, the agency continues to utilize contract direct-care staff until enough full-time employees are hired to meet the staff-to-patient cores needed, and the revised estimate includes an additional \$11.0 million SGF to fund contract agency direct-care staff in FY 2025.

The agency indicates this funding is necessary to sustain current operations until the full effects of the Pay Plan are felt. Including this supplemental request, the agency has budgeted \$23.0 million for contract staff in FY 2025, up from the \$17.9 million spent on contract staff in FY 2024.

- **Agency:** Add \$11.0 million SGF to fund a budget shortfall for contract agency nursing staff in FY 2025.
- **LBC:** Delete \$11.0 million SGF to not fund a budget shortfall for contract agency nursing staff in FY 2025.

3. 24/7 PAY PLAN

The agency's revised estimate includes \$4.7 million SGF to fund shift differentials for employees at 24/7 facilities pursuant to the 24/7 Pay Plan in FY 2025. These funds were transferred from the Kansas Department for Aging and Disability Services in FY 2025. Because the 24/7 Pay Plan shift differentials were made permanent by the 2024 Legislature, these funds will become part of the agency's base budget in future years.

- **Agency:** Add \$4.7 million SGF to fund shift differentials for employees at 24/7 facilities pursuant to the 24/7 Pay Plan in FY 2025.
- **LBC:** No changes.

4. SALARIES AND WAGES

The agency's revised estimate includes an additional \$6.6 million, including \$2.6 million SGF, for salaries and wages expenditures in FY 2025. This increase is primarily due to the agency estimating that it will fill more positions than it had originally estimated in the budget approved by the 2024 Legislature, primarily in the Clinical Services programs, which include Registered Nurses and Mental Health Developmental Disability Technicians. It also includes funding to implement the increase of maximum bonuses from \$3,500 to \$10,000 that was approved by the 2024 Legislature (HB 2551). The revised estimate also includes 12.6 additional FTE positions, primarily being added to the Clinical Services program.

- **Agency:** Add \$6.6 million, including \$2.6 million SGF, and 12.6 FTE positions for employee pay and additional personnel in the Clinical Services program, including funding for positions that were previously estimated to be vacant in FY 2025.
- **LBC:** No changes.

5. CONTRACTUAL SERVICES

The agency's revised estimate includes a decrease of \$5.2 million, including \$3.1 million SGF, for contractual services expenditures in FY 2025. The decrease is primarily attributable to decreased expenditures for staffing and physician services. Including the supplemental request, the request is \$23.0 million for contract staffing expenditures.

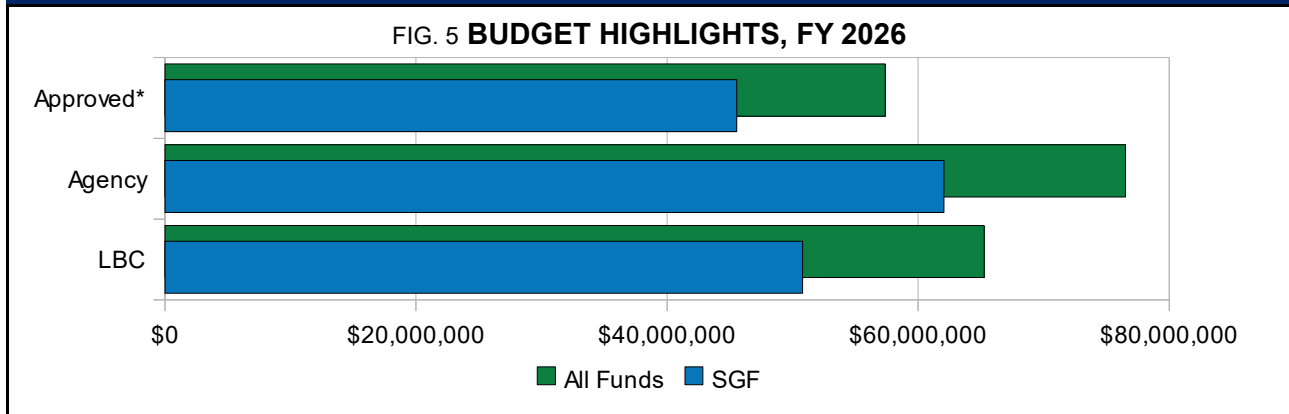
- **Agency:** Delete \$5.2 million, including \$3.1 million SGF, for contractual services expenditures, including funding for staffing and physician services, in FY 2025.
- **LBC:** No changes.

6. ALL OTHER ADJUSTMENTS

The agency's revised estimate includes an increase of \$1.3 million, including \$558,747 SGF, for a variety of other adjustments in FY 2025. Changes include increased expenditures on drugs and pharmaceuticals (\$229,225), trucks (\$210,000), and a remodel of the Biddle Courtyard (\$492,886).

- **Agency:** Add \$1.3 million, including \$558,747 SGF, for other adjustments, including drugs and pharmaceuticals, trucks, and a remodel of the Biddle Courtyard, in FY 2025.
- **LBC:** No changes.

FY 2026 ANALYSIS



* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

FIG. 6 BUDGET HIGHLIGHT CHANGES, FY 2026

Fund	2025 Agency	2025 Approved*	2026 Agency	Agency Change from Previous-Year Agency	Agency Change from Approved*
SGF	\$ 61,292,448	\$ 45,551,220	\$ 62,052,668	\$ 760,220 1.2 %	\$ 16,501,448 36.2 %
All Other Funds	14,480,355	11,830,906	14,468,904	(11,451) (0.1)	2,637,998 22.3
TOTAL	\$ 75,772,803	\$ 57,382,126	\$ 76,521,572	\$ 748,769 1.0 %	\$ 19,139,446 33.4 %

* Note: Reflects legislative-approved expenditures for FY 2025, excluding reappropriations.

BUDGET ANALYSIS

FIG. 7 SUMMARY OF BUDGET REQUEST, FY 2026

	SGF	Agency All Funds	FTE	Legislative Budget Committee SGF	Legislative Budget Committee All Funds	Legislative Budget Committee FTE
Approved, FY 2025	\$ 45,551,220	\$ 57,382,126	518.1	\$ 45,551,220	\$ 57,382,126	518.1
2024 SB 28 & HB 2551	45,551,220	57,382,126	518.1	45,551,220	57,382,126	518.1
Enhancement Requests	\$ 11,253,723	\$ 11,253,723	2.0	\$ -	\$ -	-
1. Agency Nursing Staff	11,000,000	11,000,000	-	-	-	-
2. Psychologists	253,723	253,723	2.0	-	-	-
Other Changes	\$ 5,247,725	\$ 7,885,723	12.6	\$ 5,247,725	\$ 7,885,723	12.6
3. 24/7 Pay Plan	4,741,228	4,741,228	-	4,741,228	4,741,228	-
4. Salaries and Wages	3,374,720	7,488,727	12.6	3,374,720	7,488,727	12.6
5. Contractual Services	(3,441,370)	(4,951,806)	-	(3,441,370)	(4,951,806)	-
6. All Other Adjustments	573,147	607,574	-	573,147	607,574	-
TOTAL	\$ 62,052,668	\$ 76,521,572	532.7	\$ 50,798,945	\$ 65,267,849	530.7

1. AGENCY NURSING STAFF

The agency's request includes an additional \$11.0 million SGF to fund contract agency direct-care staff for FY 2026. Including the enhancement request, the agency has budgeted \$22.8 million for contract staff for FY 2026. This item is substantively similar to the same request in FY 2025.

- **Agency:** Add \$11.0 million SGF to fund a budget shortfall for contract agency nursing staff for FY 2026.
- **LBC:** Delete \$11.0 million SGF to not fund a budget shortfall for contract agency nursing staff for FY 2026.

2. PSYCHOLOGISTS

The agency currently employs four psychologists (3.5 FTE positions) and one Department Director who is also a licensed psychologist. These psychologists serve

approximately 159 patients across OSH and AAC. The agency indicates its psychologists are not able to focus purely on evaluations due to other duties and responsibilities. As a result, the agency requests \$253,723 SGF in enhancement funding and 2.0 FTE positions to employ two additional psychologists. The agency states adding two psychologist positions would allow OSH to admit, treat, and discharge patients more efficiently, leading to decreased time on the state competency waiting list, as well as assisting with court reports and testimony for the care of all hospital patients. The agency states adding additional psychologist FTE positions is necessary to maintain the current level of service should additional competency units be opened.

- **Agency:** Add \$253,723 SGF and 2.0 FTE positions to employ two additional psychologists for FY 2026.
- **LBC:** Delete \$253,723 SGF and 2.0 FTE positions to not employ two additional psychologists for FY 2026.

3. 24/7 PAY PLAN

The agency's request includes \$4.7 million SGF to fund shift differentials for employees at 24/7 facilities pursuant to the 24/7 Pay Plan for FY 2026.

- **Agency:** Add \$4.7 million SGF to fund shift differentials for employees at 24/7 facilities pursuant to the 24/7 Pay Plan for FY 2026.
- **LBC:** No changes.

4. SALARIES AND WAGES

The agency's request includes an increase of \$7.5 million, including \$3.4 million SGF, for salaries and wages expenditures for FY 2026. This increase continues the trend in FY 2025 of filling vacant positions, as well as funding for increased bonuses for state employees. The agency's request also includes the 12.6 FTE positions in the FY 2025 revised estimate.

- **Agency:** Add \$7.5 million, including \$3.4 million SGF, and 12.6 FTE positions for salaries and wages and FTE positions in the Clinical Services program, including funding for positions that were previously estimated to be vacant for FY 2026.
- **LBC:** No changes.

5. CONTRACTUAL SERVICES

The agency's request includes a decrease of \$5.0 million, including a decrease of \$3.4 million SGF, for contractual services expenditures for FY 2026. The decrease is primarily attributable to decreased expenditures for staffing and physician services. Including the enhancement request, the agency has budgeted \$22.8 million for contract staff for FY 2026.

- **Agency:** Delete \$5.0 million, including a decrease of \$3.4 million SGF, for contractual services expenditures, including funding for staffing and physician services, for FY 2026.
- **LBC:** No changes.

6. ALL OTHER ADJUSTMENTS

The agency's request includes an additional \$607,574, including \$573,147 SGF, in other adjustments for FY 2026. Changes include increased expenditures on drugs and pharmaceuticals (\$229,225), and trucks (\$210,000).

- **Agency:** Add \$607,574, including \$573,147 SGF, for other adjustments, including drugs and pharmaceuticals and trucks, for FY 2026.
- **LBC:** No changes.

CAPITAL BUDGET AND DEBT

FIG. 8 **CAPITAL BUDGET AND DEBT, FY 2024 – FY 2026**

	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
EXPENDITURES:					
Capital Projects	\$ 2,634	\$ 495,636	\$ 495,636	\$ 2,750	\$ 2,750
Biddle Courtyard	-	492,886	492,886	-	-
Building Improvements	2,634	2,750	2,750	2,750	2,750
Debt Service Principal*	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service Interest*	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 2,634	\$ 495,636	\$ 495,636	\$ 2,750	\$ 2,750
FINANCING:					
SGF	\$ 2,107	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
OSH Fee Fund	527	750	750	750	750
State Institutions Building Fund	-	492,886	492,886	-	-
TOTAL	\$ 2,634	\$ 495,636	\$ 495,636	\$ 2,750	\$ 2,750

* Note: Includes debt service expenditures on capital improvement projects only.

FY 2025 CAPITAL IMPROVEMENTS

The **agency** submits a revised estimate of \$495,636 in capital improvement expenditures in FY 2025, including \$2,750 SGF. These projects represent only a portion of capital improvements at OSH. The majority of capital improvement spending is made from the Kansas Department for Aging and Disability Services (KDADS) budget. The revised estimate includes the following capital projects:

1. BIDDLE COURTYARD

The agency's revised estimate includes \$492,886, all from the State Institutions Building Fund, to remodel the Biddle Courtyard in FY 2025. This funding was approved by the 2024 Legislature as part of the KDADS budget and is reflected in the OSH budget in FY 2025. This reflects no change to the overall state budget.

2. BUILDING IMPROVEMENTS

The agency's revised estimate includes \$2,750, including \$750 SGF, for miscellaneous building improvements in FY 2025.

FY 2026 CAPITAL IMPROVEMENTS

The **agency** requests \$2,750 SGF in capital improvement expenditures for FY 2026. These projects represent only a portion of capital improvements at OSH. The majority of capital improvement spending is made from the KDADS budget. The request includes the following project:

3. BUILDING IMPROVEMENTS

The agency's revised estimate includes \$2,750, including \$750 SGF, for miscellaneous building improvements for FY 2026.

REFERENCE TABLES

FIG. 9 10-YEAR EXPENDITURE HISTORY, FY 2017 – FY 2026

Fiscal Year	SGF	Change	All Funds	Change	FTE	CPI-U Change**
FY 2017	\$ 26,696,212	17.1 %	\$ 39,869,423	21.2 %	217.6	0.0 %
FY 2018	26,666,186	(0.1)	41,510,950	4.1	374.1	0.2
FY 2019	36,683,379	37.6	41,057,076	(1.1)	385.9	0.0
FY 2020	36,160,828	(1.4)	42,139,719	2.6	486.5	0.8
FY 2021	37,448,071	3.6	45,960,291	9.1	500.4	2.4
FY 2022	34,779,730	(7.1)	52,663,995	14.6	533.0	9.2
FY 2023	46,596,891	34.0	60,616,716	15.1	535.0	5.8
FY 2024	53,624,478	15.1	66,425,157	9.6	545.0	3.0
FY 2025 Agency	61,292,448	14.3	75,772,803	14.1	530.7	2.5
FY 2026 Agency	62,052,668	1.2	76,521,572	1.0	532.7	2.4
10-Yr. Chg. (FY 2017– 2026)	\$ 35,356,456	132.4 %	\$ 36,652,149	91.9 %	315.1	33.4 %
3-Yr. Avg. (FY 2022– 2024)*	45,000,366		59,901,956		537.6	

* Note: Reflects three most recent years of actuals data.

** Note: Consumer Price Index – All Urban Consumers estimate for FY 2025 and FY 2026 is from the Consensus Revenue Estimating Group.

FIG. 10 EXPENDITURES BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
AAC Administration	\$ 2,560,233	\$ 4,633,501	\$ 4,633,501	\$ 4,649,960	\$ 4,649,960
AAC Clinical Services	14,239,833	15,242,747	8,392,747	15,864,043	9,014,043
AAC Medical and Surgical Services	4,319,208	5,078,619	4,178,619	5,084,964	4,184,964
AAC Physical Plant and Central Services	3,303,083	3,127,737	3,127,737	2,649,621	2,649,621
AAC Staff Education and Research	225,187	223,715	223,715	224,904	224,904
OSH Administration	2,858,588	6,339,011	6,339,011	5,773,112	5,773,112
OSH Clinical Services	23,673,057	27,359,099	24,459,099	28,272,787	25,119,064
OSH Medical and Surgical Services	4,791,393	4,598,280	4,248,280	4,605,764	4,255,764
OSH Physical Plant and Central Services	7,656,459	5,985,565	5,985,565	6,019,879	6,019,879
OSH Staff Education and Research	462,207	453,151	453,151	455,531	455,531
SPTP MiCo House	1,906,661	2,333,068	2,333,068	2,507,704	2,507,704
Trust and Benefits	405,854	398,310	398,310	413,303	413,303
TOTAL	\$ 66,401,763	\$ 75,772,803	\$ 64,772,803	\$ 76,521,572	\$ 65,267,849

FIG. 11 FTE POSITIONS BY PROGRAM, FY 2024 – FY 2026

Program	Actual FY 2024	Agency FY 2025	LBC FY 2025	Agency FY 2026	LBC FY 2026
AAC Administration	23.0	26.6	26.6	26.6	26.6
AAC Clinical Services	95.5	91.3	91.3	91.3	91.3
AAC Medical and Surgical Services	13.0	13.6	13.6	13.6	13.6
AAC Physical Plant and Central Services	39.5	30.6	30.6	30.6	30.6
AAC Staff Education and Research	2.2	1.8	1.8	1.8	1.8
OSH Administration	30.0	23.3	23.3	23.3	23.3
OSH Clinical Services	227.6	228.2	228.2	230.2	228.2
OSH Medical and Surgical Services	16.0	16.1	16.1	16.1	16.1
OSH Physical Plant and Central Services	57.2	57.2	57.2	57.2	57.2
OSH Staff Education and Research	2.5	3.6	3.6	3.6	3.6
SPTP MiCo House	32.5	32.5	32.5	32.5	32.5
Trust and Benefits	6.0	6.0	6.0	6.0	6.0
TOTAL	545.0	530.7	530.7	532.7	530.7