

OTHER HUMAN SERVICES

Health Care Authority

With \$34 million of the new revenue generated by Initiative 773, Basic Health Plan enrollment will expand from 125,000 in July 2002 to 172,000 by the end of the biennium. During July through October 2002, opportunities for subsidized coverage will be offered on a phased-in basis for 27,000 non-citizen children and adults who will no longer be eligible for state medical assistance programs in the Department of Social and Health Services (DSHS). Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees.

State grant support for nonprofit community clinics is increased by \$3 million. These funds will be used for dental care and medical interpreter services, particularly for the 27,000 non-citizen children and adults who will no longer be eligible for coverage through DSHS Medical Assistance programs.

Department of Health

As required by Initiative 773, funding for the state's comprehensive effort to reduce tobacco use is increased by \$8.7 million, to a total of \$43.2 million for the biennium, of which \$26.2 million will be expended in the second year.

State expenditures to make federally-recommended childhood vaccines universally available in the state, at no cost to the family, are projected to be \$5.5 million less than originally budgeted for the biennium. This is because the purchase of several vaccines has been delayed by a nationwide supply shortage, and because federal funds are covering a larger percentage of program costs than originally anticipated.

Increased federal funding is also being used to avoid approximately \$2.1 million of state expenditures on a number of different programs, including AIDS drug and medical services, education and case management services through the AIDS Networks, and administration of the childhood vaccines and Women, Infants, and Children (WIC) nutrition programs.

Approximately \$0.5 million of increased expenditures on AIDS drugs and medical assistance is to be avoided by requiring participants to shoulder a larger share of costs, based upon income.

The agency is to reduce administrative costs by \$1 million department-wide, with \$0.6 million of the reduction in fee-supported health professional licensing programs.

Department of Corrections

A total of \$36 million from the state general fund and \$500,000 from the Cost of Supervision Fund is provided for the increased operating costs associated with the projected population changes based on the current forecasts prepared by the Caseload Forecast Council. The Department of Corrections' residential population is expected to be 335 offenders higher in fiscal year 2002 and 413 offenders higher in fiscal year 2003 than the November 2000 forecasted levels. Funding levels are also adjusted for significant increased workload in the community supervision program. Additionally, funding is provided for increased health care inflation.

Savings of \$4.3 million are achieved through the initiation of a variety of actions to reduce operating costs and achieve administrative savings. These steps include: identifying efficiencies in business, human resources, and information technology support activities; reducing administrative costs associated with offender programs; mitigating the need for outside training resources by using Department staff to perform these functions; standardizing meal plans to lower overall food costs; and reducing administrative costs at the regional level.

The Department of Corrections will achieve savings by removing community corrections officer positions at contracted work release facilities and only performing pre-sentence investigations for sex offenders and mentally-ill offenders. The budget assumes that \$3.5 million in savings will be achieved by these changes.

Savings of \$100,000 are achieved through the implementation of Chapter 290, Laws of 2002 (2SHB 2338), which reduces sentences for certain narcotics drug dealers and, with the exception of methamphetamine-related offenses, eliminates the triple scoring of prior drug offenses in determining an offenders presumptive sentence. The legislation also establishes a new drug grid for the sentencing of most felony drug crimes committed on or after July 1, 2004. Beginning in the 2003-05 biennium, 25 percent of the state savings resulting from the sentencing changes in this act will be dedicated towards providing drug treatment to offenders in the prison system and 75 percent of the state savings will be distributed to local governments for drug treatment and related services for individuals involved in the criminal justice system.

The Governor vetoed funding for the implementation of Chapter 324, Laws of 2002 (ESSB 6490), and therefore funding in the amount of \$53,000 lapses.

Washington State Health Care Authority

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	13,309	669,578	682,887
Total Maintenance Changes	0	-3,997	-3,997
Policy Changes			
1. Transfer Community Health Services	-6,654	6,654	0
2. Basic Health Enrollment Expansion	0	41,238	41,238
3. Low-Income Clinics	0	3,000	3,000
4. Efficiencies & Savings	0	-766	-766
5. PEBB Participation for K-12	0	183	183
6. Consolidated Drug Purchasing	0	1,359	1,359
7. Lapse	0	-1,359	-1,359
Total Policy Changes	-6,654	50,309	43,655
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2001-03 Revised Appropriations	6,655	715,890	722,545
Fiscal Year 2002 Total	6,655	323,390	330,045
Fiscal Year 2003 Total	0	392,500	392,500

Comments:

1. **Transfer Community Health Services** - Funding for Community Health Services is shifted from the General Fund-State to the Health Services Account beginning July 1, 2002. (General Fund-State, Health Services Account)
2. **Basic Health Enrollment Expansion** - With revenue generated by Initiative 773, Basic Health Plan (BHP) enrollment will expand from 125,000 in July 2002 to 172,000 by the end of the biennium. During July-October 2002, opportunities for subsidized coverage will be offered on a phased-in basis for 27,000 non-citizen children and adults who will no longer be eligible for state medical assistance programs in the Department of Social and Health Services (DSHS). Beginning in January 2003, subsidized coverage will be offered on a phased-in basis for an additional 20,000 enrollees. (Health Services Account-State, BHP Trust Account-Non-Appropriated)
3. **Low-Income Clinics** - State grant support is increased for dental care and medical interpreter services through nonprofit community clinics. These funds are targeted towards the 27,000 non-citizen children and adults who will no longer be eligible for coverage through DSHS Medical Assistance programs. (Health Services Account-State)
4. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
5. **PEBB Participation for K-12** - Funding is provided to implement Chapter 142, Laws of 2002 (SHB 2536 - School District Employees Health Care). The bill allows school districts that purchase health and other insurance benefits through the Health Care Authority (HCA) to be charged a composite rate, rather than a tiered rate based on family size. The bill directs HCA to charge a tiered rate to districts enrolling in the future if applying the composite rate to them would increase costs to the state and its employees. (HCA Administration Account-State)
6. **Consolidated Drug Purchasing** - Funding was appropriated for implementation of SSB 6368 (Prescription Drug Utilization and Education). (Health Services Account-State, General Fund-Medicaid, Medical Aid Account-State)
7. **Lapse** - Because SSB 6368 was not enacted, the appropriation lapsed.

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	Estimated	
									2002	2003
Basic Health Plan (Subsidized & HCW) ⁽¹⁾	29,731	37,580	61,773	124,348	127,582	129,873	130,995	132,667	126,014	154,480
% Change from prior year		26.4%	64.4%	101.3%	2.6%	1.8%	0.9%	1.3%	-5.0%	22.6%
Regular Enrollees	29,731	37,580	61,590	123,555	126,472	128,610	129,530	131,111	124,533	153,030
% Change from prior year		26.4%	63.9%	100.6%	2.4%	1.7%	0.7%	1.2%	-5.0%	22.9%
Subsidized Homecare Workers			184	792	1,110	1,263	1,464	1,556	1,481	1,450
% Change from prior year				331.2%	40.1%	13.8%	15.9%	6.3%	-4.8%	-2.1%

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

Data Source :

FY 1992 through FY 2001 from the Health Care Authority.

FY 2002 and FY 2003 estimates from legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	5,388	1,644	7,032
Policy Changes			
1. Efficiencies & Savings	-81	0	-81
Total Policy Changes	-81	0	-81
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2001-03 Revised Appropriations	5,307	1,644	6,951
Fiscal Year 2002 Total	2,688	838	3,526
Fiscal Year 2003 Total	2,619	806	3,425

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2001-03 Original Appropriations	0	29,406	29,406
Total Maintenance Changes	0	213	213
2001-03 Revised Appropriations	0	29,619	29,619
Fiscal Year 2002 Total	0	14,914	14,914
Fiscal Year 2003 Total	0	14,705	14,705

Comments:

No budget changes were made that reflect a change in statute or agency policy.

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	0	19,047	19,047
Total Maintenance Changes	0	85	85
Policy Changes			
1. Public Safety and Education	0	-369	-369
2. Vendor Rate Change	0	-7	-7
Total Policy Changes	0	-376	-376
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2001-03 Revised Appropriations	0	18,756	18,756
Fiscal Year 2002 Total	0	9,537	9,537
Fiscal Year 2003 Total	0	9,219	9,219

Comments:

1. **Public Safety and Education** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)

2. **Vendor Rate Change** - The Washington Association of Sheriffs and Police Chiefs and the Criminal Justice Training Commission's food service contractor will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted. (Public Safety and Education Account-State)

Department of Labor and Industries

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	15,420	439,723	455,143
Total Maintenance Changes	0	1,322	1,322
Policy Changes			
1. Increased Farm Safety Inspections	0	507	507
2. Apprenticeship Transfer	-2,103	2,103	0
3. Employment Standards Transfer	-2,223	2,223	0
4. Crime Victims' Program Reduction	0	-397	-397
5. Plumbing Contractors	0	96	96
6. Crime Victims' Revenue Adjustment	0	0	0
7. Boiler Safety Inspection Increases	0	251	251
8. Occupational Safety & Health Grants	0	5,000	5,000
9. Increased Litigation Costs	0	529	529
10. Center for Occupational Health	0	300	300
11. ESHB 2304 - Transportation	0	950	950
Total Policy Changes	-4,326	11,562	7,236
2001-03 Revised Appropriations	11,094	452,607	463,701
Fiscal Year 2002 Total	5,577	226,739	232,316
Fiscal Year 2003 Total	5,517	225,868	231,385

Comments:

1. **Increased Farm Safety Inspections** - Funding is provided to increase labor law enforcement and workplace safety inspections for agricultural workers. (Accident Account, Medical Aid Account)
2. **Apprenticeship Transfer** - The apprenticeship activities are transferred from General Fund-State funding to the workers' compensation funds. Apprenticeships promote a better trained and stable workforce, thus reducing workplace accidents. (General Fund-State, Accident Account, Medical Aid Account)
3. **Employment Standards Transfer** - The employment standards activities are transferred from General Fund-State funding to the workers' compensation funds. Enforcement of employment standards promotes a safer workplace. (General Fund-State, Accident Account, Medical Aid Account)
4. **Crime Victims' Program Reduction** - Due to a revenue shortfall in the Public Safety and Education Account (PSEA), a 2 percent across-the-board reduction is made to all agencies funded from the account. (PSEA-State)
5. **Plumbing Contractors** - Funding is provided to implement Chapter 82, Laws of 2002 (ESHB 2470 - Plumbing Contractors), which requires plumbing contractors to verify plumbing trainees' hours and that the hours were properly supervised. The Department of Labor and Industries is permitted, in certain circumstances, to audit records and issue infractions to plumbing contractors that verify trainees' hours. (Plumbing Certificate Account-State)
6. **Crime Victims' Revenue Adjustment** - The Crime Victims' Program is funded from state, federal, and private/local sources. Due to a revenue projection showing an increase in private/local sources, state funds are reduced and private/local funds are increased by the same amount. (PSEA-State, PSEA-Private/Local)
7. **Boiler Safety Inspection Increases** - Funding is provided for increased boiler inspections. The Board of Boiler Rules is requiring boiler installers to notify the Department about new boiler installations and to obtain safety inspections. Previously, boiler owners were responsible for notifying the Department. Increased inspections are anticipated as a result of the change in notification requirements. Revenue to pay the cost of the boiler inspection program comes from boiler permit and inspection fees. (Pressure Systems Safety Account)
8. **Occupational Safety & Health Grants** - Funding is provided to improve worker safety and health. The Department may operate time-limited programs to reduce work-related injury and disease, including providing grants to employee and employer organizations for worker safety programs such as educational efforts, training, and testing new safety methods. (Medical Aid Account)
9. **Increased Litigation Costs** - Litigation costs continue to increase as a result of increased appeals and lawsuits before the Board of Industrial Insurance Appeals and the courts. Litigation costs include expert witnesses, court-ordered attorney fees, court reporters, couriers, medical records, medical consultations and court filing fees. Funding is increased in the first year based on the assumption that actual deficits for legal service to date will continue for the remainder of FY 2002. The second year increase is estimated to be twice the deficit level projected for FY 2002. (Accident Account, Medical Aid Account)

Department of Labor and Industries

10. **Center for Occupational Health** - Funding is provided for a second center of occupational health and education to be located on the east side of the state. These centers train physicians on best practices for occupational medicine and work with labor and business to improve the quality and outcomes of medical care provided to injured workers.
(Medical Aid Account-State)
11. **ESHB 2304 - Transportation** - Chapter 5, Laws of 2002 (ESHB 2304), makes changes to chapter 39.12 RCW.

Indeterminate Sentence Review Board

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	1,998	0	1,998
Policy Changes			
1. Efficiencies & Savings	-30	0	-30
Total Policy Changes	-30	0	-30
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2001-03 Revised Appropriations	1,968	0	1,968
Fiscal Year 2002 Total	999	0	999
Fiscal Year 2003 Total	969	0	969

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

Department of Veterans' Affairs

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	19,756	56,221	75,977
Total Maintenance Changes	97	0	97
Policy Changes			
1. Reduce Vendor Rate	-12	0	-12
2. Efficiencies & Savings	-244	0	-244
3. Bed Conversions Shortfall	-7	-1,532	-1,539
4. Facility Start-Up Delays	0	-2,516	-2,516
5. Homeless Veterans' Reintegration	0	155	155
Total Policy Changes	-263	-3,893	-4,156
2001-03 Revised Appropriations	19,590	52,328	71,918
Fiscal Year 2002 Total	9,961	24,640	34,601
Fiscal Year 2003 Total	9,629	27,688	37,317

Comments:

1. **Reduce Vendor Rate** - Department of Veterans' Affairs Field Services contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.
2. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
3. **Bed Conversions Shortfall** - In its original 2001-03 budget, the Department of Veterans' Affairs proposed to reduce state expenditures by converting 65 beds to a higher level of care which would generate more federal and private revenues than the marginal additional cost of their operation. This has not proved feasible, both because of implementation of new federal accreditation standards, and also because earlier-than-anticipated federal approval of construction funding for a new nursing facility on the Retsil campus is requiring demolition of buildings in which the new level of care was to be provided. These factors have combined to result in a projected \$2.3 million revenue deficit at the homes. The agency proposes to manage this deficit by: 1) not incurring the \$1.45 million of additional staffing and other costs authorized for delivery of the planned higher level of care; and 2) applying \$786,000 of federal and private revenues whose receipt was "deferred" last biennium to resolution of the shortfall. (General Fund-State, General Fund-Federal, General Fund-Local)
4. **Facility Start-Up Delays** - Acquisition, accreditation, and implementation of the new Eastern Washington Veterans' Home did not proceed as quickly as originally planned. As a result, expenditures and revenues will both be lower during the first fiscal year than the agency originally projected. The agency now expects the facility to be serving its full capacity of 97 veterans by July 2002, rather than by December 2001 as planned. (General Fund-Federal, General Fund-Local)
5. **Homeless Veterans' Reintegration** - Federal funding is provided to extend the Homeless Veterans' Reintegration Grant. (General Fund-Federal)

Home Care Quality Authority

(Dollars in Thousands)

	<u>GF-S</u>	<u>Other</u>	<u>Total</u>
2001-03 Original Appropriations	0	0	0
Total Maintenance Changes	152	0	152
2001-03 Revised Appropriations	152	0	152
Fiscal Year 2002 Total	0	0	0
Fiscal Year 2003 Total	152	0	152

Comments:

Funding is provided for the establishment of the Home Care Quality Authority (HCQA), pursuant to the passage of Initiative 775 in November 2001. Solely for the purposes of collective bargaining, the HCQA acts as the public employer for home care workers, who provide services to the elderly and to people with disabilities. The HCQA is also responsible for establishing home care worker qualifications, developing referral services, and providing training opportunities and recruitment activities. The funding level assumes a start date of July 1, 2002, with a phasing in of costs to account for the recruitment of staff. This funding represents approximately 50 percent of the costs to operate the HCQA; an interagency agreement with the Department of Social and Health Services Aging and Adult Services Administration and the Division of Developmental Disabilities covers the other 50 percent with federal Medicaid matching funds.

Department of Health

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	132,249	498,912	631,161
Total Maintenance Changes	0	2,325	2,325
Policy Changes			
1. Maximize Use of Federal Funds	-1,111	788	-323
2. HIV Early Intervention Funding	-757	724	-33
3. Cost-Sharing for HIV Assistance	-484	0	-484
4. I-773 Tobacco Plan Enhancement	0	8,745	8,745
5. Childhood Vaccines Fund Shift	-11,641	11,641	0
6. Efficiencies & Savings	0	-574	-574
7. Administrative Reductions	-421	0	-421
8. Federal Bio-Terrorism Funding	0	18,121	18,121
9. Upgrade Hospital Reporting System	0	599	599
10. Certificate of Need Staff Increase	105	0	105
11. Disciplinary Tracking System	0	294	294
12. Recreation Therapy	0	56	56
13. Infant-Friendly Certification	-83	0	-83
14. Northwest Family Center	-174	0	-174
15. Vaccine Funding Savings	-3,680	-1,828	-5,508
16. Initiate Fees for Syphilis Testing	-80	80	0
17. Initiate Fees for Shellfish Testing	-702	702	0
18. Water Conservation and Reuse	-182	182	0
19. Group B Water Inventory Completion	-220	0	-220
20. Reduce Children's Hospital Contract	-182	0	-182
21. AIDSNETS Funding Reduction	-360	360	0
22. Regulate Adult Family Homes	0	-224	-224
23. SSB 6037 Veterinary Services	0	37	37
Total Policy Changes	-19,972	39,703	19,731
2001-03 Revised Appropriations	112,277	540,940	653,217
Fiscal Year 2002 Total	57,337	257,328	314,665
Fiscal Year 2003 Total	54,940	283,612	338,552

Comments:

1. **Maximize Use of Federal Funds** - Increased federal funding is substituted for state general funds in the following areas: 1) administrative costs in the Childhood Immunization Program; 2) technical assistance to hospitals in the Early Hearing Loss Detection, Diagnosis and Intervention Program; and 3) nutrition services and administration costs in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). Additionally, substantial increases in state tobacco funding over the last three years enable the Department to reallocate a portion of the Preventive Health and Health Services Block Grant from tobacco prevention to support health promotion and education activities which were previously state-funded. (General Fund-State, General Fund-Federal)
2. **HIV Early Intervention Funding** - The Human Immunodeficiency Virus (HIV) Early Intervention Program uses state and federal funds to provide prescription drugs, limited medical and dental services, and insurance premium assistance for persons with HIV disease. Because of increased federal funding and drug manufacturer rebates, state general fund support for the program only needs to increase by \$327,000 in FY 2003, to \$2.65 million, rather than by \$970,000 as originally budgeted. (General Fund-State, General Fund-Federal, General Fund-Local)
3. **Cost-Sharing for HIV Assistance** - The HIV Early Intervention Program provides financial assistance with drug costs, insurance premiums, and medical, dental, and laboratory testing for persons with HIV disease. Due to the expense of drug therapies, and enrollment increases associated with increased longevity and earlier onset of therapy, expenditures on the program are growing about 17 percent annually. Enrollment in the program is open to any HIV-infected person with an income below 370 percent of poverty (\$31,000 for a single person) and less than \$10-15,000 in liquid assets. The agency is directed to implement cost-control mechanisms sufficient to limit the increase in program expenditures to approximately 8 percent in FY 2003. Such mechanisms are to include, but are not limited to, a system under which recipients will be required to cover an increased portion of their cost of care, on a sliding-scale basis adjusted for income.

Department of Health

4. **I-773 Tobacco Plan Enhancement** - Initiative 773 requires an appropriation of no less than \$26,240,000 each fiscal year starting with FY 2003 for implementation of the state tobacco prevention and control plan. This item brings the total appropriation to the required level. (Tobacco Prevention and Control Account)
5. **Childhood Vaccines Fund Shift** - The 2001-03 state funding for the Childhood Vaccine program is shifted from the state general fund to the Health Services Account. (General Fund-State, Health Services Account)
6. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
7. **Administrative Reductions** - Funding for a variety of administrative functions is reduced. The corneal eye bank will no longer be subject to regulation by both the state and federal governments. The Department of Health (DOH) will no longer review and approve applications by integrated health systems for immunity from federal anti-trust laws. The Department will reduce its capacity to conduct sunrise reviews of proposed insurance benefit mandates. Various administrative services within the Division of Community and Family Health will be reduced, and a position will be eliminated in the Policy, Legislative, and Constituent Relations Office. The Board of Health will reduce its number of formal meetings, staff time, and contracted research.
8. **Federal Bio-Terrorism Funding** - In consultation with the federal government, local public health departments, hospitals, medical professionals, and state and local public safety agencies, DOH will develop and begin implementation of a comprehensive plan for improving state and local response to public health emergencies and threats, including acts of bio-terrorism. Major components of the comprehensive plan will include: statewide and regional response to bio-terrorism incidents and infectious disease outbreaks; mass distribution of antibiotics, vaccines, and medical material from the National Pharmaceutical Stockpile; assessment of needed statutory and regulatory changes regarding medical professional credentialing and liability in the event of a public health emergency; development of a communications system which assures 24/7 sharing of critical health information among emergency departments, state and local health officials, and law enforcement personnel; and training for such personnel. (General Fund-Federal)
9. **Upgrade Hospital Reporting System** - A one-time fund balance in the Hospital Data Collection Account is to be used to modernize the Comprehensive Hospital Abstract Reporting System (CHARS) to a secure, Internet-based application. This is expected to improve data quality and timeliness, while at the same time reducing reporting costs for hospitals, and ongoing operating costs to the state by \$180-200,000 per year. Development of this system will enable the Legislature to reduce the current \$750,000 per year Health Services Account subsidy of CHARS next biennium by the projected operating costs savings. (Hospital Commission Account)
10. **Certificate of Need Staff Increase** - In order to reduce the backlog in the number of pending applications and exemption requests, an additional FTE is added to the Certificate of Need Program. DOH will increase fees for this function as needed to support the additional FTE. (General Fund-Local)
11. **Disciplinary Tracking System** - During the 1999-01 biennium, DOH received \$2.4 million to obtain a new licensing and disciplinary tracking system that would consolidate reporting for all health professions. It was determined that an "off-the-shelf" product that met the Department's business needs was not available. The spending authority for this project lapsed. This funding enables the Department to link and enhance the current separate disciplinary tracking systems. (Health Professions Account)
12. **Recreation Therapy** - Funding is provided to implement Chapter 216, Laws of 2002 (HB 2315 - Recreation Therapy). The legislation creates a registration program for recreational therapists. (Health Professions Account)
13. **Infant-Friendly Certification** - Chapter 88, Laws of 2001 (2SHB 1590), allows an employer to use the designation of "infant-friendly" on promotional materials should it develop workplace policies supportive of women who breastfeed their babies. Under the law, DOH is to develop and implement criteria, and review and certify businesses with policies that meet the criteria. Due to budget constraints, the certification function will not be performed.
14. **Northwest Family Center** - State grant support to the Northwest Family Center is discontinued. The center provides case management, prevention and risk reduction, outreach, and chemical dependency counseling for women and children with HIV disease. State grant support is less important now than when it began in 1990, because: 1) HIV transmission from mothers to infants has been dramatically reduced as a result of more effective treatments; 2) federal grant and Medicaid funding to the center has increased substantially in recent years without any corresponding reduction in state grant assistance; and 3) other obstetric and pediatric providers now have technological links to specialists in the field.
15. **Vaccine Funding Savings** - The state purchases medically-recommended childhood vaccines, so that they are available at no cost to families and medical providers. State expenditures for this function are less than originally projected because: 1)

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federal Vaccines for Children funding is available to cover a larger share of expenditures than originally budgeted; and 2) manufacturer shortages have delayed purchase of two vaccines, most notably the new "Prevnar" vaccine recently available on the market. (General Fund-State, Health Services Account)

16. **Initiate Fees for Syphilis Testing** - Current law requires the state public health laboratory to provide syphilis testing free of charge upon request. While intended to support public health and community health agencies, physicians and laboratories in the general medical community also use this service. SB 6584, which was not enacted, would have imposed an approximately \$25 fee to cover the cost of tests ordered by all other individuals and organizations. (General Fund-State, General Fund-Local)
17. **Initiate Fees for Shellfish Testing** - The state public health laboratory tests shellfish from public beaches and commercial growers for the presence of bacteria or biotoxins to ensure that contaminated shellfish are not consumed by the public. This item requires commercial shellfish growers to pay for testing related to their commercial product beginning July 1, 2002, at an average fee of approximately \$100 per test. SSB 6790, which was not enacted, would also have required that the fee for recreational shellfish licenses issued by the Department of Fish and Wildlife be increased by approximately \$2 effective April 1, 2002, so that lab testing and on-site inspection of recreationally-harvested shellfish would also be fee-supported rather than state-subsidized. (General Fund-State, General Fund-Local)
18. **Water Conservation and Reuse** - Funding for the water conservation and reuse program is transferred from the state general fund to the Salmon Recovery Account. State funding for this function will be considered for reduction or elimination in the 2003-05 biennium if a comprehensive water strategy is enacted that includes a significant municipal conservation and re-use component. (General Fund-State, Salmon Recovery Account)
19. **Group B Water Inventory Completion** - The 2001 Legislature appropriated funds which are being used to provide \$800,000 per calendar year (CY) to assist local health departments assure the safety of very small water systems. This item reduces the CY 2003 appropriation level for start-up and baseline inventory activities already completed in CY 2002. Sufficient funds remain to continue financial assistance grants at the \$800,000 per year level in CY 2003.
20. **Reduce Children's Hospital Contract** - State funding to Children's Hospital and Regional Medical Center (CHRMC) is reduced. The CHRMC develops assessment strategies, quality assurance processes, and family involvement strategies for children with special health care needs. It also informs and educates providers, policy makers, and others about children with special health care needs.
21. **AIDSNETS Funding Reduction** - The six regional Acquired Immune Deficiency Syndrome networks (AIDSNETs) receive state and federal funding: to provide outreach and prevention activities for people at high risk of contracting HIV disease; to conduct education and testing programs for the general public; and to coordinate care and case management for affected individuals. State funding for these functions is reduced by approximately 4.5 percent (or 2 percent, counting all state and federal funding available to the networks in CY 2001). Increased federal funding is expected to offset this reduction in state financial support. (General Fund-State, General Fund-Federal)
22. **Regulate Adult Family Homes** - Chapter 223, Laws of 2002 (HB 2444 - Regulation of Adult Family Home Providers) eliminates the requirement that owners and managers of adult family homes register with DOH. The Department of Social and Health Services will be solely responsible for inspecting adult family home facilities, and for assuring that staff meet statutory and regulatory standards. The fees which adult family home providers and managers paid to support the registration requirement are also eliminated. (Health Professions Account)
23. **SSB 6037 Veterinary Services** - Funds are provided for implementation of Chapter 157, Laws of 2002 (SSB 6037), which allows animal control agencies and humane societies to provide services such as veterinary sterilizations and vaccinations for certain low-income households. (Health Professions Account-State)

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(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	1,039,588	40,839	1,080,427
Total Maintenance Changes	41,103	-2,709	38,394
Policy Changes			
1. Public Safety and Education Account	0	-348	-348
2. Drug Offender Sentencing	-100	0	-100
3. Elim Pre-Sentence Investigation	-2,173	0	-2,173
4. Education Contract Consolidation	-1,223	0	-1,223
5. Food Service Efficiencies	-464	0	-464
6. Eliminate Mental Health Contract	-330	0	-330
7. Efficiencies & Savings	-2,263	0	-2,263
8. Motor Vehicle Theft	53	0	53
9. Vendor Rate Change	-221	0	-221
10. Violence Reduction & Drug Enf Acct	0	-18	-18
11. Contracted Work Release Facilities	-1,358	0	-1,358
12. Governor Veto	-53	0	-53
Total Policy Changes	-8,132	-366	-8,498
2001-03 Revised Appropriations	1,072,559	37,764	1,110,323
Fiscal Year 2002 Total	528,472	20,013	548,485
Fiscal Year 2003 Total	544,087	17,751	561,838

Comments:

1. **Public Safety and Education Account** - Due to a revenue shortfall in the Public Safety and Education Account, a 2 percent across-the-board reduction is made to all agencies funded from the account. (Public Safety and Education Account-State)
2. **Drug Offender Sentencing** - Savings are achieved through the implementation of Chapter 290, Laws of 2002 (2SHB 2338), which reduces sentences for the manufacture, delivery, or possession with intent to deliver heroin or cocaine from seriousness level VIII to seriousness level VII on the adult felony sentencing grid. Additionally, when calculating the effect of accompanying drug offense convictions, each prior conviction will count as one instead of three for the purposes of determining an offender's standard range sentence under the Sentencing Reform Act. Methamphetamine manufacturing offenses will not be eligible for these sentencing changes.
3. **Elim Pre-Sentence Investigation** - A portion of the funding for the Department to conduct pre-sentence investigations (PSI) is eliminated. Currently, the Department provides PSIs upon request of the courts for use in determining an offender's sentence. The Department will continue to conduct PSIs for sex offenders and dangerous mentally-ill offenders.
4. **Education Contract Consolidation** - The Department of Corrections (DOC) contracts with several community colleges for educational services in prison facilities. Savings are achieved as a result of the Department reducing administrative costs in the delivery of these educational services. The Department, in consultation with the State Board for Community and Technical Colleges, will develop a plan for achieving this level of savings with the least possible impact on current direct service levels.
5. **Food Service Efficiencies** - Savings are achieved as a result of the Department utilizing standardized meal plans and menus in their correctional facilities, thereby eliminating duplicative workload between facilities. These efficiencies will not directly affect services or compromise cultural or health requirements of incarcerated offenders.
6. **Eliminate Mental Health Contract** - DOC contracts with a third-party reviewer to conduct staff training, program evaluation, and periodic updates for the Department's mental health program. DOC will investigate existing services for efficiencies and eliminate the contract with the University of Washington. This change will not affect mental health services to offenders.
7. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.
8. **Motor Vehicle Theft** - Funding is provided for the implementation of Chapter 324, Laws of 2002 (ESSB 6490),

Department of Corrections

which increases the penalties for taking a motor vehicle without permission.

9. **Vendor Rate Change** - The Department's education, chemical dependency, and work release contractors will receive a 1.5 percent vendor rate increase in July 2002, rather than a 2.3 percent increase as originally budgeted.
10. **Violence Reduction & Drug Enf Acct** - Due to a revenue shortfall in the Violence Reduction and Drug Enforcement Account, a 1.1 percent across-the-board reduction is made to all agencies funded from the account. (Violence Reduction and Drug Enforcement Account)
11. **Contracted Work Release Facilities** - Savings are achieved by DOC no longer having community corrections officers (CCOs) located at contracted work release facilities. It is assumed that the CCOs will be moved to direct supervision activities.
12. **Governor Veto** - The Governor vetoed Section 221(2)(i) of Chapter 371, Laws of 2002, Partial Veto (ESSB 6387), which provided funding for the implementation of Chapter 324, Laws of 2002 (ESSB 6490). Therefore, funding in the amount of \$53,000 lapses.

Department of Corrections

WORKLOAD HISTORY

By Fiscal Year

	1994	1995	1996	1997	1998	1999	2000	2001	<u>Estimated</u>	
									2002	2003
Community Supervision ⁽¹⁾										
# Active (Non-Monetary) Offenders	24,987	26,458	28,700	28,961	31,173	30,973	30,278	31,323	35,473	37,214
% Change from prior year		5.9%	8.5%	0.9%	7.6%	-0.6%	-2.2%	3.5%	13.3%	4.9%
# of Monetary Only Offenders	19,726	21,291	22,284	22,997	23,115	22,979	26,458	27,364	28,146	28,674
% Change from prior year		7.9%	4.7%	3.2%	0.5%	-0.6%	15.1%	3.4%	2.9%	1.9%
Work Release										
Avg Daily Pop/Month	542	576	604	622	612	636	642	656	699	699
% Change from prior year		6.3%	4.9%	3.0%	-1.6%	3.9%	0.9%	2.2%	6.6%	0.0%
Institutions										
Avg Daily Pop/Month	9,949	10,421	11,177	11,968	12,694	13,629	13,910	14,386	14,585	14,731
% Change from prior year		4.7%	7.3%	7.1%	6.1%	7.4%	2.1%	3.4%	1.4%	1.0%
Average Cost Per Inmate ⁽²⁾										
Annual	22,903	23,610	23,394	22,906	22,986	22,849	23,775	24,685	25,600	25,962
% Change from prior year		3.1%	-0.9%	-2.1%	0.3%	-0.6%	4.1%	3.8%	3.7%	1.4%

(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 Source:

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

Department of Services for the Blind

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	3,321	13,013	16,334
Policy Changes			
1. Efficiencies & Savings	-81	0	-81
2. Transfer from DSHS Voc Rehab	0	1,503	1,503
Total Policy Changes	-81	1,503	1,422
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2001-03 Revised Appropriations	3,240	14,516	17,756
Fiscal Year 2002 Total	1,652	7,152	8,804
Fiscal Year 2003 Total	1,588	7,364	8,952

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

2. **Transfer from DSHS Voc Rehab** - The Department of Social and Health Services (DSHS) Division of Vocational Rehabilitation (DVR) and the Department of Services for the Blind (DSB) have agreed to assign 14 percent of the annual federal vocational rehabilitation grant to DSB, rather than 12 percent as in the past. This results in an allocation between the two programs more consistent with national averages, and is expected to enable DSB to avoid the "order of selection" waiting lists under which DVR has operated since fall 2000. The DSB will be able to match the additional federal revenues without an increase in its state general fund appropriations because of an interagency agreement with the School for the Blind. (General Fund-State, General Fund-Federal)

Sentencing Guidelines Commission

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	1,793	0	1,793
Policy Changes			
1. Efficiencies & Savings	-25	0	-25
Total Policy Changes	-25	0	-25
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2001-03 Revised Appropriations	1,768	0	1,768
Fiscal Year 2002 Total	936	0	936
Fiscal Year 2003 Total	832	0	832

Comments:

1. **Efficiencies & Savings** - The agency shall take actions consistent with their mission, goals, and objectives to reduce operating costs. The agency should give strong consideration to the Best Practice proposals put forth by Office of Financial Management (OFM) and the Department of Information Services. Such action, to the extent possible, should maintain client services and state revenues. Actions may also include hiring freezes, employee furloughs both voluntary and mandatory, restricted travel and training, and reduced equipment and personal service contracts. The agency, with OFM approval, can use FY 2002 savings to offset the FY 2003 reduction.

Department of Employment Security

(Dollars in Thousands)

	GF-S	Other	Total
2001-03 Original Appropriations	0	426,339	426,339
Total Maintenance Changes	0	10,964	10,964
Policy Changes			
1. Unemployment Insurance Program	0	1,370	1,370
2. Redetermination for FML	0	156	156
3. Unemployment Insurance (EHB 2901)	0	1,600	1,600
4. Lapse	0	-156	-156
Total Policy Changes	0	2,970	2,970
2001-03 Revised Appropriations	0	440,273	440,273
Fiscal Year 2002 Total	0	222,903	222,903
Fiscal Year 2003 Total	0	217,370	217,370

Comments:

1. **Unemployment Insurance Program** - The Department receives federal funds for one-time unemployment insurance administrative expenses. These funds will be used to make technology improvements that will reduce the time intake agents are on the phone with a client. Space at the telecenters will be reconfigured to meet the increase in seasonal staff that are needed to respond to expected increases in unemployment insurance claims. The funds will also be used to increase the accuracy of the employer tax system. (Unemployment Compensation Administrative Account-Federal)

2. **Redetermination for FML** - Funding is provided for the administrative costs of implementing SHB 2355 (Unemployment Insurance), which allows for redetermination of unemployment insurance benefits for persons who took unpaid family and medical leave (FML). (Unemployment Compensation Administrative Account-Federal)

3. **Unemployment Insurance (EHB 2901)** - Funding is provided for implementation of Chapter 149, Laws of 2002, Partial Veto (EHB 2901 - Unemployment Insurance). (Administrative Contingency Account-State)

4. **Lapse** - SHB 2355 did not pass the Legislature. The funding provided lapses.