

Other Human Services

Low-Income Medical Assistance

A total of \$9.9 billion is appropriated to pay for medical and dental services for an average of 1.2 million low-income children and adults each month during the 2011-13 biennium. This is a decrease of \$653 million (6 percent) from the original 2011-13 biennial appropriations for these services. Of the \$9.9 billion appropriated, \$4.6 billion are state funds; \$5.3 billion are federal funds, primarily from Medicaid; and the rest are local government funds provided for purposes of collecting Medicaid matching funds. Of the \$4.6 billion in state funds, \$4.1 billion is from the state general fund and \$434 million is from the Hospital Safety Net Assessment Fund created in 2010. The \$4.6 billion state appropriation is \$9 million (0.2 percent) less than would be required to continue all low-income medical assistance programs and policies with no changes from the original 2011-13 biennial appropriations.

The \$653 million reduction from the original 2011-13 appropriations is almost entirely due to revised *caseload, utilization, and implementation forecasts*.

An average of 53,000 (4 percent) fewer persons per month are expected to enroll in state-subsidized coverage than anticipated in the original 2011-13 biennial operating budget, resulting in a savings of approximately \$308 million. Utilization of medical services is also not growing as quickly as originally forecasted, for an additional savings of \$405 million.

As directed in the original 2011-13 biennial operating budget, the Health Care Authority (HCA) emphasized price in the competitive selection of managed care contractors. Additionally, as also directed in the original biennial operating budget, disabled Medicaid clients who are not also eligible for Medicare will be included in managed care beginning July 2012. Together, these two actions are now expected to avoid \$147 million of Medicaid expenditures in 2011-13, \$73 million more than originally budgeted.

The appropriations provide an additional \$67 million to account for delayed implementation, federal disapproval, and judicial rejection of previous budget reductions. The largest components of this total are \$21 million from federal disapproval of a requirement in the original budget to charge drug copayments, \$9 million from judicial delay of the limitation on payment for emergency room (ER) treatment of non-emergency conditions, and \$9 million from delayed implementation of innovative payment approaches.

Program and administrative reductions account for \$43 million of the reduced appropriations. The Indigent Assistance Disproportionate Share Hospital Grant Program is discontinued, for savings of \$26 million. The program has provided federally-matched state funds to assist approximately 50 urban and rural hospitals with the cost of uncompensated care. For clients covered on a fee-for-service basis, HCA is directed to implement a drug formulary that limits coverage to the least costly, equally effective drugs, except when higher cost versions are shown to be medically necessary. This is expected to save approximately \$4 million.

HCA has also constrained administrative expenditures by leaving funded positions unfilled and limiting expenditures for goods, services, and contracts. Administrative funding is reduced by \$14 million to reflect continued operation at half the level of under-expenditure actually achieved during the first six months of the biennium.

Funding is provided to implement *new legislation*. Approximately \$2 million will fund the analysis, design, and development work associated with the federal Patient Protection and Affordable Care Act (ACA). HCA is directed to perform design and development work necessary to implement the federal Basic Health Program Option (BHPO) under the ACA. HCA is also required to report to the Legislature in December 2012 on whether to proceed with implementation of the BHPO.

HCA will also implement the Medicaid Fraud False Claims Act, which establishes new tools for detecting and prosecuting Medicaid fraud and new penalties for engaging in it. Funds recovered from fraudulent activities will be deposited into a new state account that can only be used for payment for Medicaid services and for fraud prevention, detection, and enforcement activities.

Approximately \$33 million is appropriated for implementation of *other policy changes*. Rather than implementing a policy of non-payment for non-emergent visits to the emergency room (ER), HCA is directed to work with hospitals to implement best practices for reducing ER utilization. These best practices are budgeted to save the same \$34 million in fiscal year 2013 as the original non-payment policy. The budget provides \$9 million in fiscal year 2012 to account for delayed implementation of this new policy.

Funding is also provided to proceed with Phase Two of the ProviderOne project at a total cost of approximately \$24 million. This phase will include long-term care payments in a single payment system for Medicaid services. The federal government will provide 90 percent matching funds for this project.

Department of Health

The Department of Health (DOH) has a total budget of \$1.1 billion (\$157.5 million General Fund-State) to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory. Reductions of \$899,000 General Fund-State were included in Chapter 9, Laws of 2011, 1st sp.s., Partial Veto (SHB 2058), and reductions totaling \$1.9 million General Fund-State were included in Chapter 7, Laws of 2012, 1st sp.s., Partial Veto (3ESHB 127). In addition:

- A total of \$5.6 million in Health Professions Account-State expenditure authority was added for enacted legislation and other programs, including \$4.4 million for increased mandatory training and additional background checks and certifications for long-term care workers as required by Initiative 1163.
- DOH will use amounts remaining (\$1.7 million) in the Tobacco Prevention and Control Account to continue Quitline services to the uninsured and underinsured population in Washington for an additional year. Quitline funding for people lacking health insurance or other health care benefits ended in the 2009-11 biennium.

Department of Corrections

A total of \$1.7 billion is provided to the Department of Corrections (DOC) to incarcerate an average of 17,935 inmates per month and to supervise an average of 15,912 offenders in the community per month during the 2011-13 biennium. This funding level represents a decrease of \$33.4 million (2 percent) in corrections spending from the enacted 2011-13 budget, and savings of \$36.4 million (2.2 percent) from the revised 2011-13 biennium maintenance level.

The budget assumes net savings of \$15 million related to implementation of a *structured community supervision sanction process* for violations of conditions of community custody. Chapter 6, Laws of 2012, 1st sp.s. (2E2SSB 6204) provides that offenders who commit a first low-level violation of conditions of community custody are subject to non-confinement sanctions; offenders who commit subsequent low-level violations (up to five low-level violations) are subject to up to three days confinement; offenders who commit high-level violations are subject to sanctions of up to 30 days confinement and are entitled to hearings before sanctions are imposed; and generally offenders who commit new crimes will be held on DOC detainers for up to three days while the information is forwarded to local jurisdictions for consideration of new charges. The funding level assumes that \$6.4 million from the estimated annual savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on their assessed risk levels and treatment needs. Amendments adopted by the Legislature limiting the number of low-level sanctions to five and specifying that offenders with certain underlying offenses who commit new crimes be held in total confinement pending sanction hearings or

until new charges are filed by prosecuting attorneys will reduce the net savings assumed in the budget by an estimated \$3.5 million over the biennium.

Savings totaling \$17.2 million are achieved through *administrative efficiencies, vacancy savings, and underspending*. Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$5.9 million for administrative reductions to management and communications, elimination of the Jail Industries Board, and maintaining a 2.8 percent vacancy rate in the community corrections and health services programs. Chapter 7, Laws of 2012, 2nd sp.s., Partial veto (3ESHB 2127) includes one-time savings of \$11.2 million from estimated underspending during the current biennium.

Savings totaling \$5.7 million is achieved through *reductions to health care costs*. Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$2.3 million for expansion of utilization management, reduction in pharmaceutical costs, expansion in the use of Medicaid for eligible inmates, and increasing health care copayments for inmates by one dollar. Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127) includes savings of \$3.4 million to reflect use of the ProviderOne system to pay outside hospital claims, and from paying Medicaid rates to providers for DOC offenders receiving inpatient, outpatient, or ancillary services.

Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) includes savings of \$11.7 million from the conversion of medium security units at the Old Main at the Washington State Penitentiary to minimum security units.

For fiscal years 2012 and 2013, the debt service for the certificates of participation used to finance the construction of the Correctional Industries Furniture Factory at the Stafford Creek Corrections Center is to be paid from the Correctional Industries Account, generating state general fund savings of \$2.0 million.

One-time funding of \$2.0 million is provided from the Enhanced 911 Account to install narrowband radios.

Criminal Justice Training Commission

The budget provides \$28.7 million from the state general fund to the Criminal Justice Training Commission for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs. This funding level represents a 5.2 percent reduction to the 2011-13 enacted budget. Major items include:

- Savings of \$673,000 from Chapter 9, Laws of 2011, 2nd sp.s., Partial Veto (SHB 2058) achieved through reductions of one Basic Law Enforcement Academy (BLEA) and three Corrections Academies, along with savings through staffing and operational efficiencies related to the BLEA.
- Savings of \$750,000 included in Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127) achieved through unspecified efficiencies and reductions.

Labor and Industries

The Department of Labor and Industries has a total budget of \$632.6 million (\$35.3 million General Fund-State) to administer Washington's workers' compensation system, manage the occupational health and safety program, operate the Crime Victims' Compensation (CVC) program, and license and enforce safe building practices. Chapter 9, Laws of 2011, 1st sp.s., Partial Veto (SHB 2058) includes a reduction of \$2.3 million General Fund-State to CVC, which will be offset by increased federal expenditures in the program.

Other Administrative Reductions

The appropriations were adjusted to reflect reduced costs for employee health insurance, reduced billings from central service agencies (including the Attorney General, Auditor, Secretary of State, Department of Enterprise Services) as well as improved management of information technology resources. The impact of these changes, budget wide, is described in the special appropriations section (for employee health benefits) and the governmental operations section (for central services and information technology).

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,459,259	6,388,148	10,847,407
Total Maintenance Changes	-379,776	-439,056	-818,832
Policy Changes - Early Action Savings			
1. Capture Vacancy Savings	-702	-1,287	-1,989
2. Moore Lawsuit Savings	-886	0	-886
Policy Changes - Early Action Savings	-1,588	-1,287	-2,875
Policy Changes - Other			
3. Establish State Drug Formulary	-1,768	-1,768	-3,536
4. Administrative Reductions	-3,623	-3,110	-6,733
5. Capture Vacancy Savings	-3,090	-1,820	-4,910
6. Reimbursement Methods Waiver	4,400	4,400	8,800
7. Auditor Charges	127	174	301
8. Attorney General Reduction	-4	-7	-11
9. Sec of State Archive Reduction	-1	-1	-2
10. Central Services Savings	5	7	12
11. Affordable Care Act Implementation	2,114	0	2,114
12. Evidence Based Practices	66	66	132
13. Central Service Reforms	-573	-131	-704
14. Health Information Technology	47	144,446	144,493
15. Indigent Assistance DSH	-13,140	-13,140	-26,280
16. Implement Provider One Phase 2	2,580	21,890	24,470
17. Emergency Room Services	3,731	5,132	8,863
18. Rural Health Center Reimbursement	35	35	70
19. Medicaid False Claims Act	-3,608	9,367	5,759
20. Graduate Medical Payments	0	28,500	28,500
21. Apple Health Outreach	500	500	1,000
22. Governor Veto	-35	-85	-120
Policy -- Other Total	-12,237	194,455	182,218
Policy Changes - Comp			
23. PEBB Funding Rate Reduction	-212	-466	-678
Policy -- Comp Total	-212	-466	-678
2011-13 Revised Appropriations	4,065,446	6,141,794	10,207,240
Fiscal Year 2012 Total	2,034,296	3,081,690	5,115,986
Fiscal Year 2013 Total	2,031,150	3,060,104	5,091,254

Comments:

- Capture Vacancy Savings** - The Health Care Authority (HCA) had funding for 30.6 FTE staff positions that were vacant for the first three months of the biennium. The one-time vacancy savings are removed from the budget. (General Fund-State, General Fund-Federal, General Fund-Private/Local, State Health Care Authority Administrative Account-State)
- Moore Lawsuit Savings** - Funding is transferred from HCA to the Office of the Attorney General for the *Moore v. HCA* lawsuit.
- Establish State Drug Formulary** - For drugs dispensed on a fee-for-service basis and not included on the state's interagency preferred drug list program, HCA will limit coverage to the least costly equally effective formulation in a class, except when a higher cost version is shown to be medically necessary. The formulary limitations will not apply to antiretroviral drugs used in the treatment of HIV/AIDS, anticancer drugs, antihemophilic drugs, insulin and other drugs to lower blood glucose, and immunosuppressive drugs. (General Fund-State, General Fund-Federal)
- Administrative Reductions** - Budgeted administrative staffing and expenditures for the final three quarters of the 2011-13 biennium are reduced by half the level of under-expenditure at which HCA actually operated during the first quarter of the biennium. (General Fund-State, General Fund-Private/Local, General Fund-Federal)
- Capture Vacancy Savings** - HCA has constrained administrative expenditures by leaving funded positions unfilled; limiting expenditures on goods, services, and contracts; and through other means. Funding is adjusted to reflect actual administrative under-expenditures through the first six months of FY 2012. (General Fund-State, General Fund-Federal)

Washington State Health Care Authority

6. **Reimbursement Methods Waiver** - Chapter 1, Laws of 2011, 1st sp.s. (E2SSB 5596), directed HCA to seek a federal Medicaid waiver to implement reimbursement methods such as bundled, global, and risk-bearing payment arrangements that were expected to reduce state general fund expenditures by \$8.8 million beginning July 2012. HCA reports that it is unable to develop and obtain federal approval for such a system by July 2012, and is directed to continue work for implementation by January 2013. (General Fund-State, General Fund-Federal)
7. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
8. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
9. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
10. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
11. **Affordable Care Act Implementation** - Funding is provided to HCA and the Office of the Insurance Commissioner to implement Chapter 87, Laws of 2012, Partial Veto (E2SHB 2319). HCA will submit a report to the Legislature on whether to proceed with implementation of the federal Basic Health Program Option (BHPO) by December 1, 2012. Funding is also provided to support the design and development work necessary for HCA to provide coverage under the BHPO beginning January 1, 2014.
12. **Evidence Based Practices** - In accordance with Chapter 232, Laws of 2012 (E2SHB 2536), funding is provided to assess and report on the extent to which research-based prevention and treatment programs are presently utilized in state-funded children's mental health, juvenile justice, and child welfare programs. (General Fund-State, General Fund-Federal)
13. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
14. **Health Information Technology** - Funding is provided to issue federally-funded incentive payments, manage the provider incentive program, and plan for other initiatives related to the Medicaid Health Information Technology Plan. Under the plan, Medicaid providers are expected to receive approximately \$144 million of fully federally-funded incentive payments to adopt and make effective use of electronic health record systems. HCA will enter an interagency agreement to cover most of the state share of this cost with *cy pres* settlement funds recovered by the Office of the Attorney General in the case of *Washington vs. GlaxoSmithKline*. (General Fund-State, General Fund-Private/Local, General Fund-Federal)
15. **Indigent Assistance DSH** - The Indigent Assistance Disproportionate Share Hospital (DSH) Programs are eliminated starting in FY 2012. The programs have provided federally-matched state funds to assist approximately 50 urban and rural hospitals with the cost of uncompensated care. (General Fund-State, General Fund-Federal)
16. **Implement Provider One Phase 2** - HCA will implement phase two of the ProviderOne project to replace the legacy Medicaid payment system. This phase includes the transition of long-term care payments. (General Fund-State, General Fund-Federal)
17. **Emergency Room Services** - HCA will designate best practices to reduce unnecessary emergency room (ER) visits. HCA will implement a policy of non-payment for non-emergent ER visits if hospitals that comprise at least 75 percent of ER visits by Medicaid fee-for-service clients in FY 2010 do not attest to adoption and compliance with these best practices. (General Fund-State, Hospital Safety Net Assessment Fund-State, General Fund-Federal)
18. **Rural Health Center Reimbursement** - Funds are provided for a contract to assist with development of a new managed care payment reconciliation methodology for federally-certified rural health clinics. The purposes of the new methodology are to increase administrative simplicity, transparency, efficiency, and predictability for the clinics, and to shorten the time elapsing between initial payment and final payment reconciliation. The Governor vetoed this appropriation. (General Fund-State, General Fund-Federal)
19. **Medicaid False Claims Act** - Funds are provided for implementation of Chapter 241, Laws of 2012, Partial Veto (ESSB 5978). The act establishes new tools for detecting and prosecuting Medicaid fraud, and new penalties for engaging in it. Funds recovered from fraudulent activities will be deposited into a new state account that may only be used for payment for Medicaid services and for fraud prevention, detection, and enforcement activities. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)
20. **Graduate Medical Payments** - HCA will amend the state Medicaid plan to provide supplemental payments to public hospital-affiliated medical practices for graduate medical education provided on behalf of low-income medical assistance recipients enrolled in managed care. The non-federal funds required to match the federal portion of this expenditure will be provided through an intergovernmental transfer by the public hospitals. (General Fund-Private/Local, General Fund-Federal)

Washington State Health Care Authority

21. **Apple Health Outreach** - Funding is provided for efforts to facilitate enrollment of additional eligible children in low-income medical assistance programs. (General Fund-State, General Fund-Federal)
22. **Governor Veto** - The Governor vetoed Sections 213 (44) and (54) of Chapter 7, Laws of 2012, 2nd sp.s., Partial Veto (3ESHB 2127). Section 213(44) provided \$50,000 for HCA to review and report on the payment of facility fees in programs it administers. Section 213(54) provided \$70,000 for a contract to assist with development of a new managed care payment reconciliation methodology for federally-certified rural health clinics. (General Fund-State, Hospital Safety Net Assessment Fund-State, General Fund-Federal)
23. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Health Care Authority Low-Income Medical Assistance

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated	
									2012	2013
Medicaid Categorically Needy	815,257	810,363	838,443	844,805	855,043	909,668	993,479	1,045,076	1,072,642	1,115,191
AFDC/TANF	283,973	293,185	283,290	267,408	251,975	264,476	290,453	304,574	308,956	318,483
Elderly	54,573	55,544	56,467	57,038	57,646	58,848	60,655	62,792	64,560	66,567
Disabled	123,248	126,868	129,667	132,469	136,018	140,905	148,526	154,699	159,513	166,937
Non-AFDC Children	319,772	298,548	329,580	344,173	363,339	397,329	444,023	470,857	486,034	507,504
Non-AFDC Pregnant Women	26,366	27,121	27,589	28,470	29,143	29,671	29,801	29,953	29,006	28,762
Medicare Beneficiaries	7,066	8,563	10,689	13,771	15,201	16,463	17,629	19,416	21,973	24,283
Breast & Cervical Cancer	0	56	375	495	565	655	812	998	1,056	1,196
Medicaid Buy-In	261	479	787	981	1,157	1,321	1,580	1,787	1,543	1,458
Medicaid Medically Needy	16,972	17,849	16,536	13,590	13,567	12,984	12,336	12,897	13,023	13,195
Elderly	6,510	6,592	6,150	5,232	5,159	5,040	4,960	5,040	5,036	5,047
Disabled	10,462	11,257	10,385	8,358	8,409	7,945	7,376	7,857	7,988	8,148
State Children's Health Insurance Program (SCHIP)	9,516	13,303	11,786	11,406	11,974	14,469	19,290	23,809	25,289	26,879
Federal Refugee Assistance	684	685	754	732	674	758	929	788	700	723
State Medical Care Services	11,651	14,109	18,511	27,219	41,443	47,324	47,620	46,947	39,204	35,590
Undocumented Children	0	0	2,528	10,127	23,567	27,564	26,211	24,784	21,758	20,994
Disability Lifeline & ADATSA	11,651	14,109	15,982	17,093	17,876	19,760	21,409	22,163	17,446	14,596
Basic Health Plan	103,452	99,807	100,444	102,118	104,792	103,590	76,079	52,274	36,328	31,088
Total Eligibles per Month	957,532	956,117	986,472	999,871	1,027,493	1,088,793	1,149,733	1,181,792	1,187,186	1,222,667
% Change from prior year		-0.1%	3.2%	1.4%	2.8%	6.0%	5.6%	2.8%	0.5%	3.0%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Human Rights Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,482	1,903	6,385
Total Maintenance Changes	-21	0	-21
Policy Changes - Other			
1. Auditor Charges	-24	0	-24
2. Attorney General Reduction	-19	0	-19
3. Sec of State Archive Reduction	-1	0	-1
4. Staff Reduction	-448	0	-448
5. Central Service Reforms	-10	0	-10
Policy -- Other Total	-502	0	-502
Policy Changes - Comp			
6. PEBB Funding Rate Reduction	-12	-10	-22
Policy -- Comp Total	-12	-10	-22
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2011-13 Revised Appropriations	3,947	1,893	5,840
Fiscal Year 2012 Total	1,993	971	2,964
Fiscal Year 2013 Total	1,954	922	2,876

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
4. **Staff Reduction** - The Human Rights Commission (HRC) will reorganize its management structure by eliminating two FTE Operations Manager positions. HRC also allowed one Customer Service Specialist position to remain vacant for part of FY 2012, and will allow an Investigator 2 position to remain vacant through the remainder of FY 2012. These measures represent a 10 percent state general fund reduction.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	0	39,380	39,380
Total Maintenance Changes	0	-17	-17
Policy Changes - Other			
1. Auditor Charges	0	-6	-6
2. Attorney General Reduction	0	-10	-10
3. Sec of State Archive Reduction	0	-8	-8
4. Central Service Reforms	0	-34	-34
Policy -- Other Total	0	-58	-58
Policy Changes - Comp			
5. PEBB Funding Rate Reduction	0	-96	-96
Policy -- Comp Total	0	-96	-96
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2011-13 Revised Appropriations	0	39,209	39,209
Fiscal Year 2012 Total	0	19,508	19,508
Fiscal Year 2013 Total	0	19,701	19,701

Comments:

1. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
2. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
3. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
4. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
5. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	30,305	13,709	44,014
Total Maintenance Changes	-91	0	-91
Policy Changes - Early Action Savings			
1. Management Efficiencies & Workloads	-673	0	-673
Policy Changes - Early Action Savings	-673	0	-673
Policy Changes - Other			
2. Auditor Charges	-6	0	-6
3. Attorney General Reduction	-12	0	-12
4. Sec of State Archive Reduction	-1	0	-1
5. Central Service Reforms	-16	0	-16
6. Efficiencies and Fewer Academies	-750	0	-750
Policy -- Other Total	-785	0	-785
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-20	0	-20
Policy -- Comp Total	-20	0	-20
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2011-13 Revised Appropriations	28,736	13,709	42,445
Fiscal Year 2012 Total	14,589	6,833	21,422
Fiscal Year 2013 Total	14,147	6,876	21,023

Comments:

1. **Management Efficiencies & Workloads** - Funding is reduced to reflect elimination of one Basic Law Enforcement Academy (BLEA) and three corrections academies, along with savings achieved through staffing and operational efficiencies related to the BLEA.
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
5. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
6. **Efficiencies and Fewer Academies** - Funding reflects unspecified savings from efficiencies and reductions.
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured

claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	38,084	600,298	638,382
Total Maintenance Changes	-10	-670	-680
Policy Changes - Early Action Savings			
1. Use Federal Crime Victims' Funds	-2,277	1,536	-741
Policy Changes - Early Action Savings	-2,277	1,536	-741
Policy Changes - Other			
2. Auditor Charges	-32	-497	-529
3. Attorney General Reduction	-36	-2,755	-2,791
4. Sec of State Archive Reduction	0	-32	-32
5. Central Services Savings	-1	-26	-27
6. Central Service Reforms	-17	-557	-574
7. Medical Provider Network	0	820	820
8. Nationwide Information Exchange	0	314	314
9. Indirect Programs	-325	325	0
10. SB 6421 Prevailing Wage/Public Wks	0	90	90
11. SB 6133 Electrician Certification	0	34	34
Policy -- Other Total	-411	-2,284	-2,695
Policy Changes - Comp			
12. PEBB Funding Rate Reduction	-74	-1,584	-1,658
Policy -- Comp Total	-74	-1,584	-1,658
2011-13 Revised Appropriations	35,312	597,296	632,608
Fiscal Year 2012 Total	17,406	295,392	312,798
Fiscal Year 2013 Total	17,906	301,904	319,810

Comments:

- 1. Use Federal Crime Victims' Funds** - The use of federal grant money will be maximized in each fiscal year to reduce General Fund-State expenditures in the Crime Victims' Compensation Program without changing benefit amounts. (General Fund-State, General Fund-Federal)
- 2. Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
- 3. Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
- 4. Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
- 5. Central Services Savings** - Funding is reduced for the Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at OAH, and reduces LRO services. (various funds)
- 6. Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
- 7. Medical Provider Network** - Expenditure authority is provided to develop a new health care provider network to treat injured workers, in accordance with legislation passed in 2011. Providers who meet minimum standards are accepted into the network and must agree to follow the Department of Labor and Industries' (Department) coverage decisions, treatment guidelines, and policies. (various funds)
- 8. Nationwide Information Exchange** - Funding is provided for the Department to participate in a national information exchange with other workers' compensation insurers, as mandated by legislation enacted in 2011, in order to help detect fraud. The Department has negotiated with Information Services Offices, Inc. (ISO), which maintains a nationwide workers' compensation database (covering 97 percent of the nation's property casualty insurers). (various funds)

Department of Labor and Industries

9. **Indirect Programs** - Indirect charges to state-supported programs are reduced by realigning the cost allocation model with current program structure. (various funds)
10. **SB 6421 Prevailing Wage/Public Wks** - Funding is provided for the processing of an increase in the number of affidavits filed as provided in Chapter 129, Laws of 2012 (SSB 6421). (various funds)
11. **SB 6133 Electrician Certification** - Funding is provided for the implementation of new classroom training requirements for candidates seeking electrician certification pursuant to Chapter 32, Laws of 2012 (SB 6133). (various funds)
12. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	16,261	99,044	115,305
Total Maintenance Changes	589	1,008	1,597
Policy Changes - Early Action Savings			
1. Adjust Forecasted Revenue	-1,413	1,866	453
Policy Changes - Early Action Savings	-1,413	1,866	453
Policy Changes - Other			
2. Auditor Charges	-15	-28	-43
3. Attorney General Reduction	-2	-4	-6
4. Sec of State Archive Reduction	-1	-3	-4
5. Central Services Savings	0	-1	-1
6. Central Service Reforms	-40	-91	-131
Policy -- Other Total	-58	-127	-185
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-40	-340	-380
Policy -- Comp Total	-40	-340	-380
<hr/>			
2011-13 Revised Appropriations	15,339	101,451	116,790
Fiscal Year 2012 Total	8,574	49,872	58,446
Fiscal Year 2013 Total	6,765	51,579	58,344

Comments:

1. **Adjust Forecasted Revenue** - The Department of Veterans Affairs will reduce state general fund expenditures by leveraging additional non-state funds. These reductions are not expected to affect client services. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
2. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
3. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
4. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
5. **Central Services Savings** - Funding is reduced for the Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at OAH, and reduces LRO services. (various funds)
6. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
7. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)

Department of Health

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	160,547	921,389	1,081,936
Total Maintenance Changes	-194	23,138	22,944
Policy Changes - Early Action Savings			
1. Data Collection and Analysis	-258	0	-258
2. Central Administration	-505	0	-505
3. State Board of Health	-136	0	-136
Policy Changes - Early Action Savings	-899	0	-899
Policy Changes - Other			
4. Drinking Water Program	-362	0	-362
5. Public Health Laboratories	-208	0	-208
6. Radiation Laboratory	-137	0	-137
7. Wastewater Support/Water Protection	-405	0	-405
8. Water Recreation Local Health	-65	0	-65
9. Zoonotic Disease Surveillance	-64	0	-64
10. AHEC Rural Health Contracts	-61	0	-61
11. EMS-Trauma Council Contracts	-350	0	-350
12. Funding for Initiative 1163	0	4,429	4,429
13. Auditor Charges	-16	-55	-71
14. Attorney General Reduction	-72	-477	-549
15. Sec of State Archive Reduction	-8	-29	-37
16. Central Services Savings	-4	-13	-17
17. Central Service Reforms	-140	-246	-386
18. Enhance Physician Outreach	0	220	220
19. Nursing Profession Investigation	0	352	352
20. Military Spouses and Partners	0	19	19
21. Career Pathway/Medical Assistants	0	102	102
22. Mental Health Professionals	0	21	21
23. Reflexologists	0	61	61
24. Dental Anesthesia Assistants	0	28	28
25. Assisted Living Facilities	0	15	15
26. Licensed Midwives	0	11	11
27. Hospital Employees	11	0	11
28. Long-Term Care Workers	0	48	48
29. Suicide Assessment/Treatment	0	280	280
30. Health Care Services Billing	11	0	11
31. Prescription Monitoring Program	22	0	22
32. Medication Assistant Endorsement	0	30	30
33. Tobacco Quitline	0	1,700	1,700
34. ARRA Administrative Funding	0	-832	-832
35. Temporary Farmworker Housing	250	0	250
Policy -- Other Total	-1,598	5,664	4,066
Policy Changes - Comp			
36. PEBB Funding Rate Reduction	-196	-778	-974
Policy -- Comp Total	-196	-778	-974
Policy Changes - Transfers			
37. Transfer DD Council to Commerce	-142	-2,092	-2,234
38. Transfer Site Use Permit to Health#	0	79	79
Policy -- Transfer Total	-142	-2,013	-2,155
2011-13 Revised Appropriations	157,518	947,400	1,104,918
Fiscal Year 2012 Total	79,404	496,770	576,174
Fiscal Year 2013 Total	78,114	450,630	528,744

Department of Health

Comments:

1. **Data Collection and Analysis** - The Department of Health (DOH) will reduce the frequency of data released from the Comprehensive Hospital Abstract Reporting System and other support relating to reporting and state-owned information technology systems.
2. **Central Administration** - DOH will reduce administrative costs by 10 percent.
3. **State Board of Health** - Funding for the State Board of Health is reduced by 10 percent. Savings will be achieved through reduced travel, goods, and services, and fewer board meetings.
4. **Drinking Water Program** - Funding is reduced for technical assistance and monitoring of water systems, including data collection and information technology support for mapping drinking water systems and technical assistance related to water quality monitoring and reporting requirements.
5. **Public Health Laboratories** - Funding is reduced for public health laboratory community outreach. A community outreach contract is eliminated, as well as two staff positions at the laboratories.
6. **Radiation Laboratory** - The Department of Health (DOH) will eliminate a position in the Radiation Laboratory that prepares, analyzes, and reports on samples sent from the state radiation program and other submitters throughout the state.
7. **Wastewater Support/Water Protection** - DOH will reduce on-site septic system permitting and compliance activities.
8. **Water Recreation Local Health** - Funding is reduced for technical assistance and monitoring of local recreational water facilities.
9. **Zoonotic Disease Surveillance** - DOH will reduce surveillance of plague and mosquito-borne and tick-borne diseases.
10. **AHEC Rural Health Contracts** - Funding is reduced for Area Health Education Centers (AHECs) by 10 percent effective April 1, 2012.
11. **EMS-Trauma Council Contracts** - Funding is reduced for emergency medical system (EMS) trauma council contracts.
12. **Funding for Initiative 1163** - Initiative 1163 was approved by voters in the 2011 election. The Initiative requires increased mandatory training, additional background checks and certification for long-term care workers beginning January 7, 2012. Administrative costs are capped and performance audits with additional fraud investigators are required. (Health Professions Account-State)
13. **Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)
14. **Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)
15. **Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)
16. **Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)
17. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)
18. **Enhance Physician Outreach** - The Medical Quality Assurance Commission will produce a quarterly newsletter to promote safe standards of care. (Health Professions Account-State)
19. **Nursing Profession Investigation** - The Nursing Care Quality Assurance Commission is provided with additional appropriation authority to address substance abuse and increased nursing practice complaints. (Health Professions Account-State)
20. **Military Spouses and Partners** - Chapter 45, Laws of 2012 (SB 6290), addresses the occupational licensing status of military spouses and registered domestic partners during deployment or placement outside the state. (Health Professions Account-State)
21. **Career Pathway/Medical Assistants** - Chapter 153, Laws of 2012 (ESSB 6237), changes the designation of health care assistant to medical assistant, provides minimum requirements for entry-level medical assistants, and requires DOH to establish a career ladder. (Health Professions Account-State)
22. **Mental Health Professionals** - Chapter 58, Laws of 2012 (SSB 6328), requires the DOH Secretary to adopt rules relating to the issuance of retired active licenses for mental health counselors, marriage and family therapists, advanced social workers, and independent clinical social workers. (Health Professions Account-State)
23. **Reflexologists** - Chapter 137, Laws of 2012 (ESSB 6103), provides for licensure to differentiate between professions of reflexology and massage therapy. (Health Professions Account-State)
24. **Dental Anesthesia Assistants** - Chapter 23, Laws of 2012 (E2SSB 5620), prohibits a person from practicing or

Department of Health

- representing himself or herself as a certified dental anesthesia assistant or registered dental assistant without meeting the proper qualifications. (Health Professions Account-State)
25. **Assisted Living Facilities** - Chapter 10, Laws of 2012 (SHB 2056), changes the term "boarding home" to "assisted living facility" throughout the Revised Code of Washington. (Health Professions Account-State)
 26. **Licensed Midwives** - Chapter 13, Laws of 2012 (EHB 2186), allows registered nurses and licensed practical nurses to perform certain tasks at the direction of a licensed midwife. (Health Professions Account-State)
 27. **Hospital Employees** - Chapter 98, Laws of 2012 (ESHB 2229), requires certain hospitals to report employee compensation information to DOH.
 28. **Long-Term Care Workers** - Chapter 164, Laws of 2012 (ESHB 2314), makes technical corrections and clarifies provisions governing services by long-term care workers. (Health Professions Account-State)
 29. **Suicide Assessment/Treatment** - Chapter 181, Laws of 2012 (ESHB 2366), establishes the Matt Adler Suicide Assessment, Treatment, and Management Training Act, which requires certain health professionals to complete training in suicide assessment. (Health Professions Account-State)
 30. **Health Care Services Billing** - Chapter 184, Laws of 2012 (ESHB 2582), requires a provider-based clinic that charges a facility fee to provide a notice to patients. Hospitals with provider-based clinics that bill a separate facility fee must report information to DOH.
 31. **Prescription Monitoring Program** - Chapter 192, Laws of 2012 (ESHB 6105), exempts veterinarians from the data submission requirements of the prescription monitoring program.
 32. **Medication Assistant Endorsement** - Chapter 208, Laws of 2012 (ESHB 2473), establishes a medication assistant endorsement. (Health Professions Account-State)
 33. **Tobacco Quitline** - DOH will use remaining funds in the Tobacco Prevention and Control Account to continue Quitline services to the uninsured and underinsured population in Washington. Quitline funding for people lacking health insurance or other health care benefits ended in the 2009-11 biennium. (Tobacco Prevention and Control Account-State)
 34. **ARRA Administrative Funding** - \$832,000 of American Recovery and Reinvestment Act (ARRA) federal stimulus funding that was originally estimated to be needed for administration of federal projects will instead be spent in the capital budget to support water system capital improvement projects.
 35. **Temporary Farmworker Housing** - Funds are provided to retain current fee levels in the Temporary Farmworker Housing Program. DOH must evaluate current inspection practices and fee assumptions, which are based on occupancy levels.
 36. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)
 37. **Transfer DD Council to Commerce** - The Developmental Disabilities (DD) Council and the Endowment Trust Fund are transferred from DOH to the Department of Commerce effective July 1, 2012, pursuant to Chapter 197, Laws of 2012 (SSB 6545). The Council works with people with developmental disabilities and their families to promote a comprehensive system of services, and serves as an advocate and a planning body. (General Fund-State, General Fund-Federal, Community and Economic Development Fee Account-State)
 38. **Transfer Site Use Permit to Health#** - Work related to low-level radioactive waste site use permits will be transferred from the Department of Ecology to DOH, pursuant to Chapter 19, Laws of 2012 (HB 2304). (Site Closure Account-State)

Department of Corrections

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	1,635,488	23,819	1,659,307
Total Maintenance Changes	25,308	-2,226	23,082
Policy Changes - Early Action Savings			
1. Repurpose Old Main at Walla Walla	-11,730	0	-11,730
2. Offender Health Care CoPay	-2,384	0	-2,384
3. Administrative Costs/Vacancies	-5,945	0	-5,945
Policy Changes - Early Action Savings	-20,059	0	-20,059
Policy Changes - Other			
4. Auditor Charges	31	0	31
5. Attorney General Reduction	-1,138	0	-1,138
6. Sec of State Archive Reduction	-50	0	-50
7. Central Services Savings	-71	0	-71
8. Reimburse Scherf Trial Expenditures	1,041	0	1,041
9. Hepatitis Immunizations	292	0	292
10. Community Supervision Violators	-15,049	0	-15,049
11. Administrative Costs/Vacancies	-11,233	0	-11,233
12. Central Service Reforms	-2,292	0	-2,292
13. Prison Safety & Radios	0	2,000	2,000
14. Hospital Rates	-3,352	0	-3,352
15. Correctional Officer Uniforms	311	0	311
16. Furniture Factory COP	-2,045	0	-2,045
17. Maple Lane Warm Closure	206	0	206
Policy -- Other Total	-33,349	2,000	-31,349
Policy Changes - Comp			
18. PEBB Funding Rate Reduction	-5,044	-2	-5,046
Policy -- Comp Total	-5,044	-2	-5,046
2011-13 Revised Appropriations	1,602,344	23,591	1,625,935
Fiscal Year 2012 Total	815,717	10,913	826,630
Fiscal Year 2013 Total	786,627	12,678	799,305

Comments:

- 1. Repurpose Old Main at Walla Walla** - Security levels of units in prisons may be changed to match the appropriate custody level for offenders pursuant to the Department of Correction's classification system. Funding is reduced to reflect the conversion of medium security units in the Old Main facility at the Washington State Penitentiary to minimum security units.
- 2. Offender Health Care CoPay** - Funding is reduced to reflect expansion of utilization management activities that provide more cost effective health care, reduction of certain pharmaceutical costs, and expansion in the use of Medicaid for eligible inmates. In addition, health care co-pays for inmates are increased by one dollar.
- 3. Administrative Costs/Vacancies** - Savings are achieved through administrative reductions to management and communications and elimination of the Jail Industries Board. Additional savings are achieved by maintaining an average 2.8 percent vacancy rate in the Community Corrections and Health Services programs.
- 4. Auditor Charges** - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit.
- 5. Attorney General Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account.
- 6. Sec of State Archive Reduction** - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account.
- 7. Central Services Savings** - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding

Department of Corrections

reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services.

8. **Reimburse Scherf Trial Expenditures** - Funding is provided to reimburse the cost of the Byron Scherf trial. Scherf is the offender accused in the January 29, 2011, murder of Monroe Correctional Complex Correctional Officer Jayme Biendl.
9. **Hepatitis Immunizations** - Funding is provided to purchase the Hepatitis B vaccine in order to continue immunizing all incoming offenders against Hepatitis B. The vaccine was previously purchased with federal funds.
10. **Community Supervision Violators** - Funding is reduced to reflect implementation of a structured community supervision violation process effective June 2012. Chapter 6, Laws of 2012, 1st sp.s. (2E2SSB 6204) provides that: offenders who commit a first low-level violation of conditions of community custody are subject to non-confinement sanctions; offenders who commit subsequent low-level violations (up to five low-level violations) are subject to up to three days confinement; offenders who commit high-level violations are subject to sanctions of up to 30 days confinement; and generally offenders who commit new crimes will be held on Department of Corrections (DOC) detainers for up to three days while the information is forwarded to local jurisdictions for consideration of new charges. The funding level assumes that \$6.4 million from the estimated annual savings is reinvested into a supervision model that includes additional programming and treatment for offenders based on their assessed risk level and treatment needs. Note: Other legislation enacted limiting the number of low-level sanctions to five and specifying that offenders with certain underlying offenses who commit new crimes be held in total confinement pending sanction hearings or until new charges are filed by prosecuting attorneys will reduce the net savings assumed in the budget by an estimated \$3.5 million over the biennium.
11. **Administrative Costs/Vacancies** - One-time savings to reflect underexpenditures in FY 2012.
12. **Central Service Reforms** - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)
13. **Prison Safety & Radios** - One-time funding is provided to install narrowband radios. (Enhanced 911 Account-State)
14. **Hospital Rates** - Funding is reduced to reflect the use of ProviderOne by DOC to pay outside hospital claims and from the payment of Medicaid rates to providers for DOC offenders.
15. **Correctional Officer Uniforms** - Funding is provided to implement Chapter 220, Laws of 2012 (HB 2346), which exempts DOC and its employees from the requirement to purchase or lease employee uniforms from Correctional Industries.
16. **Furniture Factory COP** - For FY 2012 and FY 2013, the debt service for the certificate of participation (COP) used to finance the construction of the Correctional Industries Furniture Factory at the Stafford Creek Corrections Center is to be paid from the Correctional Industries Account. Beginning in FY 2014 the debt service will be paid from the state general fund.
17. **Maple Lane Warm Closure** - Funding is provided for DOC to maintain the state facilities and assets at Maple Lane School facility in Rochester from April 1, 2012, through June 30, 2013. A proviso specifies that DOC may not house offenders at the facility, and requires DOC to report to the Legislature by November 1, 2012, with a plan for the future use of the facility.
18. **PEBB Funding Rate Reduction** - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	<u>Estimated</u>	
									2012	2013
Community Supervision ^{(1) (2)}										
# Active (Non-Monetary) Offenders	32,685	29,190	26,466	27,057	28,212	28,894	20,155	18,920	16,258	15,565
% Change from prior year		-10.7%	-9.3%	2.2%	4.3%	2.4%	-30.2%	-6.1%	-14.1%	-4.3%
Institutions ⁽³⁾										
Avg Daily Population/Month	16,736	17,388	17,828	18,410	18,388	18,518	18,360	18,281	17,908	17,961
% Change from prior year		3.9%	2.5%	3.3%	-0.1%	0.7%	-0.9%	-0.4%	-2.0%	0.3%
Average Cost Per Inmate ^{(4) (5)}										
Annual	26,736	27,193	29,055	31,071	35,611	36,756	34,615	33,422	33,258	32,577
% Change from prior year		1.7%	6.8%	6.9%	14.6%	3.2%	-5.8%	-3.4%	-0.5%	-2.0%

⁽¹⁾ Data reflect average monthly caseloads. These data are not comparable with caseloads published in prior editions of the Legislative Budget Notes, which measured end-of-year caseloads.

⁽²⁾ Accounting issues at the Department of Corrections may have overcounted active caseloads.

⁽³⁾ For FY 2004 through FY 2013, institutional counts include beds rented from other jurisdictions and work release beds.

⁽⁴⁾ The FY 2005 average cost per inmate does not include funds paid toward the Stamey and Arrasmith lawsuit settlements.

⁽⁵⁾ FY 2005 through FY 2013 average cost per inmate does not include start-up costs for expansion at the Monroe Corrections Center, the Washington State Penitentiary, the Coyote Ridge Correctional Center, the Cedar Creek Correctional Center, the Larch Correctional Center, or the Mission Creek Corrections Center for Women

Data Sources :

Caseload Forecast Council, Department of Corrections, and legislative fiscal staff.

Department of Services for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	4,542	21,025	25,567
Total Maintenance Changes	-8	-11	-19
Policy Changes - Other			
1. Auditor Charges	-2	-8	-10
2. Attorney General Reduction	0	-1	-1
3. Sec of State Archive Reduction	0	-1	-1
4. Central Services Savings	0	-1	-1
5. Central Service Reforms	-7	-14	-21
6. Business Enterprise Program	-227	227	0
Policy -- Other Total	-236	202	-34
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	-8	-40	-48
Policy -- Comp Total	-8	-40	-48
<hr/>			
2011-13 Revised Appropriations	4,290	21,176	25,466
Fiscal Year 2012 Total	2,159	10,726	12,885
Fiscal Year 2013 Total	2,131	10,450	12,581

Comments:

- | | |
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| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (various funds)</p> <p>2. Attorney General Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Attorney General's Legal Services Revolving Account. (various funds)</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect reductions in billing authority for the Office of the Secretary of State's Archives and Records Management Account. (various funds)</p> <p>4. Central Services Savings - Funding is reduced for Office of Minority & Women's Business Enterprises (OMWBE), Office of Administrative Hearings (OAH), and Labor Relations Office (LRO), with the resulting savings passed along to other state agencies as a central service billing reduction. The funding reduction utilizes an excess fund balance from the OMWBE Enterprises Account, eliminates an administrative position at the OAH, and reduces LRO services. (various funds)</p> <p>5. Central Service Reforms - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (various funds)</p> <p>6. Business Enterprise Program - Previously, General Fund-State (GF-S) expenditures from the Business Enterprise Program (BEP) have been counted toward matching allocations for the Vocational Rehabilitation (VR) Basic Support Grant. As permissible by the Federal Rehabilitation Services</p> | <p>Administration, BEP federal funds may be used and counted as a match instead of GF-S for the VR Basic Support Grant. The Department will transfer the matching allocations from GF-S to BEP federal funds. This change is not expected to affect client services. (General Fund-State, General Fund-Federal)</p> <p>7. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (various funds)</p> |
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Employment Security Department

(Dollars in Thousands)

	NGF-S	Other	Total
2011-13 Original Appropriations	69	715,030	715,099
Total Maintenance Changes	-69	-8,723	-8,792
Policy Changes - Other			
1. Auditor Charges	0	1,140	1,140
2. Attorney General Reduction	0	-162	-162
3. Sec of State Archive Reduction	0	-12	-12
4. Central Services Savings	0	-80	-80
5. Central Service Reforms	0	-539	-539
6. Worker Training Study	0	20	20
Policy -- Other Total	0	367	367
Policy Changes - Comp			
7. PEBB Funding Rate Reduction	0	-1,548	-1,548
Policy -- Comp Total	0	-1,548	-1,548
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2011-13 Revised Appropriations	0	705,126	705,126
Fiscal Year 2012 Total	0	382,594	382,594
Fiscal Year 2013 Total	0	322,532	322,532

Comments:

- | | |
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| <p>1. Auditor Charges - Agency funding levels are adjusted to reflect changes in the number of audit hours needed, reductions in billing authority for the Office of the State Auditor's Audit of State Government Account, and use of existing fund balance. The Office of the State Auditor will use a risk-based methodology in selecting agencies to audit. (Various Funds)</p> <p>2. Attorney General Reduction - Agency funding levels for legal services are adjusted to reflect corresponding reductions in the billing authority from the Office of the Attorney General's Legal Services Revolving Account. (Various Funds)</p> <p>3. Sec of State Archive Reduction - Agency funding levels are reduced to reflect adjustments in the billing authority for the Office of the Secretary of State's Archives and Records Management Account. (Various Funds)</p> <p>4. Central Services Savings - Agency funding levels for services associated with the Office of Minority & Women's Business Enterprises (OMWBE), the Office of Administrative Hearings (OAH), and the Labor Relations Office (LRO) are reduced. The savings are achieved by using excess fund balance from the OMWBE Enterprises Account, eliminating an administrative position at OAH, and reducing LRO services. (Various Funds)</p> <p>5. Central Service Reforms - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (Various Funds)</p> <p>6. Worker Training Study - Funding is provided to increase the amount for the initial review and evaluation of the training benefits program conducted by the Joint Legislative Audit and Review Committee. (General Fund-Federal)</p> | <p>7. PEBB Funding Rate Reduction - The Public Employees' Benefits Board (PEBB) funding rate is reduced from \$850 to \$800 per eligible employee per month for FY 2013. This is projected to leave the PEBB reserves (both the self-insured claims reserve and the incurred-but-not-paid reserve) fully funded at the end of the 2011-13 biennium. (Various Funds)</p> |
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