

Other Human Services

Basic Health Plan

A total of \$496 million is provided from the Health Services Account for operation of the Basic Health Plan. This is an \$82 million (20 percent) increase from the 1999-01 level, due to escalation in the rates charged by managed care plans to provide coverage for Basic Health enrollees. The total increase would be greater, but \$26.5 million of state costs are avoided by subsidizing enrollment for 125,000 persons per month, rather than 133,000 as originally planned. Additionally, the amount which enrollees are required to contribute toward the cost of their prescriptions is increased by \$2, for an anticipated savings of \$2.6 million.

Criminal Justice Training Commission

The budget provides funding for a variety of activities at the state and local levels to address methamphetamine issues. In the Criminal Justice Training Commission's budget, \$233,000 is provided to train and equip local law enforcement personnel to respond to clandestine drug labs.

Funding in the amount of \$450,000 is provided for the Washington Association of Sheriffs and Police Chiefs to implement school mapping, or electronic pre-incident plans, for K-12 schools. Additionally, \$65,000 is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues.

The budget provides \$374,000 for the implementation of Chapter 167, Laws of 2001 (HB 1062), which establishes a certification and de-certification process for police officers in the state.

Department of Labor and Industries

The budget provides a total of \$11 million from the Accident Account and Medical Aid Account for six technology improvement projects. These projects will improve claims collections, assess the feasibility of filing claims over the Internet, allow for payment of premiums over the Internet, improve the system that calculates pension benefits, develop a new system for collection and analysis of worker safety and health data, and allow for registration and licensing of electrical contractors over the Internet.

Funding for the crime victims compensation program is increased by \$3 million from the Public Safety and Education Account.

The budget provides \$2.9 million of one-time funding for the increased cost of calculating injured workers' benefits under a recent state Supreme Court ruling (Cockle Decision). This funding, from the Accident Account and Medical Aid Account, is provided for fiscal year 2002. The Department is required to propose legislation that would provide greater certainty and simplicity in calculating benefits.

The budget reduces \$10 million in Medical Aid Account funding for the occupational health and safety grant program.

Department of Health

A total of \$10.6 million is appropriated to provide the new pneumococcal conjugate vaccine to all children under the age of two. The vaccine has been determined effective in the prevention of middle-ear infections, sinus infections, and meningitis among young children.

Funding for the state's comprehensive effort to reduce tobacco use is increased by \$5 million over the biennium, to a total of \$17.5 million per year.

New grants totaling \$1.6 million will be provided to assist local jurisdictions in assuring the safety of very small drinking water systems. Additionally, \$1.2 million is provided to monitor and assist larger systems in complying with increased standards mandated by the federal Safe Drinking Water Act.

Funding for the AIDS Prescription Drug Program is increased by \$1.8 million, to keep pace with enrollment in the program, which is expected to grow by 14 percent per year.

The cost of the above enhancements is partially offset by a number of program reductions and efficiencies. These include an \$840,000 reduction in agency administrative costs, and a \$714,000 reduction in funding for coordination and management of the statewide trauma system.

Department of Veterans' Affairs

A total of \$11 million is provided to establish and operate a state veterans' home in Spokane. This will be the first time the state has operated a veterans' facility in eastern Washington. The Department will also reconfigure 65 beds at the two western Washington facilities to provide a higher level of care. Increased federal revenues and resident contributions, resulting in a \$0.6 million savings in state-fund expenditures, will offset the cost of this reconfiguration.

Department of Corrections

A total of \$12.5 million is provided for the second phase of a project to replace the Offender-Based Tracking System with the new Offender Management Network Information (OMNI) system. The Department expects OMNI to improve reporting capabilities, reduce data entry efforts, and redirect staff time towards offender supervision. The total estimated cost of the replacement project is \$44 million.

Funding in the amount of \$12.9 million is provided to implement Chapter 196, Laws of 1999 (Offender Accountability Act), which made a variety of changes to the supervision of offenders in the community. With this increase, the budget provides approximately \$21.2 million for costs associated with the Offender Accountability Act in the 2001-03 biennium.

In the budget reductions submitted to the Governor, the Department identified a variety of steps that could result in cost savings. The budget assumes many of these efficiencies. Savings in the amount of \$5.8 million are achieved by: transferring female youthful offenders to a Juvenile Rehabilitation Administration facility; reducing goods and services expenditures; lease-purchasing equipment with longer life cycles; modifying the reimbursement schedule for the inpatient treatment of offenders in hospitals; and reducing facility maintenance activities.

Savings of \$1.2 million are achieved through the elimination of staffed law libraries. The Department will continue to contract with private attorneys and law firms to provide legal counsel to offenders.

Services for the Blind

An additional \$270,000 is provided for technological devices that will assist people with visual impairments get and keep jobs. State financial assistance is increased by \$100,000 (25 percent) for the center that provides comprehensive services for persons who are both deaf and blind.

Sentencing Guidelines Commission

The budget provides \$78,000 for the Sentencing Guidelines Commission to conduct a comprehensive review and evaluation of state sentencing policy. The review and evaluation will include an analysis of whether current sentencing policies are consistent with the purposes of the Sentencing Reform Act and with prison capacity. In addition, the review and evaluation will consider studies on the cost-effectiveness of sentencing alternatives, as well as the fiscal impact of sentencing policies on state and local government.

Employment Security

The budget provides authority to spend \$3.2 million of one-time federal funding to improve the unemployment insurance program. Funds will be used to pay off the telecenter debt and improve telecenter operations, make corrections to the Department's benefit and tax systems, and improve other agency technology.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	13,004	590,219	603,223
2001-03 Maintenance Level	13,323	699,411	712,734
Policy Changes			
1. Insurance System Upgrade	0	3,635	3,635
2. PEBB Administration	0	250	250
3. Basic Health Alternative Contracts	0	2,553	2,553
4. UMP Pharmacy Benefit Management	0	170	170
5. Basic Health Co-Pay and Subsidy	0	-2,622	-2,622
6. Administrative Efficiencies	-6	-1,085	-1,091
7. General Inflation	-8	-187	-195
8. Basic Health Plan Adjustment	0	-32,547	-32,547
Total 2001-03 Biennium	13,309	669,578	682,887
Fiscal Year 2002 Total	6,655	323,309	329,964
Fiscal Year 2003 Total	6,654	346,269	352,923

Comments:

1. **Insurance System Upgrade** - The budget provides funding to enable the Health Care Authority (HCA) to contract for a new insurance eligibility and member management information system for the Basic Health and the Public Employees' Benefit health plans, in part to address the new requirements of the Health Insurance Portability and Accountability Act. (Health Care Authority Administrative Account-State, Health Services Account-State)
2. **PEBB Administration** - The Public Employees' Benefit Board (PEBB) Program enrollment for retirees and self-pay enrollees has increased over 20 percent since 1996. The HCA workload for these groups, including enrollment and account maintenance services, is much higher than for state employees. The budget funds a Medical Program Specialist position to develop tools and processes, in conjunction with a new information system, to improve customer service. The budget also funds two FTEs (four positions) to assist with customer inquiries and plan changes during open enrollment periods. The HCA is also directed to review whether the portion of retiree premiums assessed for administrative costs is adequate to fund the expenses incurred in providing services to retirees. (Health Care Authority Administrative Account-State)
3. **Basic Health Alternative Contracts** - Funding is provided for the Basic Health Plan (BHP) to develop and implement alternative purchasing strategies in areas of the state where managed care contractors might otherwise not be available for BHP enrollees. As authorized during the 2000 legislative session, this may include strategies such as differential geographic rating of bids and direct negotiation with plans and provider networks in areas where there are not sufficient competitive bids. (Health Services Account-State)
4. **UMP Pharmacy Benefit Management** - The Uniform Medical Plan (UMP) pharmacy claims costs have increased 28 percent from 1998 to 1999, as compared to 17 to 20 percent pharmacy increase nationwide. In order to better manage pharmacy costs, the budget provides funding for the UMP to contract with a pharmacy consultant to develop a pharmaceutical use policy and utilization review system and provide ongoing data analysis and recommendations for pharmacy benefit design and utilization management. (Uniform Medical Plan Benefits Administration Account-Non-Appropriated)
5. **Basic Health Co-Pay and Subsidy** - Enrollee co-pays are to be increased to \$3 (from \$1) for vitamins and antibiotics, and to \$7 (from \$5) for generic drugs and contraceptives. BHP subsidy levels are not reduced from their current level. (Health Services Account-State, Basic Health Plan Trust Account-Non-Appropriated)
6. **Administrative Efficiencies** - The HCA's central administration is reduced by 2 percent, as proposed by the Governor. Additionally, funding for research and planning is reduced to reflect actual 1999-01 spending levels. (General Fund-State, General Fund-Federal, Health Care Authority Administrative Account-State, Health Services Account-State)
7. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Health Services Account-State, Health Care Authority Administrative Account-State)
8. **Basic Health Plan Adjustment** - Beginning in January 2002, monthly average of 125,000 people are to be enrolled in the subsidized BHP, rather than a monthly average of 133,200 as originally budgeted. The lower enrollment level is to be achieved through a policy of admitting only two new enrollees from the waiting list for every three persons who

Washington State Health Care Authority

leave the program, until the targeted enrollment level is reached. (Health Services Account-State; Basic Health Plan Trust Account-Non-Appropriated)

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate			
	2001	2002	2003								
Basic Health Plan (Subsidized & HCW) ⁽¹⁾	29,731	37,580	61,773	124,348	127,582	129,873	130,995	132,667	128,877	126,811	
% Change from prior year		26.4%	64.4%	101.3%	2.6%	1.8%	0.9%	1.3%	-2.9%	-1.6%	
Regular Enrollees	29,731	37,580	61,590	123,555	126,472	128,610	129,530	131,111	127,192	125,000	
% Change from prior year		26.4%	63.9%	100.6%	2.4%	1.7%	0.7%	1.2%	-3.0%	-1.7%	
Homecare Workers			184	792	1,110	1,263	1,464	1,556	1,685	1,811	
% Change from prior year				331.2%	40.1%	13.8%	15.9%	6.3%	8.3%	7.5%	

(1) State subsidy for "regular" enrollees is provided through the Health Care Authority budget. State and federal subsidy for homecare worker (HCW) enrollees is provided in the DSHS Long-Term Care and Developmental Disabilities budgets.

Data Sources :

FY 1994 through FY 2001 from the Health Care Authority.

FY 2002 and FY 2003 estimates from the legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	5,147	1,574	6,721
2001-03 Maintenance Level	5,418	1,644	7,062
Policy Changes			
1. General Inflation	-30	0	-30
Total 2001-03 Biennium	5,388	1,644	7,032
Fiscal Year 2002 Total	2,688	838	3,526
Fiscal Year 2003 Total	2,700	806	3,506

Comments:

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

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	23,231	23,231
2001-03 Maintenance Level	0	25,395	25,395
Policy Changes			
1. General Inflation	0	-146	-146
2. Upgrade Information Technology	0	1,013	1,013
3. Increase in Appeals Workload	0	2,066	2,066
4. Temp Costs for Cockle Decision	0	1,078	1,078
Total 2001-03 Biennium	0	29,406	29,406
Fiscal Year 2002 Total	0	15,413	15,413
Fiscal Year 2003 Total	0	13,993	13,993

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Accident Account, Medical Aid Account)

2. **Upgrade Information Technology** - Technology infrastructure enhancements are funded to improve business processes. The implementation of a continuous replacement cycle of information technology items will enable upgrades to cables, networks, web servers, and wide area network. (Accident Account, Medical Aid Account)

3. **Increase in Appeals Workload** - The number of appeals heard by the Board of Industrial Insurance Appeals is increasing. Funding is provided for six additional judges and six support staff to help the agency provide services to workers, employers, and other parties who dispute the Department of Labor and Industries' workers' compensation decisions before the Board. (Accident Account, Medical Aid Account)

4. **Temp Costs for Cockle Decision** - One-time funding for FY 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits (Cockle Decision). The Department of Labor and Industries is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Accident Account, Medical Aid Account)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	0	17,880	17,880
2001 Supplemental *	0	-728	-728
Total 1999-01 Biennium	0	17,152	17,152
<hr/>			
2001-03 Maintenance Level	0	17,923	17,923
Policy Changes			
1. Vendor Rate Increase - WASPC	0	31	31
2. General Inflation	0	-311	-311
3. Certification/Decertification	0	374	374
4. School Mapping	0	450	450
5. Vendor Rate Increase - Food Service	0	22	22
6. Methamphetamine Initiative	0	233	233
7. School Safety Training	0	65	65
8. WASPC - Increased Training	0	124	124
9. Prosecutors - Increased Training	0	136	136
<hr/>			
Total 2001-03 Biennium	0	19,047	19,047
Fiscal Year 2002 Total	0	9,537	9,537
Fiscal Year 2003 Total	0	9,510	9,510

Comments:

1. **Vendor Rate Increase - WASPC** - Funding is provided to increase the salaries of Washington Association of Sheriffs and Police Chiefs (WASPC) staff who are funded through the Commission but who are not Commission employees. Rates will be increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (Public Safety and Education Account)
3. **Certification/Decertification** - Funding is provided for the implementation of Chapter 167, Laws of 2001 (HB 1062), which establishes a certification and decertification process for police officers in the state. (Public Safety and Education Account)
4. **School Mapping** - Funding is provided for WASPC to implement school mapping, or electronic pre-incident plans, for K-12 schools. (Public Safety and Education Account)
5. **Vendor Rate Increase - Food Service** - The Commission's food service provider will have their rates increased by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002. (Public Safety and Education Account)
6. **Methamphetamine Initiative** - The budget provides funding for a variety of activities at the state and local levels to address methamphetamine issues. In the Criminal Justice Training Commission's budget, funding is included to train and equip local law enforcement personnel to respond to clandestine drug labs. (Public Safety and Education Account)
7. **School Safety Training** - Funding is provided to establish regionalized training programs for school district and local law enforcement officials on school safety issues. (Public Safety and Education Account)
8. **WASPC - Increased Training** - Funding is provided to allow WASPC to increase the technical and training support provided to local criminal justice agencies in the use of the Washington Incident-Based Reporting System and the National Incident-Based Reporting System. (Public Safety and Education Account)
9. **Prosecutors - Increased Training** - Funding is provided to allow the Washington Association of Prosecuting Attorneys to increase the training provided to the criminal justice community including prosecutors, law enforcement, judges, fish and wildlife officers, corrections staff, school personnel, and Department of Social and Health Services staff. (Public Safety and Education Account)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	14,508	408,914	423,422
2001 Supplemental *	0	1,400	1,400
Total 1999-01 Biennium	14,508	410,314	424,822
<hr/>			
2001-03 Maintenance Level	15,510	429,382	444,892
Policy Changes			
1. Consumer Protection/Contractors	268	0	268
2. Improving Claims Collection	0	2,690	2,690
3. Internet Filing of Claims	0	1,520	1,520
4. Internet Payment of Premiums	0	1,394	1,394
5. Faster Pension Benefits	0	2,352	2,352
6. Critical Safety and Health Data	0	2,942	2,942
7. Internet Registration and Licensing	0	445	445
8. General Inflation	-38	-2,063	-2,101
9. Expanding Apprenticeship	0	1,250	1,250
10. Sexually Violent Predator Victims	0	53	53
11. Replace Incompatible Computers	0	3,868	3,868
12. Program Reductions	-320	0	-320
13. Increase for Crime Victims Comp	0	3,014	3,014
14. Temp Cost for Cockle Decision	0	2,876	2,876
15. Cut Occupational Safety Grants	0	-10,000	-10,000
<hr/>			
Total 2001-03 Biennium	15,420	439,723	455,143
Fiscal Year 2002 Total	7,738	225,439	233,177
Fiscal Year 2003 Total	7,682	214,284	221,966

Comments:

1. **Consumer Protection/Contractors** - Funding is provided for activities to increase consumer awareness of available legal protection and contractor awareness of legal obligations. Funding is also provided to increase enforcement against unregistered contractors.
2. **Improving Claims Collection** - Funding is provided to replace the claims accounts receivable system which is used to collect \$8.5 million in yearly overpayments of workers' compensation claims and to recover \$17 million per year in workers' compensation costs from third parties. The new system will facilitate computation and collection of interest on outstanding claims. The system is expected to increase post-implementation revenues by \$1,092,000 per year. (Accident Account, Medical Aid Account)
3. **Internet Filing of Claims** - Funding is provided for a study to assess the feasibility of using electronic commerce to exchange information, which may include claim-related reports, forms and bills, and Department information. Based on the results of the feasibility study, one or more components of the recommended solution would be piloted. (Accident Account, Medical Aid Account)
4. **Internet Payment of Premiums** - Funding is provided to develop systems that allow employers to file and pay workers' compensation premiums via the Internet. Features to be included are the development of an interface with automatic error checking, a secure encrypted environment, online help, and automated electronic payment methods. (Accident Account, Medical Aid Account)
5. **Faster Pension Benefits** - Under the workers' compensation program, pensions are provided to 17,500 permanently disabled workers and surviving beneficiaries. Funding is provided to develop a new pension payment system to replace a manual system that is being used to calculate and process pensions. (Accident Account, Medical Aid Account)
6. **Critical Safety and Health Data** - Establishes a computer data system that will be used to track workplace safety and health activities, manage resources, and identify the most hazardous industries. The system would also provide data to other Department of Labor & Industries (L&I) information systems. This new system is necessary because the U.S. Occupational Safety and Health Administration is replacing its computer system with one that is incompatible with L&I systems. (Accident Account, Medical Aid Account)
7. **Internet Registration and Licensing** - Funding is provided to develop a computer system that would allow electrical contractors to apply for licenses using the Internet. The new system will provide contractors with 24-hour access and improve accuracy and speed through automation. (Electrical License Account)

Department of Labor and Industries

8. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
9. **Expanding Apprenticeship** - Authority is provided to expand the Apprenticeship Program contingent on the availability of federal funding. A grant program is established to encourage new apprenticeship and pre-apprenticeship programs. In addition, new apprenticeship programs will be developed for non-traditional areas such as telecommunications, child care services, and public services. (General Fund-Federal)
10. **Sexually Violent Predator Victims** - Funding is provided to implement Chapter 153, Laws of 2001 (SB 5270 - Modifying Requirements for Certain Victims of Sexually Violent Predators to be Eligible for Victims' Compensation), which allows victims involved in the civil commitment process of sexually violent predators to access benefits under the Crime Victims Compensation Act. (Public Safety and Education Account-State)
11. **Replace Incompatible Computers** - Funding is provided to lease 1,400 new personal computers, to update 1,400 other computers, and to support migration to Microsoft Windows 2000. In the 1999-01 biennium, L&I received an appropriation to begin implementation of a continuous three-year replacement cycle for computers and this item provides funding to continue that replacement cycle. (Accident Account, Medical Aid Account)
12. **Program Reductions** - Funding is reduced for factory-assembled structures activities and contractor registration hotline staff.
13. **Increase for Crime Victims Comp** - Funding is increased for victims of violent crime. This amount covers expected inflation, growth in claim costs for medical, time loss, and pensions, and no policy changes for attendant care services. (Public Safety and Education Account-State, Public Safety and Education Account-Federal)
14. **Temp Cost for Cockle Decision** - One-time funding for FY 2002 is provided for the cost of implementing a recent state Supreme Court ruling regarding the calculation of workers' compensation benefits (Cockle Decision). L&I is to develop and recommend statutory language to the Legislature by October 1, 2001, that provides greater certainty and simplicity in the calculation of workers' compensation benefits. (Accident Account, Medical Aid Account)
15. **Cut Occupational Safety Grants** - Funding for occupational health and safety grants in the carryforward level budget is eliminated. (Medical Aid Account)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Governor's Vetoes:

The Governor vetoed Section 217(4) of Chapter 7, Laws of 2001, 2nd sp.s., Partial Veto (ESSB 6153), which prohibited the Department from expending funds for the occupational safety and health impact grants program.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	1,854	0	1,854
2001-03 Maintenance Level	2,004	0	2,004
Policy Changes			
1. General Inflation	-6	0	-6
Total 2001-03 Biennium	1,998	0	1,998
Fiscal Year 2002 Total	999	0	999
Fiscal Year 2003 Total	999	0	999

Comments:

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

Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	18,364	41,342	59,706
2001 Supplemental *	0	52	52
Total 1999-01 Biennium	18,364	41,394	59,758
<hr/>			
2001-03 Maintenance Level	20,238	42,587	62,825
Policy Changes			
1. Vendor Rate Increase	98	0	98
2. Bed Conversion	-616	2,364	1,748
3. PTSD Counseling	0	74	74
4. Homeless Veterans Grant	0	155	155
5. Statewide Outreach	36	0	36
6. Eastern Washington Veterans' Home	0	11,041	11,041
<hr/>			
Total 2001-03 Biennium	19,756	56,221	75,977
Fiscal Year 2002 Total	10,980	26,947	37,927
Fiscal Year 2003 Total	8,776	29,274	38,050

Comments:

1. **Vendor Rate Increase** - The budget provides funding for a 2.1 percent inflationary increase effective July 2001 and a second 2.3 percent increase effective July 2002 for organizations which contract with the Department of Veterans' Affairs to provide support services for homeless veterans; post traumatic stress counseling; and assistance with applications for federal benefits.

to assist with start-up of the facility during the first year of the biennium will be offset by increased federal revenues in FY 2003. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

2. **Bed Conversion** - The Department of Veterans' Affairs will reconfigure 65 beds at the state veterans' homes to provide a higher level of nursing care. The additional cost of providing the higher level of care is offset by additional federal revenues and higher resident pension benefits, resulting in a net savings to the state general fund. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

* Please see the 2001 Supplemental Operating Budget Section for additional information.

3. **PTSD Counseling** - The agency has received a contract from King County to provide additional post-traumatic stress disorder (PTSD) treatment services in the county. (General Fund-Private/Local)

4. **Homeless Veterans Grant** - Federal grant funds have been obtained to provide additional services for homeless veterans. (General Fund-Federal)

5. **Statewide Outreach** - Funding is provided to recruit and train additional volunteers who will assist veterans in underserved areas obtain federal benefits for which they are eligible.

6. **Eastern Washington Veterans' Home** - Funding is provided for acquisition and operation of a new state veterans' facility in eastern Washington. The Department will acquire an existing nursing facility in the Spokane area through a lease-purchase arrangement and operate it with a combination of federal funding, resident charges, and state and federal Medicaid payments. A \$400,000 appropriation

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	127,124	438,131	565,255
2001 Supplemental *	0	6,390	6,390
Total 1999-01 Biennium	127,124	444,521	571,645
<hr/>			
2001-03 Maintenance Level	133,088	479,546	612,634
Policy Changes			
1. WIC Program Efficiencies	-418	0	-418
2. Reduce Teen Pregnancy Grants	-1,116	0	-1,116
3. Community Wellness and Prevention	-68	0	-68
4. Reduce EMS Coordination Activities	-214	0	-214
5. Reduce StateTrauma Administration	-714	0	-714
6. Federal Revenue	0	1,173	1,173
7. Technology for Newborn Screen	0	660	660
8. Consolidate Water Lab Testing	-307	0	-307
9. Safe Drinking Water Fed Compliance	2,876	0	2,876
10. Delay Shellfish Database	-60	0	-60
11. American Legacy Foundation Grant	0	1,443	1,443
12. Regulating Meth Precursor Drug	13	0	13
13. Reduce Acute Care Education	-162	0	-162
14. Eliminate Rural Health Data Book	-38	0	-38
15. Medicare Designation Startup	-177	0	-177
16. Child Health Enhancements	166	10,444	10,610
17. AIDS Prescription Drug Increase	1,031	808	1,839
18. DSHS/DASA Appropriation Transfer	340	0	340
19. General Inflation	-517	-482	-999
20. Administrative Reductions	-840	0	-840
21. Create Child Development Office	-882	0	-882
22. Infant & Children Product Safety	150	0	150
23. Workplace Breastfeeding Policy	83	0	83
24. Health Professions Acct Legislation	0	248	248
25. Dental Sealants	0	72	72
26. Tobacco Control Plan	0	5,000	5,000
27. DNA Task Force	15	0	15
<hr/>			
Total 2001-03 Biennium	132,249	498,912	631,161
Fiscal Year 2002 Total	65,308	253,377	318,685
Fiscal Year 2003 Total	66,941	245,535	312,476

Comments:

1. **WIC Program Efficiencies** - During the summer of 2000, the Department of Health (DOH) began providing "help desk" support for Womens, Infants, and Children (WIC) clinics with state employees, rather than contracting for the service. The change has resulted in the identified efficiency savings, with no reduction reported in the level of support provided to clinics. (General Fund-State)
4. **Reduce EMS Coordination Activities** - State general funds will no longer be provided to the regional Emergency Medical Services (EMS) and Trauma Care Councils to promote emergency medical dispatch training; to participate in local and regional disaster preparedness training; or to support quality improvement initiatives.
2. **Reduce Teen Pregnancy Grants** - Direct grant support from DOH for nine of the ten teen pregnancy prevention projects in urban and rural communities is discontinued. Similar efforts are to be supported with Temporary Assistance for Needy Families (TANF) block grant funding from the Department of Social and Health Services.
5. **Reduce StateTrauma Administration** - Funding for state-level oversight, coordination, and state office assistance to the regional trauma networks is reduced by 20 percent. Such a reduction in state-level activity is warranted, since the startup work necessary to establish a well-functioning statewide trauma system has been largely accomplished. Standards, protocols, and training curricula have been developed; data systems established; and trauma providers certified in all regions.
3. **Community Wellness and Prevention** - Assessment, evaluation, and surveillance for Community Wellness and Prevention Programs are discontinued.

Department of Health

6. **Federal Revenue** - Federal grants have been awarded to DOH for: Early Hearing Detection and Intervention, State-Based Birth Defects Surveillance Program, Improving Data Quality in Pesticide Illness; and Federal Domestic Violence for Pregnant Women. (General Fund-Federal)
7. **Technology for Newborn Screen** - DOH will begin using a non-radioactive test to screen for certain conditions among newborns, in order to eliminate the need to dispose of radioactive wastes. The new test is more expensive than the old, radioactive technology. As a result, the fee for newborn screening is expected to increase to \$38.20 from the current level of \$33.80. (General Fund-Private/Local)
8. **Consolidate Water Lab Testing** - DOH operates a program which certifies drinking water testing laboratories and maintains its own drinking water laboratory to support the certification program. During the first year of the biennium, the separate DOH certification program and laboratory will be closed, and merged with the other environmental laboratory certification programs operated by the Department of Ecology. Savings will result from the greater economies of scale possible under the larger, merged program.
9. **Safe Drinking Water Fed Compliance** - Under state law and agreement with the federal government, DOH is responsible for enforcing federal Safe Drinking Water Act provisions, which apply to the approximately 5 million citizens of the state who rely upon water systems which serve 15 or more connections. The number of contaminants subject to federal regulation is scheduled to increase by 20 percent between 1996 and 2002, and new rules regarding groundwater safety must be fully implemented in the 2001-03 biennium. This item provides funding for contracted technical support to assist local water systems in implementing the new requirements; additional state staff to monitor compliance; and \$1.6 million of new state funding to assist local jurisdictions to continue and improve their role in assuring the safety of small water systems, which serve approximately 100,000 of the state's residents.
10. **Delay Shellfish Database** - The DOH Shellfish Program is developing an integrated database for water quality and other program elements, including biotoxins and licensing of commercial shellfish growers. The water quality portion of the database has been completed. The development of the remaining portions of the database will be extended over a longer period.
11. **American Legacy Foundation Grant** - The American Legacy Foundation has awarded the state a three-year grant totaling \$2.25 million under the Statewide Youth Movement Against Tobacco Use Initiative. The Department, through its subcontract with the University of Washington, will foster a statewide youth empowerment initiative by creating regional teams to develop media efforts to reduce youth tobacco use. Partner organizations will include school districts, voluntary community organizations, voluntary health organizations, and universities. (General Fund-Private/Local)
12. **Regulating Meth Precursor Drug** - Chapter 96, Laws of 2001 (ESSB 5017), restricts the purchase in large quantities of certain over-the-counter medications that are sometimes used in the manufacture of methamphetamine. Funding is provided for DOH to develop regulations implementing the new law.
13. **Reduce Acute Care Education** - The Regional Trauma Care Councils will no longer receive designated funding for training of acute care and rehabilitation facility personnel. Trauma and rehabilitation facilities can use other state funds which they receive from trauma participation grants for this training.
14. **Eliminate Rural Health Data Book** - The Rural Health Data Book contains information on health status and systems. It has been produced every two years. Funding for this publication is eliminated.
15. **Medicare Designation Startup** - This item eliminates the state share of the startup funding which was provided at the beginning of the 1999-01 biennium to assist small rural hospitals in preparing for the "critical access hospital" designation which would enable them to qualify for higher federal Medicare payments. Approximately \$450,000 per year of federal funding subsequently became available for the same purpose in the 1999-01 biennium.
16. **Child Health Enhancements** - Funding is provided to add the new pneumococcal conjugate vaccine to the list of state-funded vaccines. Under the "universal distribution" policy first adopted by Washington State in the 1991 budget, the State makes medically-recommended childhood vaccines available free of charge for all children through age five. Inclusion of a vaccine on the universal distribution list means that all doses used in the State may be purchased at the federal discount rate, which is substantially lower than if they were purchased privately. In addition, health care providers are freed from the administrative burden of separately accounting for the income and insurance status of immunized children. The pneumococcal conjugate vaccine has been determined by the federal Centers for Disease Control to be cost-effective in the prevention of meningitis, middle ear, blood stream, and sinus infections among children under age two. (General Fund-State, Health Services Account-State)
17. **AIDS Prescription Drug Increase** - The AIDS Prescription Drug Program (APDP) uses state and federal funds to pay for prescription medications, laboratory services, and outpatient medical care for persons with HIV infection and incomes below 370 percent of the federal poverty level. Enrollment in the program is increasing by about 14 percent per year, and is expected to reach 2,600 by the end of the 2001-03 biennium. Expenditures per enrollee are expected to increase by only about 3 percent per year, primarily

Department of Health

because a larger share of enrollees are expected to receive insurance coverage through the high-risk pool. (General Fund-State, General Fund-Federal, General Fund-Local)

18. **DSHS/DASA Appropriation Transfer** - Funding is transferred from the Department of Social and Health Services Division of Alcohol and Substance Abuse (DSHS/DASA) to DOH for screening by providers aimed at reducing perinatal substance abuse.
19. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, General Fund-Federal, General Fund-Local, Health Professions Account)
20. **Administrative Reductions** - Administrative reductions will occur throughout the Department and at the State Board of Health. Examples of these reductions may include, but are not limited to changing business practices, reducing levels of policy support, limiting the use of consulting services, and implementing efficiency measures for mailings and publications.
21. **Create Child Development Office** - Child care and early learning programs from DSHS, DOH, and the Office of Financial Management are consolidated into a new division within the DSHS Economic Services Program. This division will coordinate and increase the focus of child care and early learning programs on quality and availability of care.
22. **Infant & Children Product Safety** - Funds are provided for DOH to establish and maintain a safety education campaign pursuant to the criteria established in Chapter 257, Laws of 2001 (SHB 1365). The campaign will promote awareness of products designed to be used by infants and children that have been determined to be unsafe by the Consumer Products Safety Commission. (General Fund-State)
23. **Workplace Breastfeeding Policy** - Funds are provided for DOH to develop and implement infant-friendly designations for state and local governments and businesses who support a workplace breastfeeding policy as established in Chapter 88, Laws of 2001 (2SHB 1590). (General Fund-State)
24. **Health Professions Acct Legislation** - Funding is provided to implement the provisions of the following bills: Chapter 22, Laws of 2001 (HB 1309); Chapter 248, Laws of 2001 (SSB 5565); Chapter 297, Laws of 2001 (SSB 5621); and Chapter 251, Laws of 2001 (ESSB 5877). (Health Professions Account-State)
25. **Dental Sealants** - Chapter 93, Laws of 2001 (SSB 6020), authorizes registered dental hygienists to administer dental sealants and fluoride varnishes without a dentist's supervision in schools with a significant percentage of low-income students. Funding is provided for DOH to develop a training and certification program for newly-licensed hygienists and dental assistants who wish to perform this service. This cost is to be covered with applicant fees. (Health Professions Account-State)
26. **Tobacco Control Plan** - Expenditures on the state's efforts to reduce and prevent tobacco use are increased to \$17.5 million per year. Funding for this purpose comes from the \$100 million of national tobacco settlement revenues, which the 1999 Legislature directed be deposited into a special interest-bearing account dedicated to the prevention and reduction of tobacco use. (Tobacco Prevention and Control Account-State)
27. **DNA Task Force** - The state Board of Health is to convene a task force on policy issues associated with human deoxyribonucleic acid (DNA) information. The task force is to research and recommend policies for consideration by the Legislature regarding how to safeguard individuals from discrimination and invasion of privacy based on individual genetic information, while continuing to support uses of the information which promote public health and safety. Funding is provided to support task force travel and other operating costs.

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Department of Corrections

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	910,616	66,675	977,291
2001 Supplemental *	3,465	-9,594	-6,129
Total 1999-01 Biennium	914,081	57,081	971,162
<hr/>			
2001-03 Maintenance Level	1,048,907	37,735	1,086,642
Policy Changes			
1. Vendor Rate Increase	1,774	0	1,774
2. General Inflation	-5,974	-150	-6,124
3. Tracking System Replacement Phase 2	9,246	3,254	12,500
4. Efficiency and Quality Initiatives	-3,186	0	-3,186
5. Equipment Savings	-1,858	0	-1,858
6. Cost of Incarceration Funds	-5,568	0	-5,568
7. Medical Payments	-831	0	-831
8. Offender Legal Services	-1,192	0	-1,192
9. Correctional Industries	-1,888	0	-1,888
10. Interstate Supervision Compact	60	0	60
11. Sex Offender Sentencing	98	0	98
<hr/>			
Total 2001-03 Biennium	1,039,588	40,839	1,080,427
Fiscal Year 2002 Total	514,013	21,113	535,126
Fiscal Year 2003 Total	525,575	19,726	545,301

Comments:

1. **Vendor Rate Increase** - Funding is provided to increase the rates paid to vendors such as education and chemical dependency providers and work release operators by 2.1 percent on July 1, 2001, and an additional 2.3 percent on July 1, 2002.
2. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
3. **Tracking System Replacement Phase 2** - Beginning in the 1999-01 biennium, the Department of Corrections (DOC) initiated a multi-phased project designed to replace its Offender Based Tracking System (OBTS). Funding is provided for the second phase of a project to replace OBTS with the new Offender Management Network Information (OMNI) system, which is expected to improve the Department's reporting capabilities, reduce data entry efforts, and redirect staff time towards offender supervision. The full cost of the OMNI project is estimated to be \$44 million. (General Fund-State, Violence Reduction and Drug Enforcement Account-State)
4. **Efficiency and Quality Initiatives** - Savings are achieved by transferring female youthful offenders to a Juvenile Rehabilitation Administration facility, reducing goods and services expenditures, and reducing facility maintenance activities. Additionally, \$1 million in new small maintenance projects will be funded in the capital budget rather than the operating budget.
5. **Equipment Savings** - Savings are achieved by using a 5-year lease purchase option to replace equipment that has exceeded its life expectancy as well as for facility start-up equipment.
6. **Cost of Incarceration Funds** - The Department's Correctional Industries (CI) program will increase use of the Cost of Incarceration funds. The funds are available due to the settlement of legal issues around the constitutionality of certain kinds of deductions from monies received by inmates from outside sources. (General Fund-State, Correctional Industries Revolving Fund-Non-Appropriated)
7. **Medical Payments** - Funding is adjusted for the Department to reimburse hospitals under the diagnosis-related group reimbursement schedule utilized and maintained by the Department of Social and Health Services.
8. **Offender Legal Services** - DOC contracts with private attorneys and law firms to provide legal counsel to offenders. Also, offenders are currently provided access to staffed law libraries at all institutions with the exception of pre-release and work release facilities. Funding for law libraries is eliminated. The Department will continue to contract with private attorneys and law firms to provide legal counsel to offenders.
9. **Correctional Industries** - The majority of costs associated with CI operations are funded through revenues generated from product sales. Based on updated revenue and sales projections, it is assumed that the Department will increase its utilization of the non-appropriated, non-budgeted Correctional Industries Revolving Account to fund CI inmate

Department of Corrections

work programs. (General Fund-State, Correctional Industries Revolving Fund-Non-Appropriated)

10. **Interstate Supervision Compact** - Funding is provided for the implementation of Chapter 35, Laws of 2001 (SSB 5118), which enacts a new reciprocal agreement among states for the supervision of offenders.
11. **Sex Offender Sentencing** - Funding is provided for the implementation of Chapter 12, Laws of 2001, 2nd sp.s., (3ESSB 6151 - High-Risk Sex Offenders), which modifies sentencing provisions for certain sex offenders.

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	Estimate		
								2001	2002	2003
Community Supervision ⁽¹⁾										
# Active (Non-Monetary) Offenders	24,987	26,458	28,700	28,961	31,173	30,973	30,278	30,170	30,197	30,272
% Change from prior year		5.9%	8.5%	0.9%	7.6%	-0.6%	-2.2%	-0.4%	0.1%	0.2%
# of Monetary Only Offenders	19,726	21,291	22,284	22,997	23,115	22,979	26,458	27,443	27,468	27,536
% Change from prior year		7.9%	4.7%	3.2%	0.5%	-0.6%	15.1%	3.7%	0.1%	0.2%
Work Release										
Avg Daily Pop/Month	542	576	604	622	612	636	642	699	699	699
% Change from prior year		6.3%	4.9%	3.0%	-1.6%	3.9%	0.9%	8.9%	0.0%	0.0%
Institutions										
Avg Daily Pop/Month	9,949	10,421	11,177	11,968	12,694	13,629	13,910	14,202	14,253	14,335
% Change from prior year		4.7%	7.3%	7.1%	6.1%	7.4%	2.1%	2.1%	0.4%	0.6%
Average Cost Per Inmate ⁽²⁾										
Annual	22,903	23,610	23,394	22,906	22,986	22,849	23,775	25,595	25,887	26,524
% Change from prior year		3.1%	-0.9%	-2.1%	0.3%	-0.6%	4.1%	7.7%	1.1%	2.5%

(1) Data reflect end of year caseloads. With the enactment of the Offender Accountability Act (Chapter 196, Laws of 1999), and beginning in FY 2000, the Department may contract out for the supervision of monetary only offenders.

(2) Cost per offender includes institutions, pre-releases, and work-releases.

Data Sources :

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

Department of Services for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	2,994	12,936	15,930
2001 Supplemental *	0	550	550
Total 1999-01 Biennium	2,994	13,486	16,480
<hr/>			
2001-03 Maintenance Level	3,011	13,013	16,024
Policy Changes			
1. Efficiency Reductions	-60	0	-60
2. Assistive Technology Program	270	0	270
3. Deaf-Blind Service Center	100	0	100
<hr/>			
Total 2001-03 Biennium	3,321	13,013	16,334
Fiscal Year 2002 Total	1,693	6,508	8,201
Fiscal Year 2003 Total	1,628	6,505	8,133

Comments:

1. **Efficiency Reductions** - The Department will make general staffing reductions in the field programs.
2. **Assistive Technology Program** - State funds are provided so that additional persons may benefit from assistive technology devices such as document readers and speech synthesizers.
3. **Deaf-Blind Service Center** - Funding is provided to increase by 25 percent state assistance for job training, interpreter services, independent living instruction, adaptive technology, and other support services for persons who are both deaf and blind.

* Please see the 2001 Supplemental Operating Budget Section for additional information.

Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	1,641	0	1,641
2001-03 Maintenance Level	1,801	0	1,801
Policy Changes			
1. General Inflation	-8	0	-8
Total 2001-03 Biennium	1,793	0	1,793
Fiscal Year 2002 Total	936	0	936
Fiscal Year 2003 Total	857	0	857

Comments:

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

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
1999-01 Expenditure Authority	2,522	437,518	440,040
2001 Supplemental *	0	7,814	7,814
Total 1999-01 Biennium	2,522	445,332	447,854
2001-03 Maintenance Level	2,638	423,730	426,368
Policy Changes			
1. General Inflation	-25	-5,296	-5,321
2. Improve Web-Based Security System	0	165	165
3. Reemployment Services	0	600	600
4. Integrate Labor Market Information	0	396	396
5. Unemployment Insurance Program	0	3,159	3,159
6. Overpayment Identification	0	972	972
7. Fund GF-S with Other Funds	-2,613	2,613	0
Total 2001-03 Biennium	0	426,339	426,339
Fiscal Year 2002 Total	0	223,024	223,024
Fiscal Year 2003 Total	0	203,315	203,315

Comments:

1. **General Inflation** - Agencies are required to find sufficient efficiencies in their operations to cover the cost of inflation in the goods, services, and supplies needed for performance of their mission. (General Fund-State, Other Funds)
2. **Improve Web-Based Security System** - One-time funding is provided for security hardware and software for the Department's Internet-based systems. This security will allow people to file initial unemployment claims over the Internet while protecting the Department's confidential information. (Administrative Contingency Account-State)
3. **Reemployment Services** - One-time funding is provided to enhance the electronic model that is used to select and refer unemployment insurance claimants to reemployment services. The changes will identify the services that are most likely to lead to reemployment and reduce the amount of time individuals spend unemployed. (Employment Services Administrative Account-State)
4. **Integrate Labor Market Information** - The Department currently has labor market information on CD-ROM and the Internet. This initiative will make available several key labor market products including local wage rates, employment projections, job skills, employer listings, economic indicators, and news articles through one Internet website. (Administrative Contingency Account-State)
5. **Unemployment Insurance Program** - The agency has received federal funds for one-time unemployment insurance administrative expenses. These funds will be used to improve the effectiveness of the unemployment insurance claims telecenters, make corrections to the Department's benefit and tax systems, improve other agency technology, and pay off the telecenter debt. (Unemployment Compensation Administrative Account-Federal)
6. **Overpayment Identification** - The United States Department of Labor requires all states to use information from employers that is reported to the Department of Social and Health Services when a new employee is hired. Funding is provided to link the employer information to the fraud management system, which will allow earlier detection of overpayments. This also includes enhancements to the system that will improve identification of overpayments of unemployment insurance and balance staff workload. (Administrative Contingency Account-State)
7. **Fund GF-S with Other Funds** - Administrative Contingency Account funding is used to finance activities previously funded with General Fund-State. If revenues into the Administrative Contingency Account fall short of the agencies projections, reductions in the use of the fund for administrative purposes shall be made prior to reductions to direct client services or the current production of labor market information. The Department shall maintain its current level of labor market information, including requests for data and analysis from the Legislature, Governor's office, the Office of Financial Management, and the Economic and Revenue Forecast Council. (General Fund-State, Administrative Contingency Account-State)

* Please see the 2001 Supplemental Operating Budget Section for additional information.