

# Human Services

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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.

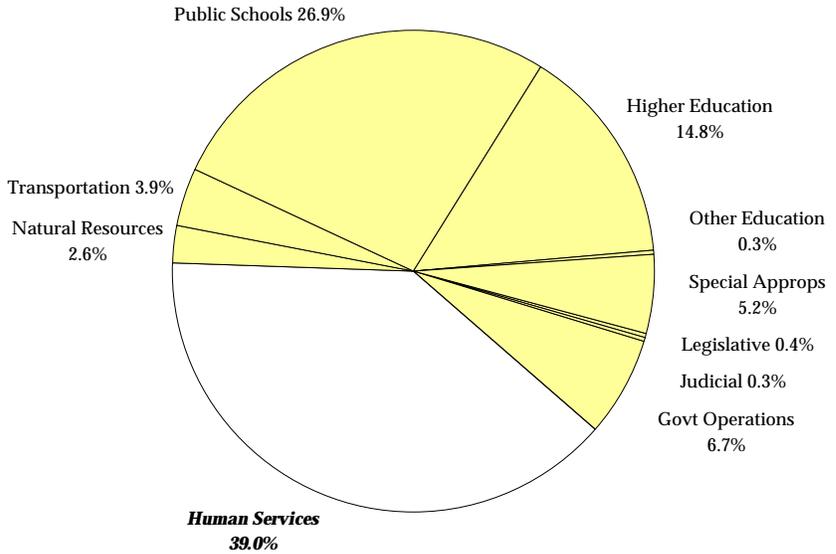
# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

(Dollars in Thousands)

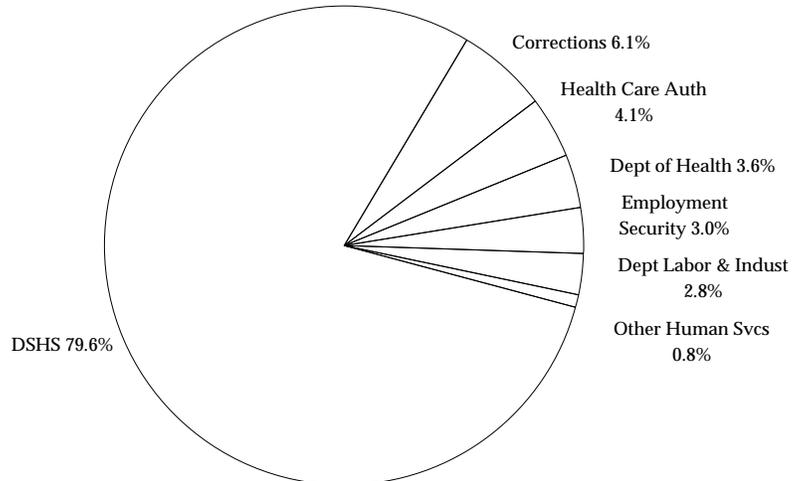
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Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
<b>Human Services</b>	<b>13,918,431</b>
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

DSHS	11,074,351
Dept of Corrections	845,896
Health Care Authority	572,185
Dept of Health	507,113
Employment Security	420,582
Dept of Labor & Indust	384,147
Other Human Svcs	114,157
<b>Human Services</b>	<b>13,918,431</b>

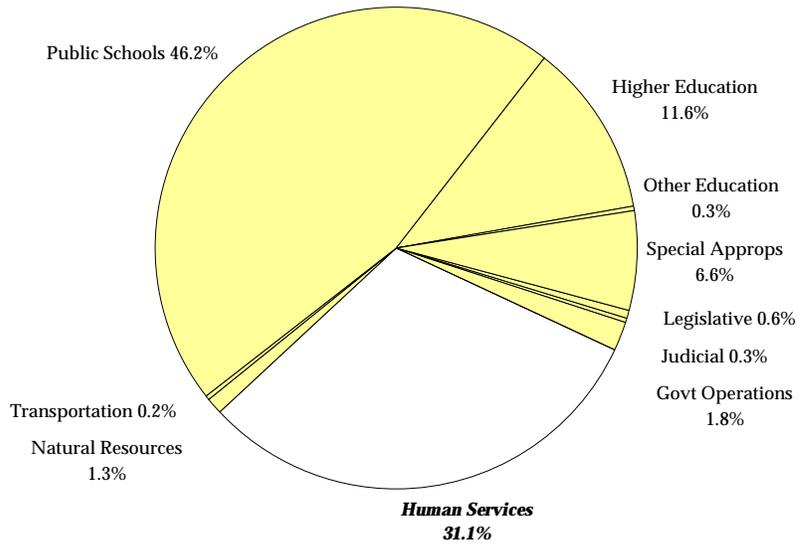


## Human Services

**1997-99 Washington State Operating Budget  
General Fund - State**  
(Dollars in Thousands)

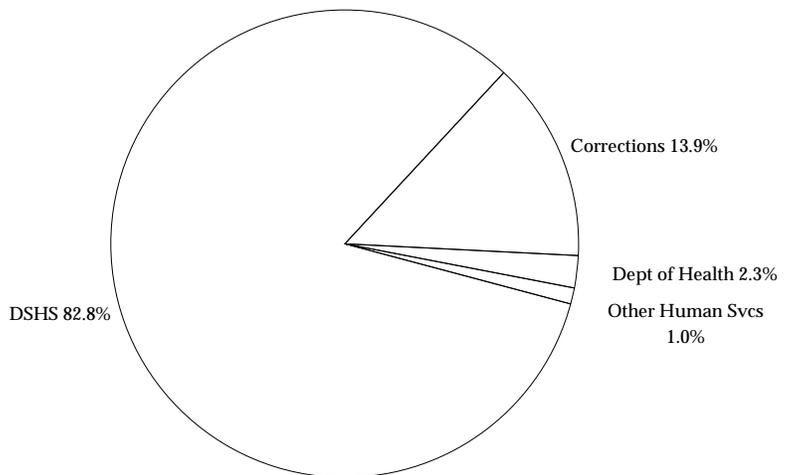
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Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
<b>Human Services</b>	<b>5,930,793</b>
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



**Washington State**

DSHS	4,912,039
Dept of Corrections	822,442
Dept of Health	136,322
Other Human Svcs	59,990
<b>Human Services</b>	<b>5,930,793</b>



**Human Services**

# Department of Social & Health Services

## **Children and Family Services**

The budget provides \$9.4 million from the state general fund for distribution to local governments for processing of truancy, children in need of services, and at-risk youth petitions reflecting costs related to the Becca Bills. This increase brings the total amount of funding to counties for Becca-related costs to \$14 million.

A total of \$322,000 in state and federal funds is provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment. Other bill provisions include an evaluation by the Institute for Public Policy of Washington's options to implement federally-required citizen review panels and child welfare intervention for mothers giving birth to drug or alcohol affected infants. These provisions are funded in fiscal year 1999 by an interagency contract with the Department of Community, Trade, and Economic Development.

A total of \$70,000 from the state general fund is provided for the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for an alleged misconduct or license violation.

A variety of caseload, funding transfers, and other technical adjustments are also made to the Children and Family Services budget. These adjustments decrease the original appropriation by \$488,000 in state and federal funds.

## **Juvenile Rehabilitation Administration**

The amount of \$2.7 million from the Violence Reduction and Drug Enforcement Account is provided for the Community Juvenile Accountability Act (CJAA) grant process established by Chapter 338, Laws of 1997 (E3SHB 3900). The CJAA grants will be distributed to local communities to implement interventions aimed at reducing juvenile crime and recidivism. The budget provides \$200,000 for the remaining planning and development activities in fiscal year 1998, with full implementation beginning in fiscal year 1999 at a cost of \$2.5 million per year.

A total of \$2.4 million from the state general fund is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to the placement of youth in Juvenile Rehabilitation Administration (JRA) community facilities. An amount of \$482,000 from the state general fund is provided to continue to implement Chapter 386, Laws of 1997, Partial Veto (E2SSB 5710), which required JRA to develop a policy to protect youth placed in residential facilities who are vulnerable to sexual victimization by other youth.

A variety of caseload, funding transfers, and other technical adjustments are also made to JRA's budget. These adjustments increased JRA's original appropriations by \$1.8 million in state and federal funds.

### **Mental Health Division**

A total of \$5.0 million in state and federal funds is provided for four emergent budgetary issues at the state hospitals. These include: the need for additional direct and indirect patient care staff; increased costs and utilization of outside acute or emergency medical services; increased costs of psychotropic drugs and greater utilization of atypical anti-psychotic drugs; and census pressure on the admissions ward at the Legal Offender Unit at Western State Hospital.

A total of \$3.5 million is provided from state general fund for the relocation of the Special Commitment Center (SCC) from Monroe to McNeil Island. The relocation is necessary due to higher than projected growth in the number of people being civilly committed as sex predators. This funding provides for the costs associated with this larger population, the one-time SCC relocation expenses, and costs associated with housing and treatment of a female resident at a separate facility.

A total of \$3.0 million in state and federal funds is provided to implement Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. The budget also includes a reduction of \$2 million in state and federal funds as a result of 30 dually diagnosed (mentally ill and developmentally disabled) patients leaving the state hospitals. A variety of other caseload, funding transfers, and technical adjustments are also made to the Mental Health Division's original biennial appropriations.

### **Developmental Disabilities**

The supplemental budget provides \$16.7 million (\$8.2 million state general fund) to develop intensively supervised residential placements for 169 persons with developmental disabilities whose behaviors might otherwise pose a significant threat to the community at large.

The number of children and adults receiving state-funded assistance with personal care activities is growing faster than originally budgeted, as is the cost per person served. An additional \$10.3 million (\$4.7 million state general fund) is provided to sustain this growth, bringing total growth in the program for the biennium to \$34.1 million over the 1995-97 level. Sufficient funding is also provided for the agency to authorize exceptional payment rates for persons living with their parents at the same level as before the blanket prohibition on such payments went into effect in September 1997.

Some of the other supplemental increases for the developmental disabilities program include: new employment and day training opportunities for 360 adults (\$1.8 million); additional staffing to improve care and treatment in the state institutions (\$6.2 million); new community programs for 41 persons who moved from state institutions last biennium and for an additional 44 who are doing so in the 1997-99 biennium (\$3.2 million); and new community residential placements for 76 young people previously served in children's foster care (\$3.7 million).

### **Long-Term Care**

An additional \$32.8 million (\$14.6 million state general fund) is provided to continue the recent rapid expansions in the number of persons receiving publicly funded long-term care in their own homes and in community residential facilities, and in the average cost of that care. The number of elderly and disabled people receiving community long-term care is now budgeted to increase by an average of 11.5 percent each year in the 1997-99 biennium, rather than by the 9 percent per year originally budgeted. The total state population aged 75 and older will grow by approximately 3 percent per year during this same period.

Efforts to assure that community programs are providing appropriate care will be increased through two enhancements. An additional \$1.9 million (\$1.4 million state general fund) is provided to double the number of boarding home inspections. An \$8.7 million supplemental appropriation (\$4.6 million state general fund) will fund 60 additional state and Area Agency on Aging case managers to develop, coordinate, and monitor individual service plans.

Nursing home payment rates will increase an average of 2.7 percent the second year of the biennium under the new "case-mix" payment system adopted by the 1998 Legislature. Under this new system, the direct care component of the payment rate will be directly tied to patient care needs. Transition to the new payment system will be eased by paying facilities the higher of their current direct care rate, or the new case-mix rate, over the next several fiscal years. The legislation establishing the new payment system provides for future rate increases to be determined as part of the biennial budgeting process rather than by statutory entitlement.

### **Economic Services**

In 1997, as part of welfare reform, the Legislature directed DSHS to provide grants to community action agencies and other community-based organizations to help people on welfare become ready for employment and the transition off of public assistance. The 1998 supplemental budget allocated \$5.0 million from the federal Temporary Assistance For Needy Families (TANF) block grant to the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. The proviso directing such an allocation was subsequently vetoed by the governor.

In the 1997 Legislative session, funds were appropriated to cover legal immigrants losing eligibility for Supplemental Security Income under changes made in federal welfare reform.

In the 1998 supplemental budget, General Assistance Program savings of \$49.3 million in state general funds are realized primarily because Congress restored federal SSI benefits for thousands of legal immigrants. If a legal immigrant was receiving SSI benefits on August 22, 1996, or arrived in this country by that date and presents a qualifying disability, federal income support will be available.

Other transfers and technical adjustments are made to the Economic Services budget. These adjustments reduce the original appropriation by \$4.36 million in state and federal funds.

### **Alcohol and Substance Abuse**

Effective July 1, 1998, Treatment Alternatives to Street Crimes (TASC) will be administered by the Division of Alcohol and Substance Abuse (DASA), rather than the Office of the Administrator for the Courts (OAC). The budget transfers \$3.2 million of Public Safety and Education Account funding from OAC to operate the TASC program in fiscal year 1999.

Other funding transfers and technical adjustments are made to the DASA budget. These adjustments increase the original appropriation by \$4.6 million in state and federal funds.

### **Medical Assistance**

An average of about 760,000 people per month are budgeted to receive medical and dental coverage through Medicaid and other state-funded medical assistance programs. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of their eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted. This decrease is offset by more growth than originally budgeted among children with family incomes below 200 percent of poverty who are not on welfare.

Medical Assistance expenditures are now expected to total \$4.0 billion for the 1997-99 biennium, an \$89 million (2.3 percent) increase over the level originally budgeted for the biennium. Because of a \$44 million increase in federal matching funds and disproportionate share hospital payments, state general fund expenditures will be \$30 million less than originally budgeted.

### **Administration and Supporting Services**

The budget provides \$323,000 in state and federal funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

Savings of \$39,000 in state and federal funds are realized from implementation of Chapter 66, Laws of 1998 (ESHB 2346). Legal remedies and dispute resolutions for recovery of vendor overpayments will now be the same as the process used by the Department for public assistance benefits and child support orders.

### **Payments to Other Agencies**

As discussed above in Children and Family Services, a total of \$144,000 in state and federal funds are provided to implement Chapter 314, Laws of 1998, Partial Veto (SHB 2556), an act related to child abuse prevention and treatment.

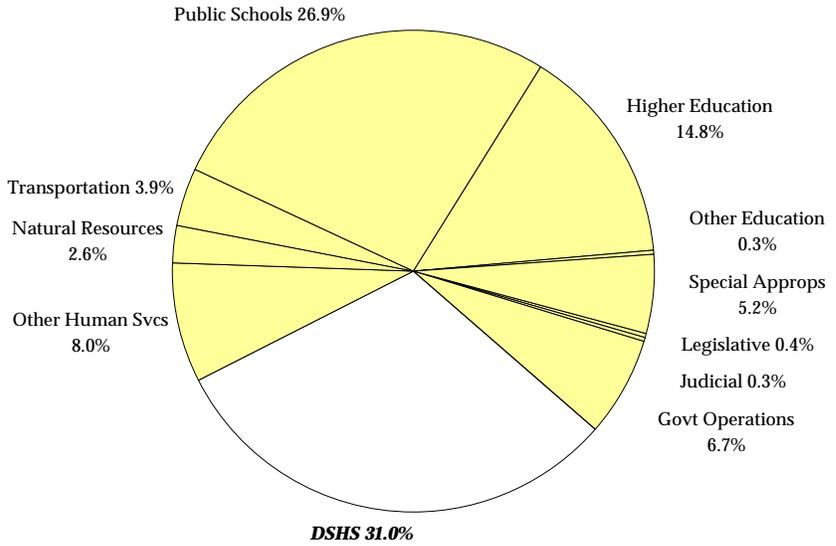
A total of \$750,000 from the state general fund is provided for Attorney General (AG) tort defense in lawsuits involving child welfare and placement activities by the Department. Joint recommendations on how to reduce or limit the state's liability for damages are expected from the AG and the Department by December 1, 1998.

# 1997-99 Washington State Operating Budget

## Total Budgeted Funds

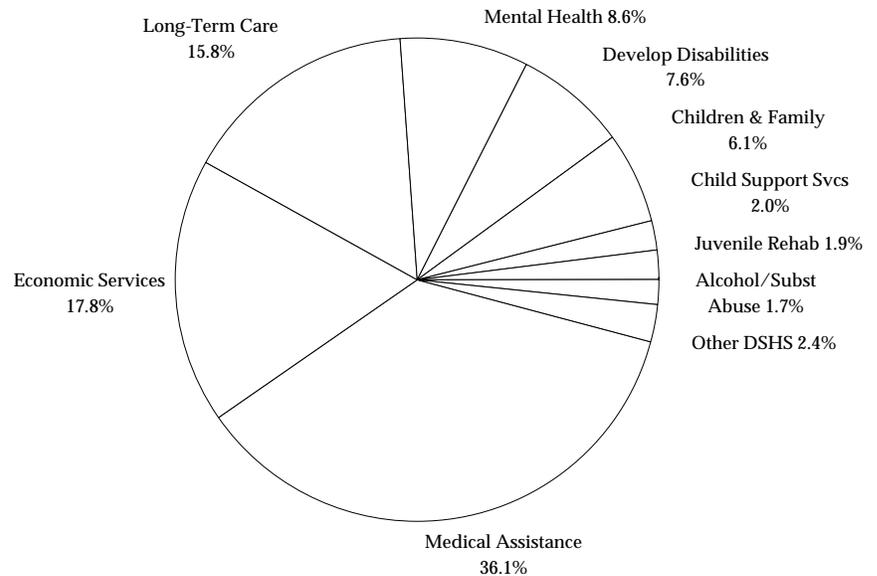
(Dollars in Thousands)

Legislative	126,659
Judicial	117,854
Governmental Operations	2,379,017
<b>DSHS</b>	<b>11,074,351</b>
Other Human Services	2,844,080
Natural Resources	915,743
Transportation	1,396,695
Public Schools	9,610,676
Higher Education	5,300,152
Other Education	94,294
Special Appropriations	1,863,566
<b>Statewide Total</b>	<b>35,723,087</b>



## Washington State

Medical Assistance	4,000,043
Economic Services	1,967,058
Long-Term Care Svcs	1,749,297
Mental Health	957,283
Developmental Disabilities	845,694
Children & Family Svcs	671,520
Child Support Services	220,303
Juvenile Rehabilitation	209,294
Alcohol/Subst Abuse	190,630
Other DSHS	263,229
<b>DSHS</b>	<b>11,074,351</b>



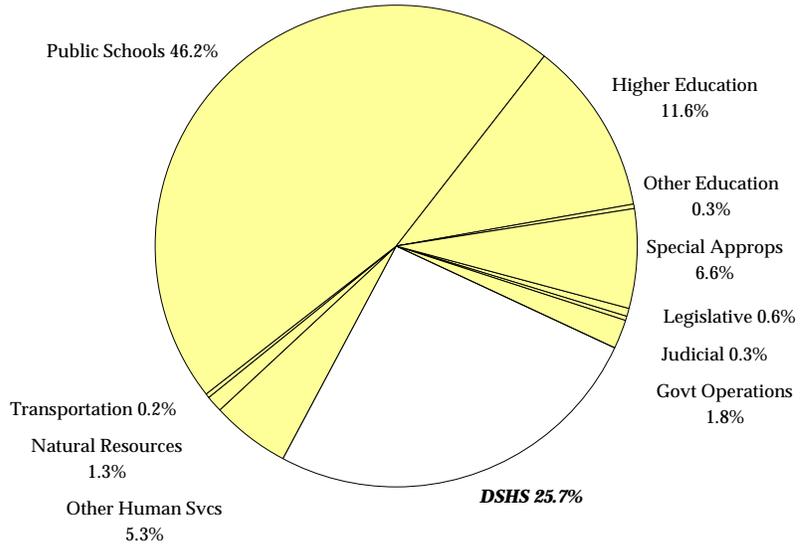
**DSHS**

# 1997-99 Washington State Operating Budget

## General Fund - State

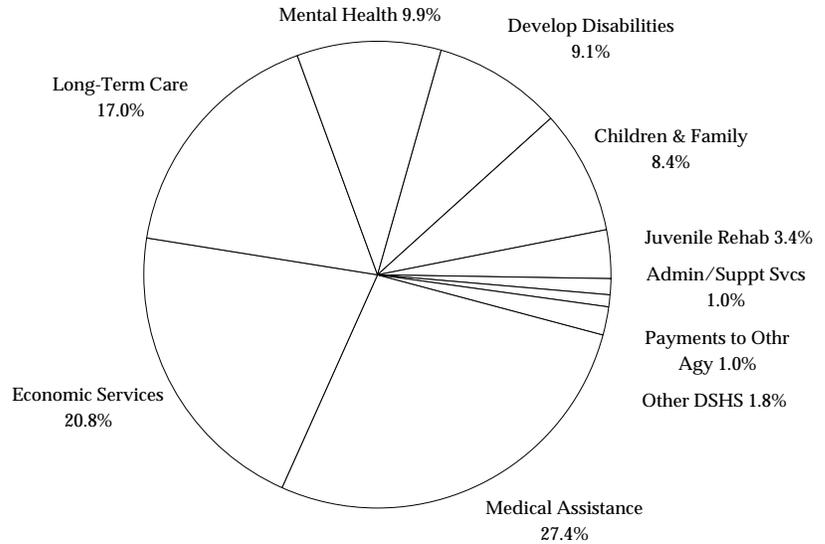
(Dollars in Thousands)

Legislative	113,974
Judicial	60,553
Governmental Operations	348,917
<b>DSHS</b>	<b>4,912,039</b>
Other Human Services	1,018,754
Natural Resources	245,199
Transportation	39,506
Public Schools	8,817,896
Higher Education	2,208,291
Other Education	50,041
Special Appropriations	1,268,552
<b>Statewide Total</b>	<b>19,083,722</b>



## Washington State

Medical Assistance	1,348,187
Economic Services	1,020,443
Long-Term Care Svcs	834,599
Mental Health	488,210
Developmental Disabilities	449,025
Children & Family Svcs	414,488
Juvenile Rehabilitation	164,886
Admin/Support Svcs	51,370
Pmts to Other Agencies	50,084
Other DSHS	90,747
<b>DSHS</b>	<b>4,912,039</b>



**DSHS**

## Department of Social and Health Services Children & Family Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>405,298</b>	<b>256,899</b>	<b>662,197</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-916	-248	-1,164
2. Vendor Rate Transfer	7,621	1,754	9,375
3. FMAP Change	-248	248	0
4. Children's Forecast Update	-2,260	-1,023	-3,283
5. Child Abuse & Treatment Act	255	67	322
6. DDD Dependent Children Transfer	-6,402	-2,649	-9,051
7. ECEAP Program Consolidation	3,000	0	3,000
8. Becca Bill Related Costs	9,419	0	9,419
9. Social Service Block Grant Decrease	451	-451	0
10. Secured Crisis Residential Centers	-1,800	0	-1,800
11. Foster Parent Support Teams	70	0	70
12. Victims of Crime Federal Increase	0	2,435	2,435
<b>Total Supplemental Items</b>	<b>9,190</b>	<b>133</b>	<b>9,323</b>
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<b>1997-99 REVISED APPROPRIATIONS</b>	<b>414,488</b>	<b>257,032</b>	<b>671,520</b>
Fiscal Year 1998 Total	201,453	127,358	328,811
Fiscal Year 1999 Total	213,035	129,674	342,709

**Comments:**

This budget directs that the Children's Administration will forego use of \$3.495 million in appropriations from the Violence Reduction and Drug Enforcement (VRDE) account in exchange for a like amount of federal Title IV-B money from Community Public Health and Safety Networks. The budget contains changes in fund sources and proviso language (includes Continuum of Care) to implement this fund swap.

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Children and Family Services program. (General Fund-State, General Fund-Federal)
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Children and Family Services program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state child and family service expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
4. CHILDREN'S FORECAST UPDATE - Funding is provided to reflect the following November 1997 forecast changes: (1) the

total family foster home expenditures will decrease by approximately 6.9 percent; (2) group care expenditures will increase by approximately 8.7 percent; and (3) adoption support expenditures will decrease by approximately 3 percent. (General Fund-State, General Fund-Federal)

5. CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and to accelerate permanency planning for teenage children in foster care in order to meet new federal standards under CAPTA (the Child Abuse Prevention and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Reimbursements for services provided by the Office of Administrative Hearings and the Office of the Attorney General are budgeted in the DSHS Payments to Other Agencies program. (General Fund-State, General Fund-Federal)
6. DDD DEPENDENT CHILDREN TRANSFER - This item reflects the transfer of \$9 million in staff, equipment, and out-of-home care resources to the Division of Developmental Disabilities (DDD) for 300 of approximately 1,000 developmentally disabled children who have been receiving out-of-home care placement services from the Children's Administration and were placed in out-of-home care for reasons other than abuse or neglect. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Children & Family Services

7. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.
8. BECCA BILL RELATED COSTS - Funding is provided to the counties for the cost of processing truancy, child in need of services (CHINS), and at-risk youth petitions related to the Becca Bill. This constitutes one-time funding for this purpose. Ongoing funding is assumed to be provided through the county criminal justice assistance account beginning in FY 2000.
9. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Service Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so services paid for through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)
10. SECURED CRISIS RESIDENTIAL CENTERS - Funding is adjusted on a one-time basis to reflect lower than anticipated costs to operate secured Crisis Residential Centers (CRCs) in FY 1998. More bidders have responded to the Department's November request for proposal, and the agency expects to be operating at or near full capacity (75 beds statewide) by the summer.
11. FOSTER PARENT SUPPORT TEAMS - Funding is provided for administrative expenses of the Foster Intervention Retention Support Team (FIRST). FIRST is a statewide network of volunteers who provide support to foster parents who find themselves under investigation by child protective services for alleged misconduct or license violation.
12. VICTIMS OF CRIME FEDERAL INCREASE - Due to several large penalty deposits into the national Crime Victim's Fund last year, aid from the Justice Department for programs designed to assist victims of sexual assault and other crimes will be higher than anticipated in the original 1997-99 biennial budget. (General Fund-Federal)

## Department of Social and Health Services Children & Family Services

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Foster Care *</b>										
Avg # Children Served Monthly	6,143	6,441	6,734	6,723	6,665	6,762	8,215	8,118	8,412	8,541
% Change from prior year		4.9%	4.5%	-0.2%	-0.9%	1.5%	21.5%	-1.2%	3.6%	1.5%
<b>Child Care **</b>										
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%
<b>Child Protective Services</b>										
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	32:1	31:1	31:1	33:1	36:1	36:1	32:1	32:1	29:1	29:1
<b>Adoption Support</b>										
Avg # Served Monthly	1,351	1,598	1,901	2,361	2,843	3,186	3,678	4,040	4,459	4,837
% Change from prior year		18.3%	19.0%	24.2%	20.4%	12.1%	15.4%	9.8%	10.4%	8.5%

\* 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 and Health Services Juvenile Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>157,629</b>	<b>44,344</b>	<b>201,973</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-138	0	-138
2. Vendor Rate Transfer	1,642	293	1,935
3. FMAP Change	-22	22	0
4. Community Juvenile Accountability	0	2,700	2,700
5. Residential Bed Forecast Adjustment	-204	-13	-217
6. Group Home Security	2,365	0	2,365
7. Sexually Aggressive Youth	482	0	482
8. Social Service Block Grant Decrease	2,938	-2,938	0
9. Delinquency Prevention Project	150	0	150
10. Sex Offender Registration	44	0	44
<b>Total Supplemental Items</b>	<b>7,257</b>	<b>64</b>	<b>7,321</b>
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<b>1997-99 REVISED APPROPRIATIONS</b>	<b>164,886</b>	<b>44,408</b>	<b>209,294</b>
Fiscal Year 1998 Total	81,733	17,485	99,218
Fiscal Year 1999 Total	83,153	26,923	110,076

**Comments:**

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Juvenile Rehabilitation Administration. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Juvenile Rehabilitation Administration. (General Fund-State, Violence Reduction and Drug Enforcement Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)</p> <p>4. COMMUNITY JUVENILE ACCOUNTABILITY - Chapter 338, Laws of 1997 (E3SHB 3900) established the Community Juvenile Accountability Act (CJAA) grant process. The grants are intended to be an incentive to local communities to implement interventions proven by research to be effective in reducing recidivism among juvenile offenders. Funding is provided for CJAA planning and development in FY 1998 and full implementation in FY 1999 at \$2.5 million per year. (Violence Reduction and Drug Enforcement Account)</p> | <p>5. RESIDENTIAL BED FORECAST ADJUSTMENT - Funding is adjusted to correspond to projected population changes included in the November 1997 forecast. The Juvenile Rehabilitation Administration's (JRA) institutional population is forecasted to decrease by 49 offenders in FY 1998 and increase by 13 offenders in FY 1999 from the November 1996 forecast. In addition, funding is provided to keep two cottages at Maple Lane open for FY 1999. The original 1997-99 biennial budget assumed that these smaller and less efficient cottages would be closed. These cottages will remain open as more efficient housing units are constructed. All institutional beds are funded using the rates established by the Joint Legislative Audit and Review Committee in their January 1997 study. Funding levels are also adjusted for parole and other community services programs to reflect changes in projected workload. (General Fund-State, General Fund-Federal)</p> <p>6. GROUP HOME SECURITY - Funding is provided to implement Chapter 269, Laws of 1998 (E2SSB 6445), which modifies provisions related to juveniles placed in the JRA's community facilities. The specific modifications include: the establishment of placement oversight committees at each of the facilities; the gathering of additional information during the intake and assessment process; revising the criteria by which offenders are allowed to transfer into community facilities; and providing for additional monitoring of the contracted and state operated facilities. The bill also requires a special study of: the contracts, operations, and monitoring of community facilities; juvenile detention standards; and an assessment of outcomes for low and moderate risk offenders provided parole services.</p> |
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## Department of Social and Health Services Juvenile Rehabilitation

7. SEXUALLY AGGRESSIVE YOUTH - Chapter 386, Laws of 1997 (E2SSB 5710) directed the Department to develop a policy to protect youth placed in state operated or state funded residential facilities who are vulnerable to sexual victimization by sexually aggressive youth. Funding was provided to implement the provisions of the bill in the original 1997-99 biennial budget. During the implementation of the bill, the Department found that it was unable, especially on one person shifts, to supervise offenders in such a way as to avoid the potential for inappropriate sexual contact. Funding is provided to increase staffing on certain shifts to further minimize the potential for sexual contact.
8. SOCIAL SERVICE BLOCK GRANT DECREASE - The Social Service Block Grant, authorized under the Social Security Act, Title 20, enables each state to furnish social services best suited to the needs of the individuals residing in each state. However, the United States Congress has reduced this funding in FFY 1998. State funding is provided to replace federal funds so the Department can maintain its services at the current level. (General Fund-State, General Fund-Federal)
9. DELINQUENCY PREVENTION PROJECT - Funding is provided for the Skagit County Delinquency Prevention Project. The program provides a variety of prevention and intervention services to high risk youth and their families.
10. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

## Department of Social and Health Services Juvenile Rehabilitation

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Community Residential *</b>										
Avg Daily Population/Month	199	217	253	314	353	346	359	362	389	389
% Change from prior year		9.0%	16.6%	24.1%	12.4%	-2.0%	3.8%	0.8%	7.5%	0.0%
<b>Institutions</b>										
Avg Daily Population/Month	588	648	683	720	753	915	1,007	1,028	1,010	1,087
% Change from prior year		10.2%	5.4%	5.4%	4.6%	21.5%	10.1%	2.1%	-1.8%	7.6%
<b>Parole</b>										
Avg Daily Population/Month	358	423	496	537	595	765	917	949	972	737
% Change from prior year		18.2%	17.3%	8.3%	10.8%	28.6%	19.9%	3.5%	2.4%	-24.2%

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

Data Source:

FY 1990 through FY 1999 from DSHS Juvenile Rehabilitation Administration.

## Department of Social and Health Services Mental Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>474,344</b>	<b>465,001</b>	<b>939,345</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-290	-94	-384
2. Vendor Rate Transfer	8,965	6,912	15,877
3. FMAP Change	-1,134	1,134	0
4. Medical Lake Wastewater Treatment	150	0	150
5. Underfunding for Staff	953	952	1,905
6. Outside Medical Costs	564	564	1,128
7. Pharmacy & New Drug Costs	510	508	1,018
8. Medicare Discharges	1,700	-1,700	0
9. Forensic Overcrowding - WSH	580	341	921
10. Medicare Crossover Payments	-2,566	-2,684	-5,250
11. Special Commitment Ctr: Female Res.	547	0	547
12. Special Commitment Ctr Relocation	2,925	0	2,925
13. Medicaid Eligibles Forecast	0	-1,897	-1,897
14. DD Clients Exiting	-1,275	-750	-2,025
15. Mentally Ill Offender Legislation	2,237	786	3,023
<b>Total Supplemental Items</b>	<b>13,866</b>	<b>4,072</b>	<b>17,938</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>488,210</b>	<b>469,073</b>	<b>957,283</b>
Fiscal Year 1998 Total	243,069	229,435	472,504
Fiscal Year 1999 Total	245,141	239,638	484,779

**Comments:**

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that appropriation which will actually be used for vendor rate increases in the Mental Health Division. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) is the rate at which expenditures for eligible services are reimbursed by the federal government. This item reflects the increase in the federal participation rate from 52.15 percent to 52.50 percent effective October 1, 1998. (General Fund-State, General Fund-Federal)</p> <p>4. MEDICAL LAKE WASTEWATER TREATMENT - DSHS is working with the City of Medical Lake to develop a regional wastewater treatment facility that will provide service to the city and to state facilities. As part of the interlocal agreement, the state is required to provide its share of funds to repay the city for the construction financing it borrows on the state's behalf.</p> | <p>5. UNDERFUNDING FOR STAFF - Funding is provided for staff that provide essential direct and indirect patient services. Both hospitals have experienced increased forensic admissions at their respective legal offender units. This funding will allow the state hospitals to address increased admissions, as well as maintain appropriate patient care and hospital accreditation. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>6. OUTSIDE MEDICAL COSTS - Patients at the state mental hospitals who require acute or emergency medical care beyond the level the state hospitals can provide are sent off-campus to be treated at community hospitals. Funding is provided to cover increases in these expenses. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> <p>7. PHARMACY &amp; NEW DRUG COSTS - Recently, a number of new psychotropic medications have been introduced, as well as advances in new drugs and antibiotics for use in physical medicine. Although funding for prescription drugs was provided in the original 1997-99 biennial budget, including 4 percent annual inflation, the cost of the new drugs exceeds this level. Funding is provided for the higher pharmacy costs at the state hospitals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)</p> |
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## Department of Social and Health Services Mental Health

8. MEDICARE DISCHARGES - A recent change by the Health Care Financing Administration (HCFA) directs that state psychiatric hospitals begin using a discharge definition of 30 days for Medicare settlement purposes. This funding replaces estimated lost federal revenue for FY 1998 only. It is anticipated that issues related to the HCFA policy change will be successfully resolved. (General Fund-State, General Fund-Private/Local)
9. FORENSIC OVERCROWDING - WSH - The admission ward at Western State Hospital's Legal Offender Unit (LOU) has become seriously overcrowded. There are 27 beds in the LOU admission ward, and it has recently been housing an average of 30 to 35 persons on any given day. Western State Hospital does not have the option to refuse court commitments. Funding is provided to hire additional staff to perform evaluations in local jails prior to admission to LOU. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
10. MEDICARE CROSSOVER PAYMENTS - In January 1996, a federal court ordered that service payments on behalf of people eligible for both Medicare and Medicaid (Medicare crossover payments) shall be adjusted to 50 percent of the Medicare-allowed amount regardless of Medicaid limits. In the recent federal Balanced Budget Act, states were allowed to impose their own Medicaid limits on these Medicare crossover payments effective October 1997. This item reflects this policy change. (General Fund-State, General Fund-Federal)
11. SPECIAL COMMITMENT CTR: FEMALE RES. - In September 1997, a court injunction required that the only female resident in the Special Commitment Center be moved out of that facility by October 1997. In order to meet the court's deadline, she has been temporarily relocated to a vacant segregation unit at Twin Rivers Correctional Center (TRCC) until a long-term solution can be developed for this resident. Funding is provided for additional staff for treatment and security of the female resident.
12. SPECIAL COMMITMENT CTR RELOCATION - The Special Commitment Center (SCC) at Monroe is expecting a growth rate for new residents greater than that assumed in the original 1997-99 biennial budget. Funding is provided for the staff to accommodate the resident growth and court costs increases. In addition, one-time moving costs are provided to move the SCC from Monroe to McNeil Island.
13. MEDICAID ELIGIBLES FORECAST - The Mental Health Division contracts with the Regional Support Networks to provide managed care for inpatient and outpatient mental health services. Funding levels for the managed care prepaid health plans is based on the Medicaid-eligibles forecast made by the Medical Assistance Administration. The November 1997 forecast is less than the estimate used for the original 1997-99 biennial budget by 1.7 percent in FY 1998 and 0.23 percent in FY 1999. An adjustment is made to the federal match portion only. (General Fund-Federal)
14. DD CLIENTS EXITING - Thirty individuals dually diagnosed with developmental disabilities (DD) and mental illness have been treated in the state hospitals and are ready to return to the community. Funding is provided in the Division of Developmental Disabilities supplemental budget to support these placements. This adjustment to funding in the state hospitals reflects the reduced variable costs associated with the reduction in average daily census resulting from placement of these individuals. (General Fund-State, General Fund-Federal, General Fund-Private/Local)
15. MENTALLY ILL OFFENDER LEGISLATION - Funding is provided for Chapter 297, Laws of 1998, Partial Veto (2SSB 6214), which makes a variety of changes to the civil commitment and criminal competency statutes. As a result of these changes, it is anticipated that there will be an increase in civil commitments to state hospitals and community inpatient facilities. In addition, it is projected that the workload associated with criminal competency evaluation and treatment will increase. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

### **Governor's Vetoes:**

The Governor vetoed a proviso requiring the Department of Social and Health Services to develop a staffing model for the Special Commitment Center by October 1, 1998.

Chapter 297, Laws of 1998, Partial Veto (2SSB 6214) made a variety of changes to the civil commitment and criminal competency statutes. The Governor vetoed a section requiring the Department of Corrections to report annually to the legislative fiscal committees on the efficacy of the regional support networks in implementing the act. The Governor also vetoed a section which required the entire act to expire on June 30, 2001.

# Department of Social and Health Services

## Mental Health

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>State Hospitals *</b>										
Avg Daily Population/Month	1,721	1,731	1,709	1,622	1,428	1,335	1,278	1,277	1,354	1,344
% Change from prior year		0.6%	-1.3%	-5.1%	-12.0%	-6.5%	-4.3%	-0.1%	6.0%	-0.7%
<b>Community Outpatient Services</b>										
	<b>21,675</b>	<b>23,394</b>	<b>25,110</b>	<b>30,108</b>	<b>32,939</b>	<b>36,729</b>	<b>38,427</b>	<b>39,604</b>	<b>40,594</b>	<b>42,502</b>
% Change from prior year		7.9%	7.3%	19.9%	9.4%	11.5%	4.6%	3.1%	2.5%	4.7%
Avg Adults Served per Month	17,218	18,564	19,317	23,070	25,065	27,209	28,040	28,660	29,377	30,757
% Change from prior year		7.8%	4.1%	19.4%	8.6%	8.6%	3.1%	2.2%	2.5%	4.7%
Avg Children Served per Month	4,457	4,830	5,793	7,038	7,874	9,520	10,387	10,944	11,217	11,745
% Change from prior year		8.4%	19.9%	21.5%	11.9%	20.9%	9.1%	5.4%	2.5%	4.7%
<b>Special Commitment Center **</b>										
Avg Monthly Population	N/A	4	11	17	23	28	33	48	58	78
% Change from prior year			175.0%	54.5%	35.3%	21.7%	17.9%	45.5%	20.8%	34.5%

\* Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center. Prior to FY 1995, also includes Program Offering Rehabilitation and Training in Adult Living (PORTAL).

\*\* Special Commitment Center opened in July 1990.

Data Source:

FY 1990 through FY 1997 are from DSHS Budget Division.

FY 1998 and FY 1999 estimates are by Legislative Fiscal Committees.

## Department of Social and Health Services Developmental Disabilities

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>415,063</b>	<b>362,401</b>	<b>777,464</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-137	-132	-269
2. Vendor Rate Transfer	7,656	5,181	12,837
3. FMAP Change	-877	877	0
4. DDD Dependent Children Transfer	5,696	4,607	10,303
5. DD Comm Protection Current Clients	1,471	1,681	3,152
6. New DD Community Protection Clients	6,753	6,807	13,560
7. RHC Downsizing	620	579	1,199
8. Case Manager Staffing	992	425	1,417
9. CA Clients Aging Into DDD	1,905	1,862	3,767
10. AFH Payment Adjustments	1,449	1,460	2,909
11. Mental Health Outplacements	426	469	895
12. Personal Care Exceptional Rates	394	439	833
13. Aging Parents with DD Children	604	604	1,208
14. Medicaid Personal Care	4,290	5,157	9,447
15. Rainier School Settlement	104	106	210
16. Fircrest/DOJ Resolution Placements	614	571	1,185
17. Fircrest Active Client Engagement	758	732	1,490
18. ICF/MR Certification	2,316	2,316	4,632
19. Increased Waiver Funding	-2,793	2,793	0
20. Day Programs for Unserved Adults	1,792	0	1,792
21. BHP Under-Expenditure	0	-2,200	-2,200
22. UCP Movement Adjustment	-71	-66	-137
<b>Total Supplemental Items</b>	<b>33,962</b>	<b>34,268</b>	<b>68,230</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>449,025</b>	<b>396,669</b>	<b>845,694</b>
Fiscal Year 1998 Total	215,564	187,190	402,754
Fiscal Year 1999 Total	233,461	209,479	442,940

**Comments:**

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|---|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the division of developmental disabilities (DDD). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in DDD. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. DDD DEPENDENT CHILDREN TRANSFER - As DSHS proposed, administrative responsibility for children with developmental disabilities (DD) placed into out-of-home care for reasons other than abuse or neglect will be transferred from the Children's Administration (CA) to DDD. Approximately 300 of the 1,000 children with DD who receive out-of-home care or placement prevention services from CA are thought to meet this definition. This item reflects: transfer of \$9 million of staff, equipment, and out-of-home care costs effective July 1, 1998; \$670,000 of increased funding for new costs which DDD is expected to incur in administering the program; and \$582,000 of increased funding for an anticipated 7 percent per year increase in the number of children approved for out-of-home placement as a result of the transfer. Less state and more federal funding is provided than proposed by DSHS in anticipation of federal approval by October 1, 1998 of waiver and plan amendments which will enable DDD to earn a significantly higher federal match rate for these children than has been possible through CA. (General Fund-State, General Fund-Federal)</p> |
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## Department of Social and Health Services Developmental Disabilities

5. DD COMM PROTECTION CURRENT CLIENTS - In the 1997-99 biennial budget, funding was provided for the agency to operate secure residential settings with 24-hour supervision for 40 developmentally disabled persons with histories of physically or sexually abusive behaviors or arson. Over the course of the past year, the agency identified and placed 24 more such individuals than originally budgeted into more secure living arrangements. (General Fund-State, General Fund-Federal)
6. NEW DD COMMUNITY PROTECTION CLIENTS - In addition to those funded in item 5 above, the agency has identified an additional 129 persons with similar dangerous behaviors who are currently in non-secure living arrangements or about to leave jail or mental health hospitals. Funding is provided to operate secure residential settings for these 129 individuals and also an additional 16 persons who are expected to be identified before the end of the biennium. (General Fund-State, General Fund-Federal)
7. RHC DOWNSIZING - The agency developed new community services for 41 individuals who moved from the Residential Habilitation Centers (RHCs) during the 1995-97 biennium. Although less than half the cost of the new community placements was covered by RHC savings, the agency proceeded with the placements without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
8. CASE MANAGER STAFFING - The agency has added 20.5 case management staff to keep up with caseload and workload increases. These new expenditures were incurred without first seeking appropriation authority from the Legislature. This item funds the extra costs which will be incurred after enactment of the 1998 Appropriations Act. The agency is responsible for covering the costs it incurred without legislative authorization through efficiencies elsewhere in its operations. (General Fund-State, General Fund-Federal)
9. CA CLIENTS AGING INTO DDD - Funding is provided for placement of 76 young persons who will need residential services funded through DDD because they have reached an age at which they are no longer eligible for out-of-home care through CA. This item also includes funding for staff to develop new provider resources for these individuals. The legislative budget provides sufficient funding for the new residential services for these young people to cost 15 percent more than their current placement. (General Fund-State, General Fund-Federal)
10. AFH PAYMENT ADJUSTMENTS - The Aging and Adult Services Administration has doubled its payment rates for adult family homes (AFH) since 1995 in order to expand community residential options for its clients. This has had the unintended effect of creating higher average payment rates for adult family homes serving the aged than for those serving persons with developmental disabilities. This is making placements for persons with developmental disabilities more difficult to achieve. This funding level will allow the agency to provide exceptional rates in situations where new or continued placement is difficult. (General Fund-State, General Fund-Federal)
11. MENTAL HEALTH OUTPLACEMENTS - Funding is provided to cover the cost of residential and day program services for 10 long-term residents of the state mental hospitals whose needs cannot be accommodated in existing community vacancies. (General Fund-State, General Fund-Federal)
12. PERSONAL CARE EXCEPTIONAL RATES - Funding is restored so that the agency may once again authorize exceptional care rates at the same expenditure level as was occurring prior to the blanket prohibition on such exceptions which went into effect in September 1997. (General Fund-State, General Fund-Federal)
13. AGING PARENTS WITH DD CHILDREN - Funding is provided for residential and other services for 24 persons living with aging parents who are expected to need out-of-home placement during the 1997-99 biennium due to their parents' death or illness. (General Fund-State, General Fund-Federal)
14. MEDICAID PERSONAL CARE - Caseload growth and average costs per case for Medicaid Personal Care are both growing faster than originally budgeted. The supplemental budget provides for an average of 2,100 children to be served each month during FY 1998 (a 39 percent increase over last year) and an average of 4,388 adults (an 11 percent increase over FY 1997). An average of 2,656 children and 4,868 adults are expected to be served in FY 1999. This is an additional 26 percent increase for children and an additional 11 percent increase for adults over the FY 1998 level. (General Fund-State, General Fund-Federal)
15. RAINIER SCHOOL SETTLEMENT - Funding is provided to settle a lawsuit with the Washington Protection and Advocacy Agency by providing community residential and day program services for two individuals who want to move from Rainier School. (General Fund-State, General Fund-Federal)
16. FIRCREST/DOJ RESOLUTION PLACEMENTS - The Department of Justice (DOJ) began investigating conditions at Fircrest School in 1993. In an agreement with DOJ to avoid court action against Fircrest, the agency has agreed to place 32 Fircrest residents into community residential settings during the 1997-99 biennium. Funding is provided for new community residential, day program, and case management services for these 32 persons. The cost of these new services is partly offset through closure of one 16-bed living unit at Fircrest during FY 1999 with a second to be closed by the beginning of FY 2000. (General Fund-State, General Fund-Federal)
17. FIRCREST ACTIVE CLIENT ENGAGEMENT - As part of the resolution with the Department of Justice (DOJ) to improve conditions at Fircrest School, DSHS has agreed to additional staff coverage to ensure active client engagement and implementation of behavior and skill development programs. This item also includes funding for a DOJ consultant, contract personnel, and additional staff to meet DOJ concerns, the costs of which the Department has been absorbing. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services Developmental Disabilities

18. ICF/MR CERTIFICATION - During recent certification surveys, the Intermediate Care Facilities for the Mentally Retarded (ICF/MR) at three of the state's Residential Habilitation Centers (RHCs) have been found to be out of compliance in the area of providing continuous active treatment to residents. To correct this deficiency and to maintain federal funding for the RHCs, additional staff is provided to maintain continuous treatment for residents' health and skill development during staff breaks. (General Fund-State, General Fund-Federal)
19. INCREASED WAIVER FUNDING - The 1997 Federal Balanced Budget Act will enable Washington to collect approximately \$2.8 million of new federal Medicaid match on the cost of employment services which were previously funded entirely with state dollars. (General Fund-State, General Fund-Federal)
20. DAY PROGRAMS FOR UNSERVED ADULTS - The state funds saved as a result of the increased federal match in item 19, above, will be used to provide day program services for approximately 360 adults who are currently unserved. The 360 unserved adults are expected to phase into services during April - June 1998. Because it will not be possible to spend all of the new funds available for FY 1998 during this start-up period, approximately \$994,000 of the state fund savings are used to offset the cost of the Medicaid personal care caseload growth funded in this budget.
21. BHP UNDER-EXPENDITURE - Workers with family incomes below 200 percent of poverty who provide homecare services to people with developmental disabilities are eligible to enroll in the Basic Health Plan (BHP) at a cost of \$10 per month, with the balance of their premium cost covered by state Health Services Account and federal funds appropriated to DDD. Fewer homecare workers are enrolling in the BHP than budgeted, so this item adjusts funding accordingly. (Health Services Account, General Fund-Federal)
22. UCP MOVEMENT ADJUSTMENT - The original biennial budget provided \$1.4 million for the United Cerebral Palsy (UCP) Association to develop community housing arrangements for the 57 people who would otherwise be living in its nursing facility. Due to an updated movement schedule, it now appears that only about \$1.25 million of additional public funding will be needed to complete the movements, but more money than originally planned will be needed in FY 1999 and less in FY 1998. (General Fund-State, General Fund-Federal)

### **Governor's Vetoes:**

The Governor vetoed a proviso which prohibited the Department from reducing the number of people served in community residential, employment, and family support services below the levels originally budgeted for the biennium. The Governor also vetoed a proviso requiring the Department to implement a pilot project for serving persons with autism.

## Department of Social and Health Services Developmental Disabilities

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Institutions</b>										
Avg Monthly Population	1,758	1,616	1,534	1,477	1,412	1,322	1,295	1,262	1,262	1,240
% Change from prior year		-8.1%	-5.0%	-3.7%	-4.4%	-6.4%	-2.0%	-2.5%	0.0%	-1.7%
<b>Community Residential Programs *</b>										
Month End Contracted Beds	2,849	3,113	3,188	3,474	3,585	3,683	3,740	3,819	3,898	4,065
% Change from prior year		9.3%	2.4%	9.0%	3.2%	2.7%	1.5%	2.1%	2.1%	4.3%
<b>Employment and Day Programs</b>										
Avg Monthly Number Served	6,064	6,528	6,133	6,531	6,789	7,049	7,571	7,954	8,304	9,016
% Change from prior year		7.7%	-6.1%	6.5%	4.0%	3.8%	7.4%	5.1%	4.4%	8.6%
<b>Family Support **</b>										
# Clients Served	1,054	1,347	1,486	1,674	2,071	2,207	2,659	3,637	4,404	4,956
% Change from prior year		27.8%	10.3%	12.7%	23.7%	6.6%	20.5%	36.8%	21.1%	12.5%
<b>Adult Personal Care ***</b>										
# Clients Served	1,634	1,908	2,154	2,443	2,844	3,244	3,525	3,951	4,388	4,868
% Change from prior year		16.8%	12.9%	13.4%	16.4%	14.1%	8.7%	12.1%	11.1%	10.9%

\* 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 1990 through FY 1999.

\*\*\* Adult Personal Care includes Medicaid Personal Care and Chore Services. Prior to FY 1990, Developmental Disabilities clients enrolled in these programs are counted in the Long-Term Care program totals.

Data Source:

FY 1990 through FY 1997 from LEAP workload database except: (1) FY 1990 - FY 1995 Adult Personal Care from DSHS Aging and Adult Services Administration; and (2) FY 1993 through FY 1997 Community Residential from DSHS Division of Developmental Disabilities due to a change in reporting methodology.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

## Department of Social and Health Services Long-Term Care Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>808,349</b>	<b>884,256</b>	<b>1,692,605</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-285	-284	-569
2. Vendor Rate Transfer	7,357	7,626	14,983
3. FMAP Change	-1,990	1,990	0
4. Correct FMAP Double-Count	1,990	-1,990	0
5. Boarding Homes	263	1,281	1,544
6. Adjust Federal Spending Authority	0	3,440	3,440
7. Boarding Home Fee Increase	37	39	76
8. Boarding Home Investigation Staff	1,368	500	1,868
9. Nursing Facility Census & Rate	568	3,131	3,699
10. Community Services Caseload Growth	14,550	18,220	32,770
11. Community Program Reductions	-1,571	-1,715	-3,286
12. AASA Case Management	2,982	2,981	5,963
13. AAA Case Management	1,634	1,114	2,748
14. BHP Under-Enrollment	79	-5,891	-5,812
15. Legal Immigrants SSI	-732	0	-732
<b>Total Supplemental Items</b>	<b>26,250</b>	<b>30,442</b>	<b>56,692</b>
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<b>1997-99 REVISED APPROPRIATIONS</b>	<b>834,599</b>	<b>914,698</b>	<b>1,749,297</b>
Fiscal Year 1998 Total	409,469	442,614	852,083
Fiscal Year 1999 Total	425,130	472,084	897,214

**Comments:**

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| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Aging and Adult Services Administration (AASA). (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Aging and Adult Services Administration. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> | <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above, and also in the "Nursing Home Census &amp; Rate" and the "Community Services Caseload Growth" items below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> <p>5. BOARDING HOMES - Chapter 272, Laws of 1998, Partial Veto (2SSB 6544), transfers responsibility for licensing, inspecting, and investigating complaints at boarding homes from the Department of Health to the Aging and Adult Services Administration of DSHS. (General Fund-State, General Fund-Local)</p> <p>6. ADJUST FEDERAL SPENDING AUTHORITY - Funding for the federal Older Americans Act and a variety of other federal grant programs is greater than originally budgeted for 1997-99. (General Fund-Federal)</p> <p>7. BOARDING HOME FEE INCREASE - Annual boarding home licensing fees are to be raised in order to cover the cost of increased quality assurance activities. Funding is provided to cover the estimated cost of the fee increase which is allocable to publicly-funded boarding home residents. (General Fund-State, General Fund-Federal)</p> |
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## Department of Social and Health Services Long-Term Care Services

8. BOARDING HOME INVESTIGATION STAFF - A total of 18.5 quality assurance staff are added over the level originally appropriated to improve inspections and complaint investigations in boarding homes. Approximately 70 percent of the cost of this increase is covered with state subsidy, and the balance is to be covered through fee increases to boarding home providers. The state subsidy is to be phased out by the end of the 1999-2001 biennium, with fees covering the full cost of the inspection program. (General Fund-State, General Fund-Local)
9. NURSING FACILITY CENSUS & RATE - Nursing home census is now expected to average 14,660 in FY 1998 and 14,433 in FY 1999. This is approximately 290 (2 percent) more publicly-funded residents than was anticipated in the original 1997-99 biennial budget. Supporting these 290 additional cases will cost approximately \$20 million (\$9.6 million state) more than originally budgeted. Nursing home payment rates and nurse's aide training are expected to be approximately 1 percent higher than originally budgeted for FY 1998. For FY 1999, the average nursing home payment rate will be \$117.36, a 2.5 percent average increase over the FY 1998 level. These extra costs are partly offset by higher-than-budgeted resident incomes, which will reduce public expenditures for their care by approximately \$3.7 million below the levels originally budgeted. (General Fund-State, General Fund-Federal)
10. COMMUNITY SERVICES CASELOAD GROWTH - The number of persons receiving community-based long-term care is expected to grow by 12 percent in FY 1998, rather than by 9 percent as budgeted. Additionally, the average cost per person served has grown by 8.1 percent in FY 1998, rather than by 5.7 percent as budgeted. To avoid the service reductions which would otherwise be necessary to correct for these over-expenditures, the enacted budget provides the full \$14.1 million (\$6.7 million state) for FY 1998 which the agency indicates is necessary to cover these higher costs. For FY 1999, the enacted budget provides sufficient funding for the number of persons receiving community long-term care to increase by an additional 10 percent, and for the average cost per person served to increase by up to 4 percent. It is expected the agency will be able to manage within these levels by instituting improved resource management and targetting of more expensive levels of care. (General Fund-State, General Fund-Federal)
11. COMMUNITY PROGRAM REDUCTIONS - The enacted budget concurs with the following cost-control measures proposed by the Governor: 1) lidding monthly expenditures for Community Options Program Entry Services (COPES) ancillary services; 2) maintaining Elder Place enrollment at 100 participants; and 3) establishing cost controls in the private duty nursing program. The enacted budget does not anticipate that the Chore Services asset level will be reduced from \$10,000 to \$2,000, or that any savings will be made in the adult day health program beyond those already budgeted in the original biennial budget. (General Fund-State, General Fund-Federal)
12. AASA CASE MANAGEMENT - Funding is provided for an approximately 8 percent increase in the ratio of state field staff to persons served. These staff are responsible for functions such as client assessment, financial eligibility determination, development of cost-effective care plans, and monitoring the quality of care provided in residential settings. This item also includes \$1.3 million requested by the agency to continue operation of computerized systems which have been developed over the past several years to support client assessment, service authorization, and quality assurance functions. (General Fund-State, General Fund-Federal)
13. AAA CASE MANAGEMENT - Funding is provided for the Area Agencies on Aging (AAA) to provide care planning, service coordination, and quality oversight for the increased numbers of persons who are projected to receive home-based long-term care during 1997-99. Additionally, funds are provided for an 11 percent increase in the ratio of case managers to persons served, beginning in April 1998. (General Fund-State, General Fund-Federal)
14. BHP UNDER-ENROLLMENT - The number of homecare workers receiving state-subsidized medical coverage through the Basic Health Plan (BHP) is now expected to average 1,200 in FY 1998 and 1,600 in FY 1999, rather than 3,800 and 4,300 as originally budgeted. This results in a reduction in Health Services Account expenditures from the level originally budgeted. However, because premiums for the non-subsidized BHP are higher than budgeted, additional General Fund-State is required to cover the cost of BHP premiums for agency home care workers with incomes over 200 percent of poverty. (General Fund-State, Health Services Account, General Fund-Federal)
15. LEGAL IMMIGRANTS SSI - The original biennial budget included state funds to provide basic maintenance support for long-term care recipients who were to lose their federal Supplemental Security Income (SSI) benefits because they are not United States citizens. Because Congress subsequently restored their SSI eligibility, these state funds are no longer needed.

## Department of Social and Health Services Long-Term Care Services

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Nursing Homes</b>										
# FTE Clients	16,953	17,190	17,344	17,445	17,168	16,639	15,985	14,984	14,660	14,433
% Change from prior year		1.4%	0.9%	0.6%	-1.6%	-3.1%	-3.9%	-6.3%	-2.2%	-1.5%
<b>Community Care *</b>										
# Clients Served	17,119	18,051	19,087	19,587	19,411	19,576	20,876	23,116	26,124	28,715
% Change from prior year		5.4%	5.7%	2.6%	-0.9%	0.9%	6.6%	10.7%	13.0%	9.9%

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

Data Source:

Nursing Homes for FY 1990 through FY 1997 from LEAP workload database.

Community Care for FY 1990 through FY 1997 from Aging and Adult Services Administration.

FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

## Department of Social and Health Services Economic Services

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,073,135</b>	<b>952,618</b>	<b>2,025,753</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-691	-877	-1,568
2. Vendor Rate Transfer	244	376	620
3. FMAP Change	295	-295	0
4. GA-U Caseload Savings	-49,334	0	-49,334
5. Transfer Quality Control Staff	-206	-207	-413
6. ECEAP Program Consolidation	-3,000	0	-3,000
7. Governor Veto	0	-5,000	-5,000
<b>Total Supplemental Items</b>	<b>-52,692</b>	<b>-6,003</b>	<b>-58,695</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,020,443</b>	<b>946,615</b>	<b>1,967,058</b>
Fiscal Year 1998 Total	508,243	455,195	963,438
Fiscal Year 1999 Total	512,200	491,420	1,003,620

**Comments:**

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|--|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for DSHS as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Economic Services program. (General Fund-State, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) represents the federal share of public assistance related child support collections that offset welfare grants. The FMAP is increasing to 52.50 percent effective October 1, 1998 which results in a General Fund-State cost compared to the 52.15 percent original budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. GA-U CASELOAD SAVINGS - Savings in the General Assistance-Unemployable (GA-U) program are due primarily to legal immigrants who are eligible to remain on the federal Supplemental Security Income (SSI) program and will not transfer to the state GA-U program as anticipated in the original 1997-99 biennial budget. Congress amended the federal welfare reform law to allow legal immigrants who were in the United States prior to August 22, 1996, to continue to receive SSI benefits.</p> <p>5. TRANSFER QUALITY CONTROL STAFF - Quality control staff that review Medicaid eligibility and payments are transferred from Economic Services to Medical Assistance Administration as an efficiency measure. (General Fund-State, General Fund-Federal)</p> | <p>6. ECEAP PROGRAM CONSOLIDATION - Washington matches state expenditures for early childhood education drawing federal grants on behalf of eligible children through DSHS. Last year, Congress consolidated its child care support for states into a single block grant known as the Child Care Development Fund (CCDF). As an efficiency measure, a portion of the Early Childhood Education Assistance Program (ECEAP) funded through Economic Services is transferred to the Children's Administration.</p> <p>7. GOVERNOR VETO - The Governor vetoed Section 207(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which earmarked \$5 million in federal Temporary Assistance to Needy Families (TANF) block funding to provide grants to community action agencies and other local non profit organizations.</p> <p>In 1997 as part of welfare reform, the Legislature directed the Department of Social and Health Services (DSHS) to provide grants to community-based organizations to help people on welfare become ready for employment and transition off public assistance. This budget assumes that \$5 million from the federal Temporary Assistance to Needy Families (TANF) block grant will be used by the Department of Community, Trade, and Economic Development for WorkFirst grants to community action agencies or other local nonprofit organizations. This budget also assumes that \$10 million in state funds will be available to match and earn federal Welfare-to-Work formula grants from the U.S. Department of Labor.</p> |
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## Department of Social and Health Services Economic Services

### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>SSI State Supplement</b>										
# Cases Received	52,457	56,818	62,532	69,332	76,518	82,249	86,299	87,674	88,460	90,419
% Change from prior year		8.3%	10.1%	10.9%	10.4%	7.5%	4.9%	1.6%	0.9%	2.2%
<b>General Assistance - Unemployable</b>										
# Cases Served	13,651	13,993	15,251	15,585	16,494	17,167	16,892	16,959	16,864	17,737
% Change from prior year		2.5%	9.0%	2.2%	5.8%	4.1%	-1.6%	0.4%	-0.6%	5.2%
<b>General Assistance - Pregnant Women</b>										
# Cases Served	1,607	1,847	1,955	1,842	1,736	1,657	1,634	1,832	1,838	1,841
% Change from prior year		14.9%	5.8%	-5.8%	-5.8%	-4.6%	-1.4%	12.1%	0.3%	0.2%
<b>TANF Cases</b>										
# Cases Served	80,407	85,950	94,973	100,320	102,755	102,685	99,374	95,334	86,342	81,388
% Change from prior year		6.9%	10.5%	5.6%	2.4%	-0.1%	-3.2%	-4.1%	-9.4%	-5.7%
<b>Child Care</b>										
# 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 Source:

FY 1990 through FY 1997 from LEAP workload database except Child Care from Legislative Fiscal Committees.  
FY 1998 and FY 1999 estimates from Legislative Fiscal Committees.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>28,800</b>	<b>154,027</b>	<b>182,827</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-8	0	-8
2. Vendor Rate Transfer	2,046	2,555	4,601
3. FMAP Change	-49	49	0
4. TASC Transfer	0	3,255	3,255
5. PSEA Shortfall	0	-45	-45
<b>Total Supplemental Items</b>	<b>1,989</b>	<b>5,814</b>	<b>7,803</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>30,789</b>	<b>159,841</b>	<b>190,630</b>
Fiscal Year 1998 Total	15,459	78,252	93,711
Fiscal Year 1999 Total	15,330	81,589	96,919

**Comments:**

- ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Alcohol and Substance Abuse program.
- VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Alcohol and Substance Abuse program. (General Fund-State, General Fund-Federal, Violence Reduction and Drug Enforcement Account)
- FMAP CHANGE - The Federal Matching Assistance Percentage (FMAP) at which the federal government matches state substance abuse treatment expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)
- TASC TRANSFER - The Treatment Alternatives to Street Crime (TASC) program is transferred from the Office of the Administrator for the Courts to DSHS effective July 1, 1998. (Public Safety and Education Account)
- PSEA SHORTFALL - Funding is reduced to reflect a revenue shortfall in the Public Safety and Education Account (PSEA).

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

**WORKLOAD HISTORY**

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>ADATSA - Assessment</b>										
# 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		14.1%	-15.4%	-0.7%	-2.4%	7.9%	-14.3%	0.0%	15.0%	0.0%
<b>ADATSA - Outpatient Treatment *</b>										
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%
<b>ADATSA - Residential</b>										
Avg Monthly Admissions	580	571	552	505	489	525	493	493	531	531
% Change from prior year		-1.6%	-3.3%	-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 1994. Number of admissions is unavailable prior to FY 1994.*

Data Source:

*DSHS Budget Division.*

## Department of Social and Health Services Medical Assistance Payments

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>1,368,918</b>	<b>2,519,605</b>	<b>3,888,523</b>
<b>1998 Supplemental Budget</b>			
1. Administrative Reduction Transfer	-154	-442	-596
2. Vendor Rate Transfer	9,620	12,708	22,328
3. FMAP Change	-4,998	4,998	0
4. Correct FMAP Double-Count	4,915	-4,915	0
5. Enhanced Federal Match	8	3,952	3,960
6. Medicare Collections	-1,096	-1,190	-2,286
7. Transfer Quality Control Staff	206	207	413
8. Increased Disproportionate Share	-39,529	172,366	132,837
9. Caseload Changes	-6,472	-19,162	-25,634
10. Cost Per Case Changes	-2,406	-5,170	-7,576
11. Special Program Forecast Changes	-5,028	-9,983	-15,011
12. Forecast Errata	22,735	-22,735	0
13. Forecast Contingencies	1,468	1,617	3,085
<b>Total Supplemental Items</b>	<b>-20,731</b>	<b>132,251</b>	<b>111,520</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>1,348,187</b>	<b>2,651,856</b>	<b>4,000,043</b>
Fiscal Year 1998 Total	666,815	1,289,829	1,956,644
Fiscal Year 1999 Total	681,372	1,362,027	2,043,399

**Comments:**

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|---|---|
| <p>1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Medical Assistance Administration. (General Fund-State, General Fund-Federal)</p> <p>2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Medical Assistance Administration. (General Fund-State, Health Services Account, General Fund-Federal)</p> <p>3. FMAP CHANGE - The Federal Medical Assistance Percentage (FMAP) at which the federal government matches state Medicaid expenditures is increasing to 52.50 percent effective October 1, 1998, resulting in a General Fund-State savings compared to the 52.15 percent originally budgeted for 1997-99. (General Fund-State, General Fund-Federal)</p> <p>4. CORRECT FMAP DOUBLE-COUNT - In the Administration's original budget proposal, the state savings resulting from the increased federal matching rate were counted both in the "FMAP Change" item above and also in the "Caseload Changes" item below. This item adjusts for the double-count. (General Fund-State, General Fund-Federal)</p> | <p>5. ENHANCED FEDERAL MATCH - The federal government has made \$10.4 million of increased federal matching funds available for state Medicaid administrative activities related to the transition from the old to the new welfare eligibility standards. This item provides \$3.95 million of that increased funding for local health departments and community-based organizations to conduct eligibility outreach and education activities. These will include informing people of their potential Medicaid eligibility, assisting them in applying for Medicaid coverage, and assisting them in the selection of a managed care plan and primary care provider. (General Fund-State, General Fund-Federal)</p> <p>6. MEDICARE COLLECTIONS - The Medical Assistance Administration estimates it can reduce Medicaid expenditures by \$95,000 per month by adding three clerk positions to assure that Medicare eligibility is properly coded in agency computer systems. (General Fund-State, General Fund-Federal)</p> <p>7. TRANSFER QUALITY CONTROL STAFF - DSHS has transferred responsibility for Medicaid eligibility quality control from the Department's Economic Services Administration to its Medical Assistance Administration. This item transfers the budget and staff to support this function. (General Fund-State, General Fund-Federal)</p> |
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## Department of Social and Health Services Medical Assistance Payments

8. INCREASED DISPROPORTIONATE SHARE - The amount of General Fund-State spending which can be offset through the federal Disproportionate Share Hospital (DSH) program has increased from the amounts originally budgeted for 1997-99 due to: (1) a one-time claim in September 1998 associated with a capital construction project at Harborview Medical Center; (2) a new program through which federal payments are being collected for uncompensated care costs at border-area hospitals which serve Washington residents; and (3) federal payments for increased uncompensated care costs which have been documented at Harborview and the University of Washington Medical Center. (General Fund-State, General Fund-Federal, General Fund-Local)
9. CASELOAD CHANGES - The number of persons covered by medical assistance programs is expected to average 744,000 in FY 1998, and 779,000 in FY 1999. This is approximately 1 percent less than the number originally budgeted for FY 1998 and 1 percent more than the number originally budgeted for FY 1999. Due to the effects of the WorkFirst welfare reform, the number of adults and children covered by Medicaid because of eligibility for state income assistance programs is projected to decrease by 43,000 (14 percent) from the level originally budgeted for FY 1999. Because of federal restrictions on eligibility for Supplemental Security Income (SSI), the number of disabled recipients covered by Medicaid is expected to increase to 107,000 in FY 1999, which is 6 percent fewer people than originally budgeted. These caseload decreases are offset by continued rapid enrollment growth among children with family incomes below 200 percent of poverty who are not on welfare. An average of 310,000 such children are expected to be covered by Medicaid in FY 1999, which is 47,000 (18 percent) more than originally budgeted. (General Fund-State, General Fund-Federal)
10. COST PER CASE CHANGES - On average, costs per eligible person are now expected to be slightly lower than the level originally budgeted for 1997-99. Costs per covered person are expected to grow slower than total health care inflation for most eligibility groups for both years of the biennium. While managed care rates are increasing an average of 4.8 percent in 1998, compared to 2.8 percent growth in total health care inflation, the cost of this rate increase has been offset by the fact that the eligible population is younger than originally projected, and consequently less expensive to serve. DSHS and the Legislature continue to expect managed care rates to increase by no more than 2 percent in 1999. (General Fund-State, General Fund-Local)
11. SPECIAL PROGRAM FORECAST CHANGES - This item reflects an increase in the number of persons eligible for Medicaid match on their Medicare Part B premiums; corrects an over-estimate in the original biennial forecast of state and federal expenditures on family planning and refugee health services; and corrects an under-estimate in the original forecast of expenditures on the federally-funded Indian Health program. (General Fund-State, General Fund-Federal)
12. FORECAST ERRATA - Because of a programming error in the forecast model, the amount of state funding required to fund Medical Assistance programs is \$22.7 million higher than anticipated in the administration's original supplemental budget proposal. (General Fund-State, General Fund-Federal)
13. FORECAST CONTINGENCIES - A contingency appropriation is provided in the event that the federal government does not approve the state's request to charge non-disabled adult welfare recipients a \$10 monthly co-premium for their Medicaid coverage. The appropriation may only be used to the extent that the waiver is not approved, and the cost cannot be covered through under-expenditures in other parts of the Medical Assistance program. (General Fund-State, General Fund-Federal)

## Department of Social and Health Services

### Medical Assistance Payments

#### WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Categorically Needy</b>	<b>362,144</b>	<b>406,664</b>	<b>473,222</b>	<b>520,569</b>	<b>559,686</b>	<b>613,968</b>	<b>659,677</b>	<b>698,879</b>	<b>714,366</b>	<b>748,730</b>
AFDC/TANF	252,603	273,581	301,760	319,499	329,660	329,519	320,417	309,999	282,785	265,789
Elderly	32,414	33,198	34,397	35,365	35,823	36,892	38,470	41,832	44,620	45,831
Disabled	53,103	58,834	67,904	77,335	85,454	91,261	94,708	94,733	95,106	99,247
Non-AFDC Children	0	0	42,669	59,511	75,602	121,343	169,854	212,967	251,381	296,344
Non-AFDC Pregnant Women	23,755	37,383	14,201	15,734	17,845	18,299	19,032	21,064	22,936	23,676
Undocumented Children	1	3,227	11,127	10,911	12,361	12,786	12,980	13,586	13,411	13,716
Medicare Beneficiaries	268	441	1,164	2,214	2,941	3,868	4,216	4,698	4,127	4,127
<b>Medically Needy</b>	<b>15,020</b>	<b>15,798</b>	<b>17,616</b>	<b>18,151</b>	<b>17,012</b>	<b>14,425</b>	<b>11,700</b>	<b>9,998</b>	<b>12,101</b>	<b>11,661</b>
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	4,432	3,963
Disabled	3,341	3,911	4,752	5,246	5,537	5,559	5,771	5,707	7,514	7,543
All Others	594	502	761	616	445	134	89	58	155	155
<b>General Assistance/ADATSA</b>										
# Persons/Month	13,767	13,831	12,243	10,368	10,049	10,955	11,334	12,851	14,305	15,188
<b>State Medically Indigent</b>										
# Persons/Month	2,411	2,700	2,472	2,640	2,634	2,407	2,018	1,976	1,933	1,933
<b>Refugees</b>										
# Persons/Month	1,650	2,122	1,824	1,429	1,546	1,665	1,505	1,381	1,085	1,085
<b>Total Eligibles per Month</b>	<b>394,992</b>	<b>441,115</b>	<b>507,377</b>	<b>553,157</b>	<b>590,927</b>	<b>643,420</b>	<b>686,234</b>	<b>725,085</b>	<b>743,790</b>	<b>778,597</b>
% Change from prior year		11.7%	15.0%	9.0%	6.8%	8.9%	6.7%	5.7%	2.6%	4.7%

*Data Source:*

*DSHS Budget Division, Office of Forecasting and Policy Analysis.*

## Department of Social and Health Services Vocational Rehabilitation

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>17,244</b>	<b>82,446</b>	<b>99,690</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-18	-79	-97
2. Vendor Rate Transfer	40	0	40
3. Social Service Block Grant Decrease	383	-383	0
<b>Total Supplemental Items</b>	<b>405</b>	<b>-462</b>	<b>-57</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>17,649</b>	<b>81,984</b>	<b>99,633</b>
Fiscal Year 1998 Total	9,046	41,053	50,099
Fiscal Year 1999 Total	8,603	40,931	49,534

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Vocational Rehabilitation program. (General Fund-State, General Fund-Federal)
  
2. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum for the Department of Social and Health Services (DSHS) as a whole. This reflects the share of that total appropriation which will actually be used for vendor rate increases in the Vocational Rehabilitation program. (General Fund-State)
  
3. SOCIAL SERVICE BLOCK GRANT DECREASE - Congress has reduced federal funding for the Social Services Block Grant (SSBG) for FFY 1998. This item replaces the federal reduction with state funding so that services funded through the block grant can be maintained at their current level. Any reductions in the FFY 1999 block grant amount will be considered as part of the 1999 supplemental. (General Fund-State, General Fund-Federal)

**Department of Social and Health Services  
 Administration & Supporting Services**

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>48,528</b>	<b>40,622</b>	<b>89,150</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	2,861	2,574	5,435
2. Regulatory Reform	192	131	323
3. Vendor Overpayment Recovery Act	-19	-20	-39
4. Governor Veto	-192	-131	-323
<b>Total Supplemental Items</b>	<b>2,842</b>	<b>2,554</b>	<b>5,396</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>51,370</b>	<b>43,176</b>	<b>94,546</b>
Fiscal Year 1998 Total	25,818	21,669	47,487
Fiscal Year 1999 Total	25,552	21,507	47,059

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - The original biennial budget directed the Department to reduce administrative functions by \$5.8 million (\$3.0 million state) providing discretion to the agency to reduce administrative functions across various programs, or to reduce its central administrative office budget. This item corrects appropriations for the Administrative Services program for administrative reductions made by other DSHS programs. This division's share of the Department-wide administrative reduction is \$424,000 (\$185,000 state). (General Fund-State, General Fund-Federal)
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, General Fund-Federal)
3. VENDOR OVERPAYMENT RECOVERY ACT - Chapter 66, Laws of 1998 (ESHB 2346) makes the legal remedies and dispute resolution for recovery of vendor overpayments the same as the process now used for public assistance benefits and child support orders. The expense of administrative hearings is offset, each year, by savings realized through lower net vendor cost requirements for the Department of Social and Health Services (DSHS). (General Fund-State, General Fund-Federal)
4. GOVERNOR VETO - The Governor vetoed Section 211(5) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

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

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>41,999</b>	<b>178,946</b>	<b>220,945</b>
1998 Supplemental Budget			
1. Administrative Reduction Transfer	-224	-418	-642
2. Incentive Pay Forecast Update	534	-534	0
<b>Total Supplemental Items</b>	<b>310</b>	<b>-952</b>	<b>-642</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>42,309</b>	<b>177,994</b>	<b>220,303</b>
Fiscal Year 1998 Total	21,344	88,923	110,267
Fiscal Year 1999 Total	20,965	89,071	110,036

**Comments:**

1. ADMINISTRATIVE REDUCTION TRANSFER - This reflects the share of the Department-wide administrative reductions in the original 1997-99 biennial budget which are being made in the Child Support Services program. (General Fund-State, General Fund-Federal)
2. INCENTIVE PAY FORECAST UPDATE - Incentive pay from the federal government is revised based on a projected decline in child support collections in the November 1997 forecast. (General Fund-State, General Fund-Private/Local)

## Department of Social and Health Services Payments to Other Agencies

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>94,949</b>	<b>58,083</b>	<b>153,032</b>
1998 Supplemental Budget			
1. Vendor Rate Transfer	-45,728	-39,148	-84,876
2. Attorney General Tort Defense	750	0	750
3. Child Abuse & Treatment Act	113	31	144
<b>Total Supplemental Items</b>	<b>-44,865</b>	<b>-39,117</b>	<b>-83,982</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>50,084</b>	<b>18,966</b>	<b>69,050</b>
Fiscal Year 1998 Total	25,292	9,376	34,668
Fiscal Year 1999 Total	24,792	9,590	34,382

**Comments:**

1. VENDOR RATE TRANSFER - Funding for the 1997-99 biennial vendor rate increase was originally appropriated in a lump sum in this program for the Department of Social and Health Services (DSHS) as a whole. This item transfers the share of that total appropriation which will actually be used for vendor rate increases to other programs. In addition, a technical adjustment saves the state general fund \$539,000. (General Fund-State, General Fund-Federal, Health Services Account, Violence Reduction and Drug Enforcement Account)
  
2. ATTORNEY GENERAL TORT DEFENSE - Funding is provided for Attorney General tort defense costs due to a significant increase in lawsuits involving child welfare and child placement activities.
  
3. CHILD ABUSE & TREATMENT ACT - Funding is provided to establish a fair hearing process and accelerate permanency planning for teenage children in foster care to meet new federal standards under CAPTA (the Child Abuse, Prevention, and Treatment Act of 1996) and AFSA (the Adoption and Safe Families Act of 1997). Appropriations to this program allow the Department to reimburse the Office of Administrative Hearings and the Office of the Attorney General for services. (General Fund-State, General Fund-Federal)

## Other Human Services

### **Health Care Authority**

An additional \$11 million from the Health Services Account is provided to increase enrollment in the Basic Health Plan (BHP) to 137,200 by July 1998. Although the funding provided in the original biennial budget was anticipated to support this level of enrollment, the funding proved inadequate. In addition, a supplemental appropriation of \$330,000 will result in improved efforts to verify that BHP enrollees are receiving the correct state subsidy for their income level.

### **Human Rights Commission**

Funding in the amount of \$432,000 from the state general fund is provided for seven additional investigators and one office assistant to eliminate the backlog of approximately 1,170 cases by January 1, 1999. After January 1, 1999, the Human Rights Commission will reduce overall case processing time with the increased staff level so that investigations begin within 60 days of a complaint being filed.

### **Criminal Justice Training Commission**

A total of \$300,000 from the state general fund is provided for: upgrading and improving the technology infrastructure supporting the Criminal Justice Training Commission (CJTC); increased lease obligations associated with relocation of the CJTC headquarters in Thurston County; and the costs associated with the implementation of incident-based crime reporting. Also, due to a shortfall in the account, a \$93,000 reduction is made to CJTC's Public Safety and Education Account (PSEA) appropriation. Similar reductions are made in other agencies funded from PSEA.

### **Department of Labor and Industries**

An amount of \$1.4 million from the accident and medical aid accounts is provided with additional staffing to reduce the time-loss duration on worker compensation claims. A total of 24 new claims management staff will reduce the time-loss duration by 7.5 percent by the end of the next biennium.

### **Department of Veterans' Affairs**

Federal revenues and patient contributions at the veterans' homes are lower than originally budgeted, resulting in the need for a \$620,000 state general fund appropriation to maintain services at the two homes. The supplemental budget provides \$200,000 to cover one-third of the cost for constructing a monument on the state capitol grounds to the men and women who served in the armed forces during the World War II. The remaining cost of the monument is to be covered through individual and corporate contributions.

### **Department of Health**

Effective April 1, 1998, the regulation of boarding homes becomes the responsibility of the Department of Social and Health Services, which also regulates nursing homes and adult family homes. The budget transfers \$1.5 million of state and local revenue collections for inspectors, equipment and related quality assurance activities from the Department of Health to the Department of Social and Health Services (DSHS). Assigned personnel are presumed to transfer to DSHS.

An amount of \$6.4 million in state general funds replaces health service account appropriations to the Department of Health for fiscal year 1999. This action is taken by the Legislature to meet budget requirements of the state's Basic Health Care Plan.

## **Department of Corrections**

General Fund-State savings of \$3.4 million are achieved as a result of the following: delays in hiring staff at expanded prison facilities; adjustments to reflect actual personnel costs; timing of utility connection fees at the new Stafford Creek Correctional Center; a delay in opening the Tri-Cities Work Training Release facility; the migration of Offender Based Tracking System to the Department of Information Systems; and lower than expected costs for housing juvenile offenders separate from adult offenders. An additional reduction of \$866,000 was made due to the transfer of funding for the education of offenders under the age of eighteen from the Department of Corrections to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the Superintendent of Public Instruction's budget.

An additional amount of \$1.7 million from the state general fund was appropriated to the Department. This included: an adjustment to the inmate forecast; allowing community corrections officers to carry firearms in the course of their duties; Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to the state's sex offender registration laws; Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine; Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders; and Chapter 82, Laws of 1998 (ESB 6139), which increases the penalties for amphetamine crimes.

The budget provides \$1 million in state general funds to screen low-income women for breast and cervical cancer. Total federal resources available to Washington State from the Centers for Disease Control were unexpectedly less than levels anticipated by the Department for the current biennium. An amount of \$300,000 in state general funds is provided to implement an emergency vaccination program in counties where Hepatitis A infection rates are in excess of 100 per 100,000 population.

The budget provides \$129,000 in state general funds for water reuse activities related to salmon restoration. The budget provides \$60,000 in state general funds to implement Chapter 37, Laws of 1998 (2SSB 6168), a bill related to temporary worker housing. Also provided is \$40,000 of state and local funds to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345), a regulatory reform bill making several changes to the Administrative Procedures Act related to rule making, review, and notification by state agencies. Since the Governor vetoed the specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

A variety of grant and fee-supported activities are authorized. These and other technical adjustments increase the original appropriation for the Department of Health by \$3 million federal and local funds.

## Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>12,633</b>	<b>544,806</b>	<b>557,439</b>
1998 Supplemental Budget			
1. Basic Health Plan Enrollment	0	14,316	14,316
2. BHP Enrollee Recertification	0	330	330
3. Medical Savings Accounts (HB 1805)	0	-150	-150
4. Retiree Lawsuit Settlement	0	250	250
<b>Total Supplemental Items</b>	<b>0</b>	<b>14,746</b>	<b>14,746</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>12,633</b>	<b>559,552</b>	<b>572,185</b>
Fiscal Year 1998 Total	6,316	251,530	257,846
Fiscal Year 1999 Total	6,317	308,022	314,339

**Comments:**

1. **BASIC HEALTH PLAN ENROLLMENT** - Additional Health Services Account funding totaling \$11 million is provided to increase subsidized Basic Health Plan (BHP) enrollment to 137,200 by July 1998. This is the enrollment level anticipated in the original biennial appropriation, but was not attained because: (1) the 1998 premium rates negotiated with health plans increased by 12.3 percent over the 1997 level, rather than by 8 percent as budgeted; (2) savings from financial sponsors are less than budgeted; and (3) additional benchmark plans were needed in counties without sufficient access to the statewide benchmark plans. (Health Services Account)
  
2. **BHP ENROLLEE RECERTIFICATION** - Funding is provided to increase the BHP's ability to verify that enrollees continue to be eligible for the level of subsidy they are receiving. Eligibility verification efforts are also to be enhanced through: (1) electronic matching with wage data, which will permit better targeting of the accounts to be reviewed; and (2) through the new sanctions provided in Chapter 148, Laws of 1998 (SHB 3109) for failure to report income changes accurately and on time. Continuing these efforts is expected to cost \$242,000 per year next biennium. (Health Services Account)
  
3. **MEDICAL SAVINGS ACCOUNTS (HB 1805)** - The original biennial appropriation included funds to implement HB 1805. Since the bill was not enacted, these start-up funds are not needed. (Health Services Account)
  
4. **RETIREE LAWSUIT SETTLEMENT** - One-time funding is provided to process claims and payments in accordance with the settlement in Retired State Employees v. State of Washington. (Health Care Authority Administrative Fund)

# Washington State Health Care Authority

## WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Basic Health Plan (Subsidized) *</b>	<b>7,552</b>	<b>16,641</b>	<b>21,717</b>	<b>22,747</b>	<b>29,773</b>	<b>37,580</b>	<b>61,926</b>	<b>124,972</b>	<b>130,667</b>	<b>139,366</b>
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.8%	101.8%	4.6%	6.7%
Regular Enrollees	7,552	16,641	21,717	22,747	29,773	37,580	61,773	124,190	129,144	137,200
% Change from prior year		120.4%	30.5%	4.7%	30.9%	26.2%	64.4%	101.0%	4.0%	6.2%
Home-Care Workers							153	782	1,523	2,166
% Change from prior year								411.1%	94.8%	42.2%

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*\* State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for home-care worker enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.*

Data Source:

*FY 1990 through FY 1997 from the Health Care Authority.*

*FY 1998 and FY 1999 estimates from the Legislative Fiscal Committees.*

## Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>4,055</b>	<b>1,703</b>	<b>5,758</b>
1998 Supplemental Budget			
1. Caseload and Processing Time	432	0	432
2. Regulatory Reform	70	0	70
3. Governor Veto	-70	0	-70
<b>Total Supplemental Items</b>	<b>432</b>	<b>0</b>	<b>432</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>4,487</b>	<b>1,703</b>	<b>6,190</b>
Fiscal Year 1998 Total	2,019	870	2,889
Fiscal Year 1999 Total	2,468	833	3,301

**Comments:**

1. CASELOAD AND PROCESSING TIME - Funding is provided for eight FTE staff in FY 1999 to eliminate the current backlog of cases by January 1, 1999 and to reduce the case processing time.
2. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification.
3. GOVERNOR VETO - The Governor vetoed section 215(2) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed specified sections of E2SHB 2345, the funding provided for this purpose will lapse.

## Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>0</b>	<b>13,918</b>	<b>13,918</b>
1998 Supplemental Budget			
1. Information Technology Improvements	225	0	225
2. Lacey Office Rent Increase	40	0	40
3. PSEA Shortfall	0	-93	-93
4. Incident-Based Reporting	35	0	35
<b>Total Supplemental Items</b>	<b>300</b>	<b>-93</b>	<b>207</b>
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<b>1997-99 REVISED APPROPRIATIONS</b>	<b>300</b>	<b>13,825</b>	<b>14,125</b>
Fiscal Year 1998 Total	15	6,993	7,008
Fiscal Year 1999 Total	285	6,832	7,117

**Comments:**

1. INFORMATION TECHNOLOGY IMPROVEMENTS - One-time funding is provided to update and maintain the technology infrastructure supporting the Criminal Justice Training Commission (CJTC). CJTC will purchase computer hardware and software to provide network access and current technology to all staff and instructors. In addition, the registration and student tracking software will be rewritten using currently-supported software to enable on-line registration from field sites and provide the field with limited access to training records and schedules.
  
2. LACEY OFFICE RENT INCREASE - Funding is provided for increased lease obligations resulting from the relocation of the Lacey headquarters. The funding will allow the CJTC to relocate their Lacey office from a portable building at Saint Martin's College to a leased facility in the Olympia area.
  
3. PSEA SHORTFALL - Funding is reduced to reflect a shortfall in the Public Safety and Education Account (PSEA).
  
4. INCIDENT-BASED REPORTING - Funding is provided for costs associated with the implementation of incident-based crime reporting.

## Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>13,653</b>	<b>366,928</b>	<b>380,581</b>
1998 Supplemental Budget			
1. Claims Processing Timeliness	0	1,372	1,372
2. Update Document Imaging	0	990	990
3. OSHA Federal Computer Requirements	0	464	464
4. New Federal Coding Requirements	0	560	560
5. Contractor Compliance Improvements	180	0	180
6. Regulatory Reform	41	213	254
7. Governor Veto	-41	-213	-254
<b>Total Supplemental Items</b>	<b>180</b>	<b>3,386</b>	<b>3,566</b>
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>13,833</b>	<b>370,314</b>	<b>384,147</b>
Fiscal Year 1998 Total	6,805	186,664	193,469
Fiscal Year 1999 Total	7,028	183,650	190,678

**Comments:**

- |   |  |
|---|--|
| <p>1. CLAIMS PROCESSING TIMELINESS - Additional funding and staff are provided to manage worker compensation claims. (Accident and Medical Aid Accounts-State)</p> <p>2. UPDATE DOCUMENT IMAGING - Funding is provided to replace 665 imaging monitors and video boards to be compatible with the new upgrade version of the document imaging system approved by the 1997 Legislature. (Accident and Medical Aid Accounts-State)</p> <p>3. OSHA FEDERAL COMPUTER REQUIREMENTS - Funding is provided to install a new Integrated Management Information System, and to rewrite interfaces to Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) systems. This allows communication with the federal agency and supports the Agency's worker safety and health activities. Supplemental funds will allow the agency to maintain an integrated federal - state system. (Accident and Medical Aid Accounts-State)</p> <p>4. NEW FEDERAL CODING REQUIREMENTS - Funding is provided to allow the agency to adopt the North American Industry Classification System (NAICS) industry coding structure and the 2000 Census codes for use in coding Labor and Industries employer and claimant data. Also, existing systems will be modified to accept six-digit codes for both industry and occupation and to convert existing data. (Accident and Medical Aid Accounts-State)</p> <p>5. CONTRACTOR COMPLIANCE IMPROVEMENTS - Funding is provided for the implementation of Chapter 314, Laws of 1997 (ESHB 1903), which requires the Department to monitor, track, and report requirements of the contractor registration law.</p> <p>6. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Accident and Medical Aid Accounts-State)</p> | <p>7. GOVERNOR VETO - The Governor vetoed Section 217(11) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.</p> |
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## Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>19,121</b>	<b>34,334</b>	<b>53,455</b>
1998 Supplemental Budget			
1. Census & Revenue Adjustments	628	-628	0
2. World War II Memorial	200	0	200
<b>Total Supplemental Items</b>	<b>828</b>	<b>-628</b>	<b>200</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>19,949</b>	<b>33,706</b>	<b>53,655</b>
Fiscal Year 1998 Total	10,603	16,351	26,954
Fiscal Year 1999 Total	9,346	17,355	26,701

**Comments:**

1. CENSUS & REVENUE ADJUSTMENTS - Additional state funds are provided to support operations at the two state veterans' homes because federal and local revenues are not being generated at the levels originally budgeted. Census at both homes is approximately 4 percent below budgeted levels, resulting in reduced revenues both from resident contributions and from federal sources. Revenues are also lower than budgeted because federal payment rates, and resident cost-of-living adjustments, have both increased less than budgeted. (General Fund-Local, General Fund-Federal)
  
2. WORLD WAR II MEMORIAL - Funding is provided for construction of a memorial on the grounds of the State Capitol to the men and women who served in the armed forces during World War II. Construction of the memorial is to be a public/private partnership, with individual and corporate donors contributing the remaining two-thirds of the monument's cost.

## Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>128,737</b>	<b>375,424</b>	<b>504,161</b>
1998 Supplemental Budget			
1. State Epidemiology & Lab Capacity	0	216	216
2. Acute and Home Care	0	508	508
3. Medical Impaired Provider	0	-730	-730
4. Boarding Homes	-263	-1,281	-1,544
5. Immunization	0	171	171
6. Diabetes Control Program	0	416	416
7. Abstinence Education	0	593	593
8. Information Network/Public Health	0	1,125	1,125
9. Hanford Medical Monitoring	0	250	250
10. Laboratory Quality Assurance	0	95	95
11. Water Reuse Program	129	0	129
12. Child Death Review	0	-350	-350
13. Temporary Worker Housing	60	0	60
14. Replace Health Svcs Acct with GF-S	6,359	-6,359	0
15. HCFA Certification	0	499	499
16. Hepatitis A Vaccination Program	300	0	300
17. Regulatory Reform	37	3	40
18. Chemical Dependency Certification	0	214	214
19. Cervical & Breast Cancer Screening	1,000	0	1,000
20. Governor Veto	-37	-3	-40
<b>Total Supplemental Items</b>	<b>7,585</b>	<b>-4,633</b>	<b>2,952</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>136,322</b>	<b>370,791</b>	<b>507,113</b>
Fiscal Year 1998 Total	63,189	186,188	249,377
Fiscal Year 1999 Total	73,133	184,603	257,736

**Comments:**

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|---|--|
| <p>1. STATE EPIDEMIOLOGY &amp; LAB CAPACITY - An additional federal grant is available to improve the state's infectious disease surveillance system. The grant is time limited and expected to expire in 1999. (General Fund-Federal)</p> <p>2. ACUTE AND HOME CARE - More complaints of a complex and serious nature concerning the care delivered by operators of acute and home care organizations have been reported that require immediate investigation. Additional quality assurance staff will be hired to meet this demand, and the Department is authorized to raise acute and home care license fees only to the extent necessary to cover this expense. (General Fund-Private/Local)</p> <p>3. MEDICAL IMPAIRED PROVIDER - A \$25 surcharge is placed on physicians' license renewals to fund the Medical Impaired Provider Program (IPP). This program is for the treatment of physicians whose practice is impaired by the use of alcohol or other drugs. Chapter 132, Laws of 1998 (2SHB 1618) extends the \$25 surcharge and IPP program benefits to physician assistants. Further, the bill authorizes a non-appropriated account in the custody of the State Treasurer for receipts. This item corrects the appropriation authority originally granted to the Department for</p> | <p>the 1997-99 biennium to reflect this new policy. (Health Professions Account)</p> <p>4. BOARDING HOMES - Reflects the transfer of responsibility for boarding home regulation and quality assurance from the Department of Health to the Long Term Care Services Program at the Department of Social and Health Services effective April 1, 1998. (General Fund-State, General Fund-Private/Local)</p> <p>5. IMMUNIZATION - An additional federal grant is available to raise immunization rates among children and senior citizens. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>6. DIABETES CONTROL PROGRAM - An additional federal grant is available for diabetes education and treatment. Activities will be carried out only to the extent federal support continues to be available. (General Fund-Federal)</p> <p>7. ABSTINENCE EDUCATION - This item corrects the original 1997-99 operating budget to reflect the full federal grant award available to Washington State for abstinence education this biennium. (General Fund-Federal)</p> |
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## Department of Health

8. INFORMATION NETWORK/PUBLIC HEALTH - An additional federal grant is available to upgrade the state's public health computer information network. Any new systems developed will be maintained with existing departmental resources. (General Fund-Federal)
9. HANFORD MEDICAL MONITORING - The states of Washington, Idaho, and Oregon will join efforts to monitor persons exposed to radiation from Hanford between 1945 and 1951 for thyroid disease. This study is federally funded and the Department's participation includes outreach activities and health care provider education. (General Fund-Federal)
10. LABORATORY QUALITY ASSURANCE - The Department will join with the Health Care Financing Administration (HCFA) to identify fraudulent, duplicative billings from medical testing labs and will explore methods of controlling fraud. If successful, this federally funded study could help reduce the direct cost of health care for patients and third party payers. (General Fund-Federal)
11. WATER REUSE PROGRAM - The Department participates in the development of reclaimed water standards, providing public health assurances and technical assistance for water reclamation projects and facilities around the state. Funding is provided to support related salmon recovery activities.
12. CHILD DEATH REVIEW - The original 1997-99 biennial budget appropriated \$1 million from the Death Investigation Account for child death reviews. This item transfers \$350,000 of that sum to the State Toxicology Lab at the University of Washington for its supporting activities. (Death Investigations Account)
13. TEMPORARY WORKER HOUSING - Funding is provided for rule development costs and a fee study necessary to implement Chapter 37, Laws of 1998 (2SSB 6168).
14. REPLACE HEALTH SVCS ACCT WITH GF-S - FY 1999 Health Service Account funds are replaced with state general funds. This action is taken to meet the supplemental budget requirements of the state's Basic Health Care Plan. (General Fund-State, Health Services Account)
15. HCFA CERTIFICATION - The federal HCFA contracts with the Department to inspect and certify a health care facility as eligible for Medicare reimbursement. Provisions of the federal Balanced Budget Act of 1997 changed the nature of these specialized inspections. The workload impact is paid for by HCFA through a larger grant award than was assumed in the original 1997-99 biennial budget. (General Fund-Federal)
16. HEPATITIS A VACCINATION PROGRAM - Funding is provided to implement a Hepatitis A emergency vaccination program. The entire amount will be passed through to county health districts that have employed a public education effort and have infection rates in excess of 100 per 100,000 population.
17. REGULATORY REFORM - Funding is provided to implement Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). The bill makes several changes to the Administrative Procedures Act relating to rule making, review, and notification. (General Fund-State, Health Professions Account)
18. CHEMICAL DEPENDENCY CERTIFICATION - Chapter 243, Laws of 1998 (SSB 6550) authorizes the certification of chemical dependency professionals. Additional expenses reflected here are the net cost of adding this new program, less savings from the current counselor registration program that will not exist for this group of health professionals. (Health Professions Account)
19. CERVICAL & BREAST CANCER SCREENING - Funding is provided to allow local public health agencies to continue to provide free cervical and breast cancer checks for low-income women, a program made possible with federal grants from the Centers for Disease Control.
20. GOVERNOR VETO - The Governor vetoed Section 219(28) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided funds to implement specified sections of Chapter 280, Laws of 1998, Partial Veto (E2SHB 2345 - Regulatory Reform). Since the Governor vetoed the specified sections of E2SHB 2345, the funding for this purpose will lapse.

## Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>825,064</b>	<b>23,454</b>	<b>848,518</b>
1998 Supplemental Budget			
1. Community Corr Officers-Firearms	835	0	835
2. Delay Tri-Cities WTR	-407	0	-407
3. Population Forecast Adjustment	41	0	41
4. DSHS Population Adjustment	639	0	639
5. Juvenile Program Savings	-334	0	-334
6. Juvenile Education	-866	0	-866
7. Prison Facilities Savings	-1,527	0	-1,527
8. Agency Efficiencies	-1,162	0	-1,162
9. Penalties for Manufacture of Meth	8	0	8
10. Penalties for Amphetamine Crimes	70	0	70
11. Mentally Ill Offenders	45	0	45
12. Sex Offender Registration	36	0	36
<b>Total Supplemental Items</b>	<b>-2,622</b>	<b>0</b>	<b>-2,622</b>
<hr/>			
<b>1997-99 REVISED APPROPRIATIONS</b>	<b>822,442</b>	<b>23,454</b>	<b>845,896</b>
Fiscal Year 1998 Total	403,327	15,114	418,441
Fiscal Year 1999 Total	419,115	8,340	427,455

**Comments:**

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| <p>1. COMMUNITY CORR OFFICERS-FIREARMS - In 1997, the Legislature passed, and the Governor vetoed SB 5047, which permitted community corrections officers to carry firearms in the course of their duties. Under that bill, community corrections officers who had chosen to carry a firearm would have been required to pay for their own firearm, materials, and equipment. In addition, they would have been required to arrange, purchase, and complete a mandatory training program that would have been developed by the Criminal Justice Training Commission. After the veto, the Department conferred with labor organizations to reach a mutually agreed upon approach which the Department feels can be implemented without statutory change. Funds are provided to the Department to purchase firearms, holsters, storage lockers, ammunition, vests, and eye/ear protection. In addition, funding is provided to conduct additional screening of employees who desire to carry firearms. Finally, 2.5 FTE staff are provided to conduct training and coordinate the ongoing certification requirements associated with implementing this policy.</p> <p>2. DELAY TRI-CITIES WTR - Savings result from a delay in opening the Tri-Cities Work Training Release (WTR) facility. The delay is the result of ongoing litigation relating to site selection for the facility. The facility is now assumed to open in June 1999.</p> <p>3. POPULATION FORECAST ADJUSTMENT - Funding is adjusted to reflect the November 1997 inmate forecast by the Caseload Forecast Council. The new forecast anticipates 46 fewer inmates in FY 1998 and 52 more inmates in FY 1999 than was originally projected in November 1996.</p> <p>4. DSHS POPULATION ADJUSTMENT - The Department of Social and Health Services (DSHS) is relocating the Special Commitment</p> | <p>Center from Monroe to McNeil Island. Funding is provided to the Department of Corrections (DOC) for the increased costs associated with the reoccupation of a close custody housing unit at Monroe. The Special Commitment Center will be occupying a minimum custody housing unit at McNeil Island.</p> <p>5. JUVENILE PROGRAM SAVINGS - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to house most offenders under the age of eighteen apart from offenders over the age of eighteen. The original 1997-99 biennial budget assumed that a previously vacant housing unit at the Washington Corrections Center for Women would need to be reopened for this purpose. Savings are generated by the Department instead using a separate portion of an already occupied housing unit.</p> <p>6. JUVENILE EDUCATION - Chapter 338, Laws of 1997 (E3SHB 3900) requires the Department to provide certain educational opportunities to offenders under the age of eighteen. The original 1997-99 biennial budget provided funding to DOC for this purpose. Funding for the education of offenders under the age of eighteen is transferred from DOC to the Superintendent of Public Instruction. Funding for the education of these offenders, at a higher rate, is included in the budget for the Public Schools Institutional Education Program.</p> <p>7. PRISON FACILITIES SAVINGS - Savings are realized from delays in opening expanded facilities at Cedar Creek Corrections Center, Larch Corrections Center, McNeil Island Corrections Center, Washington Corrections Center for Women, and the Washington State Reformatory.</p> |
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## Department of Corrections

8. AGENCY EFFICIENCIES - Savings are realized in personnel costs and through the migration of the Offender Based Tracking System (OBTS) from the Washington State Patrol to the Department of Information Services.
9. PENALTIES FOR MANUFACTURE OF METH - Funding is provided for the implementation of Chapter 78, Laws of 1998 (HB 2628), which increases the penalty for manufacturing methamphetamine.
10. PENALTIES FOR AMPHETAMINE CRIMES - Funding is provided for Chapter 82, Laws of 1998 (ESB 6139), which increases the penalty for amphetamine crimes.
11. MENTALLY ILL OFFENDERS - Funding is provided for the implementation of Chapter 260, Laws of 1998 (ESSB 5760), which requires the gathering of additional information and monitoring of mentally ill offenders.
12. SEX OFFENDER REGISTRATION - Funding is provided for the implementation of the Chapter 220, Laws of 1998 (HB 1172), which makes a variety of changes to sex offender registration requirements and brings Washington statutes into conformance with the federal Jacob Wetterling Act.

# Department of Corrections

## WORKLOAD HISTORY

By Fiscal Year

	1990	1991	1992	1993	1994	1995	1996	1997	Estimate	
									1998	1999
<b>Work Release/Pre-Release</b>										
Avg Daily Pop/Month	683	781	1,021	1,068	997	1,014	1,063	1,126	1,219	1,288
% Change from prior year		14.3%	30.7%	4.6%	-6.6%	1.7%	4.8%	5.9%	8.3%	5.7%
<b>Community Supervision</b>										
# 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%
<b>Institutions</b>										
Avg Daily Pop/Month	6,675	7,383	8,327	9,124	9,557	10,016	10,726	11,474	12,019	12,633
% Change from prior year		10.6%	12.8%	9.6%	4.7%	4.8%	7.1%	7.0%	4.8%	5.1%
<b>Avg Cost Per Inmate *</b>										
Annual	\$23,082	\$22,358	\$21,984	\$22,737	\$23,368	\$24,098	\$23,924	\$23,431	\$24,049	\$23,696
% Change from prior year		-3.1%	-1.7%	3.4%	2.8%	3.1%	-0.7%	-2.1%	2.6%	-1.5%

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

Data Source:

FY 1990 through FY 1999 from Division of Management and Budget at Department of Corrections.

## Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
<b>1997-99 ORIGINAL APPROPRIATIONS</b>	<b>2,521</b>	<b>406,777</b>	<b>409,298</b>
1998 Supplemental Budget			
1. Welfare to Work	0	20,156	20,156
2. One-Stop Implementation	0	4,877	4,877
3. Local Funds	0	3,808	3,808
4. TAXIS Improvements	0	1,786	1,786
5. Field PC Replacement for Year 2000	0	813	813
6. Governor Veto	0	-20,156	-20,156
<b>Total Supplemental Items</b>	<b>0</b>	<b>11,284</b>	<b>11,284</b>
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<b>1997-99 REVISED APPROPRIATIONS</b>	<b>2,521</b>	<b>418,061</b>	<b>420,582</b>
Fiscal Year 1998 Total	1,260	213,035	214,295
Fiscal Year 1999 Total	1,261	205,026	206,287

**Comments:**

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| <p>1. WELFARE TO WORK - Funding is provided to transition welfare recipients to work. Funds currently appropriated for the Temporary Assistance for Needy Families (TANF) program will be used as the source of the required 50 percent state match. Since the matching state funds are already appropriated to the Department of Social and Health Services for welfare reform efforts, including welfare-to-work related activities, no additional appropriation is required to match the federal grant. The Governor is required to obtain a federal waiver that allows formula grants to be distributed to alternative agencies. (General Fund-Federal)</p> <p>2. ONE-STOP IMPLEMENTATION - Funding is provided from Phase II of a federal grant to implement a statewide system to improve and integrate all employment service related systems across state government. These funds will allow the agency to implement the One-Stop system mandated by the federal Department of Labor. (General Fund-Federal)</p> <p>3. LOCAL FUNDS - Additional local funds are provided to allow the agency to maintain contracted services in communities throughout the state. These services include providing training and job services and labor market information to clients of other state agencies and private nonprofit organizations. (General Fund-Private/Local)</p> <p>4. TAXIS IMPROVEMENTS - Funding is provided to correct deficiencies within the Tax Information System (TAXIS). (Administrative Contingency Account, Employment Service Administrative Account)</p> <p>5. FIELD PC REPLACEMENT FOR YEAR 2000 - Funding is provided for the replacement of field office personal computers for Year 2000 compliance. The federal funds are part of a federal grant which may only be used for this activity. (Unemployment Compensation Administration Account-Federal, Employment Services Administration Account-State)</p> <p>6. GOVERNOR VETO - The Governor vetoed Section 222(3) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which</p> | <p>required the Employment Security Department to maintain the current level of job placement services at all 32 community and technical college location sites throughout the remainder of the 1997-99 biennium.</p> <p>The Governor vetoed Section 222(8) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which required the Employment Security Department to disclose additional tax information on the 1999 employer tax rate notice.</p> <p>The Governor vetoed Section 222(9) of Chapter 346, Laws of 1998, Partial Veto (ESSB 6108), which provided \$20,156,000 to implement the federal welfare-to-work program. The proviso stipulated that the funding would lapse if the Governor did not successfully obtain an approved federal waiver to use an alternative agency or agents to administer the welfare-to-work program.</p> |
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