

Human Services

The Human Services area is separated into two sections: The Department of Social and Health Services (DSHS) and Other Human Services. The DSHS 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.

Social Service Vendor Rate Increase

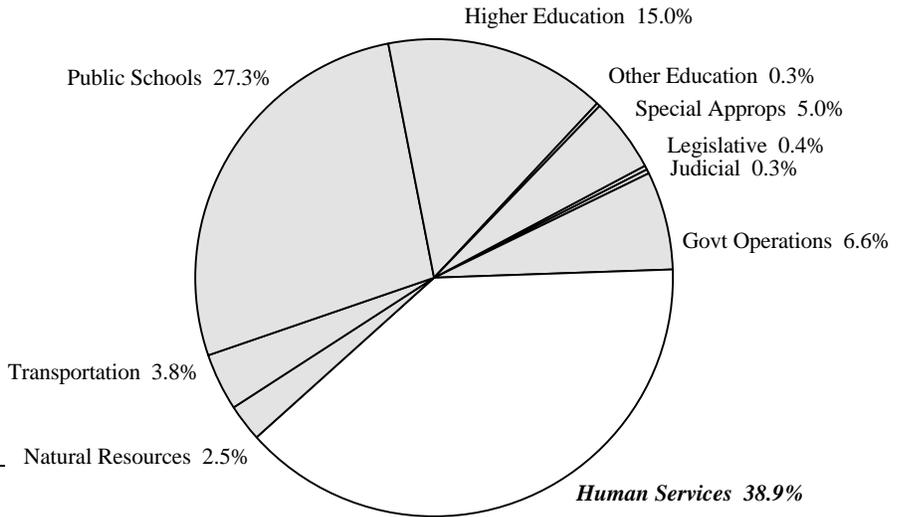
For many areas of state government, private firms provide services which might otherwise be provided directly by the public sector. Examples include nursing homes, outpatient mental health services, drug treatment, and Department of Corrections (DOC) work release facilities. Consistent with policy on state employee compensation, the budget funds a 3 percent rate increase for these vendors on July 1, 1997. DSHS is directed to target funding for vendor rate increases to address those areas in which recruitment, retention or quality of private sector service providers is a concern. Also, DOC work release facility contractors and educational services providers and Early Childhood Education and Assistance Program (ECEAP) vendors and the Washington Association of Sheriffs and Police Chiefs will receive the cost of living increase.

1997-99 Washington State Operating Budget

Total Budgeted Funds

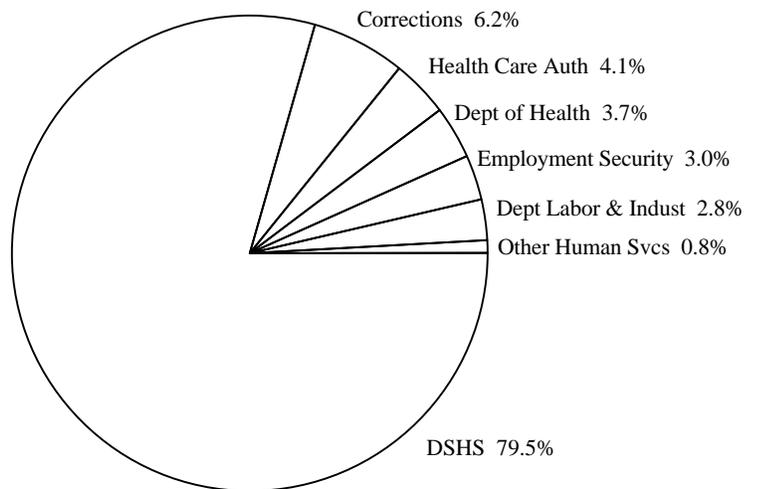
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
Human Services	13,746,819
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

DSHS	10,933,504
Dept of Corrections	848,518
Health Care Authority	557,439
Dept of Health	504,161
Employment Security	409,298
Dept of Labor & Industries	380,581
Other Human Services	113,318
Human Services	13,746,819



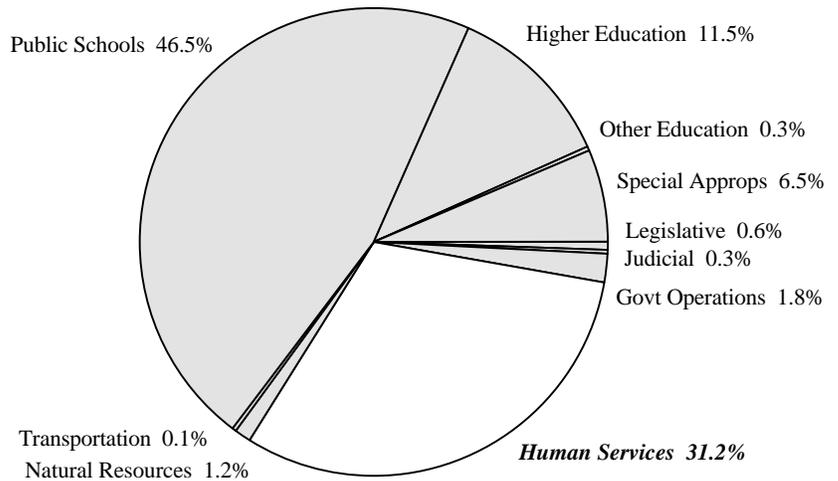
Human Services

1997-99 Washington State Operating Budget

General Fund - State

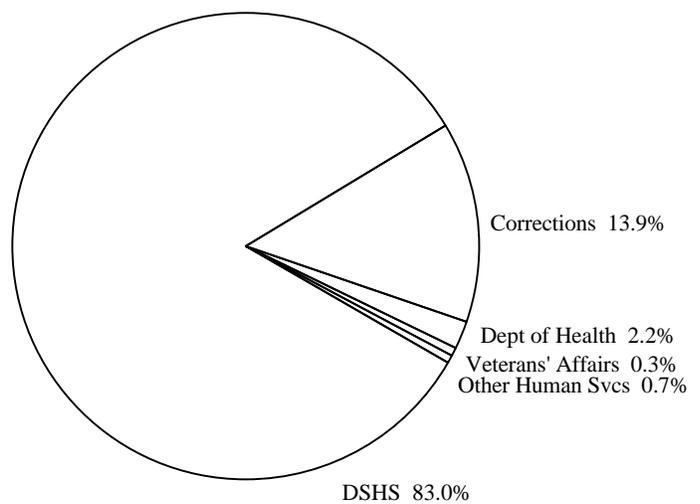
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
Human Services	5,946,307
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

DSHS	4,934,256
Dept of Corrections	825,064
Dept of Health	128,737
Dept of Veterans' Affairs	19,121
Other Human Services	39,129
Human Services	5,946,307



Human Services

Department of Social & Health Services

Children and Family Services

The budget provides \$26.4 million from the state general fund and \$10.6 million from General Fund-Federal to improve foster care services provided by foster parents under contract to the Department of Social and Health Services (DSHS). Enhancements include funding for the increased foster care and adoption support caseloads, an increase in the foster care basic payment rate of \$25 per month per child, funding for recruitment and retention of foster parents, and an increase in the rate paid to child care placing agencies.

Amounts of \$18.1 million from the state general fund and \$8.1 million from General Fund-Federal are provided for 223 additional social workers in Child Protective Services (CPS). Funding is also provided for additional clerical workers, supervisors, regional staff, and headquarters staff. The additional workers will reduce the ratio of workers to cases from 1:32 to 1:29.

The budget provides \$2.3 million from the state general fund and \$2.2 million from General Fund-Federal for a new system to gather relevant information about children in foster care and to provide that information to foster parents in a timely fashion. The program will create a “passport” for each child in foster care over 90 days. The passport will accompany the child when foster care placements change.

The budget provides \$2.0 million from the state general fund and \$600,000 from General Fund-Federal for intensive assessments to be done on foster children who are in care over 90 days and who are expected to be in care over a long period. Assessments will identify services children need and assist in identifying permanency options for these children.

Juvenile Rehabilitation Administration

A total of \$202 million in state, federal, and local funds is provided for the Division of Juvenile Rehabilitation Administration (JRA) for the 1997-99 biennium. Savings of \$4.7 million are achieved by not opening a new JRA facility on the grounds of Eastern State Hospital. Additional savings are achieved by eliminating parole services for all offenders except sex offenders and those assessed as high risk, consolidating administrative functions, improving efficiencies in ongoing activities, and applying internal best practices throughout the JRA system.

A total of \$23.4 million (\$14.7 million from the state general fund, \$8.7 million from the Violence Reduction and Drug Enforcement Account, and \$6,000 from General Fund-Local) is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900) which makes numerous changes to the way juveniles are sentenced and adjudicated. Please see summary on page 5. Appropriations are made to JRA, the Department of Corrections, and to the Office of Superintendent of Public Instruction. Of the total, \$11.1 million is provided to JRA to fund the state and local government impact of the legislation.

Mental Health

A total of \$474.7 million in state and federal funds is provided for counseling, case management, crisis response, residential, and other community mental health services administered by Regional Support Networks (RSNs). Of this total, \$9.7 million (\$4.7 million state general fund) is specifically targeted for caseload growth in RSNs whose per-person Medicaid payment rates are below the statewide average. A total of \$106.7 million is provided for community hospitalization services, which are to be integrated with outpatient services under a single capitated managed care system. This integration is expected to result in better preventive and follow-up care,

and in a savings of at least \$7.0 million (\$4.0 million state general fund) from what would be spent if inpatient and outpatient services continued to be administered separately.

Capacity and funding at Eastern and Western State Hospitals, and at the Child Study and Treatment Center, are maintained at their current level. An additional \$4.3 million from the state general fund is provided to increase the Special Commitment Center's capacity to house and treat persons committed under the state's sexual predator law.

Developmental Disabilities

The number of children and adults receiving assistance with daily living activities in their own homes and in adult family homes will increase by an average of 1,600 over the 1995-97 level, at an increased state and federal cost of \$23.9 million. To help cover the cost of this increase, payments for persons sharing a household with a parent or other relative will be limited to a maximum of \$563 per month, for a state and federal savings of \$2.4 million. Additionally, DSHS is to manage the mix and level of personal care services so that the average cost per person served does not increase above the 1997 level (adjusted for the 3 percent vendor rate increase), which is expected to avoid \$1.9 million of increased state and federal costs.

A total of \$9.5 million (\$5.8 million state general fund) is provided in the Developmental Disabilities and the Vocational Rehabilitation budgets for job training and placement services, or other productive daytime activities, for approximately 1,400 young people with developmental disabilities graduating from special education programs in 1995, 1996, 1997, and 1998.

A total of \$1.3 million (\$0.8 million state general fund) is provided to help assure that adult family homes are equipped to serve the approximately 1,000 adults with developmental disabilities who live in such facilities. Both the frequency of case manager monitoring visits, and the amount of training provided to managers of such homes, are to be doubled.

Yakima Valley School will receive \$1.1 million of increased state and federal funding to develop a 16-bed respite program, and to provide nursing assessments, consultation, and quality assurance for people with developmental disabilities throughout central Washington.

Long-Term Care

The number of elderly and disabled people receiving long-term care in their own homes, adults family homes, boarding homes, and assisted living apartments is budgeted to increase by about 2,200 each year of the 1997-99 biennium. Total state and federal funding for such services will increase by \$130 million over the 1995-97 level. The budget also provides a total of about \$5 million in enhancements to help assure that community programs are providing safe and quality care. These include hiring additional licensing staff so that adult family homes can be inspected an average of at least once each year; doubling the number of boarding home inspectors; employing additional Area Agency on Aging case managers to monitor the delivery of in-home care; and increasing by about 60 percent the number of registered nurses employed in state long-term care offices.

Because of the increased availability of community care options, the number of people receiving publicly-funded nursing home care is expected to decrease by 480 by the end of the 1997-99 biennium, for a savings of \$17.8 million (\$8.5 million state general fund). Nursing home payment rates are expected to increase by an average of 5.7 percent per year above the fiscal year 1997 level, at a total cost of \$93.6 million (\$44.9 million state general fund).

Economic Services

A total of \$2 billion in state and federal funds is provided for cash assistance and WorkFirst services for about 232,000 households. This is about a 2 percent increase over caseloads in the 1995-97 biennium, the net effect declines in Temporary Assistance for Needy Families and Supplemental Security Income caseloads, and increases in the General Assistance-Unemployable and child care caseloads.

The budget provides \$84.6 million from the state general fund for legal immigrants and chemically-dependent persons who lose Supplemental Security Income (SSI) eligibility due to changes in federal law. These persons are eligible for

the General Assistance-Unemployable (GA-U) program. The GA-U program is a state entitlement program with a lower grant level than the SSI program.

The budget directs that the Department administer the GA-U program within funds appropriated by the Legislature. A variety of actions may be taken to accomplish this directive. This will result in a state general fund savings of \$35.2 million.

In Economic Services, an additional \$138 million of state and federal funds are provided for the major welfare reform initiatives: a new integrated employment child care system, enhanced work preparation and placement services, and a food subsidy program for legal immigrants who were made ineligible for federal food stamps. Additional flexible funds are also provided to DSHS in compliance with the Washington WorkFirst Temporary Assistance for Needy Families Act requirement to appropriate the entire federal block grant. For more information on the federal and state welfare reform across all state agencies, see the summary beginning on page 3.

Alcohol and Substance Abuse

The budget provides \$2.5 million from the state general fund, \$2.0 million from General Fund-Federal, and \$1.0 million from the Violence Reduction and Drug Enforcement Account for the state Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) program to provide chemical dependency treatment to persons who have lost eligibility for the federal SSI program due to changes in the federal law. Those who successfully complete treatment may regain eligibility for SSI.

In addition, \$1.5 million General Fund-State is provided to continue the Birth to Three Parent/Child Assistance Program which works with women who have a history of alcohol or drug abuse to prevent the birth of children with fetal alcohol syndrome or alcohol related neurodevelopmental disorder.

Medical Assistance

A total of \$3.9 billion in state and federal funds is provided for an average of about 770,000 people per month to receive medical and dental coverage through Medicaid and other state medical assistance programs. This is a 9 percent increase from 1995-97 in the average number of persons covered, and an 11 percent increase in total funding. The largest caseload increases are occurring among children whose families are not on welfare, but which have incomes below 200 percent of the poverty level. Over a quarter of a million such children are expected to be covered by Medicaid by the end of the 1997-99 biennium, a more than 30 percent increase from the 1995-97 level. The next largest caseload increases are among the elderly and disabled, who are also the most expensive groups to cover.

The budget makes a number of changes to help pay for these increased service levels. Competitive contracting strategies will be used to limit managed care rate increases to 3.5 percent per year for the disabled population, and to 2 percent per year for other covered groups. This will result in \$41 million of state and federal savings from what would need to be expended if such rates kept pace with national projections of medical inflation. A total of \$18.5 million will be saved through changes in interpreters services for recipients who have limited English-speaking ability. Caseload reductions due to changes in eligibility for the state general assistance program are expected to result in \$12 million of medical assistance savings. The budget directs DSHS to seek a federal waiver under which adults who are not elderly or disabled will contribute \$10 per month toward the cost of their medical coverage. If approved, this will result in state and federal savings of \$11.6 million in the second year of the biennium.

Vocational Rehabilitation

As discussed above, a total of \$4.1 million (\$0.9 million state general fund) is provided for job training and placement services for young people with developmental disabilities who graduate from special education programs in 1997-99. In addition, \$2.4 million (\$0.5 million state general fund) is provided for increased vocational rehabilitation services for other persons with disabilities.

Administration and Supporting Services

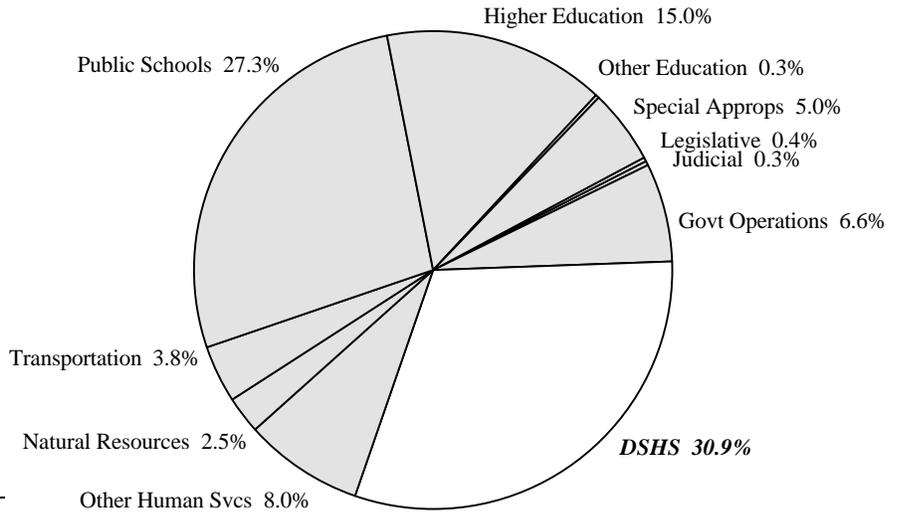
The budget reduces administration in the Department of Social and Health Services. In order to implement the reduction effectively, transfers may be made from the Department's division administration budgets to the central administration budget, allowing reductions to be made in the most appropriate program. This will result in savings of \$3.0 million in the state general fund and \$2.8 million General Fund-Federal.

1997-99 Washington State Operating Budget

Total Budgeted Funds

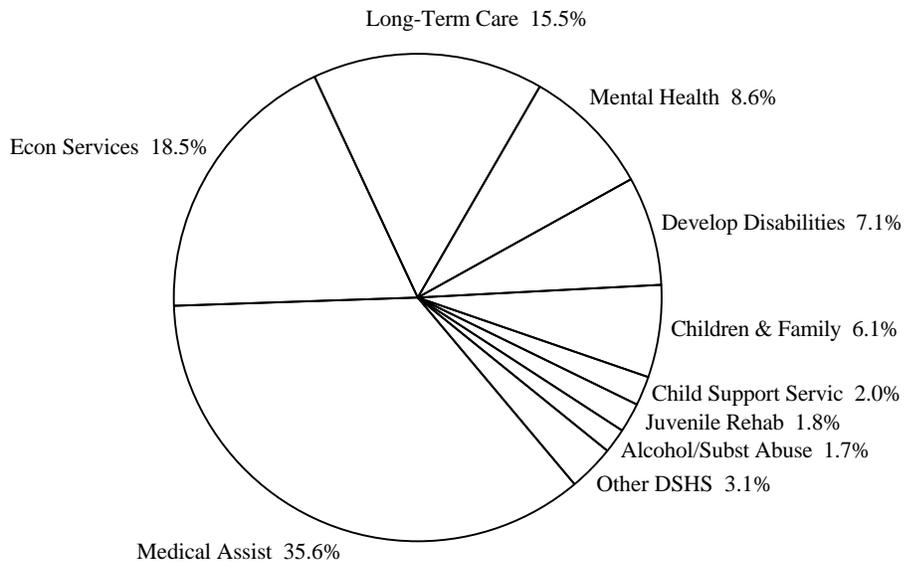
(Dollars in Thousands)

Legislative	124,369
Judicial	119,614
Governmental Operations	2,327,610
DSHS	10,933,504
Other Human Services	2,813,315
Natural Resources	900,905
Transportation	1,360,844
Public Schools	9,653,127
Higher Education	5,292,358
Other Education	91,292
Special Appropriations	1,761,885
Statewide Total	35,378,823



Washington State

Medical Assistance	3,888,523
Economic Services	2,025,753
Long-Term Care Svcs	1,692,605
Mental Health	939,345
Developmental Disabilities	777,464
Children & Family Svcs	662,197
Child Support Services	220,945
Juvenile Rehabilitation	201,973
Alcohol/Subst Abuse	182,827
Other DSHS	341,872
DSHS	10,933,504



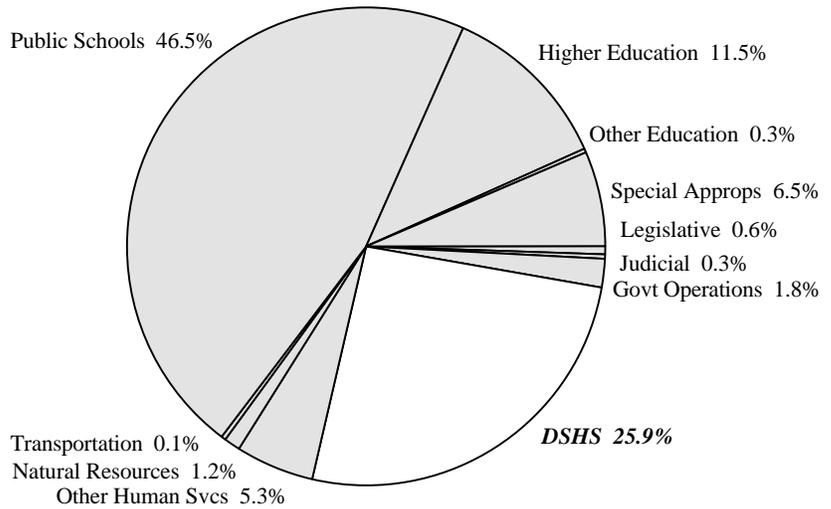
DSHS

1997-99 Washington State Operating Budget

General Fund - State

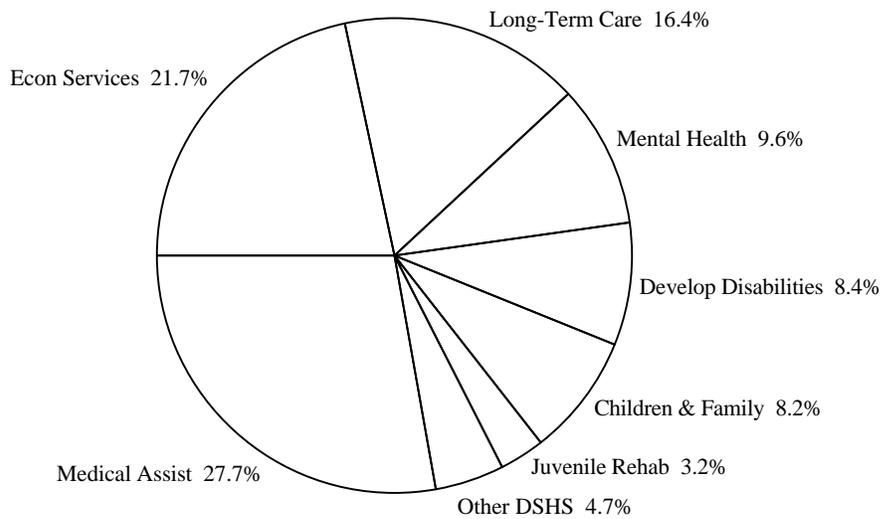
(Dollars in Thousands)

Legislative	112,884
Judicial	59,988
Governmental Operations	337,914
DSHS	4,934,256
Other Human Services	1,012,051
Natural Resources	231,214
Transportation	24,507
Public Schools	8,868,051
Higher Education	2,202,787
Other Education	49,235
Special Appropriations	1,243,996
Statewide Total	19,076,883



Washington State

Medical Assistance	1,368,918
Economic Services	1,073,135
Long-Term Care Svcs	808,349
Mental Health	474,344
Developmental Disabilities	415,063
Children & Family Svcs	405,298
Juvenile Rehabilitation	157,629
Other DSHS	231,520
DSHS	4,934,256



DSHS

Department of Social & Health Services
Children & Family Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	319,913	278,498	598,411
1997 Supplemental *	6,783	2,052	8,835
Total 1995-97 Expenditure Authority	326,696	280,550	607,246
1997-99 Maintenance Level	398,124	288,952	687,076
Policy Items			
1. 1997-99 Child Care Vendor Increase	1,391	55	1,446
2. Division of Licensed Resources	482	216	698
3. Reduce Secured CRCs	-2,336	-39	-2,375
4. Transfer of Employment Child Care	-39,408	-27,798	-67,206
5. Reduce Social Worker Workload	8,153	3,661	11,814
6. Fire Marshal Inspections	262	0	262
7. Improve Lead Worker Ratio	1,866	839	2,705
8. Child Care Provider Training	1,160	0	1,160
9. Passport Program	2,262	2,184	4,446
10. Intensive Foster Care Assessment	2,005	614	2,619
11. Home Studies for Adoptive Families	346	104	450
12. Adoption Reconsideration	24	0	24
13. Foster Care Basic Rate	2,459	653	3,112
14. Increase Child Placing Agency Rates	828	894	1,722
15. Indian Child Welfare	1,500	0	1,500
16. Continuum of Care/Street Youth	4,400	0	4,400
17. Improve Child Care Quality	2,930	1,141	4,071
18. Domestic Violence Funding	0	3,182	3,182
19. Victims of Crime Federal Increase	0	4,188	4,188
20. General Inflation	-789	-368	-1,157
21. Delay Community Network Funding	0	-4,860	-4,860
22. Secure Crisis Center Treatment	200	0	200
23. Foster Care Improvements	1,150	290	1,440
24. Juvenile Treatment Legislation	1,280	0	1,280
25. Temporary Assistance Transfer	17,009	-17,009	0
Total 1997-99 Biennium	405,298	256,899	662,197
Fiscal Year 1998 Totals	196,437	126,302	322,739
Fiscal Year 1999 Totals	208,861	130,597	339,458

Comments:

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| <p>1. 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a 3 percent increase to child care provider rates, effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)</p> <p>2. DIVISION OF LICENSED RESOURCES - Funding is provided for the Division of Licensed Resources within the Children's Administration. The Division was created in 1996 by Executive Order. The new Division is responsible for all licensing functions performed by Children's Administration. (General Fund-State, General Fund-Federal)</p> <p>3. REDUCE SECURED CRCS - Funding is adjusted to reflect a one-time reduction in the FY 98 appropriation for the operation of secured Crisis Residential Centers (CRCs) because all 75 CRC beds will not be in operation until FY 99. Funding for FY 99 is provided at the amount necessary to support 75 CRC beds. (General Fund-State, General Fund-Federal)</p> <p>4. TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to Economic Services Administration from Children's Administration in accordance with</p> | <p>Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)</p> <p>5. REDUCE SOCIAL WORKER WORKLOAD - Funding is provided to reduce the ratio of Child Protective Services social workers to cases. The caseload ratio is currently 1:32. Funding is phased in over the 1997-99 biennium so that the caseload ratio will be 1:29 by the end of FY 99. Funding is also provided to reduce the ratio of clerical workers to caseworkers, to provide additional staff in regional offices, and to provide headquarters staff support. (General Fund-State, General Fund-Federal)</p> <p>6. FIRE MARSHAL INSPECTIONS - Child care licensure requirements mandate that providers have their facilities inspected for fire safety by local fire marshals. Funding is provided for the fire marshal inspections for certain child care providers and for safety training of child care licensors and providers.</p> |
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Department of Social & Health Services
Children & Family Services

7. **IMPROVE LEAD WORKER RATIO** - Funding is provided to reduce the ratio of employees to supervisors within Child Protective Services. The ratio is currently one supervisor for every ten caseworkers. Funding is phased in to reduce the ratio to one supervisor for every eight caseworkers by the end of FY 99. (General Fund-State, General Fund-Federal)
8. **CHILD CARE PROVIDER TRAINING** - Funding is provided for child care training programs. Enhancements funded include an expansion of a 15-hour training model for family child care providers statewide, training for workers in child care centers, training vouchers for low-income child care staff, and a tracking system to monitor and enforce child care training requirements.
9. **PASSPORT PROGRAM** - Funds are provided for a statewide roll-out of a pilot program operated in King County during 1996 which creates a "passport" for children who are in foster care over 90 days. The passport program is intended to improve information sharing among persons who care for foster children. The passport is a concise record of a foster child's current medical, dental, behavioral, psychological, and educational status as well as the child's relevant providers of care and a record of vaccinations, allergies, medications, and upcoming appointments. (General Fund-State, General Fund-Federal)
10. **INTENSIVE FOSTER CARE ASSESSMENT** - Funds are provided for an in-depth, independent assessment of foster children who are in Department placements after 90 days and who are deemed likely to remain in foster care for an extended period. (General Fund-State, General Fund-Federal)
11. **HOME STUDIES FOR ADOPTIVE FAMILIES** - In order to complete the adoption process, the adoptive family must have a home study performed. There is currently a backlog of home studies to be completed. Funding is provided to allow private agencies to be paid for home studies at a cost of \$750 per home study. (General Fund-State, General Fund-Federal)
12. **ADOPTION RECONSIDERATION** - Funding is provided for Chapter 131, Laws of 1997 (2SHB 1432) which expands the Adoption Support Reconsideration Program to include those children who are at high risk of a future physical, mental, or emotional problem from exposure to traumatic conditions prior to adoption. It is anticipated that 12 additional children will be served each year.
13. **FOSTER CARE BASIC RATE** - Funding is provided to increase the basic rate for family foster care by \$25 per child per month. The rate increase is phased in over the 1997-99 biennium and is in addition to any other vendor rate increases provided by the Department. (General Fund-State, General Fund-Federal)
14. **INCREASE CHILD PLACING AGENCY RATES** - Funding is provided to increase the rate paid to private child placing agencies. These agencies place children in foster care and provide other services to children in foster care and adoptive homes. The per placement rate is increased from \$205 to \$285 and is in addition to any other vendor rate increase provided by the Department. (General Fund-State, General Fund-Federal)
15. **INDIAN CHILD WELFARE** - Funding is provided for projects identified in the Division of Children and Family Services Tribal Capacity Self-Study. Funds will be used to serve American Indian children who are involved in Children's Administration programs.
16. **CONTINUUM OF CARE/STREET YOUTH** - Funding is restored for projects which serve street youth and which provide a continuum of care for children in five existing locations around the State.
17. **IMPROVE CHILD CARE QUALITY** - The federal Child Care Development Fund (CCDF) requires that a minimum of 4 percent of federal block grant funds be spent on improving the quality and capacity of the State's child care system. Funding is provided for additional investments in the child care system to comply with CCDF requirements and to better prepare the State to meet the child care demands related to welfare reform legislation. Funding may be used to provide grants and other services to child care providers to support the expansion of child care slots for off-hours child care, for technical assistance, to expand resource and referral networks, and to expand child care to currently unserved areas of the state. (General Fund-State, General Fund-Federal)
18. **DOMESTIC VIOLENCE FUNDING** - Funding is provided to strengthen existing domestic violence programs, to fund new domestic violence programs in parts of the state where no programs exist, and for children's advocates to act as case managers in each of the 40 state-supported domestic violence programs. (General Fund-Federal)
19. **VICTIMS OF CRIME FEDERAL INCREASE** - Additional federal funding authority is provided for programs designed to assist sexual assault victims and other victims of crime. (General Fund-Federal)
20. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
21. **DELAY COMMUNITY NETWORK FUNDING** - Funding of the community public health and safety networks from the Violence Reduction and Drug Enforcement Account (VRDE) is delayed for two years. Federal funds equivalent to the amount projected to be spent in the 1995-97 biennium are provided to the networks to continue activities through the 1997-99 biennium. Total funding for community network activities is \$7.06 million from the federal Title IV-B, Part 2 program. The total Family Policy Council appropriation is \$1.04 million. Within this amount, the Family Policy Council must contract for audits of ten networks, must provide funding for the Washington Institute for Public Policy to continue the evaluation of the community networks, and may create a geographic information system database. Funds totaling \$1,485,000 of the Federal IV-B, Part 2 funding are transferred to the networks from Children's Administration. (Violence Reduction and Drug Enforcement Account)
22. **SECURE CRISIS CENTER TREATMENT** - Funding is provided for Children's Administration to assist in defending providers who contract with the state for secure Crisis Residential Center (CRC) beds in the event that lawsuits arise from providing these services. Funds may also be used for the implementation of rules regarding income, resources, and exemptions to determine a parent's ability to pay for a child's treatment at a secure facility.
23. **FOSTER CARE IMPROVEMENTS** - Funding is provided for implementation of Chapter 272, Laws of 1997 (E2SHB 2046 -- Foster Parent Liaisons). The bill requires that the Department contract for a foster care recruitment and retention program with a private entity and establish one foster parent liaison in each of the six Children's Administration regions. Foster parent liaisons shall act as the advocate for foster parents with the Department and will free foster parents up to work with children by taking care of procedural and administrative activities required by DSHS. (General Fund-State, General Fund-Federal)
24. **JUVENILE TREATMENT LEGISLATION** - Funding is provided for Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710 -- Juvenile Care and Treatment). In part, the bill authorizes creation of new alternative response sites similar to existing continuum of care programs in five locations around the State. Funding is provided for two new alternative response sites, which will serve families screened from the child protective services risk assessment process.

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

25. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the Temporary Assistance to Needy Families (TANF) block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Foster Care *										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,166	8,207
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	0.6%	0.5%
Child Care **										
Avg # Children Served Monthly	5,235	6,051	6,386	7,109	7,715	7,100	7,241	7,275	7,275	7,275
% Change from prior year		15.6%	5.5%	11.3%	8.5%	-8.0%	2.0%	0.5%	0.0%	0.0%
Child Protective Services										
Avg Cases Referred Monthly	3,644	4,301	5,819	5,699	5,750	6,108	6,241	6,602	6,986	7,391
% Change from prior year		18.0%	35.3%	-2.1%	0.9%	6.2%	2.2%	5.8%	5.8%	5.8%
Avg Cases per Worker	1:32	1:31	1:31	1:33	1:36	1:36	1:32	1:32	1:29	1:29
Adoption Support										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,142	4,597	5,053
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	12.6%	11.0%	9.9%

* Includes Family Foster Care and Group Foster Care.

** Includes the following services: Protective/Welfare, Therapeutic, Teen Parent, Seasonal, and Foster Parent Employment.
Employment Child Care is no longer included.

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 Expenditure Authority	119,155	65,397	184,552
1997 Supplemental *	11,896	-19,858	-7,962
Total 1995-97 Expenditure Authority	131,051	45,539	176,590
1997-99 Maintenance Level	163,065	35,939	199,004
Policy Items			
1. Delay Green Hill Housing Units	-175	0	-175
2. Reduce Institutions Pgm Managers	-446	0	-446
3. Administration Reduction	-443	0	-443
4. Increase Mental Health Services	600	0	600
5. General Inflation	-606	0	-606
6. Assume Internal Best Practices	-388	0	-388
7. Parole Targeting	-1,956	-344	-2,300
8. Medical Lake Closure	-4,724	0	-4,724
9. Juvenile Offender Placement	206	0	206
10. Risk Classification	128	0	128
11. Juvenile Justice Legislation	2,368	4,084	6,452
12. Local Impact of Juvenile Justice	0	4,665	4,665
Total 1997-99 Biennium	157,629	44,344	201,973
Fiscal Year 1998 Totals	79,009	20,093	99,102
Fiscal Year 1999 Totals	78,620	24,251	102,871

Comments:

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| <p>1. DELAY GREEN HILL HOUSING UNITS - Funding is reduced due to delays in opening three new 64-bed housing units at Green Hill School. The opening is delayed from February 1998 to July 1998.</p> <p>2. REDUCE INSTITUTIONS PGM MANAGERS - Funding is reduced due to 12 of the Juvenile Rehabilitation Administration (JRA) small (16-bed) cottages sharing program managers.</p> <p>3. ADMINISTRATION REDUCTION - Funding is reduced for administrative costs.</p> <p>4. INCREASE MENTAL HEALTH SERVICES - Funding is provided to increase contracted psychiatric and psychological services to make them available at all institutions and state group homes.</p> <p>5. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>6. ASSUME INTERNAL BEST PRACTICES - The recently completed Joint Legislative Audit and Review Committee Capacity Study found that staffing efficiencies could be achieved by applying internal best practices. JRA will study their most efficient housing units as they are currently operating and apply the most efficient practices to similar housing units.</p> <p>7. PAROLE TARGETING - Funding for parole services is eliminated for offenders within the custody of JRA, except sex offenders and approximately 25 percent of offenders assessed as high risk. In addition, an intensive parole and aftercare program is established by Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) in order to provide an enhanced level of services to those offenders remaining on the JRA caseload. Please see the separate juvenile justice legislation item 11. (General Fund-State, General Fund-Federal)</p> <p>8. MEDICAL LAKE CLOSURE - Savings are achieved by not opening the Medical Lake Treatment Center on the grounds of Eastern State Hospital. The facility was planned to have 80 beds and would cost</p> | <p>approximately \$53,000 per bed annually to operate. The November 1996 juvenile offender forecast projects that the number of offenders housed by JRA will be substantially less than the maximum operating capacity of the system. By not opening the facility and housing the offenders within maximum operating capacity, savings are achieved.</p> <p>9. JUVENILE OFFENDER PLACEMENT - Funding is provided to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710). Provisions of the legislation require JRA to develop and implement procedures and policies to protect sexually-vulnerable youth from sexually-aggressive youth.</p> <p>10. RISK CLASSIFICATION - Provides funding for the implementation of Chapter 364, Laws of 1997 (ESSB 5759). Provisions of the legislation require JRA to assign a risk classification level to sex offenders released from their facilities.</p> <p>11. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. Also, an intensive parole and aftercare program is established to provide an enhanced level of services to high-risk offenders. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. (General Fund-State, General Fund-Federal, General Fund-Local, Violence Reduction and Drug Enforcement Account)</p> |
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**Department of Social & Health Services
Juvenile Rehabilitation**

12. LOCAL IMPACT OF JUVENILE JUSTICE - Funding is provided for the local government impact of Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium. These funds are distributed to counties to offset the impact of the bill. (Violence Reduction and Drug Enforcement Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

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

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Community Residential *										
Avg Daily Population/Month	199	217	253	314	353	346	359	389	389	389
% Change from prior year		8.7%	16.6%	24.3%	12.4%	-1.9%	3.8%	8.4%	0.0%	0.0%
Institutions										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,041	1,059	1,074
% Change from prior year		10.1%	5.4%	5.3%	4.6%	21.5%	10.1%	3.4%	1.7%	1.4%
Parole										
Avg Daily Population/Month	358	423	496	537	595	765	917	977	648	653
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	6.5%	-33.7%	0.8%

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

Data Sources:

FY 90 through FY 99 from DSHS Juvenile Rehabilitation Administration.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

Department of Social & Health Services
Mental Health
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	448,668	423,020	871,688
1997 Supplemental *	-3,013	29,448	26,435
Total 1995-97 Expenditure Authority	445,655	452,468	898,123
1997-99 Maintenance Level	472,112	489,205	961,317
Policy Items			
1. General Inflation	-1,172	-419	-1,591
2. Reduce Admin Requirements	60	0	60
3. Adjust Capitalization Rates	-6,671	-7,227	-13,898
4. Implement Phase III Managed Care	-4,102	-2,941	-7,043
5. Mentally Ill Offender Project	500	0	500
6. Balance Health Services Account	13,617	-13,617	0
Total 1997-99 Biennium	474,344	465,001	939,345
Fiscal Year 1998 Totals	235,106	229,570	464,676
Fiscal Year 1999 Totals	239,238	235,431	474,669

Comments:

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMIN REQUIREMENTS - Funding is provided for the Department to continue working with mental health service providers, Regional Support Networks (RSNs), and various DSHS divisions to streamline the delivery of mental health services and reduce administrative costs.
- ADJUST CAPITALIZATION RATES - When the community mental health system converted to a capitated payment system for Medicaid outpatient services, different capitation rates were established for each RSN, based upon actual Medicaid expenditures in that RSN during 1992, 1993, or 1994. Because of wide variations in the extent to which community mental health centers in different parts of the state utilized the Medicaid program during those years, capitated payment rates are much lower in some RSNs than others. The 1997-99 biennium budget implements a policy of adjusting rates toward the statewide average. This is to be accomplished by: (1) distributing new funding for caseload growth at the current statewide average rate; and (2) providing no additional funding for caseload growth to RSNs whose FY 97 allocation is more than they would receive in the 1997-99 biennium if their allocation were based on the statewide weighted average rate. As a result of this approach, about \$9.7 million of new funding will be distributed in the 1997-99 biennium. Eight RSNs will receive a larger increase than if caseload growth were funded at their current payment rate; three RSNs will receive an increase over their FY 97 allocation, but with caseload growth funded at less than their current payment rate; and three RSNs will be held harmless at their FY 97 allocation. (General Fund-State, General Fund-Federal)
- IMPLEMENT PHASE III MANAGED CARE - Starting in October 1997, community inpatient hospitalization will be integrated with outpatient services under a single capitated managed care system for Medicaid-eligible mental health clients. RSNs have been managing children's inpatient admissions since March 1995, and adult admissions since March 1996, with the result that voluntary inpatient expenditures were over 25 percent lower in FY 96 than would have been expected based on previous utilization trends. The 1997-99 biennium budget provides for about one-third of this reduction to be a savings to the state budget and for the balance to be included in capitation payments to the organizations managing the integrated system. The share included in capitation payments will be used to administer the integrated system and to provide case management, outpatient, and other services for persons at risk of hospitalization. (General Fund-State, General Fund-Federal)
- MENTALLY ILL OFFENDER PROJECT - Funding is provided to develop and operate the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one RSN or other provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community.
- BALANCE HEALTH SERVICES ACCOUNT - Community mental health services for children covered by Medicaid as a result of the eligibility expansion to 200 percent of the federal poverty level will be funded with General Fund-State rather than from the Health Services Account. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Mental Health

WORKLOAD HISTORY

Fiscal Year Average

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
State Hospitals *										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,354	1,354	1,354
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	5.9%	0.0%	0.0%
Community Outpatient Services	21,675	23,394	25,110	30,108	32,939	36,729	38,427	38,427	40,118	41,347
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	0.0%	4.4%	3.1%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,040	29,274	30,171
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	0.0%	4.4%	3.1%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,387	10,844	11,176
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	0.0%	4.4%	3.1%
Special Commitment Center **										
Avg Monthly Population	NA	4	11	17	23	28	33	41	55	66
% Change from prior year			184.4%	57.8%	34.2%	23.2%	20.1%	22.7%	34.1%	20.0%

* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 95, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

** Special Commitment Center opened in July 1990.

Data Sources:

FY 90 through FY 96 are from DSHS Budget Division.

FY 97 through FY 99 estimates are by 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 Expenditure Authority	378,548	333,730	712,278
1997 Supplemental *	3,261	2,453	5,714
Total 1995-97 Expenditure Authority	381,809	336,183	717,992
1997-99 Maintenance Level	403,766	368,477	772,243
Policy Items			
1. General Inflation	-841	-735	-1,576
2. Reduce Administrative Supports	-402	-182	-584
3. Reduce Medicaid Personal Care	-1,183	-1,257	-2,440
4. Manage Personal Care Growth	-884	-962	-1,846
5. Yakima Valley School	625	475	1,100
6. UCP Closure	667	719	1,386
7. Adult Family Home Quality	577	308	885
8. Provider Liability Insurance	196	204	400
9. Adult Family Home Training	274	222	496
10. 1997-99 High School Graduates	1,908	0	1,908
11. Community Protection Initiative	2,672	2,820	5,492
12. Balance Health Services Account	7,688	-7,688	0
Total 1997-99 Biennium	415,063	362,401	777,464
Fiscal Year 1998 Totals	206,697	178,654	385,351
Fiscal Year 1999 Totals	208,366	183,747	392,113

Comments:

- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- REDUCE ADMINISTRATIVE SUPPORTS - Expenditures on Developmental Disabilities central administration are to be reduced by approximately 6.5 percent, and expenditures on community technical assistance and demonstration projects are to be reduced by approximately 6 percent. (General Fund-State, General Fund-Federal)
- REDUCE MEDICAID PERSONAL CARE - Medicaid personal care reimbursement for persons living with their family will be limited to approximately \$564 per month, rather than to the \$863 maximum reimbursement which is available for someone living alone. This change is expected to affect approximately 260 of the 4,600 adults served and about 115 of the approximately 2,000 children served. (General Fund-State, General Fund-Federal)
- MANAGE PERSONAL CARE GROWTH - The number of children receiving Medicaid personal care services is budgeted to increase by an average of 23 percent per year in the 1997-99 biennium, and the number of adults receiving such services is budgeted to increase by 11 percent per year. However, the average cost per person served is to remain at the FY 97 level (adjusted for any authorized vendor rate increases). To the extent that does not occur, or to the extent caseload grows even more than budgeted, the agency is directed to adjust eligibility criteria and/or service levels enough to remain within appropriated levels, as required by the statute authorizing provision of personal care services. (General Fund-State, General Fund-Federal)
- YAKIMA VALLEY SCHOOL - Funding is provided to:
 - operate a nursing community outreach project at Yakima Valley School through which registered nursing staff will provide nursing assessments, consulting, training, and quality assurance to persons with developmental disabilities throughout Central Washington; and
 - develop and operate a 16-bed respite program for eligible persons with developmental disabilities statewide, with an emphasis on those residing in Central Washington. (General Fund-State, General Fund-Federal)
- UCP CLOSURE - The United Cerebral Palsy Association (UCP) plans to close its 57-bed nursing facility, and transfer the residents to small community residences which it is developing. While this change will save taxpayers about \$6,000 per resident per year when the moves are completed, there will be a temporary cost increase in order to maintain the nursing facility plant and base staffing level while residents are gradually moving out. This item provides one-time funding to enable the closure to be completed by February 1999. The lower community costs which will occur after the moves are completed will pay for this investment in four years. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME QUALITY - This item funds additional case management staff to monitor and assist adult family homes serving the 1,200 adults with developmental disabilities expected to reside in such homes during the 1997-99 biennium. With this additional funding, case managers will be able to double the amount of monitoring and assistance currently provided for such homes. (General Fund-State, General Fund-Federal)
- PROVIDER LIABILITY INSURANCE - During the 1995-97 biennium, "hold harmless" provisions for community residential providers serving dangerous clients were eliminated from their contracts, resulting in the need for these providers to purchase private liability insurance premiums at increased cost. This step funds the increased cost of these premiums. (General Fund-State, General Fund-Federal)
- ADULT FAMILY HOME TRAINING - Funding is provided for specialized training for adult family homes which serve persons with developmental disabilities. Currently, adult family homes must receive 22 hours of initial training, and 10 hours of follow-up training per year. This proposal funds trainer and staff replacement costs for the managers of homes serving people with developmental disabilities to receive an additional 20 hours of initial training and 10 hours per year of follow-up training. Funding is also provided for additional consultation and training for homes serving individuals with additional behavioral or medical needs. (General Fund-State, General Fund-Federal)

Department of Social & Health Services
Developmental Disabilities

10. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for employment and day training programs for an estimated 900 young persons with developmental disabilities who will graduate from public school during the 1997-99 biennium. In addition to the funds budgeted here, \$4.1 million of state and federal funds are provided for this purpose in the Division of Vocational Rehabilitation appropriation. Services are to be phased in during the first year after graduation.
11. COMMUNITY PROTECTION INITIATIVE - During the first six months of 1997, secure residential settings were developed to provide 24-hour supervision for 40 persons with histories of physically or sexually abusive behavior or arson. These individuals were thought to pose a high risk of re-offending in their previous living arrangement. This item continues operation of those intensively supervised living arrangements throughout the 1997-99 biennium, at an average cost of \$76,000 per person per year. (General Fund-State, General Fund-Federal)
12. BALANCE HEALTH SERVICES ACCOUNT - Funding for enhanced family support services and some children's personal care is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Developmental Disabilities

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		
								<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Institutions										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,268	1,263	1,263
% Change from prior year		-8.1%	-5.1%	-3.7%	-4.4%	-6.4%	-2.1%	-2.1%	-0.4%	0.0%
Community Residential Programs *										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,804	3,842	3,842
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	1.7%	1.0%	0.0%
Employment and Day Programs										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,927	8,226	8,497
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	4.7%	3.8%	3.3%
Family Support **										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,635	4,029	4,403
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.7%	10.8%	9.3%
Adult Personal Care ***										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,956	4,424	4,892
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.2%	11.8%	10.6%

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

** Family Support includes Children's Personal Care for FY 90 through FY 99.

*** Adult Personal Care includes Medicaid Personal Care, Chore Services, and COPES. Prior to FY 90, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Sources:

FY 90 through FY 96 from LEAP workload data base except: (1) FY 90 - FY 95 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 93 through FY 96 Community Residential From DSHS Division of Developmental Disabilities, due to a change in reporting methodology.

FY 97 through FY 99 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 Expenditure Authority	764,349	780,388	1,544,737
1997 Supplemental *	-8,274	-15,401	-23,675
Total 1995-97 Expenditure Authority	756,075	764,987	1,521,062
1997-99 Maintenance Level	809,245	889,308	1,698,553
Policy Items			
1. Revise Adult Day Health Eligibility	-1,481	-1,607	-3,088
2. Nursing Facility Reimbursement	1,407	1,142	2,549
3. Nurse Assessments & Oversight	85	85	170
4. General Inflation	-147	-133	-280
5. New Nursing Home Payment System	-3,099	-3,378	-6,477
6. Boarding Home Rate Increase	1,129	1,220	2,349
7. Basic Health Plan Underexpenditure	0	-3,591	-3,591
8. Residential Care Quality Assurance	437	437	874
9. Enhanced Case Management	773	773	1,546
Total 1997-99 Biennium	808,349	884,256	1,692,605
Fiscal Year 1998 Totals	392,045	427,202	819,247
Fiscal Year 1999 Totals	416,304	457,054	873,358

Comments:

1. REVISE ADULT DAY HEALTH ELIGIBILITY - Eligibility standards for adult day health services are to be tightened in order to reduce the rate of growth in the program. At the funding level provided for the 1997-99 biennium, enrollment in the program will be able to grow at approximately 10 percent per year, rather than the 25 percent per year rate at which it has grown the past several years. (General Fund-State, General Fund-Federal)
2. NURSING FACILITY REIMBURSEMENT - Chapter 277, Laws of 1997, Partial Veto (2SSB 5179) makes several changes to the current nursing home payment system. These include increased reimbursement for costs associated with new construction or substantial remodeling of a nursing facility, and reducing the 90 percent minimum occupancy standard to 85 percent for nursing homes which were newly-constructed in 1994. (General Fund-State, General Fund-Federal)
3. NURSE ASSESSMENTS & OVERSIGHT - Additional funding is provided so that registered nurses can be hired to fill at least six of the new field positions added in the maintenance level budget for FY 98, and at least seven of the new positions added in FY 99. This will result in a 60 percent increase in the number of registered nurses employed in state long-term care offices, and is expected to result in better medical assessments and quality of care oversight for persons in need of long-term care. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
5. NEW NURSING HOME PAYMENT SYSTEM - A new nursing home payment system is to take effect in FY 99. The Appropriations Act directs DSHS to propose designs which will assure that the average state payment per nursing home resident increases by no more than 175 percent of the national index of nursing home inflation in FY 99. This will result in a rate increase of approximately 6.4 percent in FY 99, compared to the 7.5 percent average increase assumed in the legislative maintenance level budget. (General Fund-State, General Fund-Federal)
6. BOARDING HOME RATE INCREASE - Funding is provided for a \$2 per resident day increase in state payment rates for adult residential care and enhanced adult residential care provided by licensed boarding homes. (General Fund-State, General Fund-Federal)
7. BASIC HEALTH PLAN UNDEREXPENDITURE - The number of homecare workers receiving subsidized enrollment in the Basic Health Plan is expected to increase to 3,800 in FY 98, and to 4,300 in FY 99. This coverage is expected to cost a total of \$14.5 million in the 1997-99 biennium (\$1.3 million General Fund-State and \$6.1 million Health Services Account), which is about \$3.6 million less than initially anticipated in the maintenance level budget. (Health Services Account)
8. RESIDENTIAL CARE QUALITY ASSURANCE - The frequency of adult family home licensing visits is to be increased from an average of once every 15 months to an average of once every 12 months. (General Fund-State, General Fund-Federal)
9. ENHANCED CASE MANAGEMENT - Area Agencies on Aging are to provide more intensive case management assistance and monitoring for persons who receive in-home assistance from self-employed rather than agency-supervised homecare workers. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Long Term Care

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Nursing Homes										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,942	14,377	14,137
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.5%	-3.8%	-1.7%
Community Care *										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,051	25,288	27,472
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.4%	9.7%	8.6%

* Includes Chore Services, COPES, Adult Residential, and Medicaid Personal Care.

Data Sources:

Nursing Homes for FY 90 through FY 96 from LEAP workload data base.

Community Care for FY 90 through FY 96 from Aging and Adult Services Administration.

FY 97 through FY 99 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 Expenditure Authority	990,799	838,164	1,828,963
1997 Supplemental *	-5,561	-22,444	-28,005
Total 1995-97 Expenditure Authority	985,238	815,720	1,800,958
1997-99 Maintenance Level	1,068,031	797,522	1,865,553
Policy Items			
1. 1997-99 Child Care Vendor Increase	0	9,275	9,275
2. Transfer of Employment Child Care	39,408	27,798	67,206
3. SSI State Supplemental Payment	-3,789	0	-3,789
4. GA-U Naturalization Effort	-12,134	0	-12,134
5. Health Services Account Reduction	0	-750	-750
6. General Inflation	-1,502	-1,146	-2,648
7. Integrated Child Care System	0	73,129	73,129
8. Newly Arriving Aliens	-2,869	0	-2,869
9. Limit Eligibility for GA-U Program	-23,114	0	-23,114
10. Welfare Reform Legislation	26,113	29,781	55,894
11. Temporary Assistance Transfer	-17,009	17,009	0
Total 1997-99 Biennium	1,073,135	952,618	2,025,753
Fiscal Year 1998 Totals	543,150	474,104	1,017,254
Fiscal Year 1999 Totals	529,985	478,514	1,008,499

Comments:

- 1997-99 CHILD CARE VENDOR INCREASE - Funding is provided for a vendor rate increase for child care providers of 3 percent effective July 1, 1997. This increase is equal to the vendor rate increase provided for other vendors of the Department. (General Fund-State, General Fund-Federal)
- TRANSFER OF EMPLOYMENT CHILD CARE - Funding for employment child care is transferred to the Economic Services Administration from the Children's Administration in accordance with Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). The bill directs that low-income child care assistance be operated in one program out of the Economic Services Administration. (General Fund-State, General Fund-Federal)
- SSI STATE SUPPLEMENTAL PAYMENT - Significant changes in Supplemental Security Income (SSI) eligibility have caused the forecasted caseload for SSI to decline over the 1997-99 biennium. Based on this information, the standard individual payment level method of paying the SSI State Supplement was adopted on January 1, 1997. Funding for the state supplement is adjusted accordingly. The Legislature intends that once the total payment for SSI State Supplement to SSI recipients reaches the budget level provided in 1995 for this program, the method of calculating the State Supplement payment will be changed to the total budget method of paying the State Supplement.
- GA-U NATURALIZATION EFFORT - Funding is provided to assist legal immigrants in the citizenship process that will allow them to retain or regain their SSI eligibility upon attainment of citizenship. The costs of naturalization include a fee for community-based organizations to hold ten-week bilingual citizenship training classes, and application fees charged by the Immigration and Naturalization Service (INS). The estimated General Assistance-Unemployable (GA-U) caseload savings as clients obtain citizenship and regain their eligibility under SSI offsets the costs of the naturalization assistance program.
- HEALTH SERVICES ACCOUNT REDUCTION - Funding no longer required for Basic Health Plan (BHP) enrollment assistance is eliminated. (Health Services Account)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- INTEGRATED CHILD CARE SYSTEM - Funding is provided to increase the availability of child care for low-income families including those on Temporary Assistance for Needy Families (TANF). A single child care program to be operated within funds provided by the Legislature is created by Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform). This funding will allow persons on TANF to participate in work programs and low-income working persons to receive assistance to offset the cost of child care. (General Fund-State, General Fund-Federal)
- NEWLY ARRIVING ALIENS - Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants), provides that legal immigrants may receive public assistance subject to deeming of their sponsors' incomes. Immigrants new to the country are also subject to a one-year waiting period before becoming eligible to apply for public assistance benefits. Funding is adjusted for the GA-U program based on the expectation that deeming of sponsors' incomes will result in fewer legal immigrants being eligible to receive public assistance.
- LIMIT ELIGIBILITY FOR GA-U PROGRAM - Funding is reduced in the GA-U program. The Department may utilize a variety of actions to accommodate this reduction, including limiting or eliminating social and vocational factors as a contributing factor to eligibility and ratable grant reductions for GA-U recipients.

Department of Social & Health Services
Economic Services

10. WELFARE REFORM LEGISLATION - Funding is provided for Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform) and Chapter 57, Laws of 1997 (ESB 6098 -- Public Assistance Eligibility for Legal Immigrants). EHB 3901 requires funding of the state Maintenance of Effort under the Temporary Assistance for Needy Families (TANF) Program plus the total TANF block grant and Child Care block grant awarded to the State each year. EHB 3901 requires that the Department operate the TANF and related child care programs within the funding specified in the bill and the budget. The bills create a food stamp assistance program for legal immigrants (approximately \$65 million) and a child care program for low-income working families and for those on the TANF program who are in work activities. Child care funding is provided in the item titled "Integrated Child Care System" (Item 7). An evaluation of welfare programs is provided for at \$1 million and a study of the affordability of child care for low-income families costing \$50,000 is required. (General Fund-State, General Fund-Federal)

11. TEMPORARY ASSISTANCE TRANSFER - With the implementation of the TANF block grant, additional work and time limit requirements will be placed on families served by public assistance. These additional requirements will be harder to track at the client level in the Children's Administration. TANF federal funding is transferred from the Children's Administration to the Economic Services Administration. The same amount of state funding is then transferred from the Economic Services Administration and placed in the Children's Administration. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Economic Services

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
SSI State Supplement										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,380	77,711	78,373
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.3%	-11.1%	0.9%
General Assistance - Unemployable										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	19,038	31,972	34,675
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	12.7%	67.9%	8.5%
General Assistance - Pregnant Women										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,647	1,644	1,647
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	0.8%	-0.2%	0.2%
TANF Cases										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	96,090	91,102	82,979
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-3.3%	-5.2%	-8.9%
Child Care										
# Cases Served	9,769	12,156	16,733	19,225	20,039	21,984	21,768	25,320	28,871	35,384
% Change from prior year		24.4%	37.7%	14.9%	4.2%	9.7%	-1.0%	16.3%	14.0%	22.6%

Data Sources:

FY 90 through FY 96 from LEAP workload data base.

FY 97 through FY 99 estimates from Legislative Fiscal Committees.

Department of Social & Health Services
Alcohol & Substance Abuse
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	20,189	150,463	170,652
1997 Supplemental *	1,051	-746	305
Total 1995-97 Expenditure Authority	21,240	149,717	170,957
1997-99 Maintenance Level	24,472	153,193	177,665
Policy Items			
1. Referral and Monitoring Agency	0	-950	-950
2. Fetal Alcohol Syndrome	1,520	0	1,520
3. Treatment For SSI/SSDI Persons	2,506	3,000	5,506
4. General Inflation	-68	0	-68
5. Reduce Administration	-370	-246	-616
6. Reduce ADATSA Transportation	-230	0	-230
7. Balance Health Services Account	970	-970	0
Total 1997-99 Biennium	28,800	154,027	182,827
Fiscal Year 1998 Totals	14,466	76,984	91,450
Fiscal Year 1999 Totals	14,334	77,043	91,377

Comments:

- REFERRAL AND MONITORING AGENCY - With the passage of Public Law 104-191, individuals who have drug or alcohol addiction as a contributing factor to their disability were eliminated from eligibility for the Supplemental Security Income (SSI) program. The law also eliminated related funding for employment and case management services for drug and alcohol addicted clients on SSI. (General Fund-Federal)
- FETAL ALCOHOL SYNDROME - Funds are provided for an advocacy program to provide coordinated services to the highest risk mothers who are abusing alcohol, commonly known as the Birth to Three program. The program will operate in two sites in the state. These women include those who have given birth to a child with Fetal Alcohol Syndrome/Alcohol Related Neurodevelopmental Disorder.
- TREATMENT FOR SSI/SSDI PERSONS - Funding is provided for Alcoholism and Drug Addiction Treatment and Support Act (ADATSA) services for individuals who lose SSI and Social Security Disability Insurance (SSDI) eligibility due to changes in the federal law which deny eligibility for those addicted to drugs or alcohol. Those who lose eligibility and who have another disability will be eligible for the General Assistance-Unemployable program. Those who do not have another disability may receive treatment services through the ADATSA program. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
- REDUCE ADMINISTRATION - Funding for administrative staff and costs in the Division of Alcohol and Substance Abuse is reduced. (General Fund-State, General Fund-Federal)
- REDUCE ADATSA TRANSPORTATION - Funding is reduced to eliminate the payment of a portion of the transportation costs for individuals who must travel to reach alcohol and drug treatment services.
- BALANCE HEALTH SERVICES ACCOUNT - Funding for the fetal alcohol syndrome diagnostic center and treatment of drug or alcohol addicted youth is shifted to the General Fund-State from the Health Services Account. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Alcohol and Substance Abuse

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
ADATSA - Assessment										
# Assessments	1,237	1,411	1,194	1,186	1,158	1,249	1,070	1,070	1,230	1,230
% Change from prior year		14.0%	-15.4%	-0.7%	-2.4%	7.9%	-14.3%	0.0%	15.0%	0.0%
ADATSA - Outpatient Treatment *										
Avg Monthly Admissions	N/A	N/A	N/A	N/A	274	293	291	291	303	303
% Change from prior year		N/A	N/A	N/A	N/A	6.9%	-0.7%	0.0%	4.1%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	580	571	552	505	489	525	493	493	531	531
% Change from prior year		-1.6%	-3.4%	-8.5%	-3.2%	7.4%	-6.1%	0.0%	7.7%	0.0%

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 FY 94. Number of admissions is unavailable prior to FY 94.*

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 Expenditure Authority	1,327,503	2,181,120	3,508,623
1997 Supplemental *	10,385	-4,602	5,783
Total 1995-97 Expenditure Authority	1,337,888	2,176,518	3,514,406
1997-99 Maintenance Level	1,401,231	2,610,461	4,011,692
Policy Items			
1. General Inflation	-390	-605	-995
2. Caseload Decline Due to WorkFirst	-3,941	-4,282	-8,223
3. Newly Arriving Legal Immigrants	-1,518	-1,223	-2,741
4. Eliminate GA-U Vocational Factors	-12,090	0	-12,090
5. Trauma Care	-4,600	4,600	0
6. Hospital Savings	-2,310	-2,518	-4,828
7. Managed Care Per Capitas	-14,235	-27,108	-41,343
8. Prescription Drug Savings	-4,620	-4,853	-9,473
9. Providers Provide Interpreters	-7,600	-10,920	-18,520
10. Constraint of Fee-for-Service	-6,500	-8,219	-14,719
11. Premiums for Able-Bodied Adults	-5,472	-6,053	-11,525
12. Air Ambulance Rate Increase	650	638	1,288
13. Balance Health Services Account	30,313	-30,313	0
Total 1997-99 Biennium	1,368,918	2,519,605	3,888,523
Fiscal Year 1998 Totals	684,033	1,219,344	1,903,377
Fiscal Year 1999 Totals	684,885	1,300,261	1,985,146

Comments:

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| <p>1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)</p> <p>2. CASELOAD DECLINE DUE TO WORKFIRST - The number of non-disabled adults receiving publicly-funded medical assistance is expected to decrease by approximately 0.6 percent in FY 98, and by approximately 2.5 percent in FY 99 as a result of increased work opportunities resulting from welfare reform. It is assumed that most children whose parents leave or are diverted from welfare will continue to be eligible for medicaid under the 200 percent of poverty children's eligibility level. (General Fund-State, General Fund-Federal)</p> <p>3. NEWLY ARRIVING LEGAL IMMIGRANTS - As part of Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing the Federal Personal Responsibility and Work Opportunity Act), newly arriving legal aliens will be ineligible for Temporary Assistance for Needy Families (TANF) and for General Assistance-Unemployable (GA-U) for one year, or until they become citizens. After the one-year residency requirement is fulfilled, eligibility will be determined assuming the immigrant's sponsor's income is available to the immigrant. This will result in reduced medical assistance caseloads and expenditures. Adults will continue to be eligible for emergency and maternity care, and children will continue to be eligible for full-scope medical care through the state-only medical program. (General Fund-State, General Fund-Federal)</p> <p>4. ELIMINATE GA-U VOCATIONAL FACTORS - Fewer persons will qualify for medical assistance under the GA-U program because of changes which eliminate vocational factors as a contributor to eligibility for that program. (General Fund-State, General Fund-Federal)</p> <p>5. TRAUMA CARE - In 1996, the Legislature provided a General Fund-State increase in medical assistance payment rates for services delivered by designated trauma centers. This increase was expected to be temporary while a longer-term solution to the problem of uncompensated and under-compensated trauma care was developed.</p> | <p>In 1997, the Legislature enacted Chapter 331, Laws of 1997, Partial Veto (2SSB 5127), which will result in an additional \$11.5 million per year of revenue for trauma centers beginning in calendar year 1998. A portion of these revenues are used to make the increased medical assistance payment rate permanent. (General Fund-State, General Fund-Federal, Emergency Medical and Trauma Care Services Account-State)</p> <p>6. HOSPITAL SAVINGS - The Medical Assistance Administration expects to reduce expenditures by: (1) selectively contracting with only a few "Centers of Excellence" for performance of certain organ transplants; and (2) negotiating larger volume discounts with urban hospitals, as an alternative to selectively contracting with only a few of the hospitals in those areas. (General Fund-State, General Fund-Federal)</p> <p>7. MANAGED CARE PER CAPITAS - Because of competitive bidding and contract negotiation strategies, average TANF and expansion group managed care payments are expected to increase by no more than 2 percent per person per year in the 1997-99 biennium, rather than by an average of 5 percent per year as assumed in the maintenance level budget. Average managed care payments for the Supplemental Security Income (SSI) population are expected to increase by no more than 3.5 percent per year. (General Fund-State, General Fund-Federal, Health Services Account-State)</p> <p>8. PRESCRIPTION DRUG SAVINGS - The Medical Assistance Administration will achieve reductions in expenditures on the prescription drug program. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>9. PROVIDERS PROVIDE INTERPRETERS - Total projected expenditures on interpreter services will be reduced by 70 percent. (General Fund-State, Health Services Account, General Fund-Federal)</p> |
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Department of Social & Health Services Medical Assistance Payments

10. **CONSTRAINT OF FEE-FOR-SERVICE** - The rates paid for most medical services not included in managed care are to be reduced by 2 percent. Pharmacy dispensing fees are exempted from this reduction, since pharmacy expenditures are being reduced elsewhere in the budget. (General Fund-State, General Fund-Federal)
11. **PREMIUMS FOR ABLE-BODIED ADULTS** - The DSHS Medical Assistance Administration will seek federal permission to require all adults who are not elderly or disabled to contribute \$10 per month toward the cost of their Medicaid coverage. Because a federal demonstration waiver will be required to implement this change, no savings are anticipated before the second year of the biennium. (General Fund-State, General Fund-Federal)
12. **AIR AMBULANCE RATE INCREASE** - Funding is provided to increase state payment rates for air ambulance services to a level more comparable to the percentage of billed charges paid for ground ambulance services and by other states. (General Fund-State, General Fund-Federal)
13. **BALANCE HEALTH SERVICES ACCOUNT** - Funding for the Medically Indigent program is transferred from the Health Services Account to General Fund-State. (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social and Health Services
Medical Assistance

WORKLOAD HISTORY
By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	Estimate		
	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Categorically Needy	362,144	406,664	473,222	520,569	559,686	614,070	655,466	693,712	726,781	747,217
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,249	319,713	313,334	309,277	309,036
Elderly	32,414	33,198	34,397	35,365	35,823	36,968	38,972	40,562	41,917	43,293
Disabled	53,103	58,834	67,904	77,335	85,454	91,396	96,230	100,427	103,766	108,760
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	164,117	202,629	234,888	249,022
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,465	19,372	19,519	19,519	19,519
Undocumented Children	1	3,227	11,127	10,911	12,361	12,787	12,927	13,114	13,287	13,460
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,862	4,135	4,127	4,127	4,127
Medically Needy	15,020	15,798	17,616	18,151	17,012	14,425	11,700	9,998	9,748	9,587
AFDC-Related	6,897	6,916	6,934	7,126	5,822	3,895	1,383	0	0	0
Elderly	4,188	4,469	5,169	5,163	5,208	4,837	4,457	4,233	4,096	3,959
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	5,626	5,626
All Others	594	502	761	616	445	134	89	58	26	2
General Assistance/ADATSA										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	12,252	10,924
State Medically Indigent										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,976	1,976
Refugees										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,244	1,107
Total Eligibles per Month	394,992	441,115	507,377	553,157	590,927	643,522	682,023	719,918	752,001	770,811
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.0%	5.6%	4.5%	2.5%

Data Sources:

FY 90 through FY 96 from DSHS Budget Division.

FY 97 through FY 99 estimates from the Legislative Fiscal Committees.

Department of Social & Health Services
Vocational Rehabilitation
(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	15,587	76,084	91,671
1997 Supplemental *	7	26	33
Total 1995-97 Expenditure Authority	15,594	76,110	91,704
1997-99 Maintenance Level	15,902	77,460	93,362
Policy Items			
1. General Inflation	-22	-128	-150
2. Basic/Support Employment Grant	495	1,906	2,401
3. 1997-99 High School Graduates	869	3,208	4,077
Total 1997-99 Biennium	17,244	82,446	99,690
Fiscal Year 1998 Totals	8,652	41,476	50,128
Fiscal Year 1999 Totals	8,592	40,970	49,562

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
2. BASIC/SUPPORT EMPLOYMENT GRANT - The agency estimates that federal revenues for the Basic Support Rehabilitation Services and the Supported Employment Program will increase by approximately 3 percent per year in the 1997-99 biennium. This item provides the 21.3 percent state match which is needed if the state is to collect the increased federal funds. (General Fund-State, General Fund-Federal)
3. 1997-99 HIGH SCHOOL GRADUATES - Funding is provided for the Division of Vocational Rehabilitation to provide job training and placement for approximately 65 percent of the 900 students with developmental disabilities who will graduate from high school in 1997 and 1998. Funding for other graduates, and ongoing support for all who require it, is provided in the Division of Developmental Disabilities budget. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Administration & Supporting Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	51,867	41,773	93,640
1997 Supplemental *	180	127	307
Total 1995-97 Expenditure Authority	52,047	41,900	93,947
1997-99 Maintenance Level	51,782	43,467	95,249
Policy Items			
1. License Suspension	119	231	350
2. General Inflation	-287	-263	-550
3. Administrative Reduction	-3,046	-2,813	-5,859
4. Reduce Sexual Minority Initiative	-100	0	-100
5. Local Fraud Investigation Pilot	60	0	60
Total 1997-99 Biennium	48,528	40,622	89,150
Fiscal Year 1998 Totals	24,572	20,610	45,182
Fiscal Year 1999 Totals	23,956	20,012	43,968

Comments:

- LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- ADMINISTRATIVE REDUCTION - Funding for the administrative functions in the agency is reduced. The Department may reduce administrative functions across its various programs to achieve this reduction, or may reduce the central administrative office budget. (General Fund-State, General Fund-Federal)
- REDUCE SEXUAL MINORITY INITIATIVE - Funding is eliminated for the Sexual Minority Initiative.
- LOCAL FRAUD INVESTIGATION PILOT - Funding is provided to create a pilot program to allow Pend Oreille County to investigate local public assistance fraud.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Child Support Services
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	37,839	171,509	209,348
1997 Supplemental *	477	1,260	1,737
Total 1995-97 Expenditure Authority	38,316	172,769	211,085
1997-99 Maintenance Level	41,938	178,970	220,908
Policy Items			
1. State Directory of New Hires	236	457	693
2. Paternity Establishment	89	170	259
3. License Suspension	474	781	1,255
4. General Inflation	-738	-1,432	-2,170
Total 1997-99 Biennium	41,999	178,946	220,945
Fiscal Year 1998 Totals	21,122	89,375	110,497
Fiscal Year 1999 Totals	20,877	89,571	110,448

Comments:

1. STATE DIRECTORY OF NEW HIRES - Federal welfare legislation requires that all employers are required to furnish, within 20 days, new hire data to the State Directory of New Hires. Currently only certain employers are required to report new hires. Funding is provided to implement the new federal requirement. (General Fund-State, General Fund-Federal)
2. PATERNITY ESTABLISHMENT - Federal welfare legislation requires that states establish parentage for 90 percent of the children in their child support caseload effective October 1, 1999. The previous requirement was 75 percent. Funding is provided to increase outreach to local hospitals, in order to achieve the higher paternity establishment requirement. (General Fund-State, General Fund-Federal)
3. LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload associated with license suspension activities. (General Fund-State, General Fund-Federal)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Social & Health Services
Payments to Other Agencies
(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	41,780	16,281	58,061
1997 Supplemental *	1,450	0	1,450
Total 1995-97 Expenditure Authority	43,230	16,281	59,511
1997-99 Maintenance Level	48,640	17,768	66,408
Policy Items			
1. License Suspension	612	1,186	1,798
2. General Inflation	-31	-19	-50
3. Targeted Vendor Rate Increase	45,728	39,148	84,876
Total 1997-99 Biennium	94,949	58,083	153,032
Fiscal Year 1998 Totals	47,435	28,879	76,314
Fiscal Year 1999 Totals	47,514	29,204	76,718

Comments:

- LICENSE SUSPENSION - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in appeals workload and hearings. (General Fund-State, General Fund-Federal)
- GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)
- TARGETED VENDOR RATE INCREASE - Funding is provided for vendor rate increases throughout DSHS. The Department will target the vendor rate increases to more effectively deal with services where there is a lack of qualified providers. The Department may provide different levels of vendor rate increase to different classifications of providers but may not grant increases that cause additional carryforward costs in the 1999-2001 biennium. The amount included is equal to the cost of a 3 percent vendor rate increase effective July 1, 1997. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reductions and Drug Enforcement Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Other Human Services

Health Care Authority/Basic Health Plan

As discussed in detail in the section on the Health Services Account on page 4, the budget increases enrollments in the Basic Health Plan and makes a number of changes in the co-pay and subsidy structure. An additional \$800,000 is provided for the Authority to keep pace with increased workload in the public employee benefits programs.

Board of Industrial Insurance Appeals

Funding of \$1.4 million from the Medical Aid and Accident funds is provided for additional staff and office space due to an increased workload. A new relational database management system is also funded to better manage agency workload.

Criminal Justice Training Commission

The mandatory training of correctional and law enforcement officers provided by the Commission is fully funded. In addition, funding is also provided for the continuation of the law enforcement and correctional officer training study to improve the training program in the future.

Department of Labor and Industries

An amount of \$3.1 million from the Medical Aid and Accident Funds is provided for improved technology in support of workers' compensation claims management service delivery and to develop and implement cost savings strategies through alternative health care delivery models and efficient medical reimbursement programs.

Indeterminate Sentence Review Board

Pursuant to Chapter 350, Laws of 1997 (HB 1646), \$936,000 from the state general fund is provided for continuation of the board that has jurisdiction over offenders who committed crimes prior to the implementation of the Sentencing Reform Act in 1984.

Department of Health

The budget provides \$6.6 million from the state general fund and \$3.4 million General Fund-Federal for the AIDS Prescription Drug Program. The program shall be operated within funds appropriated for that purpose. The Department is directed to take action to ensure that expenditures remain within appropriations.

The budget provides \$21.0 million from the Emergency Medical and Trauma Care Account to fund Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). Revenues generated by the bill will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided.

Department of Veterans' Affairs

A total of \$45.6 million (\$11.5 million state general fund) is provided for continued operation of the two state veterans' homes. Contracted field offices and counseling services will receive a 3 percent cost-of-living increase effective July 1, 1997. A total of \$144,000 is provided to recruit, train, and support volunteers to assist veterans with claims for federal benefits.

Department of Corrections

A total of \$848.5 million in state and federal funds is provided for the Department of Corrections (DOC) for the 1997-99 biennium.

A total of \$11.5 million is provided to DOC to implement Chapter 338, Laws of 1997 (E3SHB 3900), which includes a provision that requires the automatic transfer of 16- and 17-year-olds charged with certain violent crimes and certain criminal histories to the adult system. Funding to implement this legislation is also provided to the Superintendent of Public Instruction and the Juvenile Rehabilitation Administration division of DSHS. Additional information is provided on page 5. Also, \$1.6 million from the state general fund is included to provide a 3 percent vendor rate increase on July 1, 1997, for contracted work-release facilities and community colleges providing educational services to offenders. The sum of \$500,000 from the Violence Reduction and Drug Enforcement Account and \$100,000 from federal funds (Byrne grant) through the Department of Community, Trade, and Economic Development is provided to conduct a feasibility study for the possible future replacement of the Offender Based Tracking System.

Savings of \$15.8 million are achieved through various measures including: implementing additional health care cost containment efforts; administrative reductions; reducing purchased goods, services, and equipment; delaying the opening of the Tacoma pre-release facility; eliminating selected specialists; reducing custody staff overtime; and other efficiencies and consolidations. The budget also seeks to maximize federal funding and funds approximately \$18.1 million in workload growth from federal rather than state sources.

Employment Security Department

A total of \$7.9 million in state and federal funding is provided for unemployment insurance business reform activities which are intended to improve services to clients and reduce administrative costs through implementation of claim and adjudication call centers, overpayment detection and collection systems, and improved collection of employer wage information.

An amount of \$2.4 million from the state general fund is provided for labor market information and employer outreach services to support local workforce training and placement activities.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,806	318,279	325,085
1997 Supplemental *	0	-4,000	-4,000
Total 1995-97 Expenditure Authority	6,806	314,279	321,085
<hr/>			
1997-99 Maintenance Level	7,070	536,068	543,138
Policy Items			
1. BHP Enrollment Expansion	0	22,541	22,541
2. PEBB Customer Service	0	807	807
3. Reduce Promotions and Commissions	0	-1,008	-1,008
4. Restructure Subsidized BHP	0	-7,000	-7,000
5. Increase Managed Competition	0	0	0
6. General Inflation	-251	-938	-1,189
7. Financial Sponsorship Fees	0	0	0
8. BHP Subsidy Scale	0	0	0
9. Health Care Savings Accounts	0	150	150
10. Balance Health Services Account	5,814	-5,814	0
<hr/>			
Total 1997-99 Biennium	12,633	544,806	557,439
Fiscal Year 1998 Totals	6,316	253,334	259,650
Fiscal Year 1999 Totals	6,317	291,472	297,789

Comments:

1. BHP ENROLLMENT EXPANSION - The Legislative budget provides funds for an additional 8,000 people to receive state-subsidized health insurance through the Basic Health Plan (BHP). In addition to these new enrollees, new funding is provided in the Department of Social & Health Services budget for homecare worker enrollment in the subsidized BHP to increase by approximately 3,700 in the 1997-99 biennium. With these increases, total enrollment in the subsidized BHP will average 141,000 persons per month in FY 98, and 143,000 persons per month in FY 99. (Health Services Account-State; Basic Health Plan Trust Account-Non-Appropriated)
2. PEBB CUSTOMER SERVICE - Additional Public Employees Benefits Board (PEBB) funding is included for increased workload in benefit services support, accounting support, appeals, and for rebidding the Uniform Medical Plan third-party administrator contract. This increase is necessary due to additional customers (e.g., 15,000 additional K-12 retirees) and increased workload as a result of changes in the provision of state employee benefits implemented in the 1995-97 biennium. (State Health Care Authority Administrative Account)
3. REDUCE PROMOTIONS AND COMMISSIONS - Because subsidized Basic Health Plan enrollment has reached its budgeted capacity of 130,000, and there are an estimated 70,000 people waiting to enroll, funding is eliminated for commissions to insurance brokers and for marketing. (Health Services Account)
4. RESTRUCTURE SUBSIDIZED BHP - The following increases are anticipated in BHP point-of-service co-pay requirements: (a) from \$8 to \$10 for office visits; (b) from \$50 to \$100 per admission for hospitalizations; (c) from \$25 to \$50 per visit for emergency room use; (d) from \$25 to \$50 per transport for ambulance use; and (e) from \$8 to \$25 for outpatient clinic visits. The Health Care Authority is authorized to modify the package in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining enrollment levels within budgeted funds. (Health Services Account-State)
5. INCREASE MANAGED COMPETITION - Health Services Account expenditures are expected to be reduced by at least \$21 million by basing the state BHP subsidy on the premium charged by the lowest-cost plan readily available to the large majority of enrollees, rather than on the premium of the highest-priced plan as is currently the case. This will reduce state costs by giving health plans additional incentives to limit premium increases, and by shifting the extra cost for enrollees who choose a higher-cost plan from the state to the enrollee. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, State Health Care Administrative Account; Health Services Account; Basic Health Plan Subscription Account)
7. FINANCIAL SPONSORSHIP FEES - Health plans, hospitals, clinics, and any other group paid to deliver BHP services will be required to pay a minimum of \$30 per month to sponsor BHP enrollment for individuals qualifying for state subsidy. The State will continue to subsidize the remaining 60 - 70 percent of the enrollees' insurance premium. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Non-Appropriated Account)
8. BHP SUBSIDY SCALE - Three changes in the current BHP subsidy scale are anticipated: (1) minimum premium payments are increased from \$10 to \$12 per month for adults with incomes between 66-100 percent of the federal poverty level, and from \$10 to \$15 for those with incomes between 100-125 percent of the poverty level; (2) for adults with family incomes between 125-200 percent of poverty, the state is expected to subsidize 41-76 percent of total premium costs, rather than 54-85 percent of premium costs as is currently the case; and (3) the maximum family premium is expected to be capped at three times the individual premium share, rather than twice the individual premium as is currently done. The Health Care Authority is authorized to modify the subsidy scale in ways different than, or in addition to, this which it determines would better promote enrollee health and access to care, while maintaining current enrollment levels within budgeted funds. Because the reduction in Health Services Account expenditures is offset by a corresponding increase in enrollee premium payments, the total dollar impact of this change nets to zero. (Health Services Account, BHP Trust Account-Non-Appropriated)

Washington State Health Care Authority

9. HEALTH CARE SAVINGS ACCOUNTS - Funding was provided to cover start-up costs associated with the development of a medical savings account option for enrollees in the non-subsidized Basic Health Plan. However, because the legislation requiring a pilot of this approach was not enacted, these funds will lapse. (Health Services Account)
10. BALANCE HEALTH SERVICES ACCOUNT - State general funds are provided to replace the Health Services Account revenues which would otherwise be used for the grants to community clinics program. (Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Vetoes:

The Governor vetoed Section 210(5) of Chapter 454, Laws of 1997, Partial Veto (ESHB 2259) which required the Health Care Authority to report on the number of Basic Health Plan enrollees who are illegal immigrants.

Washington State Health Care Authority

WORKLOAD HISTORY

Fiscal Year Averages For Monthly Subsidized Enrollees

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Basic Health Plan										
Monthly Subsidized Enrollees *	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,621	140,995	142,860
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.7%	13.1%	1.3%

* FY 95 through FY 99 enrollments include homecare workers funded in the DSHS Long-Term Care and Developmental Disabilities budgets.

Data Sources:

FY 90 through FY 97 from the Health Care Authority.

FY 98 and FY 99 estimates from the Legislative Fiscal Committees.

Human Rights Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	3,917	1,746	5,663
1997-99 Maintenance Level	4,075	1,718	5,793
Policy Items			
1. General Inflation	-20	-15	-35
Total 1997-99 Biennium	4,055	1,703	5,758
Fiscal Year 1998 Totals	2,019	870	2,889
Fiscal Year 1999 Totals	2,036	833	2,869

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	19,633	19,633
1997-99 Maintenance Level	0	20,400	20,400
Policy Items			
1. Relational Database System	0	83	83
2. Workload Increase	0	1,141	1,141
3. New Appeal Specialists	0	184	184
4. General Inflation	0	-216	-216
Total 1997-99 Biennium	0	21,592	21,592
Fiscal Year 1998 Totals	0	10,704	10,704
Fiscal Year 1999 Totals	0	10,888	10,888

Comments:

1. RELATIONAL DATABASE SYSTEM - Funding is provided for consulting services and the purchase of a new computing platform and upgraded file servers. The Board will migrate to a relational database management system and file server environment. (Accident and Medical Aid Accounts-State)
2. WORKLOAD INCREASE - Funding is provided for additional staff to accommodate a 6 percent annual workload increase in appeals. Additional space is also funded to accommodate the increased staff in Seattle and Spokane. (Accident and Medical Aid Accounts-State)
3. NEW APPEAL SPECIALISTS - Funding is provided for two new Appeal Specialist positions that will relieve judges from some administrative duties, allowing more time for dispute resolution. (Accident and Medical Aid Accounts-State)
4. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	0	11,418	11,418
1997 Supplemental *	0	536	536
Total 1995-97 Expenditure Authority	0	11,954	11,954
<hr/>			
1997-99 Maintenance Level	0	13,708	13,708
Policy Items			
1. Domestic Violence Initiative	0	100	100
2. Vendor Rate Increase	0	32	32
3. General Inflation	0	-184	-184
4. Law Enf Supervision Training	0	92	92
5. Study Expanded Training & Funding	0	130	130
6. Law Enf Training Legislation	0	40	40
<hr/>			
Total 1997-99 Biennium	0	13,918	13,918
Fiscal Year 1998 Totals	0	6,993	6,993
Fiscal Year 1999 Totals	0	6,925	6,925

Comments:

1. DOMESTIC VIOLENCE INITIATIVE - Funding is provided for increased domestic violence training and reporting. (General Fund-Federal)
2. VENDOR RATE INCREASE - Funding is provided for a 3 percent cost-of-living increase for Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. (Public Safety and Education Account-State)
3. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
4. LAW ENF SUPERVISION TRAINING - Provides funding for 315 police officers to attend supervisory and management training. Under current law, attendance at the course is encouraged but not mandatory. (Public Safety and Education Account-State)
5. STUDY EXPANDED TRAINING & FUNDING - Funding is provided for an expanded study of law enforcement and corrections training. In addition to continuing the work begun in 1996, the study will also produce a comprehensive list of courses offered, the actual cost of offering each type of class, and what fees, if any, should be charged. Finally, the study will focus on training needs of the corrections system. (Public Safety and Education Account-State)
6. LAW ENF TRAINING LEGISLATION - Funding is provided to implement Chapter 351, Laws of 1997, Partial Veto (E2SHB 1423). The legislation requires: 1) the presentation of an annual class on child abuse and neglect investigation; and 2) supervisors and managers in law enforcement to attend mandatory training. Funding for the first item is provided here while the second provision is funded as a separate item (Item 4). (Public Safety and Education Account-State)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Labor & Industries

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	10,981	354,897	365,878
1997 Supplemental *	0	1,093	1,093
Total 1995-97 Expenditure Authority	10,981	355,990	366,971
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1997-99 Maintenance Level	13,564	364,190	377,754
Policy Items			
1. Claims Service Delivery	0	1,950	1,950
2. Contractor Service Improvement	50	650	700
3. Injury & Disability Prevention	0	1,125	1,125
4. Legal Services Support	0	630	630
5. License Suspension	78	78	156
6. Process Improvements	0	108	108
7. General Inflation	-39	-1,904	-1,943
8. Plumber Certification	0	101	101
<hr/>			
Total 1997-99 Biennium	13,653	366,928	380,581
Fiscal Year 1998 Totals	6,805	185,592	192,397
Fiscal Year 1999 Totals	6,848	181,336	188,184

Comments:

1. CLAIMS SERVICE DELIVERY - Funding is provided for detailed planning, design, development, piloting, and implementation of technology applications to improve claims management services. (Accident and Medical Aid Accounts-State)
2. CONTRACTOR SERVICE IMPROVEMENT - Provides funding for a feasibility study and general design of an Electrical Permitting and Inspection System and a Credentialing Information System. (General Fund-State, Electrical License Account, Accident and Medical Aid Accounts-State)
3. INJURY & DISABILITY PREVENTION - Funding is provided for the following two activities: (1) Occupationally Focused Health Care Systems - A consultant will assist the agency in developing alternative health care delivery system models that respond to the findings of the University of Washington's managed care pilot evaluation; and (2) Effectiveness of Medical Reimbursement Programs - A consultant will develop and maintain a structured, data driven reimbursement approach to medical benefit payments. The analysis will focus on the Professional Fee Schedule, Hospital Inpatient Prospective Payment System, Pharmacy Fee Schedule, Medical and Surgical Supplies, and the Department of Labor and Industries' Unique Coding Systems. (Accident and Medical Aid Accounts-State)
4. LEGAL SERVICES SUPPORT - Provides funds for two Assistant Attorneys General and one paralegal needed to address the industrial insurance appeals workload increase. (Accident and Medical Aid Accounts-State)
5. LICENSE SUSPENSION - Funding is provided for the additional workload associated with the license suspension provisions of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). (General Fund-State, Plumbing Certificate Account, Electrical License Account)
6. PROCESS IMPROVEMENTS - Funding is provided for one staff position to assist the director in evaluating agency operational improvements. (Accident and Medical Aid Accounts-State)
7. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
8. PLUMBER CERTIFICATION - Provides funding and one staff position to implement Chapter 326, Laws of 1997 (SSB 5749) which requires the examination and certification of medical gas piping installers. (Plumbing Certificate Account)

NOTE: Subsection 4: The Secretary of the Department of Social and Health Services and the Director of Labor and Industries shall report to the Legislature by July 1, 1997, and every six months after on the measurable changes in employee injury and time-loss rates that have occurred in the state Developmental Disabilities, Juvenile Rehabilitation, and Mental Health institutions as a result of the up-front loss-control discount agreement between the agencies.

Subsection 5: Expenditures may not exceed available funding. The expenditures of the elevator, factory assembled structures, and contractors' registration and compliance programs may not exceed the revenues generated by the programs.

Subsection 8: \$593,000 of non-appropriated funds from the Medical Aid Account shall be allocated to the Joint Legislative Audit and Review Committee for a performance audit and operations review of the state workers' compensation system pursuant to Chapter 330, Laws of 1997 (SSB 6030).

* Please see the 1997 Supplemental Operating Budget section for additional information.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,285	0	2,285
1997-99 Maintenance Level	1,141	0	1,141
Policy Items			
1. Agency Reauthorization	936	0	936
2. General Inflation	-16	0	-16
Total 1997-99 Biennium	2,061	0	2,061
Fiscal Year 1998 Totals	1,141	0	1,141
Fiscal Year 1999 Totals	920	0	920

Comments:

1. AGENCY REAUTHORIZATION - Funding is provided to implement Chapter 350, Laws of 1997 (HB 1646) which reauthorizes the Board for an additional ten years. This legislation also allows part-time board members which results in lower operating costs.
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Washington Health Care Policy Board

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	0	4,339	4,339
1997 Supplemental *	0	-316	-316
Total 1995-97 Expenditure Authority	0	4,023	4,023
1997-99 Maintenance Level	0	4,412	4,412
Policy Items			
1. Eliminate Board	0	-4,387	-4,387
2. General Inflation	0	-25	-25
Total 1997-99 Biennium	0	0	0
Fiscal Year 1998 Totals	0	0	0
Fiscal Year 1999 Totals	0	0	0

Comments:

1. ELIMINATE BOARD - As directed by Chapter 274, Laws of 1997 (ESHB 2264 -- Health Care Policy Board Elimination), funding is eliminated for the Health Care Policy Board effective July 1, 1997. (Health Services Account)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	88,967	353,430	442,397
1997 Supplemental *	1,273	4,800	6,073
Total 1995-97 Expenditure Authority	90,240	358,230	448,470
1997-99 Maintenance Level	101,601	379,289	480,890
Policy Items			
1. Farmworker Housing	141	0	141
2. Public Water System Supervision	0	1,467	1,467
3. Automated System Development	0	2,134	2,134
4. Youth Tobacco Prevention	0	400	400
5. Public Water System Regulation	0	5,385	5,385
6. Health Services Account Reduction	0	-8,505	-8,505
7. Child Death Review Team	0	1,000	1,000
8. Reduce State Toxics Control Account	0	-65	-65
9. License Suspension	0	259	259
10. Boarding Home Quality Assurance	406	406	812
11. EMS Trauma	-220	0	-220
12. Maternal and Child Health Contracts	-588	0	-588
13. Environmental Radiation	-508	0	-508
14. Administrative Reduction	-703	0	-703
15. Puget Sound Work Plan	730	0	730
16. General Inflation	-482	-1,409	-1,891
17. Mandated Health Benefit Review	100	0	100
18. Dental Services for Children	200	0	200
19. Abstinence Education	0	700	700
20. AIDS Prescription Drug Program	-2,039	0	-2,039
21. Transfer of Public Health Funding	0	0	0
22. Merging Accounts	0	0	0
23. County Public Health Appropriation	2,250	0	2,250
24. Attorney General Anti-trust	120	0	120
25. Improve Access to Oral Health	300	0	300
26. Trauma Care Services	0	21,042	21,042
27. Natural Medicine Clinic	500	0	500
28. Poison Center Enhancement	250	0	250
29. Balance Health Services Account	26,679	-26,679	0
Total 1997-99 Biennium	128,737	375,424	504,161
Fiscal Year 1998 Totals	62,996	185,954	248,950
Fiscal Year 1999 Totals	65,741	189,470	255,211

Comments:

- FARMWORKER HOUSING - Funding is provided for the cost of an additional licenser/surveyor for temporary farmworker housing in order to meet increased workload as additional housing is developed.
- PUBLIC WATER SYSTEM SUPERVISION - Additional federal funding is provided for the Drinking Water program as a result of the reauthorization of the federal Safe Drinking Water Act. Activities funded are the development of a water data management system and compliance efforts to meet requirements of the federal Safe Drinking Water Act. (General Fund-Federal)
- AUTOMATED SYSTEM DEVELOPMENT - Funding is provided for a Health Professions Licensing and Disciplinary Management System to be used primarily for complaint tracking and management. The new system will be developed and implemented by July 1998. Increases in some fees which fund the Health Professions/Medical Disciplinary Account will be required at less than the limit imposed by Initiative 601. (Medical Disciplinary Account)
- YOUTH TOBACCO PREVENTION - Funding from the Youth Tobacco Prevention Account is provided for additional activities related to tobacco use prevention, education, and enforcement. Additional revenue is available in this account to fund these activities. Seventy percent of the funds are provided to local health jurisdictions for coordinated tobacco intervention strategies to prevent and reduce tobacco use by youth and 30 percent are provided to the Liquor Control Board through an interagency agreement for enforcement of laws relating to access to tobacco by youth. (Youth Tobacco Prevention Account)
- PUBLIC WATER SYSTEM REGULATION - Funding is provided for additional activities required as a result of passage of the federal Safe Drinking Water Act of 1996, which establishes the State Revolving Fund and other program requirements for the Drinking Water program. (General Fund-Federal)

Department of Health

6. **HEALTH SERVICES ACCOUNT REDUCTION** - In order to bring Health Services Account expenditures into line with forecasted revenues, activities funded by the account are eliminated or reduced. Activities reduced or eliminated are listed below.

Health personnel training funding is reduced by \$1.0 million. The American Indian Health Care Plan funding is reduced by \$200,000. Basic Health Plan enrollment assistance of \$300,000 is eliminated. Multicultural assistance of \$100,000 is eliminated. The Health Professions Resource Plan funding is reduced by \$600,000 and the Plan is to be completed within existing Department funding. Health Quality Data Standards funding is reduced by \$1.6 million. Funding for teen pregnancy prevention is reduced by \$700,000 and the reduction is supplanted with federal abstinence funding. The Information System for Public Health Officials funding is reduced by \$1.6 million to be supplanted through user fees to local health jurisdictions using the system. Children with Special Health Care Needs funding for the Children's Hospital is reduced by \$900,000 and the family support and provider training activities are to continue to be provided. Funding for information kiosks of \$5,000 is eliminated. Public Health Improvement Plan (PHIP) state capacity funding is reduced by \$1.0 million and PHIP local capacity funding is reduced by \$500,000. (Health Services Account, Public Health Account)
7. **CHILD DEATH REVIEW TEAM** - Funding is provided for implementation of a statewide child mortality review process. Local health jurisdictions will coordinate child mortality reviews, develop local child mortality review protocols, and serve as the appointing authority and lead agency for local child death review teams. The Department of Health will develop standard aggregate data elements, collect and analyze local child mortality review data, provide technical assistance to local child mortality review teams, and approve local child death review protocols. (Death Investigations Account)
8. **REDUCE STATE TOXICS CONTROL ACCOUNT** - Expenditures from the State Toxics Control Account are reduced to accommodate estimated revenues. (State Toxics Control Account)
9. **LICENSE SUSPENSION** - Chapter 58, Laws of 1997, Partial Veto (EHB 3901 -- Implementing Welfare Reform), provides for holding, suspending, or restricting the use of driver's, professional, occupational, and recreational licenses under specific circumstances in which child support is not paid. Funding is included for the anticipated increase in workload related to license suspension activities. (General Fund-State, General Fund-Private/Local, Health Professions Account)
10. **BOARDING HOME QUALITY ASSURANCE** - Funding is provided in the boarding home quality assurance program to improve the timeliness of response to complaints, increase the number and quality of technical assistance visits, and increase the depth and detail of annual inspections. These activities are funded with General Fund-State funds and through license fee increases. Fee increases are anticipated to be 20 percent on July 1, 1997 (to \$44.82 per bed) and another 10 percent on July 1, 1998 (to \$49.30 per bed). (General Fund-State, General Fund-Local)
11. **EMS TRAUMA** - Funding to local Emergency Medical Services (EMS) regions is reduced. Funding is used for training technicians, operating trauma prevention programs, planning and developing local emergency medical systems, and integrating them into the statewide trauma care system.
12. **MATERNAL AND CHILD HEALTH CONTRACTS** - Funding for Maternal Child Health activities is reduced. Reductions will be achieved through greater use of managed care organizations' services and other adjustments related to targeting of funds to local contractors.
13. **ENVIRONMENTAL RADIATION** - Funding for the environmental monitoring program is reduced. Reductions will be achieved through the elimination of ionizing radiation emissions monitoring and the elimination of the state health laboratory support for this program.
14. **ADMINISTRATIVE REDUCTION** - Administrative staff and costs for the Department are reduced.
15. **PUGET SOUND WORK PLAN** - Funding is provided for outreach and technical assistance to local health jurisdictions for Puget Sound Work Plan activities. Funded programs include local on-site sewage issues, contracting with local health jurisdictions for recreational shellfish activities, contracts to research and demonstrate alternative and experimental on-site sewage systems, and developing an integrated shellfish data system.
16. **GENERAL INFLATION** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Hospital Commission Account, Medical Disciplinary Account, Health Professions Account, Safe Drinking Water Account, Public Health Account, Water Works Certification Account, Water Quality Account, State Toxics Account, Violence Reduction and Drug Enforcement Account, Medical Test Site Licensure Account, Youth Tobacco Prevention Account, Health Services Account)
17. **MANDATED HEALTH BENEFIT REVIEW** - Funding is provided to implement Chapter 412, Laws of 1997 (2SHB 1191 -- Mandated Health Benefit Review), which establishes a process for reviewing mandated health benefit proposals. The Department will review proposals when requested to do so by the Legislature.
18. **DENTAL SERVICES FOR CHILDREN** - To improve access to dental care for children in rural and underserved areas, funding is provided for retired dentists' malpractice insurance costs.
19. **ABSTINENCE EDUCATION** - Funding is provided for Section 601 (creating an Abstinence Education Program) of Chapter 58, Laws of 1997, Partial Veto (EHB 3901). The Department is required to apply for federal funds which are available for an abstinence education program. Approximately \$700,000 in federal funding is available to the State for this program. Of that amount, \$400,000 shall be transferred to the Office of the Superintendent of Public Instruction for the 1998-99 school year to fund ongoing projects in abstinence education. All projects receiving this funding must comply with the abstinence education provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (General Fund-State, General Fund-Federal)
20. **AIDS PRESCRIPTION DRUG PROGRAM** - Funding provided for the AIDS Prescription Drug Program (APDP) is reduced. The Department must operate the program within the funding appropriated and may use various methods to manage the program. Techniques the Department may use include a cap on the number of recipients who receive protease inhibitors, seeking a lower drug cost, or limiting enrollment.
21. **TRANSFER OF PUBLIC HEALTH FUNDING** - Funding is transferred from the Public Health Account to the Health Services Account, totaling \$26.3 million. This transfer will eliminate the need to make a transfer in the budget bill. (Public Health Account, Health Services Account)
22. **MERGING ACCOUNTS** - Chapter 79, Laws of 1997 (SB 5448), eliminates the Medical Disciplinary Account and merges it into the Health Professions Account. A total of \$4.0 million is transferred. (Medical Disciplinary Account, Hospital Professions Account)
23. **COUNTY PUBLIC HEALTH APPROPRIATION** - Funding is appropriated to the County Public Health Account from General Fund-State for transfer to local health jurisdictions for use in funding public health activities. The appropriation eliminates the need for a transfer to the Public Health Account in the back of the budget bill.
24. **ATTORNEY GENERAL ANTI-TRUST** - Funding is provided for implementation of Chapter 274, Laws of 1997 (ESHB 2264 -- Eliminating the Health Care Policy Board). Funding is provided to support anti-trust activities performed by the Attorney General's Office.

Department of Health

25. **IMPROVE ACCESS TO ORAL HEALTH** - Funding is provided for community-based oral health grants that may fund sealant programs, education, prevention, and other oral health interventions. Grants may be awarded to state- or federally-funded community and migrant health centers, tribal clinics, or public health jurisdictions. Priority shall be given to communities with established oral health coalitions. Grant applications for oral health education and prevention grants must include: 1) an assessment of the community's oral health education and prevention needs; 2) identification of the population to be served; and 3) a description of the grant program's predicted outcomes.
26. **TRAUMA CARE SERVICES** - Funding is provided for Chapter 331, Laws of 1997, Partial Veto (2SSB 5127 -- Funding Trauma Care Services). The bill generates fee revenue to be used for funding trauma services around the state. Revenue generated will be deposited into the Emergency Medical and Trauma Care Services Account for providing grants to local trauma care providers to improve the state's trauma care system. Grants require regional matching funds of at least 25 percent of the total amount provided. (Emergency Medical Services and Trauma Care Account)
27. **NATURAL MEDICINE CLINIC** - Funding is provided for operation of a naturopathic medicine clinic constructed in South King County in 1996. This funding is intended to assist in payment of start-up costs for the clinic and is one-time in nature.
28. **POISON CENTER ENHANCEMENT** - Funding is provided for an enhancement to the poison center operating budget.
29. **BALANCE HEALTH SERVICES ACCOUNT** - A transfer of Health Services Account funding to General Fund-State is made to reduce expenditures from the Health Services Account to be within available funding. Functions transferred include the youth suicide program (\$1.0 million), pesticide reporting activities (\$700,000), and family support and training activities related to children with special health care needs performed by Children's Hospital (\$1.0 million). (General Fund-State, Health Services Account)

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Veterans' Affairs

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	19,996	30,644	50,640
1997 Supplemental *	-1,490	1,513	23
Total 1995-97 Expenditure Authority	18,506	32,157	50,663
1997-99 Maintenance Level	18,875	34,334	53,209
Policy Items			
1. Central Office Move	140	0	140
2. Field Services Outreach	144	0	144
3. Field Services Vendor Rate Increase	76	0	76
4. Veterans Home Replacement Equipment	130	0	130
5. Computer Support Staff	89	0	89
6. General Inflation	-333	0	-333
Total 1997-99 Biennium	19,121	34,334	53,455
Fiscal Year 1998 Totals	9,928	16,826	26,754
Fiscal Year 1999 Totals	9,193	17,508	26,701

Comments:

1. CENTRAL OFFICE MOVE - Funding is provided to cover the cost of the agency's relocation of its headquarters into an office with 80 percent more space, costing 36 percent more per square foot.
2. FIELD SERVICES OUTREACH - Funding is provided to reimburse volunteer service officers for travel and other costs associated with providing outreach claims services to veterans' and their family members.
3. FIELD SERVICES VENDOR RATE INCREASE - Funds are provided for a 3 percent vendor rate increase effective July 1, 1997 for the ten contracted field offices and providers of Post Traumatic Stress Disorder (PTSD) treatment services.
4. VETERANS HOME REPLACEMENT EQUIPMENT - Additional funding is provided for the purchase of resident care equipment, vehicles, and other equipment necessary for the operation of the Retsil facility.
5. COMPUTER SUPPORT STAFF - Provides one computer technology specialist, to be shared between the Veterans' and the Soldiers' Homes, to assist with automation of the client assessment and care planning information as well as other business systems.
6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	735,433	6,032	741,465
1997 Supplemental *	3,251	0	3,251
Total 1995-97 Expenditure Authority	738,684	6,032	744,716
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1997-99 Maintenance Level	829,988	22,994	852,982
Policy Items			
1. Delay Hiring Supervision Staff	-512	0	-512
2. Goods and Services Savings	-1,656	0	-1,656
3. Reduce Workload Support	-427	0	-427
4. Administrative Reductions	-2,786	0	-2,786
5. Eliminate Selected Specialists	-830	0	-830
6. Reduce Custody Staff Overtime	-700	0	-700
7. Reduce CI Expansion	-1,077	0	-1,077
8. Field Office Consolidations	-248	0	-248
9. Delay Tacoma Pre-Release	-1,330	0	-1,330
10. Data Communications Upgrade	1,168	0	1,168
11. General Inflation	-4,152	-40	-4,192
12. Health Care Savings	-5,100	0	-5,100
13. Vendor Rate Increase	1,566	0	1,566
14. Reduce Work Crews	-352	0	-352
15. Eliminate Artist-in-Residence	-42	0	-42
16. Reduce On-Site Evaluations	-28	0	-28
17. Reduce Mental Health R&D	-200	0	-200
18. CCO Automation Efficiencies	-377	0	-377
19. Local Government Impacts	425	0	425
20. Tracking System Replacement	0	500	500
21. Sentencing & Policy Legislation	348	0	348
22. Juvenile Justice Legislation	11,532	0	11,532
23. Mentally Ill Offender Project	-146	0	-146
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Total 1997-99 Biennium	825,064	23,454	848,518
Fiscal Year 1998 Totals	406,048	15,114	421,162
Fiscal Year 1999 Totals	419,016	8,340	427,356

Comments:

1. DELAY HIRING SUPERVISION STAFF - The maintenance level budget includes funding for additional Community Corrections Officers to supervise additional offenders. Savings are generated by delaying the hiring of these additional Community Corrections Officers by an average of 120 days.
5. ELIMINATE SELECTED SPECIALISTS - Savings are generated by eliminating a number of community corrections specialist positions. The services provided by the specialists will be transitioned into the regular duties of other staff. Training will typically be provided by computer-based training programs and videos rather than by the specialists.
2. GOODS AND SERVICES SAVINGS - Funding is reduced due to savings in the purchase of goods, services, and equipment. In the 1995-97 biennium, the Department purchased a number of items using cash instead of debt service. This reduced the need for resources to be dedicated in the 1997-99 biennium for repayment.
6. REDUCE CUSTODY STAFF OVERTIME - Savings will be achieved by making better use of intermittent staff to reduce overtime. The Department will also implement programs aimed at improving scheduling and reducing sick leave.
3. REDUCE WORKLOAD SUPPORT - Funding is reduced through the reduction of support staff. As the offender population in the Department grows, additional support staff are added in areas like data processing, accounting, and correctional industries. All of the staff added for workload growth in the Administration Program and a portion of those added in the Correctional Industries Program are eliminated.
7. REDUCE CI EXPANSION - Funding provided at maintenance level for expanding offender employment is reduced. In addition, \$400,000 per year in expenditures associated with this expansion will be paid from the non-appropriated Correctional Industries (CI) Revolving Fund.
4. ADMINISTRATIVE REDUCTIONS - Savings are generated through a number of administrative reductions and consolidations in the Division of Community Corrections and the Division of Prisons.
8. FIELD OFFICE CONSOLIDATIONS - Savings are generated by closing four community corrections field offices. When a facility is closed, offenders and staff will typically be assigned to the next closest facility.
9. DELAY TACOMA PRE-RELEASE - Savings are generated by delaying the opening of 60 beds at the Tacoma Pre-Release facility from January 1999 until July 1999.

Department of Corrections

10. DATA COMMUNICATIONS UPGRADE - Funding, mostly one-time, is provided to upgrade the Department's wide area network (WAN) to meet the needs of increased system utilization. The network supports several mission critical data systems including the Offender Based Tracking System (OBTS). Of the amount funded, only \$96,000 is an ongoing cost.
11. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.
12. HEALTH CARE SAVINGS - Funding is reduced to capture anticipated savings in offender health care costs. The 1995 Legislature required the Office of Financial Management to contract with a private research company to identify cost saving strategies for delivering and managing inmate health care. The study recommended several strategies which, if implemented, are projected to save \$5.1 million in the 1997-99 biennium. The Department will consult with direct health care service providers and health care staff in implementing these strategies.
13. VENDOR RATE INCREASE - Provides funding for a vendor rate increase of 3.0 percent. Those receiving a rate increase include providers of contracted work release facilities and community colleges providing educational services to offenders.
14. REDUCE WORK CREWS - Savings are generated by eliminating four community service work crews. In most cases, work crews are paid for by the entity benefiting from their work. Funding is eliminated for four work crews which did not receive reimbursement. Funding for litter pick up activities performed by adult and juvenile correctional work crews is funded separately in the Department of Ecology's budget.
15. ELIMINATE ARTIST-IN-RESIDENCE - Funding is eliminated for the Artist-in-Residence program. This program brings artists into prisons for a two-week residency working with offenders. In recent years, available federal funding for the program has shrunk, reducing the scope of the program.
16. REDUCE ON-SITE EVALUATIONS - Savings are generated by discontinuing on-site safety inspections and evaluations in Division of Community Corrections field offices.
17. REDUCE MENTAL HEALTH R&D - Savings are achieved by reducing mental health research and program development by one-half. This service is provided, under contract, by the University of Washington.
18. CCO AUTOMATION EFFICIENCIES - The Division of Community Corrections has purchased portable computers with cellular modems for community corrections officers (CCOs). By using this equipment, CCOs can check offender data and enter information directly from the field. Currently, CCOs must write the data down and then come back to the office to enter it into the system. In addition to the purchase of equipment, the Department incurs additional costs for the use of cellular modems to transfer data. It is assumed that the efficiencies generated by the program will cover the additional cellular costs.
19. LOCAL GOVERNMENT IMPACTS - Funding is provided for one-time local government impact costs associated with the opening of 512 additional beds at the Airway Heights Corrections Center.
20. TRACKING SYSTEM REPLACEMENT - Funding is provided for a feasibility study for the possible future replacement of the Offender Based Tracking System. An additional \$100,000 in funding is provided from the federal Byrne Grant program administered by the Department of Community, Trade, and Economic Development. (Violence Reduction and Drug Enforcement Account)
21. SENTENCING & POLICY LEGISLATION - Funding is provided to implement: Chapter 196, Laws of 1997, Partial Veto (ESSB 5044), which increases the penalties associated with the transmission of the human immunodeficiency virus (HIV); and Chapter 364, Laws of 1997 (ESSB 5759), which requires the Department of Corrections to assign a risk classification level to sex offenders released from their facilities.
22. JUVENILE JUSTICE LEGISLATION - Funding is provided to implement Chapter 338, Laws of 1997 (E3SHB 3900). The bill has provisions which automatically transfer jurisdiction of 16- and 17-year-old offenders charged with certain violent crimes and certain criminal histories to adult court. In addition, the bill also makes numerous changes to both juvenile sentences and juvenile sentencing options. The net cost to state and local government is estimated at \$23.4 million in the 1997-99 biennium.
23. MENTALLY ILL OFFENDER PROJECT - Funding is reduced to reflect savings resulting from the implementation of the mentally ill offenders pilot project defined in Chapter 342, Laws of 1997, Partial Veto (2SSB 6002). Under this project, one Regional Support Network or other service provider will be selected to provide mentally ill offenders returning to the community from prison with intensive case management and other support services to help them successfully reintegrate into the community. Many of the offenders eligible for the program lack approved housing but are otherwise eligible for release into the community. Under the project, some of these offenders would be released into community supervision and thus save prison beds.

* Please see the 1997 Supplemental Operating Budget section for additional information.

Governor's Vetoes:

The Governor vetoed a proviso which expressed that it is the intent of Legislature that the Department of Corrections reduce health care expenditures in the 1997-99 biennium according to the scenario identified in the 1996 Health Services Delivery System Study. The proviso also required the Department of Corrections to consult with direct health services providers and health care staff in implementing the scenario.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
								Estimate		
Work Release/Pre-Release										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,123	1,266	1,303
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.6%	12.7%	2.9%
Community Supervision										
# Active Offenders	33,250	35,655	39,900	42,294	44,713	47,749	51,084	54,034	57,390	59,313
% Change from prior year		7.2%	11.9%	6.0%	5.7%	6.8%	7.0%	5.8%	6.2%	3.4%
Institutions										
Avg Daily Pop/Month	6,675	7,383	8,327	9,124	9,557	10,016	10,726	11,487	12,017	12,554
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.1%	4.6%	4.5%
Avg Cost Per Inmate *										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,438	\$24,031	\$23,924	\$23,621	\$24,956	\$24,261
% Change from prior year		-3.1%	-1.7%	3.4%	3.1%	2.5%	-0.4%	-1.3%	5.7%	-2.8%

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

Data Sources:

FY 90 through FY 99 from Division of Management and Budget at Department of Corrections.

FY 98 and FY 99 estimates reflect the impact of Chapter 338, Laws of 1997 (E3SHB 3900 -- Juvenile Code Revisions) passed during the 1997 session.

Department of Services for the Blind

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	2,589	11,589	14,178
1997-99 Maintenance Level	2,677	11,952	14,629
Policy Items			
1. Federal Grant Increase	123	473	596
2. General Inflation	-21	-97	-118
Total 1997-99 Biennium	2,779	12,328	15,107
Fiscal Year 1998 Totals	1,368	6,084	7,452
Fiscal Year 1999 Totals	1,411	6,244	7,655

Comments:

1. FEDERAL GRANT INCREASE - State funds are provided to enable the agency to qualify for additional federal vocational rehabilitation revenues, which are expected to increase by 3 percent per year during the 1997-99 biennium, if the required 21.3 percent state match is available. The agency estimates this will enable it to provide job training and placement services to 150 additional persons with blindness or severe visual impairments. (General Fund-State, General Fund-Federal)
2. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal)

Sentencing Guidelines Commission

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
1995-97 Expenditure Authority	1,262	0	1,262
1997-99 Maintenance Level	1,439	0	1,439
Policy Items			
1. General Inflation	-12	0	-12
Total 1997-99 Biennium	1,427	0	1,427
Fiscal Year 1998 Totals	714	0	714
Fiscal Year 1999 Totals	713	0	713

Comments:

1. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1995-97 Expenditure Authority	6,113	421,115	427,228
1997 Supplemental *	0	500	500
Total 1995-97 Expenditure Authority	6,113	421,615	427,728
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1997-99 Maintenance Level	0	396,762	396,762
Policy Items			
1. Program Improvement Research	0	114	114
2. Early Intervention Re-employment	0	1,000	1,000
3. Fund Source Change	0	0	0
4. Unemployment Ins Business Reform	0	7,900	7,900
5. Strengthen Employment Services	0	1,798	1,798
6. General Inflation	0	-797	-797
7. LMI/ Employer Outreach	2,400	0	2,400
8. Re-employment Support Center	121	0	121
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Total 1997-99 Biennium	2,521	406,777	409,298
Fiscal Year 1998 Totals	1,260	208,242	209,502
Fiscal Year 1999 Totals	1,261	198,535	199,796

Comments:

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| <p>1. PROGRAM IMPROVEMENT RESEARCH - Funding is provided for one position to assist the commissioner in determining program and service improvements. (Administrative Contingency Account)</p> <p>2. EARLY INTERVENTION RE-EMPLOYMENT - Funding is provided for additional staff to strengthen and expand re-employment services to a larger number of unemployment insurance claimants. The additional staff will assist unemployment insurance claimants in returning to work faster, which is intended to reduce long-term benefit payments made from the Unemployment Insurance Trust Fund. (Employment Services Administrative Account)</p> <p>3. FUND SOURCE CHANGE - Overpayment and detection activities that were paid by the Unemployment Compensation Administration Account are shifted to the Administrative Contingency Account. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)</p> <p>4. UNEMPLOYMENT INS BUSINESS REFORM - Provides funding for the modification of the unemployment compensation payment system. The system is to be modified as follows:</p> <p style="margin-left: 20px;">a) Claim and Adjudication Call Centers: Funding is provided for planning and implementation of three regional Claim and Adjudication Call Centers and four stand-alone Adjudication Call Centers. The Department will move from a geographically-based in-person initial claims process to a centralized telephone claims process. (Unemployment Compensation Administration Account-Federal, Administrative Contingency Account-State)</p> <p style="margin-left: 20px;">b) Overpayment Detection/Collection Productivity Enhancement: Funding is provided for implementation of a new automated voice link and case management system. The Department will also complete the interface between the automated fraud detection and benefit payment systems, utilize bar code scanners to increase quarterly cross match cases, and obtain equipment to prepare forgery, prosecution, and fraud cases. (Administrative Contingency Account-State)</p> <p style="margin-left: 20px;">c) Data/Wage Quality Initiative: Funding is provided to improve the quality of employer reported wage information through reporting alternatives and the use of scanning and imaging. (Unemployment Compensation Administrative Account-Federal)</p> | <p>5. STRENGTHEN EMPLOYMENT SERVICES - Funding is provided for the One-Stop Information Connectivity project which will enhance communications among all employment services related information systems across state government. Integrated communications will improve the effectiveness of matching individual client needs with available employment services. (General Fund-Federal)</p> <p>6. GENERAL INFLATION - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission.</p> <p>7. LMI/ EMPLOYER OUTREACH - Funding is provided for labor market information (LMI) and employer outreach activities.</p> <p>8. RE-EMPLOYMENT SUPPORT CENTER - Funds are provided for the King County Re-employment Support Center. This transfer from the Department of Community, Trade, and Economic Development results in all three re-employment centers being funded in the Employment Security Department.</p> <p>NOTE: Subsection 3: \$1.126 million of the federal general fund appropriation is provided for the continuation of job placement centers collocated on community and technical college campuses to assist individuals with job referrals and placement in the workforce.</p> <p>Subsection 4: The Department is granted the authority to expend more than the stated appropriation for the General Unemployment Insurance Development Effort (GUIDE) project by up to \$2.6 million. The vendor is responsible for the costs associated with any vendor-caused project delays. The Department is required to seek full recovery of any project costs in excess of the appropriation from the vendor.</p> <p>* Please see the 1997 Supplemental Operating Budget section for additional information.</p> |
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