

Human Services

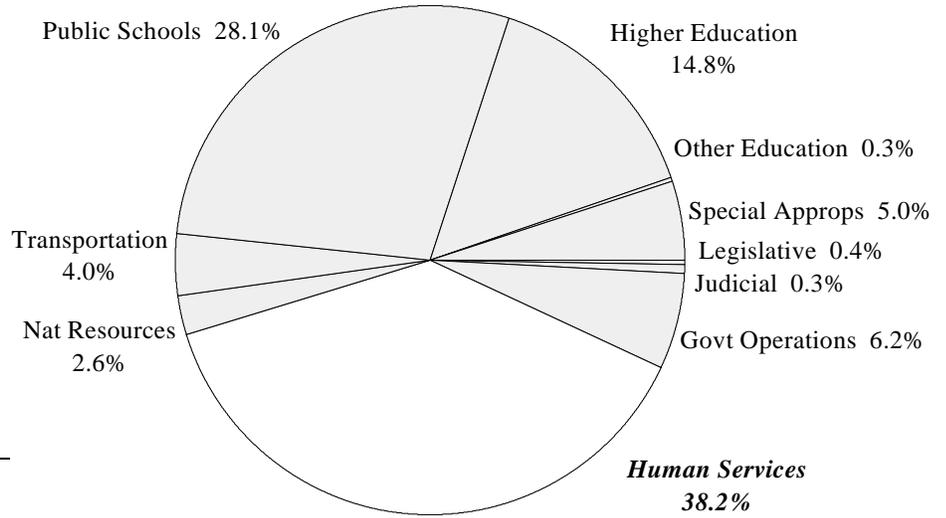
The Human Services area is separated into two sections: The Department of Social and Health Services and Other Human Services. The Department of Social and Health Services budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the department level, and includes the Department of Corrections, the Department of Labor and Industries, the Employment Security Department, the Health Care Authority, the Department of Health, and other human services related agencies.

1995-97 Washington State Operating Budget

Total Budgeted Funds

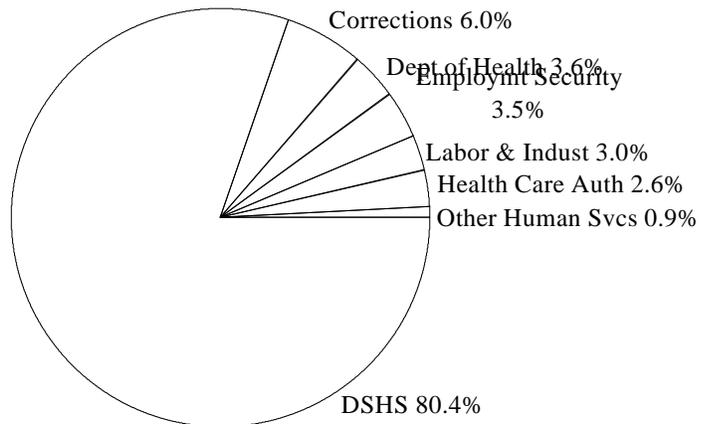
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
Human Services	12,284,095
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

DSHS	9,872,624
Dept of Corrections	741,465
Dept of Health	442,397
Employment Security	427,228
Labor & Industries	365,878
Health Care Authority	325,085
Other Human Services	109,418
Human Services	12,284,095



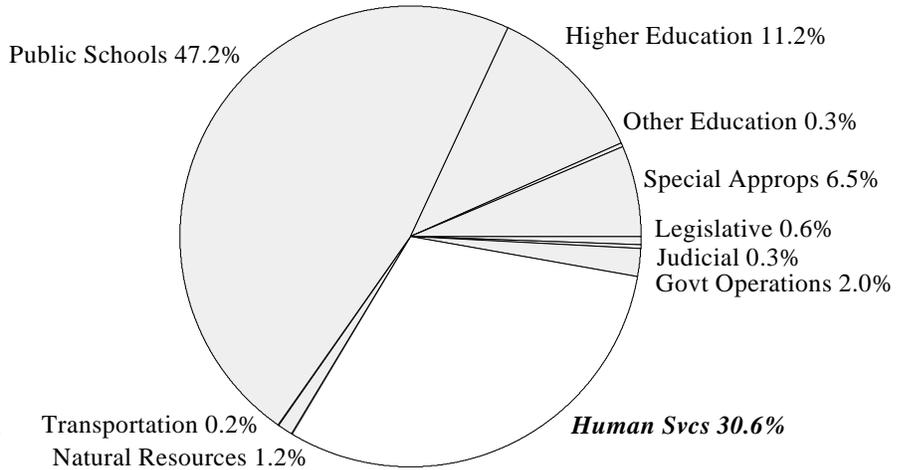
Human Services

1995-97 Washington State Operating Budget

General Fund - State

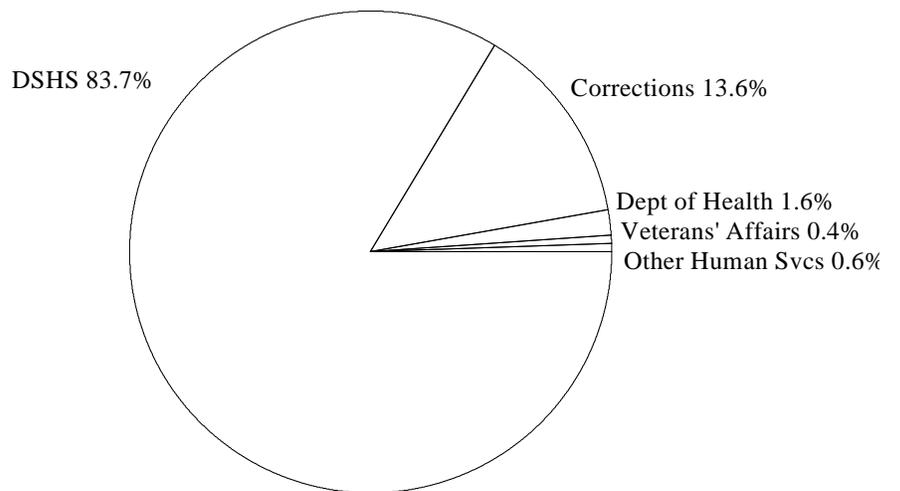
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
Human Services	5,394,546
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

DSHS	4,516,197
Dept of Corrections	735,433
Dept of Health	88,967
Dept of Veterans' Affairs	19,996
Other Human Services	33,953
Human Services	5,394,546



Human Services

Department of Social & Health Services

Children and Family Services

A total of \$5.6 million from the state general fund is provided for enhancements to Child Protective Services, including: 109 additional social workers and associated supervisors and clerical staff to reduce each worker's caseload from 36 families to 32 families; training for new and existing staff on issues including substance abuse, community protection teams, and advanced social worker concepts; and increased sensors for foster and group homes and child care providers. The Continuum of Care and Street Youth programs are funded for FY 97 at \$2.2 million. To implement Chapter 311, Laws of 1995 (ESSB 5885), additional family preservation services are funded at \$2 million. State match for enhancements to the Case Management Information System (CAMIS) for Child Protective Services is funded at \$1.7 million.

An amount of \$1.1 million from the state general fund is provided to the Office of the Governor for a management improvement project for the Division of Children and Family Services. In addition, the Child, Youth, and Family Ombudsman created by Chapter 131, Laws of 1996 (2SHB 2856) in the Governor's Office is funded at \$418,000. The Governor vetoed portions of the legislative directions regarding use of this funding. (For details, see veto comments on Page 55.)

Funding for at-risk youth programs (\$3.3 million from the state general fund) will provide for assessment services in Crisis Residential Centers, school district truancy board operations, therapeutic child care, family reconciliation services, and placement of runaway youth in staff secure facilities as authorized by Chapter 133, Laws of 1996 (E2SHB 2217 -- 'Becca Too'). In addition, \$2.3 million is provided to local juvenile court administrators and prosecutors for processing at-risk youth, child in need of services, and truancy petitions.

Almost \$10 million in state and federal funding is provided for additional employment child care subsidies, enough to eliminate half of the waiting list for this program.

Juvenile Rehabilitation

A total of \$8.7 million, \$6.8 million from the state general fund and \$1.9 million from federal funds, is provided to the Juvenile Rehabilitation Administration (JRA) Division to serve an increased population. JRA is expected to serve an average daily population of 110.5 beds over the original 1995-97 estimates. In addition to the impact on the institutional programs, the parole program forecast is increased by an average daily population of 172.

A total of \$2.3 million from the state general fund is provided to enhance institutional security and resident health. Enhancements include: additional security staff at all institutions; additional offender supervision staff at Indian Ridge; consistent psychiatric services through a contract with the University of Washington; reinforcement of cottages at Maple Lane; the acquisition of both video and audio surveillance equipment; and institutional and state group home staff training in dealing with resistive youth.

The amount of \$2.35 million from the state general fund is provided for an early intervention program to be administered by counties. Funding will be provided to selected local jurisdictions to implement a proven model for early intervention in the lives of first time or minor offenders.

Mental Health

The forecasted level for voluntary psychiatric hospital care was reduced. This budget provides a total of \$110 million for voluntary psychiatric hospital care this biennium. An additional \$2.5 million is provided for the Regional Support Networks to develop and deliver alternatives to unnecessary psychiatric hospitalizations.

The sum of \$950,000 is provided to continue the Primary Intervention Projects in the 32 school districts in which they currently operate.

Developmental Disabilities

The appropriation is increased by \$12.3 million (\$6.1 million from general fund state, \$6.2 million from federal funds) for both increased enrollments and higher costs per person in the Medicaid personal care program. In addition, \$1.9 million is provided from the state general fund to offset federal earnings which are not being realized.

Long-Term Care

A number of technical adjustments related to forecast revisions are made in the Long-Term Care Services budget. Nursing home caseloads and nursing home rates are less than anticipated in the original appropriation, resulting in savings totaling \$62.9 million (\$31.2 million general fund state) for the remainder of the biennium. Additional funding of \$26.0 million (\$15.0 million from general fund state, \$11.0 million from federal funds) is provided for increased community care and adult day health caseloads. The Governor vetoed a \$9.9 million reduction in the FY 96 General Fund - State appropriation to the Aging and Adult Services Program in DSHS. This veto will make the funds available for transfer to the Juvenile Rehabilitation and Mental Health Programs for use in capital construction projects (in the absence of a supplemental capital budget). The funds will be used for the reconstruction of Green Hill School and a sewer replacement project at Maple Lane.

Economic Services

A savings of \$45.8 million in the state general fund and \$43.6 million in federal funds is forecasted from the original budget for workload and grant programs. The most significant decreases were in the Aid to Families with Dependent Children and Emergency Assistance programs. State general funding is restored (\$5.2 million) to the General Assistance for Pregnant Women (GA-S) program because proposed changes to eligibility were not enacted.

Alcohol and Substance Abuse

The amount of \$1.4 million from the state general fund and \$0.4 million from federal funds is provided for services to at-risk youth. Included are detoxification and stabilization services, Level II inpatient treatment, and recovery house treatment for substance abusing youth. Also, \$1.9 million from the state general fund and \$0.8 million from federal funds is provided for assessment, treatment, and child care for clients of Child Protective Services with substance abuse problems.

Medical Assistance

The number of persons eligible for state medical assistance is projected to be approximately 7 percent lower than originally budgeted in FY 96 and 5 percent lower than originally budgeted in FY 97. This lower enrollment growth is projected to save \$50.0 million in the state general fund and \$59.7 million in federal funds from the original 1995-97 budget. In addition, lower hospital and drug cost inflation and technical adjustments to the federal matching rate are expected to save \$56.7 million in the state general fund from the amounts originally appropriated. These savings, however, are offset by increased costs per eligible person, necessitating additional funding of \$132.1 million (\$61.7 million from general fund state, \$70.4 million from federal funds) beyond the initial appropriation. An enhancement of \$4.6 million is provided from the state general fund to reimburse designated trauma centers at a higher Medicaid rate for severe trauma services.

Child Support

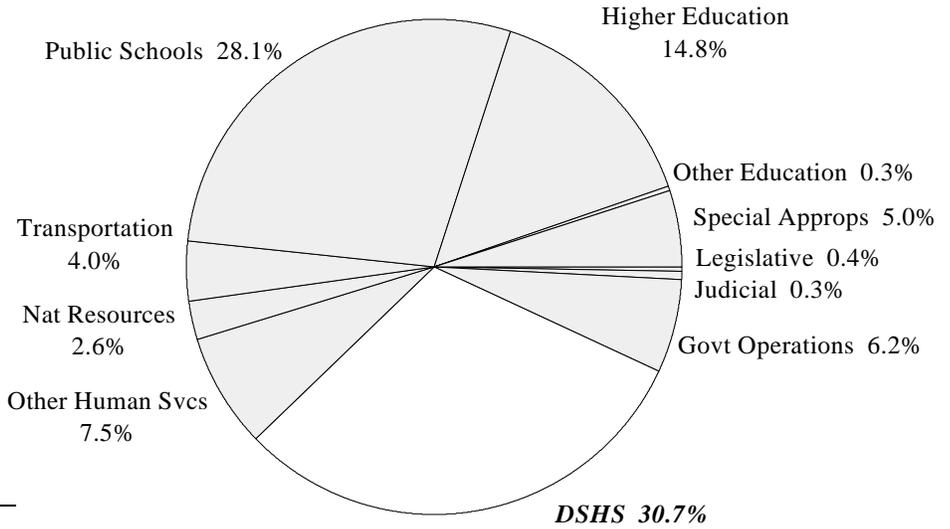
The Child Support Division has shifted much of its legal workload from the Attorney General's Office to county prosecutors in the last few years. Funding for a workload increase at the county level is provided at \$2.2 million (\$0.8 million from general fund state, \$1.2 million from federal funds). Due to lower than expected child support collections, less federal incentive pay will be received by the Division. Approximately \$1 million from the state general fund is used to replace these lost federal funds. The Support Enforcement Management System will be upgraded using about \$2.2 million in federal funds.

1995-97 Washington State Operating Budget

Total Budgeted Funds

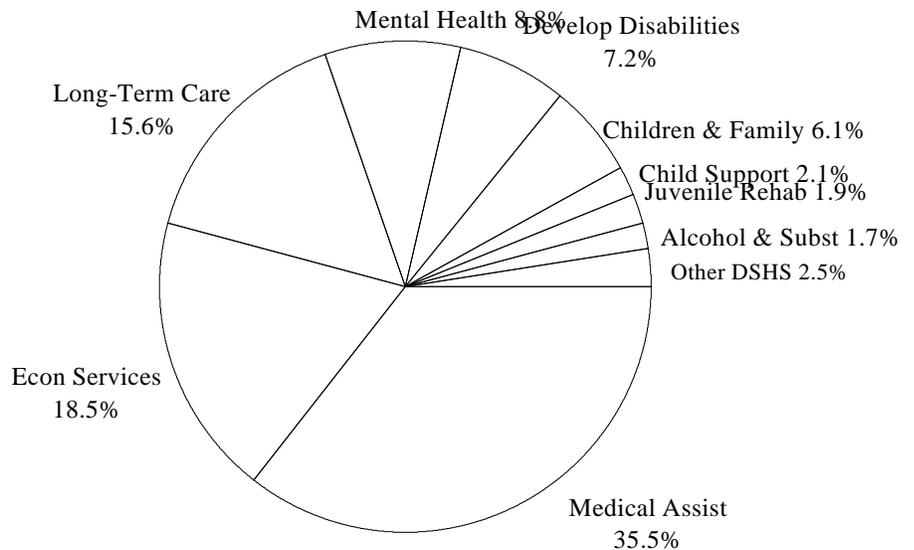
(Dollars in Thousands)

Legislative	112,569
Judicial	111,119
Governmental Operations	1,998,443
DSHS	9,872,624
Other Human Services	2,411,471
Natural Resources	834,677
Transportation	1,292,457
Public Schools	9,039,050
Higher Education	4,756,574
Other Education	89,521
Special Appropriations	1,608,460
Statewide Total	32,126,965



Washington State

Medical Assistance	3,508,623
Economic Services	1,828,963
Long-Term Care Svcs	1,544,737
Mental Health	871,688
Develop Disabilities	712,278
Children & Family Svcs	598,411
Child Support Svcs	209,348
Juvenile Rehabilitation	184,552
Alcohol & Substance	170,652
Other DSHS	243,372
DSHS	9,872,624



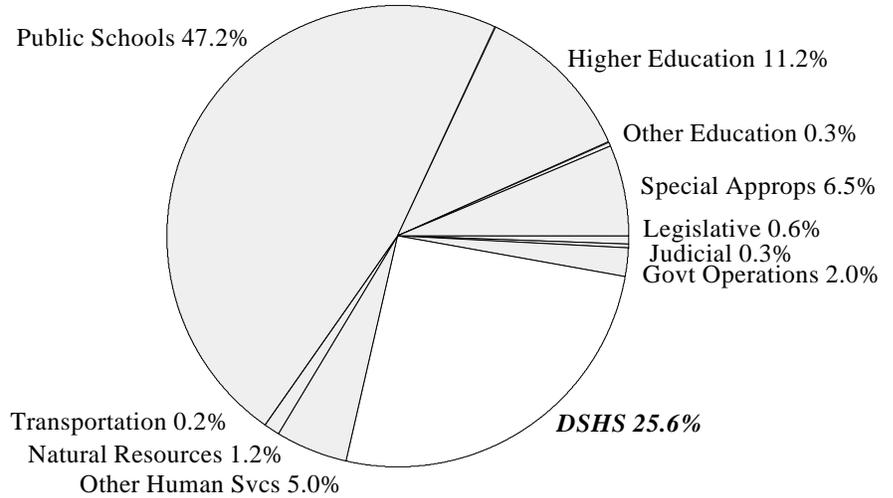
DSHS

1995-97 Washington State Operating Budget

General Fund - State

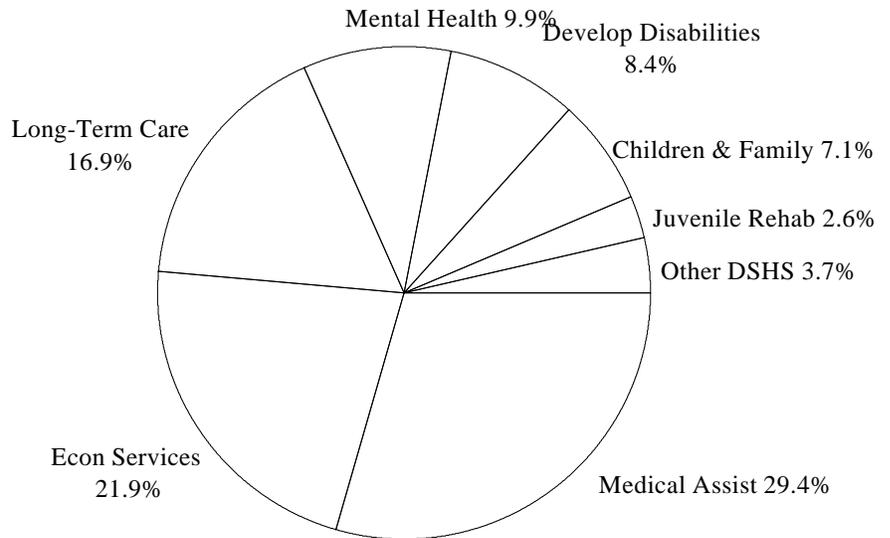
(Dollars in Thousands)

Legislative	105,076
Judicial	55,600
Governmental Operations	344,699
DSHS	4,516,197
Other Human Services	878,349
Natural Resources	206,164
Transportation	27,978
Public Schools	8,316,882
Higher Education	1,966,688
Other Education	46,787
Special Appropriations	1,146,957
Statewide Total	17,611,377



Washington State

Medical Assistance	1,327,503
Economic Services	990,799
Long-Term Care Svcs	764,349
Mental Health	448,668
Develop Disabilities	378,548
Children & Family Svcs	319,913
Juvenile Rehabilitation	119,155
Other DSHS	167,262
DSHS	4,516,197



DSHS

**Department of Social & Health Services
Children & Family Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	296,370	269,962	566,332
1996 Supplemental Budget			
1. Add'l Federal/Technical Corrections	-1,319	-658	-1,977
2. Federal Medical Assistance Percent	-208	208	0
3. Children's Svcs Forecast Revision	6,578	1,501	8,079
4. Reduction in Social Worker Workload	4,320	1,940	6,260
5. Training Enhancements	153	69	222
6. Quality Assurance & Monitoring	1,088	489	1,577
7. Cont. of Care/Street Youth	2,212	0	2,212
8. At-Risk Youth Implementation	5,613	0	5,613
9. Family Preservation Implementation	2,000	0	2,000
10. Employment Child Care	4,987	4,987	9,974
11. Children's Ombudsman	-343	0	-343
12. Victims of Sexual Assault Transfer	-1,865	0	-1,865
13. Public Health and Safety Networks	327	0	327
Total Supplemental Items	23,543	8,536	32,079
1995-97 REVISED APPROPRIATIONS	319,913	278,498	598,411
Fiscal Year 1996 Totals	146,537	140,075	286,612
Fiscal Year 1997 Totals	173,376	138,423	311,799

Comments:

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| <p>1. ADD'L FEDERAL/TECHNICAL CORRECTIONS - This item has four components:
 (1) Case Management Information System (CAMIS) - The estimated savings from the CAMIS Rehosting Project was counted twice during the 1995 legislative process resulting in a budget shortfall of \$1,660,000 General Fund-State for the project. Funding is provided to correct the error.
 2) Salary and Benefit funding - An error was made in the division's 1995-97 Current Authorized Level (CAL) budget submittal resulting in a shortfall of \$562,000 General Fund-State. Funding is provided to correct the error.
 3) FTE Authority - A 15.8 FTE staff reduction was inadvertently counted twice in the 1995-97 Governor's budget. Additionally, two FTE staff are needed to continue the child care vendor survey work. The federal dollars which fund the additional FTEs (\$168,000) are transferred from the Economic Services Division.
 4) Federal Earnings - The 1995-97 budget assumed federal earnings at 29 percent but current estimates are at 31 percent, resulting in an increase in federal earnings of \$3.44 million. (General Fund-State, General Fund-Federal)</p> <p>2. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal).</p> <p>3. CHILDREN'S SVCS FORECAST REVISION - This item reflects the costs of the increased November 1995 forecast for foster care and</p> | <p>adoption support programs. (General Fund-State, General Fund-Federal)</p> <p>REDUCTION IN SOCIAL WORKER WORKLOAD - Funding is provided for additional social workers and related support personnel. Additional front line social workers with related staff will reduce the ratio of cases per worker by four (109 social workers, 11 supervisors and 18 clerical workers). If it is determined that alternative services or staff will better serve Division of Children and Family Services clients, the department is authorized to spend these funds in the most efficient manner possible to reduce caseworker workload and to improve services to children, including increased training, increased contracted services, or hiring home support or clerical workers instead of social workers. (General Fund-State, General Fund-Federal)</p> <p>5. TRAINING ENHANCEMENTS - Funding is provided for additional training of social workers and supervisors on issues including substance abuse, community protection teams, and advanced social work concepts. (General Fund-State, General Fund-Federal)</p> <p>6. QUALITY ASSURANCE & MONITORING - Funding is provided for increases in foster care/group home licensors and child care licensors, as follows: (1) additional family foster home licensors, regional group care licensors, and support staff totaling fifteen staff added throughout FY 97; and (2) additional child care home licensors, child care center licensors, and support staff totaling 20 staff added throughout FY 97. (General Fund-State, General Fund-Federal)</p> <p>7. CONT. OF CARE/STREET YOUTH - Funding is provided for the Continuum of Care and Street Youth projects to be implemented in</p> |
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Department of Social & Health Services

Children & Family Services

local communities for one additional year. It is anticipated that the Community Health and Safety Networks will accommodate projects of this type in their service offerings when plans are complete, by the end of FY 97. (General Fund-State, General Fund-Federal)

8. AT-RISK YOUTH IMPLEMENTATION - Funding is provided for the implementation of Chapter 312, Laws of 1995 (E2SSB 5439 -- Non-Offender At-Risk Youth) in the following categories: assessment of at-risk youth (\$240,000), local court costs incurred in filing at-risk youth and truancy petitions (\$2.3 million), costs incurred by the truancy boards in local school districts (\$1.0 million), placement of at-risk youth in staff secure facilities as authorized by Chapter 133, Laws of 1996 (E2SHB 2217) (\$1.0 million), therapeutic child care (\$0.5 million), and family reconciliation services (\$0.6 million).
9. FAMILY PRESERVATION IMPLEMENTATION - Funding is provided for the implementation of Chapter 311, Laws of 1995 (ESSB 5885), passed by the Legislature in 1995, to expand intensive family preservation services (\$1.0 million) and create a new category of services called "family preservation services" (\$1.0 million).
10. EMPLOYMENT CHILD CARE - Funding is provided for additional employment child care slots in FY 97. The department is directed to use unspent General Fund-State authority to replace federal social service block grant funds during FY 96, freeing funds in FY 97 to fund employment child care. (General Fund-State, General Fund-Federal)
11. CHILDREN'S OMBUDSMAN - Staff and funding of the Office of Constituent Relations are transferred from the Division of Children and Family Services to the Governor's Office for the Office of the Children's Ombudsman to implement Chapter 131, Laws of 1996 (2SHB 2856).
12. VICTIMS OF SEXUAL ASSAULT TRANSFER - Funding for programs for victims of sexual assault is transferred to the Department of Community, Trade and Economic Development as required by Chapter 123, Laws of 1996 (SHB 2579).
13. PUBLIC HEALTH AND SAFETY NETWORKS - Funding is provided for the cost of operation of the Community Public Health and Safety Networks from the approval of each network's plan through the end of FY 97. Networks may not receive funds until their plan is approved. This funding is intended as one-time and shall end on June 30, 1997.

**Department of Social and Health Services
Children and Family Services**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>Estimate</u>	
									<u>FY96</u>	<u>FY97</u>
Foster Care *										
Avg # Children Served Monthl	5,591	5,873	6,143	6,441	6,734	6,723	6,665	6,762	6,992	6,970
% Change from prior year		5.0%	4.6%	4.9%	4.5%	-0.2%	-0.9%	1.5%	3.4%	-0.3%
Child Care **										
Avg # Children Served Monthl	8,789	9,560	9,955	12,603	14,368	14,548	13,763	14,115	14,698	17,802
% Change from prior year		8.8%	4.1%	26.6%	14.0%	1.3%	-5.4%	2.6%	4.1%	21.1%
Child Protective Services										
Avg Cases Referred Monthly	1,779	3,331	3,644	4,301	5,819	5,699	5,750	6,108	6,475	6,841
% Change from prior year		87.2%	9.4%	18.0%	35.3%	-2.1%	0.9%	6.2%	6.0%	5.7%
Adoption Support										
Avg # Served Monthly	1,105	1,162	1,351	1,598	1,901	2,361	2,843	3,186	3,653	4,089
% Change from prior year		5.2%	16.3%	18.3%	19.0%	24.2%	20.4%	12.1%	14.7%	11.9%

* Includes Family Foster Care and Group Foster Care.

** Includes the following services: Protective/Welfare, Therapeutic, Employment & Teen Parent, Seasonal, and Foster Parent Employm

Data Source:

DSHS Budget Division.

**Department of Social & Health Services
Juvenile Rehabilitation**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	107,581	63,209	170,790
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-24	24	0
2. Juvenile Offender November Forecast	6,825	1,904	8,729
3. Health and Safety	1,409	0	1,409
4. Comprehensive Substance Abuse Serv	0	260	260
5. County Detention Capacity-Rate Inc	127	0	127
6. Early Intervention	2,350	0	2,350
7. Health and Safety One-Time Funding	887	0	887
Total Supplemental Items	11,574	2,188	13,762
1995-97 REVISED APPROPRIATIONS	119,155	65,397	184,552
Fiscal Year 1996 Totals	55,580	32,050	87,630
Fiscal Year 1997 Totals	63,575	33,347	96,922

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - Funding is provided for a change in the funded federal matching rate for certain community programs from 50.19 percent to 50.52 percent effective October 1, 1996. (General Fund-State, General Fund-Federal)
- JUVENILE OFFENDER NOVEMBER FORECAST - Funding is provided for the cost of an additional 110.5 beds in JRA institutions, an increase of 11.5 percent over the original 1995-97 estimates. Consistent with the original 1995-97 budget, institutional costs are assumed to be eligible for federal Title IV-A money at a rate of approximately 28 percent of total costs. Consistent with assumptions contained in the original 1995-97 budget, biennial average annual institutional bed costs were assumed to be \$47,429 per bed. In addition to the impact on the institutional programs, the parole program forecast is increased by an average daily population of 172. (General Fund-State, General Fund-Federal)
- HEALTH AND SAFETY - Funding is provided for ongoing enhancements to institutional security and resident health. Ongoing funding is provided in this step and one-time funding is provided in item 7 below. Enhancements include additional security staff at all institutions and additional offender supervision staff at Indian Ridge. Consistent psychiatric services will be provided through a contract with the University of Washington.
- COMPREHENSIVE SUBSTANCE ABUSE SERV - Funding is provided for additional substance abuse treatment at Mission Creek and Indian Ridge camps. Day programs will be staffed at both institutions to provide treatment for 65 youth. (Violence Reduction and Drug Education Account - State)
- COUNTY DETENTION CAPACITY-RATE INC - Funding is provided for an increase in the daily rate paid to county detention facilities providing short term 24 hour secure custody for offenders from \$62.40 to \$80.00. The increase is provided to accommodate increases in the cost of county juvenile detention facilities.
- EARLY INTERVENTION - Funding is provided for an early intervention program to be administered by counties. Funding will be provided to selected local jurisdictions to implement a proven model for early intervention in the lives of first time or minor offenders. Funds shall be awarded on a competitive basis to counties which have submitted a plan for implementation of an early intervention program consistent with proven methodologies currently in place in the state. The department will develop criteria for evaluation of plans submitted and a timeline for awarding funding. The department will also assist counties in creating and submitting plans for evaluation.
- HEALTH AND SAFETY ONE-TIME FUNDING - Funding is provided for one-time enhancements to institutional security and staff training. Enhancements include the reinforcement of cottages at Maple Lane, the acquisition of both video and audio surveillance equipment, and institutional and state group home staff training in dealing with resistive youth.

**Department of Social and Health Services
Juvenile Rehabilitation**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
Community Residential *										
Avg Daily Population/Month	202	192	199	217	253	314	353	346	431	431
% Change from prior year		-5.0%	3.6%	8.7%	16.6%	24.3%	12.4%	-2.0%	24.6%	0.0%
Institutions										
Avg Daily Population/Month	540	543	588	648	683	720	753	915	1,037	1,109
% Change from prior year		0.5%	8.4%	10.1%	5.4%	5.3%	4.6%	21.5%	13.4%	6.9%

* Includes State Group Homes, Community Residential Placements, and the County Commitment Program.

Data Sources:

FY88 through FY95 from DSHS Budget Division.

Community Residential for FY96 and FY97 from DSHS Budget Division.

Institutions for FY96 and FY97 from DSHS Juvenile Rehabilitation Administrator.

**Department of Social & Health Services
Mental Health**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	456,545	433,419	889,964
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-808	808	0
2. Replace Local Funds	5,000	-5,000	0
3. Hospital Settlements	4,443	-4,443	0
4. Disproportionate Share Increase	-7,803	8,003	200
5. Special Commitment Center-LRA	247	0	247
6. Forecast Update	-9,906	-9,767	-19,673
7. Restore PIP Funding	950	0	950
Total Supplemental Items	-7,877	-10,399	-18,276
1995-97 REVISED APPROPRIATIONS	448,668	423,020	871,688
Fiscal Year 1996 Totals	219,381	209,847	429,228
Fiscal Year 1997 Totals	229,287	213,173	442,460

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - Funding is adjusted because the Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund - Federal; Health Services Account - State)
- REPLACE LOCAL FUNDS - Funding is adjusted to reflect the most recent estimate of funding available from Disproportionate Share Hospital Payments (DSH). The budget for the 1995-1997 biennium assumed a level of General Fund-Local funding from DSH which cannot be earned. This item assumes that \$5 million of the General Fund-Local appropriation will not be earned and replaces it with General Fund-State funding. (Other Funds: General Fund - Local)
- HOSPITAL SETTLEMENTS - Funding is adjusted to reflect the most recent estimate of operating revenues available from federal sources. One-time settlement payments from the federal Medicare and Medicaid programs collected during the 1993-95 biennium were carried forward into the 1995-97 biennial budget. This level of federal funding cannot be earned, and state funding is required to offset the federal shortfall. (Other Funds: General Fund-Federal; General Fund-Private/Local)
- DISPROPORTIONATE SHARE INCREASE - Funding is adjusted to reflect the most recent estimate of funding available from DSH. The federal fund component of DSH is greater for FY 96 than originally anticipated. This increases federal earnings by nearly \$8 million. Of this amount, \$7.8 million is used to supplant state funding thus reducing General Fund-State expenditures by \$7.8 million. The remaining \$0.2 million in federal earnings will be used to address unanticipated costs at Eastern State Hospital and the Child Study Treatment Center. (General Fund-State; General Fund-Federal)
- SPECIAL COMMITMENT CENTER-LRA - Funding is provided to cover the cost of a "less restrictive alternative" (LRA) community placement for one sexually violent predator, as ordered by a Superior Court in accordance with Chapter 216, Laws of 1995. This provides funding for the care and custody of that individual for 18 months.
- FORECAST UPDATE - The forecast used to establish the original 1995-97 budget for voluntary inpatient psychiatric care was too high, in at least two regards. First, based upon the November 1995 medical assistance forecast, approximately 6 percent fewer children and adults are expected to qualify for care than originally budgeted. Second, more complete expenditure data for the 1993-95 biennium indicates that the original forecast significantly over-estimated hospitalization costs per eligible person. The 1996 budget anticipates that voluntary psychiatric hospital care will cost a maximum of \$110 million in 1995-97. The budget also provides \$2.5 million for Regional Support Networks to develop and deliver alternatives to unnecessary psychiatric hospitalizations. (Other Funds: Health Services Account-State; General Fund-Federal)
- RESTORE PIP FUNDING - Funding is provided to continue the Primary Intervention Projects (PIP) in the 32 school districts in which they currently operate. Community Public Health and Safety Networks have not completed their planning processes in time to determine whether to fund these projects from their block grants, as was assumed in the original 1995-97 appropriation.

**Department of Social and Health Services
Mental Health**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
Institutions *										
Avg Daily Population/Month	1,634	1,663	1,721	1,731	1,709	1,622	1,428	1,335	1,354	1,354
% Change from prior year		1.8%	3.5%	0.6%	-1.3%	-5.1%	-12.0%	-6.5%	1.4%	0.0%

Estimate

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY95, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

Data Sources:

FY88 through FY95 from LEAP workload data base.

FY96 and FY97 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services
Developmental Disabilities**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	370,377	327,686	698,063
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-738	738	0
2. Medicaid Personal Care	6,078	6,250	12,328
3. Nurse Delegation	79	79	158
4. State/Federal Adjustment	1,884	-1,884	0
5. Unemployment Compensation	104	106	210
6. RHC IMR Tax Base Increase	739	755	1,494
7. Deaf-Blind Service Center	25	0	25
Total Supplemental Items	8,171	6,044	14,215
1995-97 REVISED APPROPRIATIONS	378,548	333,730	712,278
Fiscal Year 1996 Totals	186,757	162,269	349,026
Fiscal Year 1997 Totals	191,791	171,461	363,252

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund-Federal; Health Services Account-State).
- MEDICAID PERSONAL CARE - The number of persons with developmental disabilities receiving Medicaid personal care, and the cost per person served, are growing much faster than budgeted in the original biennial appropriation. Children's personal care enrollment is growing by an average of 20 percent per year, rather than by an average of 6 percent per year as budgeted. Costs per child served are growing by an average of 6 percent per year, rather than by an average of 2 percent per year as budgeted. Adult personal care enrollment is growing by an average of 15 percent per year, rather than by an average of 3.5 percent per year as budgeted. Costs per adult served are growing by an average of 18 percent per year, rather than by an average of 2 percent per year as budgeted. (Other funds: General Fund-Federal)
- NURSE DELEGATION - Funds for nurse delegation training and oversight for persons with developmental disabilities are transferred from the Long-Term Care program to the Division of Developmental Disabilities. (Other Funds: General Fund-Federal)
- STATE/FEDERAL ADJUSTMENT - State funding is provided to replace federal funds which are not being collected at the budgeted level. Agency allotments assumed that 43 percent of Field Services expenditures would be covered by federal matching funds. Actual earnings to date indicate that 34 percent is a more realistic estimate. (Other Funds: General Fund-Federal)
- UNEMPLOYMENT COMPENSATION - Unemployment compensation costs have increased as a result of staffing reductions last biennium. The increased costs are funded for the first year of the biennium only since they are not expected to continue for the entire biennium. (Other Funds: General Fund-Federal.)
- RHC IMR TAX BASE INCREASE - A 1995 federal audit of the special excise tax on intermediate care facilities for the mentally retarded (IMRs) determined that departmental indirect costs need to be included in the IMR tax base at the state residential habilitation centers (RHCs). Reimbursing the cost of this tax requires additional state and federal expenditures but will result in a net gain in state revenues. (Other Funds: General Fund-Federal.)
- DEAF-BLIND SERVICE CENTER - Funding is provided for an inflationary increase for the Deaf-Blind Service Center, which has not received such an increase since the project was first funded in 1985.

Department of Social and Health Services Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
									Estimate	
Institutions										
Monthly Bed Population	1,798	1,795	1,758	1,616	1,534	1,477	1,412	1,322	1,307	1,307
% Change from prior year		-0.2%	-2.1%	-8.1%	-5.1%	-3.7%	-4.4%	-6.4%	-1.1%	0.0%
Community Residential Programs *										
Month End Contracted Beds	2,797	2,769	2,849	3,113	3,188	3,282	3,340	3,407	3,447	3,522
% Change from prior year		-1.0%	2.9%	9.3%	2.4%	3.0%	1.8%	2.0%	1.2%	2.2%
Employment and Day Programs										
# in County Programs	5,405	5,751	6,064	6,528	6,133	6,531	6,789	7,049	7,346	7,803
% Change from prior year		6.4%	5.4%	7.7%	-6.1%	6.5%	4.0%	3.8%	4.2%	6.2%
Family Support **										
# Clients Served	883	933	1,054	1,347	1,486	1,674	2,071	2,207	2,511	3,493
% Change from prior year		5.7%	13.0%	27.8%	10.3%	12.6%	23.7%	6.6%	13.8%	39.1%
Adult Personal Care ***										
# Clients Served			1,634	1,908	2,154	2,443	2,844	3,244	3,757	4,129
% Change from prior year				16.8%	12.9%	13.4%	16.4%	14.1%	15.8%	9.9%

* Includes Alternate Living (clients served), Group Homes, intermediate care facilities for the mentally retarded (IMRs), Tenant Support (clients served), and State Operated Living Alternative (SOLA) for FY91 through FY97.

** Family Support includes Children's Personal Care for FY90 through FY97.

*** Adult Personal Care includes Medicaid Personal Care, Chore Services, and Copes. Prior to FY90, developmental disabilities clients enrolled in these programs are counted in the Long Term Care program totals.

Data Sources:

FY88 through FY95 from LEAP workload data base, except Adult Personal Care from Division of Developmental Disabilities.

FY96 through FY97 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services
Long-Term Care Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	772,463	803,135	1,575,598
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-1,740	1,740	0
2. Nurse Delegation	-79	-79	-158
3. Lower Nursing Home Caseloads	-7,492	-7,650	-15,142
4. Lower Nursing Home Rates	-23,670	-24,044	-47,714
5. Delayed Chore Transfer	1,554	-3,294	-1,740
6. Additional Adult Day Health Cases	1,629	1,805	3,434
7. Higher Community Caseloads	11,767	12,526	24,293
8. Home Care Workers BHP	0	-3,751	-3,751
9. Governor Veto	9,917	0	9,917
Total Supplemental Items	-8,114	-22,747	-30,861
1995-97 REVISED APPROPRIATIONS	764,349	780,388	1,544,737
Fiscal Year 1996 Totals	378,972	377,166	756,138
Fiscal Year 1997 Totals	385,377	403,222	788,599

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund - Federal; Health Services Account - State)
- NURSE DELEGATION - Funds for nurse delegation training and oversight for persons with developmental disabilities are transferred to the Division of Developmental Disabilities. (Other Funds: General Fund-Federal)
- LOWER NURSING HOME CASELOADS - A forecast adjustment has reduced the nursing home caseload estimate by 347 for FY 96 and an additional 113 cases for FY 97. The reduced caseload is consistent with the department's efforts to achieve a minimum 1,600 reduction in caseload by the end of FY 97.
- LOWER NURSING HOME RATES - Nursing home rates for both FY 96 and FY 97 are lower than originally estimated. Based on the actual rates which have been set for FY 96, nursing home rates are now expected to increase by an average of 5.5 percent per year in 1995-97 over the 1993-95 level, rather than by an average of 7.6 percent per year as projected in the original budget. Rates are now expected to average \$105.42 per patient day in FY 96, and \$109.13 per patient day in FY 97. (Other Funds: General Fund-Federal)
- DELAYED CHORE TRANSFER - New eligibility guidelines were expected to allow approximately 2,700 chore services recipients to enroll in the Community Options Program Entry System (COPES) by July 1, 1995. Since the Chore services program is fully funded with state funds, and COPES is jointly funded by the state and federal governments, this will result in a General Fund-State savings. However, the transfer is five months behind schedule because the revision of administrative rules and appropriate notification of recipients have taken longer than anticipated. Consequently, General Fund-State savings are less than originally budgeted. (Other Funds: General Fund-Federal)
- ADDITIONAL ADULT DAY HEALTH CASES - Due to the opening of a number of new centers, enrollment in Medicaid adult day health programs is now expected to grow by an average of approximately 25 percent per year in 1995-97, rather than by an average of 10 percent per year as originally budgeted. The budget additionally includes \$126,000 General Fund-State in FY 97 to provide adult day health services to medically needy persons with AIDS who would otherwise be at high risk of hospitalization, at significantly greater public cost. (Other Funds: General Fund-Federal)
- HIGHER COMMUNITY CASELOADS - Based on recent trends, enrollment in COPES and Medicaid Personal Care programs is now expected to be about 7 percent higher than originally budgeted. The COPES, personal care, and Chore services programs are now expected to assist an average of about 850 more people per month than originally budgeted for FY 96 and an average of 2,100 more people per month than originally budgeted for FY 97. (Other Funds: General Fund-Federal)
- HOME CARE WORKERS BHP - Due to delay in implementation of the enrollment of home care workers in the Basic Health Plan (BHP), a reduction is made to the Health Services Account appropriation.
- GOVERNOR VETO - DSHS Capital Needs -- The Governor vetoed a \$9.9 million reduction in the FY 96 General Fund-State appropriation to the Aging and Adult Services Program in DSHS. This veto will make the funds available for transfer to the Juvenile Rehabilitation and Mental Health Programs for use in capital construction projects (in the absence of a supplemental capital budget). The funds will be used for the reconstruction of Green Hill School and a sewer replacement project at Maple Lane.

**Department of Social and Health Services
Long Term Care**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
Nursing Homes										
# FTE Clients	16,576	16,694	16,953	17,190	17,344	17,445	17,168	16,639	16,024	15,508
% Change from prior year		0.7%	1.6%	1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.7%	-3.2%
Community Care *										
# Clients Served	17,287	17,763	17,119	18,051	19,087	19,587	19,411	19,576	21,408	24,456
% Change from prior year		2.8%	-3.6%	5.4%	5.7%	2.6%	-0.9%	0.9%	9.4%	14.2%

* Includes Chore Services, COPES, and Adult Residential for FY90 through FY95; Personal Care prior to FY90.

Data Sources:

Nursing Homes for FY88 through FY95 from LEAP workload data base.

Community Care for FY88 and FY89, from DSHS Budget Division, includes developmental disabilities clients who are counted under the developmental disabilities program for all subsequent years.

Community Care for FY90 through FY95 from Aging and Adult Services Administration.

FY96 and FY97 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services
Economic Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	1,032,657	880,029	1,912,686
1996 Supplemental Budget			
1. Add'l Federal/Technical Corrections	0	-168	-168
2. Federal Medical Assistance Percent	-1,564	1,564	0
3. Restore Funding for GA-S Program	5,200	0	5,200
4. Success through Employment Program	330	320	650
5. Economic Services Forecast	-43,623	-41,832	-85,455
6. Financial Services Staff/Caseload	-2,201	-1,749	-3,950
Total Supplemental Items	-41,858	-41,865	-83,723
1995-97 REVISED APPROPRIATIONS	990,799	838,164	1,828,963
Fiscal Year 1996 Totals	492,046	420,401	912,447
Fiscal Year 1997 Totals	498,753	417,763	916,516

Comments:

1. ADD'L FEDERAL/TECHNICAL CORRECTIONS - Funding is provided for two FTE staff in the Division of Children and Family Services to continue child care vendor survey work. The associated federal dollars (\$168,000) are transferred from the Economic Services Division to the Division of Children and Family Services.
2. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal)
3. RESTORE FUNDING FOR GA-S PROGRAM - Full funding for the General Assistance-Pregnancy (GA-S) program is restored. The original budget made reductions assuming legislative changes according to HB 2083 which did not pass.
4. SUCCESS THROUGH EMPLOYMENT PROGRAM - Funding is provided for evaluation of the Success Through Employment Program (STEP) and system modifications necessary to implement STEP. A federal waiver authorizing STEP was approved in September 1995. The waiver requires that an evaluation of the program be completed over ten years and that budget neutrality be tracked by the Department. In order to implement STEP, the Automated Client Eligibility System (ACES) must be changed. (General Fund-State, General Fund-Federal)
5. ECONOMIC SERVICES FORECAST - Funding is provided for the cost of changes in the forecasted caseload in grant programs as of November 1995. The total caseload is projected to decline approximately 5 percent over the 1995-97 biennium. (General Fund-State, General Fund-Federal)
6. FINANCIAL SERVICES STAFF/CASELOAD - Staff and funding are adjusted to reflect the workload decrease anticipated as a result of the caseload decline projected in the November 1995 forecast. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services
Economic Services**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
									Estimate	
SSI State Supplement										
# Cases Received	47,748	49,712	52,457	56,818	62,532	69,332	76,518	82,249	86,908	93,423
% Change from prior year		4.1%	5.5%	8.3%	10.1%	10.9%	10.4%	7.5%	5.7%	7.5%
General Assistance - Unemployable										
# Cases Served	14,057	12,927	13,651	13,993	15,251	15,585	16,494	17,167	16,506	16,988
% Change from prior year		-8.0%	5.6%	2.5%	9.0%	2.2%	5.8%	4.1%	-3.9%	2.9%
General Assistance - Pregnant Women										
# Cases Served	1,252	1,439	1,607	1,847	1,955	1,842	1,736	1,657	1,641	1,709
% Change from prior year		14.9%	11.7%	14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.0%	4.1%
AFDC - Employable										
# Cases Served	7,031	7,611	8,309	10,070	13,784	15,778	16,210	15,866	14,946	15,036
% Change from prior year		8.2%	9.2%	21.2%	36.9%	14.5%	2.7%	-2.1%	-5.8%	0.6%
AFDC - Regular										
# Cases Served	68,298	69,780	72,098	75,880	81,189	84,542	86,545	86,819	85,263	85,751
% Change from prior year		2.2%	3.3%	5.2%	7.0%	4.1%	2.4%	0.3%	-1.8%	0.6%

Data Sources:

FY88 through FY95 from LEAP workload data base.

FY96 and FY97 from DSHS Budget Division.

**Department of Social & Health Services
Alcohol & Substance Abuse**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	16,935	149,269	166,204
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-35	35	0
2. At-Risk Youth Implementation	1,387	363	1,750
3. CD Assessment/Treatment - CFS	1,902	796	2,698
Total Supplemental Items	3,254	1,194	4,448
1995-97 REVISED APPROPRIATIONS	20,189	150,463	170,652
Fiscal Year 1996 Totals	8,199	74,010	82,209
Fiscal Year 1997 Totals	11,990	76,453	88,443

Comments:

1. FEDERAL MEDICAL ASSISTANCE PERCENT - The federal matching rate for grant programs is estimated to increase to 50.52 percent effective October 1, 1996. The 1995-97 budget assumed a matching rate of 50.19 percent. (General Fund-State, General Fund-Federal)
2. AT-RISK YOUTH IMPLEMENTATION - Funding is provided for services to at-risk youth, including \$0.7 million for detoxification and stabilization and \$1.0 million for Level II inpatient beds and Recovery House beds. (General Fund-State and General Fund-Federal)
3. CD ASSESSMENT/TREATMENT - CFS - Funding is provided for assessment, treatment, and child care for clients of the Division of Children and Family Services (CFS) who have a chemical dependency (CD) problem. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services
Alcohol and Substance Abuse**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>
									Estimate	
ADATSA - Outpatient Treatment *										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	N/A	N/A	274	293	277	277
ADATSA - Assessment										
# Assessments	1,317	1,277	1,237	1,411	1,194	1,186	1,158	1,249	1,156	1,156
% Change from prior year		-3.0%	-3.1%	14.0%	-15.4%	-0.7%	-2.4%	7.9%	-7.4%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	610	662	580	571	552	505	489	525	485	485
% Change from prior year		8.5%	-12.3%	-1.6%	-3.4%	-8.5%	-3.2%	7.4%	-7.6%	0.0%

Notes:

The Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) was established in 1987.

Workloads in ADATSA services are limited to openings available.

** Data for Outpatient Treatment was converted from number of cases to number of admissions beginning in FY94. Number of admissions is unavailable prior to FY94.*

Data Source:

DSHS Budget Division.

**Department of Social & Health Services
Medical Assistance Payments**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	1,362,807	2,203,101	3,565,908
1996 Supplemental Budget			
1. Federal Medical Assistance Percent	-4,386	4,386	0
2. Changes in Inflation Rates	-23,058	-23,825	-46,883
3. Long Term Care System Reform	1,504	1,497	3,001
4. Welfare Fraud	615	618	1,233
5. Managed Care Enrollment/Rates	11,626	9,078	20,704
6. SSI Managed Care	3,039	3,033	6,072
7. Disproportionate Share	22,995	-63,789	-40,794
8. 5 Percent Drug Discount	2,018	2,034	4,052
9. Pharmacy-Drug Utilization Review	-2,580	-2,356	-4,936
10. Pharmacy Lawsuit	411	415	826
11. Caseload Changes	-49,962	-59,680	-109,642
12. Other Fed Med Assist Percent Change	-45,099	45,099	0
13. Other Per Capita Changes	39,427	28,556	67,983
14. Prescription Drugs - Max Allow Cost	-7,134	-6,901	-14,035
15. Managed Care Rate Reduction Change	10,680	10,838	21,518
16. 200 Percent Children Changes	0	21,932	21,932
17. Maintain Medically Indigent Program	0	7,084	7,084
18. Trauma Care	4,600	0	4,600
Total Supplemental Items	-35,304	-21,981	-57,285
1995-97 REVISED APPROPRIATIONS	1,327,503	2,181,120	3,508,623
Fiscal Year 1996 Totals	669,448	1,024,932	1,694,380
Fiscal Year 1997 Totals	658,055	1,156,188	1,814,243

Comments:

- FEDERAL MEDICAL ASSISTANCE PERCENT** - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is expected to increase to 50.52 percent from the current 50.19 percent effective October 1, 1996. (Other Funds: General Fund-Federal; Health Services Account-State)
- CHANGES IN INFLATION RATES** - Inflation rates for Medicare premiums and for hospital inpatient and outpatient services are lower than projected in the original budget, resulting in savings. (Other Funds: General Fund-Federal, Health Services Account-State)
- LONG TERM CARE SYSTEM REFORM** - The 1995-97 appropriations act directed the Medical Assistance program to achieve savings by providing less costly rehabilitation services for some patients in nursing facilities rather than hospitals. The savings are less than originally anticipated because of the need for extensive start-up work regarding facility certification standards, patient selection criteria, and rate-setting. Implementation is scheduled to begin in March 1996, so the budget anticipates that savings will occur during the second year of the biennium as originally budgeted. (Other Funds: General Fund-Federal)
- WELFARE FRAUD** - The 1995-97 appropriations act assumed savings due to the implementation on January 1, 1996 of a welfare fraud reduction program. It now appears that few, if any, cases will have completed the entire adjudication and appeals process before the end of the current biennium, so savings are now not anticipated until the 1997-99 biennium. (Other Funds: General Fund-Federal)
- MANAGED CARE ENROLLMENT/RATES** - Payment rates for medical assistance recipients enrolled in managed care plans are higher than anticipated in the original 1995-97 budget. One reason for this is that price competition was not a primary factor in the selection of 1996 managed care contractors, as had been assumed in the budget. A second reason is that vendor rate increases for some managed care services were inadvertently omitted from the original appropriation. The budget directs the agency to avoid some of these unanticipated costs in calendar year 1997 by: (1) contracting only with those plans which offer the best price, while maintaining acceptable standards of quality; (2) obtaining a federal waiver, if needed, to limit recipients' ability to switch among managed care plans on a monthly basis; and (3) assigning recipients who do not designate a plan preference to the plan which offers the most competitive bid. These changes are expected to result in an actual reduction in managed care payment

Department of Social & Health Services

Medical Assistance Payments

rates between the 1996 and the 1997 contract periods. (Other Funds: General Fund-Federal; Health Services Account-State)

6. SSI MANAGED CARE - As proposed by the agency, the 1995-97 appropriations act assumed that statewide implementation of managed care for Supplemental Security Income (SSI) recipients would begin in July 1995, and that savings would begin at that time. Actual implementation has been more complex and time consuming than originally expected. Implementation began in October 1995. The Governor's supplemental budget proposal anticipated statewide implementation by the end of calendar year 1996, resulting in less savings than originally assumed. The agency has again adjusted implementation plans since preparation of the Governor's supplemental budget, and now does not anticipate full implementation until June 1997. The budget funds the cost of the delay as proposed by the Governor. (Other Funds: General Fund-Federal)
 7. DISPROPORTIONATE SHARE - Under federal regulations, the amount of Disproportionate Share Hospital Payments (DSH) that can go to any one hospital is based on that hospital's amount of uncompensated care. The 1995-97 appropriations act assumed that the amount of uncompensated care would increase by 9 percent per year, which was the average annual cost increase in Washington hospitals during the three years for which actual data were available at the time the original budget was developed. More recent information indicates that hospital inflation decreased significantly in calendar year 1994, resulting in substantial reductions in the anticipated costs used to determine hospital-specific DSH limitations. Lower DSH limits result in less ability to leverage federal funds to offset General Fund-State expenditures. (Other Funds: General Fund-Federal; General Fund-Local)
 8. 5 PERCENT DRUG DISCOUNT - The 1995-97 appropriations act specifically discontinued the supplemental drug discount program. This item restores the savings which had been assumed for that program in the budget base. (Other Funds: General Fund-Federal)
 9. PHARMACY-DRUG UTILIZATION REVIEW - The projected savings from the new prospective drug utilization review program are greater than originally budgeted. This is because drug expenditures on behalf of SSI recipients, and the cost of small claims which would not normally be pursued for third-party recovery, are now included in the base from which savings are estimated. (Other Funds: General Fund-Federal)
- PHARMACY LAWSUIT - In a lawsuit filed by several pharmacists, the state Supreme Court ruled that the payment methodology for prescription drugs was not sufficiently described in Washington Administrative Code. Funding is provided to implement the out-of-court settlement which was reached through a formal mediation process. (Other Funds: General Fund-Federal)
11. CASELOAD CHANGES - The Department of Social and Health Services' November 1995 forecast projects that the number of persons enrolling for medical assistance will be lower than projected in the 1994 forecast upon which the original 1995-97 budget was based. Overall, enrollments are expected to be 7 percent lower than previously forecast for FY 96 and 5 percent lower for FY 97. Enrollments are lower than previously projected in almost all eligibility categories. (Other Funds: General Fund-Federal)
 12. OTHER FED MED ASSIST PERCENT CHANGE - The amount of state funds provided in the original 1995-97 appropriation to offset reductions in the Federal Medical Assistance Percentage was too high due to a technical error in the DSHS forecast. (Other Funds: General Fund-Federal)
 13. OTHER PER CAPITA CHANGES - Costs per person eligible for medical assistance are now expected to be about 10 percent higher for most eligibility categories than was assumed in the original 1995-97 medical assistance forecast. The reason for these cost increases is still being investigated by the agency, but appears to be due primarily to higher than anticipated fee-for-service utilization and costs by groups enrolled in managed care programs. The 1995-96 medical assistance costs are now expected to increase by an average of about 5 percent per enrollee per year for most eligibility categories. (Other Funds: General Fund-Federal)
 14. PRESCRIPTION DRUGS - MAX ALLOW COST - The federal government recently allowed an update for the first time since April 1991 in the maximum allowable cost schedule for certain prescription drugs. The update resulted in the addition of a number of new drugs to the maximum price list and to price reductions for almost all of the drugs previously listed. (Other Funds: General Fund-Federal; Health Services Account-State)
 15. MANAGED CARE RATE REDUCTION CHANGE - The 1994 forecast used to build the original 1995-97 appropriation anticipated that actuarial adjustments to the managed care rate-setting process would result in larger savings than actually occurred. (Other Funds: General Fund-Federal)
 16. 200 PERCENT CHILDREN CHANGES - The average number of children served through medical assistance as a result of the extension of eligibility to children below 200 percent of the federal poverty level is now expected to be about 32 percent lower than previously projected for FY 96 and about 3 percent lower than previously projected for FY 97. However, the total cost of serving these children is now expected to be about 9 percent higher than previously projected because of higher costs per child served and allocation of the costs of caring for newborns to the child rather than the mother. (Other Funds: General Fund-Federal; Health Services Account)
 17. MAINTAIN MEDICALLY INDIGENT PROGRAM - Rather than establishing the emergency uncompensated care pool for FY 97 as anticipated in the original 1995-97 appropriations act, additional funding is provided to continue the Medically Indigent program as it was redesigned in FY 96, through the end of the biennium. Under the redesigned program, services are limited to inpatient hospital, emergency room, emergency transportation, and related physician services for a maximum of three months in any twelve-month period. Additionally, recipients must be indigent and must incur a yearly emergency medical expense of \$2,000 before being eligible for coverage. Federal funding is lower than proposed by the Governor because of correction of a technical error subsequently identified by the agency. (Other Funds: General Fund-Federal; Health Services Account-State)
 18. TRAUMA CARE - Funding is provided to reimburse designated trauma centers at the higher Medicaid rate for severe trauma services provided to medically indigent and general assistance patients. This higher reimbursement is provided as an incentive for hospitals to participate in the statewide trauma care system.

**Department of Social and Health Services
Medical Assistance**

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
State General Assistance										
# Persons/Month	14,857	15,824	13,669	13,767	12,291	10,282	10,049	10,961	11,429	9,710
% Change from prior year		6.5%	-13.6%	0.7%	-10.7%	-16.3%	-2.3%	9.1%	4.3%	-15.0%
Categorically Needy *										
# Persons/Month	326,947	341,089	362,022	407,337	475,473	520,668	560,759	618,959	679,739	742,081
% Change from prior year		4.3%	6.1%	12.5%	16.7%	9.5%	7.7%	10.4%	9.8%	9.2%
Medically Needy										
# Persons/Month	14,922	16,164	25,328	15,787	17,592	18,243	17,142	14,265	11,820	10,624
% Change from prior year		8.3%	56.7%	-37.7%	11.4%	3.7%	-6.0%	-16.8%	-17.1%	-10.1%
State Medically Indigent **										
# Persons/Month	2,034	2,097	2,448	2,695	2,473	2,645	2,632	2,397	2,388	2,388
% Change from prior year		3.1%	16.7%	10.1%	-8.2%	7.0%	-0.5%	-8.9%	-0.4%	0%

* *Categorically Needy includes children enrolled in the State-Only Children's Health Program.*

** *Estimate for FY96 and FY97 reflects new limitations placed on the program by the 1995 Legislature.*

Data Sources:

FY88 through FY95 from DSHS Budget Division.

FY96 through FY97 estimates from Legislative Fiscal Committees.

**Department of Social & Health Services
Child Support Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	36,227	168,720	204,947
1996 Supplemental Budget			
1. Prosecuting Attorney	745	1,447	2,192
2. Incentive Pay	943	-943	0
3. Equipment Replacement	-76	2,285	2,209
Total Supplemental Items	1,612	2,789	4,401
1995-97 REVISED APPROPRIATIONS	37,839	171,509	209,348
Fiscal Year 1996 Totals	19,019	86,956	105,975
Fiscal Year 1997 Totals	18,820	84,553	103,373

Comments:

- PROSECUTING ATTORNEY - Funding is provided for increases in the workload of county prosecuting attorneys who have taken on most of the Division of Child Support cases from the Office of the Attorney General. (General Fund-State; General Fund-Federal)

- INCENTIVE PAY - Funding is provided from General Fund-State to replace federal child support collection incentive pay which has decreased due to lower than expected child support collections forecasted for the remainder of 1995-97. (General Fund-State; General Fund-Local)

- EQUIPMENT REPLACEMENT - Federal funding is provided for additional equipment necessary to meet the federal certification requirements for the Support Enforcement Management System (SEMS). Making the upgrades at this time will enable the Division to acquire equipment at an enhanced federal funding rate of 90 percent instead of the customary 66 percent and to achieve a small General Fund savings. (General Fund-State; General Fund-Federal)

Other Human Services

Health Care Authority

A technical adjustment is made to reduce the Health Services Account appropriation by \$3.8 million due to under-expenditures in Basic Health plan enrollment. An additional appropriation of \$900,000 is provided for enhanced subsidies to enroll childrens' foster families in the Basic Health Plan.

Criminal Justice Training Commission

One-time funding of \$310,000 from the Public Safety and Education Account was provided to expand the basic law enforcement academy by 140 officers per year and to purchase surplus Washington State Patrol vehicles for use in training. A total of \$72,000 was also provided to conduct the study of law enforcement training required by Chapter 203, Laws of 1996 (2SHB 2323) and to collect statistics surrounding the violation of no-contact orders required by Chapter 248, Laws of 1996 (EHB 2472).

Department of Labor and Industries

The settlement of a class action lawsuit (Cox vs. Shell) against suppliers of faulty water pipes used in the construction of manufactured homes, requires the department to conduct timely on-site inspections of the installed replacement pipes. The amount of \$400,000 is provided from the state general fund to conduct these inspections as affected manufactured homes cannot be resold and the consumer cannot be reimbursed for the cost of alterations without a completed inspection. An estimated 6,000 additional inspections are anticipated during FY 97.

Department of Health

The childhood vaccination program is expanded to include vaccination of high risk children against hepatitis B, hepatitis A, influenza, varicella, and pneumococcal; \$2.6 million from the Health Services Account is provided for this enhancement. Over \$200,000 is also provided to stabilize the existing child profile immunization tracking systems in four counties, and the Department of Health is directed to make recommendations for statewide expansion of this program. Using federal funding from the state Legalization and Immigration Assistance Grant program, \$750,000 in start-up costs for a natural health clinic for immigrants is funded.

Department of Corrections

State general fund expenditure reductions for the Department of Corrections total \$6.4 million. They include: an adjustment to the community corrections forecast, delays in opening facilities (Airway Heights), and the receipt of federal funds which partially reimbursed the state for the cost of incarcerating illegal alien offenders. A total of \$1.7 million from the state general fund was appropriated to the department. This included: an adjustment to the inmate forecast; funding to implement Chapter 298, Laws of 1996 (SHB 2533) relating to misdemeanor probation, SHB 2711 relating to illegal alien offender camps, and Chapter 275, Laws of 1996 (SSB 6274) relating to the supervision of sex offenders; funding for the Jail Industries Board; and a recognition of DOC's inability to realize savings from reducing tower guards prior to July 1, 1996.

Sentencing Guidelines Commission

The amount of \$276,000 was appropriated to the Sentencing Guidelines Commission to implement Chapter 232, Laws of 1996 (SB 6253) which expands the powers, duties, and composition of the Commission.

Department of Employment Security

An amount of \$5.4 million is provided from the state general fund for a Summer Youth Employment and Training program for economically disadvantaged youth. This state funding replaces approximately one-third of the funding received under the Federal Summer Youth program (Title II-B, Job Training Partnership Act) that was recently eliminated by Congress. The department will be working with the Workforce Training and Education Coordinating Board and local service delivery entities to design a program that maximizes summer employment and training opportunities for youth.

Washington State Health Care Authority

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	6,806	320,911	327,717
1996 Supplemental Budget			
1. Expand Basic Health Plan Benefits	0	421	421
2. Fed Title XIX Match-Admin Costs	0	-196	-196
3. Foster Family Enrollment	0	919	919
4. BHP Under-Expenditures	0	-3,776	-3,776
Total Supplemental Items	0	-2,632	-2,632
1995-97 REVISED APPROPRIATIONS	6,806	318,279	325,085
Fiscal Year 1996 Totals	3,403	110,139	113,542
Fiscal Year 1997 Totals	3,403	208,140	211,543

Comments:

1. EXPAND BASIC HEALTH PLAN BENEFITS - Funding is provided to establish an annual limit on Basic Health Plan (BHP) subscribers' out-of-pocket costs. Effective January 1997, the maximum a subsidized BHP subscriber will need to spend for co-pays will be \$600 per individual and \$1,200 per family. (Other Funds: Health Services Account-State)
2. FED TITLE XIX MATCH-ADMIN COSTS - Expenditures for development and implementation of the new Basic Health Plan (BHP) enrollment and billing systems are expected to earn federal Medicaid matching funds, resulting in reduced state expenditures. (Other Funds: Health Services Account-State)
3. FOSTER FAMILY ENROLLMENT - Enhanced subsidies are provided for children's foster families to enroll in the BHP. Under this enrollment option, the state will cover all but \$10 per month of the BHP premium for foster parents with family incomes below 200 percent of the federal poverty level. A total of 2,000 foster parents are expected to be phased into the BHP by June 1997, as part of the 100,000 employer-sponsored enrollment group. (Other Funds: Health Services Account)
4. BHP UNDER-EXPENDITURES - The appropriation is reduced to reflect actual under-expenditures on BHP premiums through March 1996. The budget continues to assume that BHP enrollments will reach 100,000 employer-sponsored enrollees and 100,000 individual enrollees by the end of the biennium. (Other Funds: Health Services Account)

Human Rights Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	3,817	1,746	5,563
1996 Supplemental Budget			
1. Alternative Dispute Resolution	100	0	100
Total Supplemental Items	100	0	100
1995-97 REVISED APPROPRIATIONS	3,917	1,746	5,663
Fiscal Year 1996 Totals	1,905	872	2,777
Fiscal Year 1997 Totals	2,012	874	2,886

Comments:

1. ALTERNATIVE DISPUTE RESOLUTION - Funding is provided to implement HB 2932 -- Alternative Dispute Resolution.

Governor's Vetoes:

The Governor vetoed a proviso earmarking \$100,000 General Fund-State to implement HB 2932 (alternative dispute resolution). He also vetoed the bill (HB 2932). In his veto message, he directs the Commission to use the funding to reduce its current backlog of discrimination cases.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	0	11,036	11,036
1996 Supplemental Budget			
1. Law Enforcement Academies	0	286	286
2. Purchase Surplused Vehicles	0	24	24
3. Law Enforcement Training Study	0	45	45
4. Domestic Violence Reporting	0	27	27
Total Supplemental Items	0	382	382
<hr/>			
1995-97 REVISED APPROPRIATIONS	0	11,418	11,418
Fiscal Year 1996 Totals	0	5,690	5,690
Fiscal Year 1997 Totals	0	5,728	5,728

Comments:

1. LAW ENFORCEMENT ACADEMIES - One-time funding is provided to expand the basic law enforcement academy by 140 officers per year from the current base of 500. The commission will conduct four additional academies split between Western and Eastern Washington. (Public Safety and Education Account)
2. PURCHASE SURPLUSED VEHICLES - One-time funding is provided to purchase 12 surplused Washington State Patrol vehicles for use in training. (Public Safety and Education Account)
3. LAW ENFORCEMENT TRAINING STUDY - One-time funding is provided to complete the study required in Chapter 203, Laws of 1996 (2SHB 2323). The study will: (1) evaluate the desirability and feasibility of providing law enforcement training to pre-employed law enforcement officer applicants; (2) review the adequacy of the basic law enforcement training program; (3) evaluate the status of supervisory, management, and advanced training programs; and (4) make recommendations regarding sources of funding. (Public Safety and Education Account)
4. DOMESTIC VIOLENCE REPORTING - Funding is provided for the implementation of Chapter 248, Laws of 1996 (EHB 2472), which requires the Washington Association of Sheriffs and Police Chiefs to report on the number of incidents of violations of protection or no-contact orders. (Public Safety and Education Account)

Department of Labor & Industries

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	10,581	349,488	360,069
1996 Supplemental Budget			
1. Employer Accounting System	0	2,832	2,832
2. Electrical Inspection Program	0	804	804
3. Restore Attorney General Funds	0	450	450
4. Construction Trades Procedure	0	8	8
5. Employer Assessments	0	75	75
6. Vocational Rehabilitation Benefits	0	13	13
7. Crime Victims Compensation	0	443	443
8. Family Farm Exemption	0	242	242
9. Drug-Free Work Places	0	542	542
10. Mobile Home Inspections	400	0	400
Total Supplemental Items	400	5,409	5,809
1995-97 REVISED APPROPRIATIONS	10,981	354,897	365,878
Fiscal Year 1996 Totals	5,270	175,219	180,489
Fiscal Year 1997 Totals	5,711	179,678	185,389

Comments:

1. EMPLOYER ACCOUNTING SYSTEM - Provides one-time funding for the improvement and extension of the department's employer accounting system to comply with business requirements and legislative mandates. System changes will meet the State Auditor and the Office of Financial Management recommendations for improved cash management controls and greater integration with the statewide Accounting and Financial Reporting System (AFRS). (Accident and Medical Aid Accounts)
2. ELECTRICAL INSPECTION PROGRAM - Funding and staff are provided to accommodate a 5 percent workload increase in final inspections at all schools and other public buildings to ensure compliance with the National Electrical Code and to audit the accuracy of reported hours worked and other issues related to Apprenticeship and Trainee certification. (Electrical License Account)
3. RESTORE ATTORNEY GENERAL FUNDS - Provides funding to correct a technical error made in the original 1995-97 biennium budget. Staff in the Fraud Control Unit were transferred to the Attorney General's Office and the dollars were eliminated in error. Funding is restored so that L & I can pay the Attorney General's Office. (Accident and Medical Aid Accounts)
4. CONSTRUCTION TRADES PROCEDURE - Provides funding for one-time system modifications to meet the provisions of Chapter 147, Laws of 1996 (SHB 2498). Changes to the citation, appeals, and fee collection processes will require system modifications. (Accident and Medical Aid Accounts)
5. EMPLOYER ASSESSMENTS - Provides funding for one-time automated collection system modifications to meet the provisions of Chapter 60, Laws of 1996 (SB 6225). The legislation authorizes the department to modify, reverse, or change the final notice of assessment when an assessment is incorrect. (Accident and Medical Aid Accounts)
6. VOCATIONAL REHABILITATION BENEFITS - Provides funding for one-time system modifications to meet the provisions of Chapter 59, Laws of 1996 (SB 6224 -- Long-Term Disability Project). Authorized vocational rehabilitation on-the-job training costs per individual per year are increased from \$3,000 to \$6,000 for individuals participating in the pilot projects. (Accident and Medical Aid Accounts)
7. CRIME VICTIMS COMPENSATION - Funds provisions contained in Chapter 122, Laws of 1996 (SHB 2358) modifying the crime victims compensation program. Modifications include: increasing the application deadline; increasing allowable burial benefits; and removing the restriction on benefits due to "consent, provocation, or incitement" for victims of fatal crimes. (Public Safety and Education Account)
- FAMILY FARM EXEMPTION - Funds system modifications to support Chapter 8, Laws of 1996 (HB 2322 -- Workers' Compensation Exemptions) allowing parents to elect to exclude children from mandatory coverage while working in agricultural activities on a family farm. (Accident and Medical Aid Accounts)
9. DRUG-FREE WORK PLACES - Funding is provided for system modifications and staff costs pursuant to Chapter 127, Laws of 1996 (2SSB 5516). A 5 percent workers' compensation premium discount is made available to qualified employers who are certified as having a drug free workplace.
10. MOBILE HOME INSPECTIONS - Funding and 12 FTE staff positions are provided to address increased mobile home inspections in the Factory Assembled Structures program. The workload increase is related to meeting the requirements of the class action lawsuit (Cox v Shell). Inspection fees will be charged and deposited in the state General Fund to offset the cost of inspections.

Department of Veterans' Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	20,453	29,905	50,358
1996 Supplemental Budget			
1. Post Traumatic Stress Disorder	0	104	104
2. Homeless Veterans	355	-355	0
3. Re-Align Fed, State & Local Funds	-990	990	0
4. Increase Services & Equipment	128	0	128
5. Increase PTSD Field Counseling	50	0	50
Total Supplemental Items	-457	739	282
1995-97 REVISED APPROPRIATIONS	19,996	30,644	50,640
Fiscal Year 1996 Totals	9,900	15,379	25,279
Fiscal Year 1997 Totals	10,096	15,265	25,361

Comments:

1. POST TRAUMATIC STRESS DISORDER - This item recognizes available federal funding for post traumatic stress disorder (PTSD) services being provided at the Retsil facility until March 1996. At that date, this federal program is being transferred to the American Lake facility where it will be continued, funded, and operated by the federal government. (Other Funds: General Fund-Federal)
2. HOMELESS VETERANS - Funds are provided to continue the Homeless Veterans program. Federal funding from the United States Department of Labor was discontinued effective October 1995. This replaces that with state funding for FY 97. (Other Funds: General Fund-Federal)
3. RE-ALIGN FED, STATE & LOCAL FUNDS - This item updates and adjusts projected operating revenues at the Veterans Home and the Soldiers Home to reflect three funding changes: (1) the increase in the Federal Medical Assistance Percentage change from 50.19 percent to 50.52 percent effective October 1996; (2) a higher Medicaid nursing home rate than originally budgeted, resulting in increased federal revenues; and (3) higher resident contributions to their cost of care than originally budgeted, resulting in increased local fund revenues. (Other Funds: General Fund-Federal, General Fund-Private/Local)
4. INCREASE SERVICES & EQUIPMENT - Funds are provided to implement new Medicaid minimum data set requirements at the Soldiers and Veterans homes, and to provide podiatry services, as required by Medicaid, at the Veterans Home.
5. INCREASE PTSD FIELD COUNSELING - This item provides for increased counseling services for PTSD. Funding would be increased or initiated for contracted programs which are targeted at: African-American veterans in King and Pierce counties, female veterans, Native American veterans, and veterans in Okanogan County.

Department of Health

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	88,627	349,278	437,905
1996 Supplemental Budget			
1. Nurse Delegation Study (ESHB 1908)	70	0	70
2. Retrospective Rating Refund	0	62	62
3. Surveillance Enhancement Program	0	403	403
4. Medically Recommended New Vaccines	0	2,565	2,565
5. Health Clinic for Immigrants	0	750	750
6. Immunization Tracking	210	0	210
7. Speech and Hearing Prof. Regulation	0	372	372
8. Medicinal Research	60	0	60
Total Supplemental Items	340	4,152	4,492
1995-97 REVISED APPROPRIATIONS	88,967	353,430	442,397
Fiscal Year 1996 Totals	44,328	171,262	215,590
Fiscal Year 1997 Totals	44,639	182,168	226,807

Comments:

- NURSE DELEGATION STUDY (ESHB 1908) - Funding is provided for a study that determines the effects on the health and safety of residents of facilities that practice nurse delegation as required by Chapter 18, Laws of 1995, 1st sp.s.
 - RETROSPECTIVE RATING REFUND - Appropriation authority is provided for expenditure of the department's retrospective rating refund. The Department of Health will use the funds to continue improvements in the agency's employee safety and emergency preparedness and response program. (Industrial Insurance Premium Refund Account-State)
- SURVEILLANCE ENHANCEMENT PROGRAM - Federal appropriation authority is provided for approximately two years of a five year federal grant to improve disease surveillance in Washington State. Systems to collect data, disseminate information, and report the existence of diseases will be developed and implemented under this program. (General Fund-Federal)
- MEDICALLY RECOMMENDED NEW VACCINES - Funding is provided for purchase of vaccines for diseases not currently included in Washington State's childhood vaccination program. These additions are proposed in order to remain consistent with national vaccination standards. Diseases included in this request are hepatitis B, hepatitis A, influenza, varicella, and pneumococcal, and only those children at high risk for the diseases will be vaccinated. (Health Services Trust Account-State)
 - HEALTH CLINIC FOR IMMIGRANTS - Federal funding is provided from the state Legalization Immigration Assistance Grant to start a health clinic intended to serve immigrants. The funding is one-time for start up purposes, and the clinic will be managed by a local public health entity. (General Fund-Federal)
 - IMMUNIZATION TRACKING - Funding is provided for the development of a plan for analyzing the progress of the four counties with child profile immunization tracking systems and making recommendations for expanding the project to other counties. The

department shall make recommendations to the Legislature on the proposed timeline for expansion.

- SPEECH AND HEARING PROF. REGULATION - Funding is provided to implement Chapter 200, Laws of 1996 (ESHB 2309). The bill creates a regulatory program for audiologists and speech pathologists and changes the program for hearing aid fitters and dispensers. All funding is provided through fees charged to members of the profession. (Health Professions Account)
- MEDICINAL RESEARCH - Funding is provided for a study to be performed by the Board of Pharmacy to determine the effects of medicinal tetrahydrocannabinol (THC). This study is to be performed in connection with a Washington State University research project to examine a tamper-free means of cultivating effective and safe THC plants for medicinal purposes.

Governor's Vetoes:

Child Profile Immunization Tracking System - The Governor vetoed a proviso in the Department of Health earmarking \$210,000 for the statewide expansion of the child profile immunization tracking system by July 1, 1997. His veto message directs the department to continue its efforts, with a report to the Legislature due July 1, 1997.

Domoic Acid Testing of Shellfish - The Governor vetoed a proviso requiring the Department of Health to use \$195,000 from its existing budget to test for the toxin domoic acid in shellfish. The department is expected to continue the testing within the constraints of its current budget.

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	740,118	5,248	745,366
1996 Supplemental Budget			
1. Retrospective Rating Refund	0	631	631
2. Corrections Advisory Teams	-28	0	-28
3. Education Automation Development	60	0	60
4. Restore Tower Staffing	650	0	650
5. Supervision Workload Forecast	-2,271	0	-2,271
6. Health Services Data Entry	98	0	98
7. Inmate Forecast Revision	621	0	621
8. Supervision of Misdemeanants	72	0	72
9. Supervision of Sex Offenders	116	0	116
10. AHCC Delayed Openings	-1,950	0	-1,950
11. Jail Industries Board	100	0	100
12. Illegal Alien Offender Camp	17	0	17
13. State Criminal Alien Assist Prog	-2,153	153	-2,000
14. Lapse	-17	0	-17
Total Supplemental Items	-4,685	784	-3,901
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1995-97 REVISED APPROPRIATIONS	735,433	6,032	741,465
Fiscal Year 1996 Totals	362,994	4,408	367,402
Fiscal Year 1997 Totals	372,439	1,624	374,063

Comments:

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| <p>1. RETROSPECTIVE RATING REFUND - Appropriation authority for the retrospective rating program rebate monies is provided. This will allow the agency to conduct activities designed to enhance employee safety. (Industrial Insurance Premium Refund Account)</p> <p>2. CORRECTIONS ADVISORY TEAMS - The department received funds in the original 1995-97 biennium budget to implement Section 26 of Chapter 19, Laws of 1995, 1st sp.s. (2E2SHB 2010) which would have required the department to establish corrections advisory teams. The Governor vetoed that section of the bill making the funding of this function unnecessary.</p> <p>3. EDUCATION AUTOMATION DEVELOPMENT - One-time funding is provided to implement a centralized data base for collecting and analyzing offender educational information pursuant to Chapter 19, Laws of 1995, 1st sp.s.</p> <p>4. RESTORE TOWER STAFFING - The Legislature specified that the Department reduce staff and funding for a number of perimeter guard towers in the original 1995-97 budget. A Thurston County Superior Court injunction and an unfair labor practice allegation prevent these reductions from taking place. Funding for FY 96 has been restored with the expectation that the legal actions will be completed before July 1, 1996.</p> <p>5. SUPERVISION WORKLOAD FORECAST - Funding is reduced due to a lower than expected workload in the Community Corrections Division. The major factors resulting in these adjusted projections are: (1) historically, the number of offenders on community placement has increased each year; however, the new trend shows a leveling off; (2)</p> | <p>the number of offenders with Immigration and Naturalization Service (INS) detainees has increased; and (3) the number of offenders on bench warrant status has increased.</p> <p>6. HEALTH SERVICES DATA ENTRY - Funds are provided for the clerical staff needed to fully implement the department's centralized health care data system.</p> <p>7. INMATE FORECAST REVISION - Funding is provided for a forecasted increase of 136 annual average daily population (AADP) in FY 96. Funding is reduced for a forecasted reduction of 30 AADP in FY 97.</p> <p>8. SUPERVISION OF MISDEMEANANTS - Funding is provided for the implementation of Chapter 298, Laws of 1996 (SHB 2533) which increases the minimum supervision standards for Superior Court misdemeanor probationers, and establishes the conditions for counties to contract with the state to perform the supervision.</p> <p>9. SUPERVISION OF SEX OFFENDERS - Funding is provided for the implementation of Chapter 275, Laws of 1996 (SSB 6274) which increases supervision of sex offenders from two years to three years community custody and modifies the department's notification requirements.</p> <p>10. AHCC DELAYED OPENINGS - The opening of a 256 bed unit at Airway Heights Correctional Center (AHCC) was delayed from July 1996 until November 1996. There was also a delay in opening up 200 beds in the camp at AHCC. These delays have generated one-time savings of nearly \$2 million.</p> |
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Department of Corrections

Governor's Vetoes:

11. JAIL INDUSTRIES BOARD - Funding is provided for the Jail Industries Board authorized in RCW 36.110. This will allow the board to better implement its mission of assisting cities and counties in implementing consistent, safe, and efficient offender work programs.
12. ILLEGAL ALIEN OFFENDER CAMP - Funding is provided for the implementation of SHB 2711. The bill directs the Department of Corrections to open a work camp to house illegal alien offenders. As the bill was not enacted by June 30, 1996, the funding lapsed. (See "lapse" item below.)
13. STATE CRIMINAL ALIEN ASSIST PROG - The 1995 federal crime bill included a provision allowing states to claim reimbursement for costs incurred in the incarceration of illegal alien offenders. The original 1995-97 budget included a "placeholder" appropriation of \$2 million from General Fund-Federal. There was no offsetting reduction made to the General Fund-State appropriation at that time because the state was unsure of what, if any, amount the state would receive in reimbursement. The state received a one-time reimbursement of \$2.2 million from the federal government in FY 96. (General Fund-State; General Fund-Federal)
14. LAPSE - Funding was provided in the 1995-97 omnibus appropriations act to implement SHB 2711 (Illegal Alien Offender Camps) contingent on enactment of the bill by June 30, 1996. Because the bill was not passed by the Legislature, the \$17,000 General Fund-State appropriation lapses.

Supervision of Sex Offenders - The Governor vetoed a proviso in the Department of Corrections earmarking \$78,000 General Fund-State for the supervision of sex offenders under Chapter 275, Laws of 1996 (SSB 6274). The Governor vetoed the proviso because the appropriation is necessary for Chapter 215, Laws of 1996 (SHB 2545).

Life Skills Program at Purdy - The Governor vetoed a proviso requiring the Department of Corrections to maintain funding for the Life Skills program at the women's correctional center at Purdy.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	Estimate	
									<u>FY96</u>	<u>FY97</u>
Work Release/Pre-Release										
Avg Daily Pop/Month	729	674	683	781	1,021	1,068	997	1,014	1,111	1,231
% Change from prior year		-7.5%	1.3%	14.3%	30.7%	4.6%	-6.6%	1.7%	9.6%	10.8%
Community Supervision										
# Active Offenders	29,480	28,800	33,250	35,655	39,900	42,294	44,713	47,749	50,693	54,034
% Change from prior year		-2.3%	15.5%	7.2%	11.9%	6.0%	5.7%	6.8%	6.2%	6.6%
Institutions										
Avg Daily Pop/Month	5,929	6,474	6,675	7,383	8,327	9,124	9,557	10,016	10,723	10,872
% Change from prior year		9.2%	3.1%	10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	1.4%
Avg Cost Per Inmate *										
Annual	\$21,393	\$21,098	\$23,082	\$22,358	\$21,984	\$21,984	\$22,737	\$23,698	\$24,063	\$23,967
% Change from prior year		-1.4%	9.4%	-3.1%	-1.7%	0.0%	3.4%	4.2%	1.5%	-0.4%

* Includes prison, pre-release, and work training release inmates.

Data Sources:

FY88 through FY95 from Division of Management and Budget at Department of Corrections.

FY96 and FY97 estimates reflect all legislation passed during the 1996 session.

Sentencing Guidelines Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 ORIGINAL APPROPRIATIONS	986	0	986
1996 Supplemental Budget			
1. Powers, Duties, and Composition	276	0	276
Total Supplemental Items	276	0	276
1995-97 REVISED APPROPRIATIONS	1,262	0	1,262
Fiscal Year 1996 Totals	517	0	517
Fiscal Year 1997 Totals	745	0	745

Comments:

POWERS, DUTIES, AND COMPOSITION - Funding is provided for Chapter 232, Laws of 1996 (SB 6253) which expands the powers, duties, and composition of the commission. This expansion consists of the following: (1) adding new commission members; (2) absorbing the powers and duties of the Juvenile Disposition Standards Commission a year earlier than scheduled; (3) designing new juvenile disposition standards to recommend to the Governor and Legislature in 1996; and (4) providing comprehensive biennial reports on state sentencing policy, correctional capacity, racial disproportionality, and recidivism.

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 ORIGINAL APPROPRIATIONS	668	420,526	421,194
1996 Supplemental Budget			
1. JTPA Youth Employment	5,445	0	5,445
2. Voluntary Contributions	0	227	
4. Overpayment Collection/Detection	0	225	225
Total Supplemental Items	5,445	589	6,034
1995-97 REVISED APPROPRIATIONS	6,113	421,115	427,228
Fiscal Year 1996 Totals	834	210,752	211,586
Fiscal Year 1997 Totals	5,279	210,363	215,642

Comments:

1. JTPA YOUTH EMPLOYMENT - Federal financial support for the Job Training Partnership Act (JTPA), disadvantaged youth summer employment and training program, has been reduced. Partial restoration is provided with state funds.
2. VOLUNTARY CONTRIBUTIONS - Provides funding for staff and computer programming costs necessary to implement Chapter 322, Laws of 1995 (SHB 1350). Under the act, qualified employers are allowed to buy back benefit charges against their experience rating account to lower their unemployment insurance contributions rate. (Administrative Contingency Account)
3. FRAUD MANAGEMENT SYSTEM ENHANCEMENT - Funding is provided to enhance the Fraud Management System. The project is designed to improve the detection process and to provide more tools to prevent and detect fraud in the Unemployment Insurance program. (Administrative Contingency Account)
4. OVERPAYMENT COLLECTION/DETECTION - Funding is provided to cover the budget shortfall in the Overpayment Collection and Detection program. (Administrative Contingency Account)