Human Services

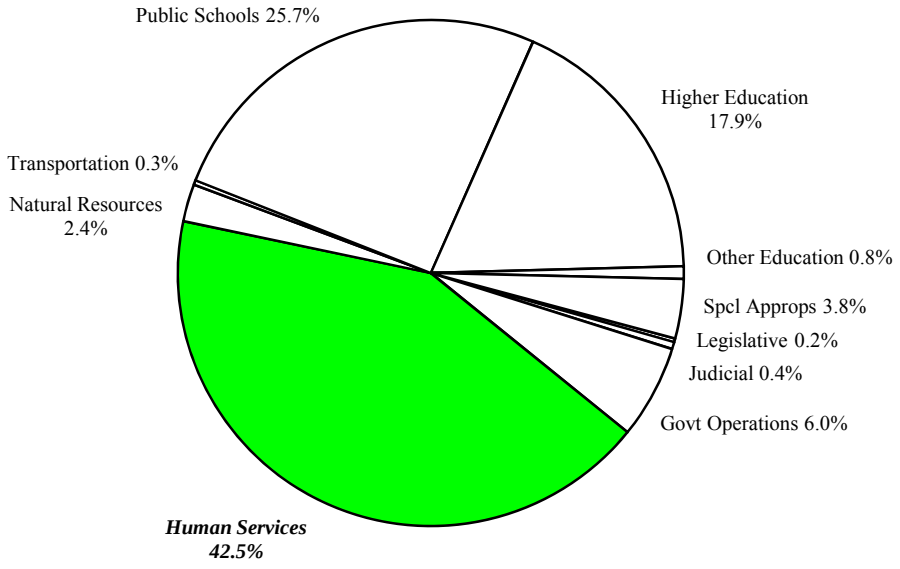
The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division to most efficiently describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Department of Health, and other human services related agencies.

2011-13 Washington State Omnibus Operating Budget

Total Budgeted Funds

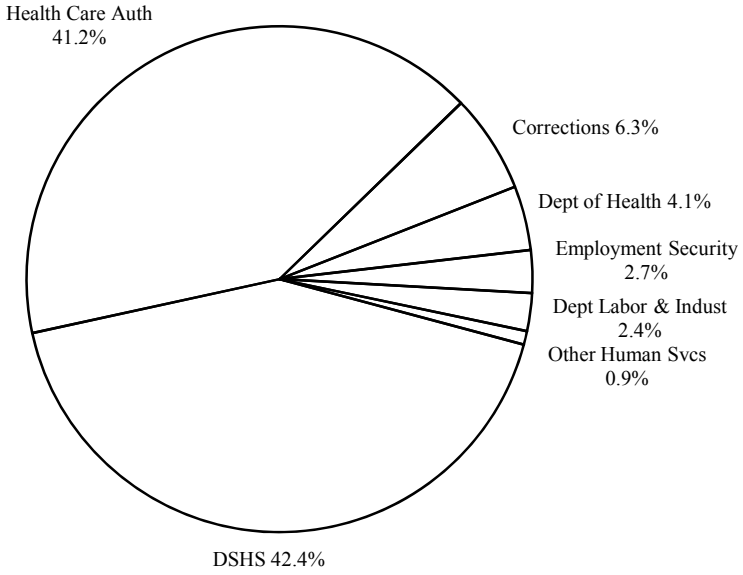
(Dollars in Thousands)

Legislative	149,429
Judicial	274,987
Governmental Operations	3,707,655
Human Services	***26,344,252***
Natural Resources	1,490,117
Transportation	176,473
Public Schools	15,915,437
Higher Education	11,126,495
Other Education	503,435
Special Appropriations	2,355,947
Statewide Total	**62,044,227**



Washington State

DSHS	11,171,470
Health Care Authority	10,847,407
Dept of Corrections	1,659,307
Dept of Health	1,081,936
Employment Security	715,099
Dept of Labor & Indust	638,382
Other Human Svcs	230,651
Human Services	***26,344,252***



Human Services

2011-13 Washington State Omnibus Operating Budget

Near General Fund-State

(Dollars in Thousands)

Legislative	142,344
Judicial	221,808
Governmental Operations	474,248
Human Services	***12,080,537***
Natural Resources	309,303
Transportation	78,272
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Higher Education	2,602,642
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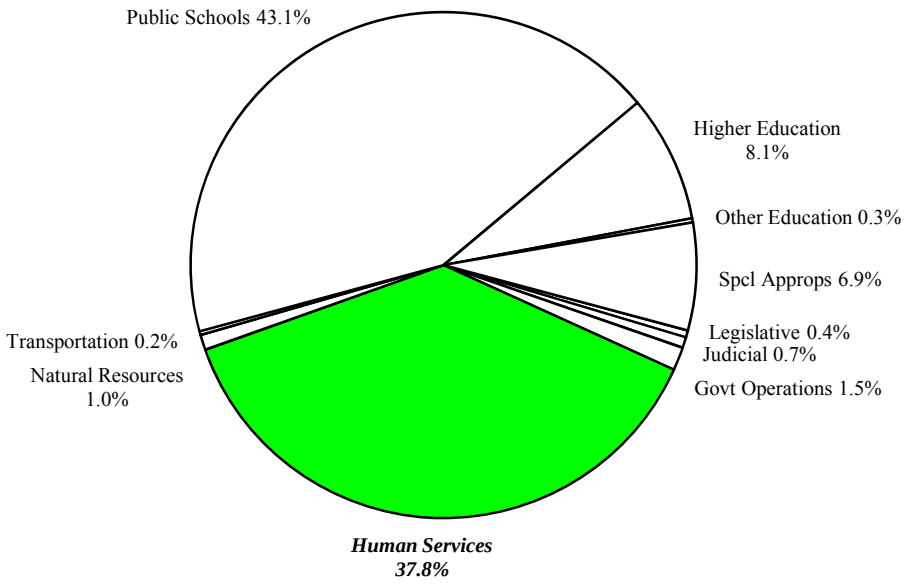
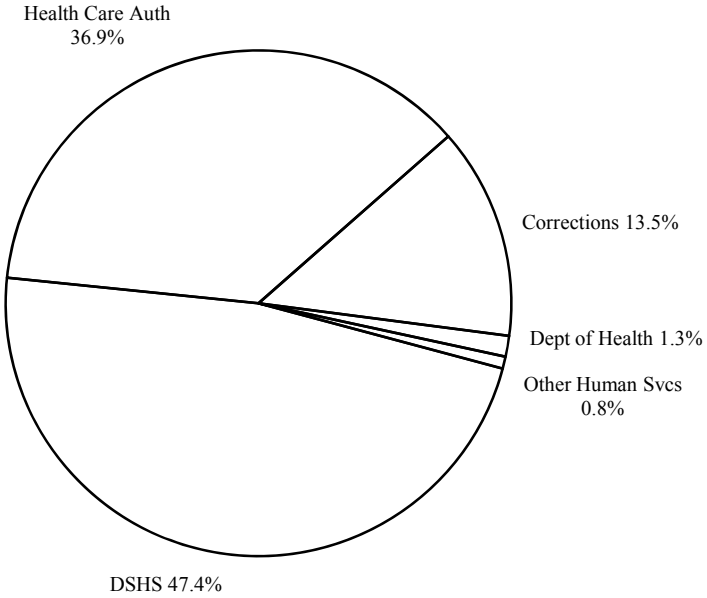


Washington State

DSHS	5,731,500
Health Care Authority	4,459,259
Dept of Corrections	1,635,488
Dept of Health	160,547
Other Human Svcs	93,743
Human Services	***12,080,537***



Human Services

Department of Social & Health Services

Children and Family Services

The Children's Administration operates Child Protective Services (CPS) that responds to reports of child abuse or neglect. The Department also operates the foster care system for children who are in out-of-home placements with caregivers and the adoption support program for children who have been adopted from the foster care system. Additionally, the Department contracts for prevention, early intervention services, and services for children and families involved in the child welfare system.

Savings of $18.7 million in total funds ($8.1 million Near General Fund-State) are achieved through the reduction of 249 FTEs from the Department of Social and Health Services (DSHS) Children's Administration and through management efficiency savings. These savings are achieved through reducing both vacant and filled positions within the Department.

The budget reduces a total of $1.8 million in total funds ($462,000 Near General Fund-State) for Secure Crisis Residential Centers, Crisis Residential Centers, and HOPE beds.

Savings of $1.7 million in total funds ($1.1 million Near General Fund-State) are achieved through reductions in the Behavioral Rehabilitative Services (BRS) program. BRS are provided to children in foster care who need intensive services. The Department will continue to focus on decreasing the length of stay and placing children in less restrictive settings.

The budget reduces funding for foster parent childcare by a total of $3 million ($2.6 million Near General Fund-State) reflecting revisions to policies that have been implemented by the Department regarding childcare authorizations.

Savings of $8.4 million in total funds ($4.4 million Near General Fund-State) are achieved through expediting adoptions for children awaiting a home study to finalize the adoption and through modifications to policies pertaining to the use of Voluntary Placement Agreements.

Juvenile Rehabilitation Administration

A total of $179 million is provided for DSHS-Juvenile Rehabilitation Administration (JRA) to incarcerate approximately 600 juvenile felons per month in state institutions, supervise an average of 426 youth on parole, and provide grants to county juvenile courts for alternative disposition and evidence-based treatment in the 2011-13 biennium. This represents a decrease of $37 million (17 percent) in JRA spending from the 2009-11 biennium and a decrease of $19 million (10 percent) from the 2011-13 maintenance level.

The budget provides $500,000 each to JRA and for pass-through grants to juvenile courts for expansion of evidence-based treatment programs.

Funding is reduced by $12.6 million General Fund-State, including: reducing parole services that includes reducing aggression replacement therapy and functional family therapy ($4.3 million), reducing juvenile court funding ($2.3 million), and reducing administrative and JRA institution costs ($5.2 million).

Funding is reduced by $3.3 million General Fund-State to reflect the closure of Maple Lane School on June 30, 2011. The 2010 supplemental budget assumed closure of Maple Lane School on June 30, 2013, but a declining caseload and capacity at other institutions enables an earlier closure.

Mental Health

Mental health services for those living with severe, chronic, or acute mental illnesses are administered primarily through DSHS. This includes operation of two adult state hospitals that deliver psychiatric services to clients on civil or forensic commitment orders and for the Child Study Treatment Center, which is a small psychiatric inpatient facility for children and adolescents. In addition, DSHS contracts with 13 Regional Support Networks (RSNs) as local administrative entities to coordinate crisis response, community support, residential, and resource management services through a network of community providers. Services for Medicaid-eligible consumers within each RSN are provided through a capitated Prepaid Inpatient Health Plan. Limited services that cannot be reimbursed through the Medicaid program are provided within available state and local resources.

A total of $1.598 billion ($890 million General Fund-State) is provided for operation of the public mental health system during the 2011-13 biennium. This is $57.2 million (3 percent) less than the estimated amount needed to maintain the current level of mental health services and activities. Major reductions include:

- Funding for the community mental health services delivered through RSNs is reduced by a total of $26.2 million, or about 3 percent. DSHS is to reduce RSN mental health capitation rates for individuals who are eligible for Medicaid by $17.5 million, approximately 2 percent. In addition, "state only" funding for people and services not eligible for the federal Medicaid program is reduced by a total of $8.7 million, or about 4 percent.
- Staffing in the state psychiatric hospitals is reduced by approximately 112 FTEs (4 percent) with a total reduction in funding of $31.0 million, or about 7 percent. This includes savings of $6.6 million resulting from a Western State Hospital civil ward closure implemented in fiscal year 2011. In addition, DSHS is to maintain and enhance a variety of strategies at all three of the state hospitals for achieving operating and administrative efficiencies that save another $9.7 million without further reductions of beds. Reductions to employee compensation and suspension of automatic benefit increases in the Public Employees' Retirement System Plan 1 will result in savings of approximately $14.6 million.
- DSHS is to achieve savings of $2.6 million in General Fund-State during the 2011-13 biennium by leveraging alternative fund sources. This includes increased use of Medicaid to pay for Program of Assertive Community Treatment team services as well as alternative community services provided to former residents of the Program of Adaptive Living Skills. In addition, DSHS will enter into an interagency agreement with the Office of the Attorney General for expenditure of $700,000 of the state's proceeds of the cy pres settlement in State of Washington v. AstraZeneca (Seroquel) and use this to maintain support for the University of Washington's Evidence Based Practice Institute.
- A total of $3 million is provided to adjust RSN Medicaid mental health capitation rate ranges to correct a technical oversight related to costs associated with hospitals participating in the state's certified public expenditure (CPE) payment program. When rate ranges were reset in 2010, some costs associated with these facilities were inadvertently omitted from the rate-setting study.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

A total of $5.5 million is provided for health benefit inflation for approximately 39,000 homecare workers who meet minimum standards for hours worked providing personal care services to senior citizens and clients with developmental disabilities. Consistent with the tentative collective bargaining agreement for individual providers, the way health benefits are paid for is converted from a monthly payment rate to a cents-per-hour payment methodology.

Just under $1.5 billion in state funding ($2.9 billion in total funds) is appropriated for DSHS to provide Medicaid Personal Care (MPC) services to an average of 45,000 eligible adult clients per month who are elderly or have developmental disabilities. The MPC program utilizes a client assessment to determine an individual's need for assistance with activities of daily living - such as bathing, meal preparation, toileting, medication management, and housekeeping. The appropriated amount reflects General Fund-State savings of $98 million from the 2009-11 biennial appropriation. The savings are achieved through a reduction in hours that are authorized on a monthly

basis for MPC. The actual reduction in hours is tiered according to client acuity and will range between 6 percent and 18 percent per client with the most acute clients receiving the smallest reduction in authorized hours.

A savings of $30 million General Fund-State ($56 million in total funds) is achieved by delaying the implementation of enhanced long-term care worker training and certification requirements established in 2008 by Initiative 1029. The savings include a reduction in contributions paid to the training partnership and to homecare agencies to administer the training for homecare workers. Funding is continued for the current level of fundamental training for long-term care workers, which is 28-34 hours, depending on the type of worker. Funding is maintained for current levels of specialty training as required to care for clients with dementia, mental health, and developmental disabilities. The current continuing education and state background checks remain in effect. The implementation of additional federal fingerprint background checks is also delayed.

A total of $147 million is appropriated for the aging and disability services home- and community-based waiver programs' employment and day services. This reflects a reduction of $20 million in total funds due to changes to existing services. These include a modification from the current adult working policy to a work first policy resulting in $2.8 million total savings and transitioning the Adult Day Health (ADH) program to a long-term care waivered service resulting in $17.2 million total savings. Collectively, these changes prohibit a client with developmental disabilities from receiving more than one employment or day service simultaneously. Clients over the age of 21 must work with contracted employment vendors for nine months seeking employment after which time they may elect to transfer to the community access program. Alternatively, clients who prefer ADH may access this program by switching from the developmental disability waiver program to the long-term care waiver program, making them ineligible for employment or community access services. Services remain unchanged for eligible senior citizens who currently participate in the ADH program.

Developmental Disabilities

A total of $11 million is provided for community residential placements for 58 individuals who have been identified as aging out of foster care, ready for discharge from juvenile rehabilitation and mental health institutions, or ready for release from the Department of Corrections.

Long-Term Care

The budget assumes the creation of a nursing facility safety net assessment pursuant to Chapter 7, Laws of 2011, 1st sp.s. (ESSB 5581 – Nursing Home Safety Net). The safety net assessment utilizes a new revenue stream and leverages additional federal funding for skilled nursing facility Medicaid payments. All revenues from the safety net assessment are utilized for payments to nursing facilities. New payments total $170 million to include $88 million from the newly-created Skilled Nursing Facility Safety Net Trust Fund and matching federal funds.

Economic Services Administration

The Economic Services Administration operates a variety of programs for low-income persons and families. These programs include the federal Supplemental Nutritional Assistance Program (SNAP), the state Food Assistance Program, the state WorkFirst Program, the Temporary Assistance for Needy Families (TANF) Program, and the Disability Lifeline Program.

Savings of $100.3 million state general funds are achieved through the continuation of the Disability Lifeline grant reduction implemented in fiscal year 2011. The grant reduction affects all Disability Lifeline recipients.

Funding is reduced by $79.5 million to reflect provisions included in Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082). Under ESHB 2082, the Disability Lifeline Program is terminated on October 31, 2011. The Aged, Blind, or Disabled Assistance Program is established for persons likely to meet the federal Supplemental Security Income disability standard. An Essential Needs and Housing Support Program is established for individuals eligible for Medical Care Services who are not recipients of Alcohol and Addiction Services or are not recipients

of Aged, Blind, or Disabled Assistance Program. Total funding of $64.1 million is provided to the Department of Commerce for the Essential Needs and Housing Support Program.

Savings of $12.6 million in total funds ($6.3 million Near General Fund-State) are achieved by continuing the suspension of redistributions of Internal Revenue Service refund payments that previously prioritized former TANF clients over repayment of state debt.

The federal Deficit Reduction Act of 2005 allows states to pass through up to $100 a month of collected child support to TANF families with one child and up to $200 a month of collected child support to TANF families with two or more children without having to reimburse the federal government for its share of the child support collected. Chapter 3, Laws of 2010, 2nd sp.s. (SSB 6893), suspended the child support pass through resulting in savings of $37.6 million in total funds ($18.8 million Near General Fund-State).

The 2011-13 operating budget set the state Food Assistance Program benefit at 50 percent of the federal SNAP benefit amount resulting in savings of $30 million state general fund.

Alcohol and Substance Abuse

The Alcohol and Substance Abuse program is administered within the Department of Social and Health Services (DSHS), which coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DSHS contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Regional Administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DSHS also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

A total of $314.5 million ($151.7 million state) is provided for alcohol and substance abuse services during the 2011-13 biennium. This is a net $6.2 million (2 percent) less than the estimated amount needed to maintain the current level of alcohol and substance abuse activities.

The budget maintains funding for federally matched services for individuals on Medicaid or receiving medical care through the DSHS 1115 waiver as well as for youth residential and services to pregnant and parenting women. An increase of $2.8 million is provided to reflect an increase in the caseload of Disability Lifeline-Unemployable clients with an identified need for drug or alcohol treatment who are required to participate in treatment or risk losing benefits under current law.

Savings of $7.0 million General Fund-State are achieved by reducing non-federally matched funding for contracts to provide low-income treatment and detoxification services. Treatment programs are provided in both residential and outpatient settings and can vary in length.

Additional savings of $17.6 million in General Fund-State will be achieved by leveraging alternative fund sources without impacting current service levels. This is primarily achieved through increasing federal reimbursement allowed under the DSHS 1115 waiver, which was approved in January 2011 and allows for federal match on some populations that previously were covered with 100 percent General Fund-State. In addition, DSHS will increase licensing and certification fees at an amount adequate to cover the costs for its certification and regulation of approved chemical dependency treatment programs.

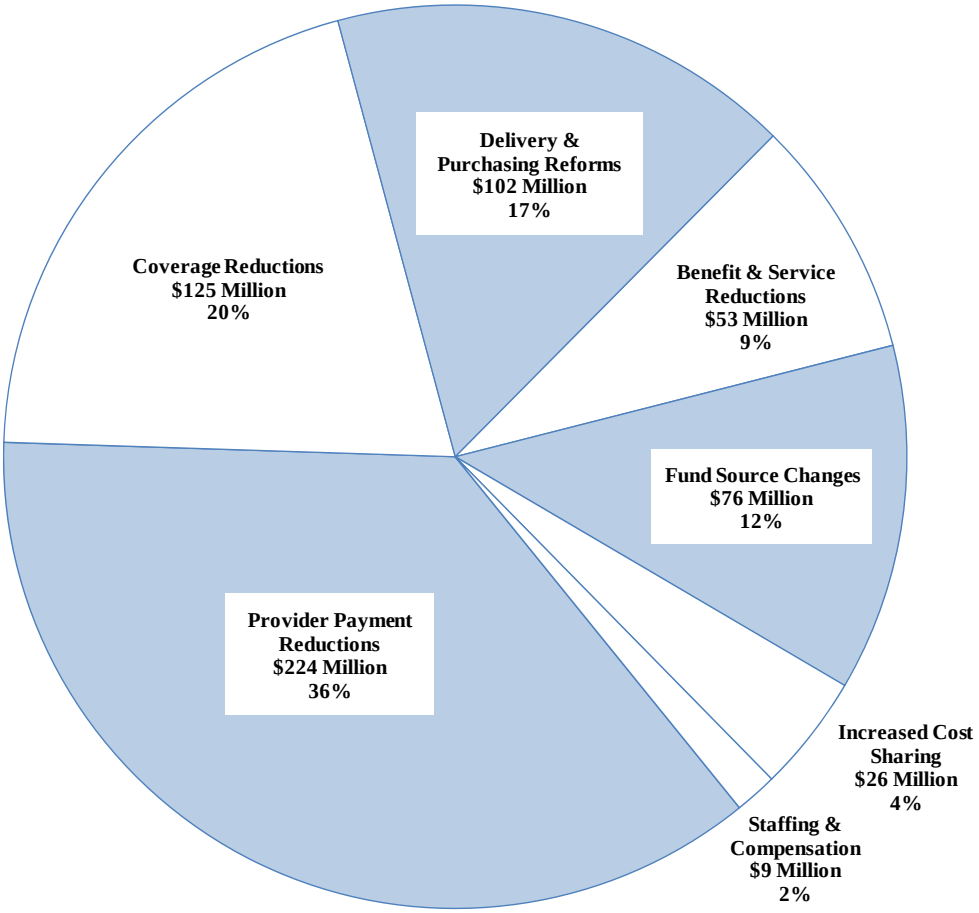
Low-Income Medical Assistance

A total of $10.7 billion is appropriated to pay for medical and dental services for an average of 1.3 million low-income children and adults each month during the 2011-13 biennium. This is an increase of $519 million (5 percent) from the 2009-11 biennium in total appropriations for such services. An average of 83,000 (7 percent) more persons per month are expected to receive state-subsidized coverage than during the 2009-11 biennium.

These funds are appropriated exclusively to the Health Care Authority (HCA) because Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), transferred administration of the Medical Assistance Program from DSHS into HCA.

Of the $10.7 billion appropriated, $4.9 billion is state funds; $5.6 billion is federal funds, primarily from Medicaid; and the rest is local government funds provided for purposes of collecting Medicaid matching funds. Of the $4.9 billion in state funds, $4.5 billion is from the state general fund and $400 million is from the Hospital Safety Net Assessment enacted in 2010. The $4.9 billion provided for low-income medical assistance is 15 percent of total state fund appropriations and is a $777 million (19 percent) increase in such appropriations from the 2009-11 level. The increase in state fund appropriations ($777 million) is greater than the increase in total appropriations ($519 million) because of the expiration of federal American Recovery and Reinvestment Act (ARRA) funds that temporarily reduced the state share of Medicaid costs during the 2009-11 biennium.

Though a $777 million increase, the $4.9 billion state appropriation is $620 million (11 percent) less than would be required to continue all low-income medical assistance programs and policies with no changes from the 2009-11 biennium. As depicted in the pie chart, and described in some detail below, the $620 million of state general fund reductions fall into seven broad categories.



- $224 million (36 percent) of the state general fund reductions ($427 million total funds) are due to ***reduced provider payments***. The largest components are a $110 million reduction in state Medicaid payment rates for non-rural, non-governmental hospitals (8 percent for inpatient services and 7 percent for outpatient services), and a $42 million (approximately 11 percent) reduction in payment rates for low-income community clinics. Other state general fund reductions in this category include an anticipated $27 million savings in fiscal year 2013 as a result of emphasizing price in the selection of managed care contractors; $25 million from eliminating state grant support for low-income community clinics and

community coverage collaboratives; and $14 million from a 40 percent reduction in grants to hospitals that serve disproportionately large numbers of low-income patients.

- $125 million (20 percent) of the state general fund reductions ($196 million total funds) are due to ***covering fewer people*** under the state's Basic Health Plan (BHP). An average of 35,000 people will receive subsidized BHP coverage during 2011-13, just over half as many as originally planned. This reduction results from terminating BHP coverage for persons who are ineligible for the state's Medicaid Transition Bridge waiver because of their age or immigration status; transferring coverage for approximately 1,700 children from the BHP to other state programs; and continuing to freeze new admissions to the program.
- $102 million (17 percent) of the state general fund reductions ($199 million total funds) are due to ***service delivery and purchasing reforms***. Almost $40 million of state expenditures are to be avoided by increasing efforts to: (1) identify and bill other insurance coverage for persons who have it and (2) recover payments that have been inappropriately charged. An additional $36 million of state savings are anticipated from a new policy under which the medical assistance program will not pay for more than three emergency room visits for non-emergent conditions per patient per year. Other state-fund reductions in this category include: $9 million from improved utilization management of advanced imaging, prescription drugs, and selected outpatient surgeries; $8 million from extending managed care coverage to most disabled Medicaid recipients during the second year of the biennium; $4 million from selectively contracting for wheelchairs and some other medical equipment and supplies; and $3 million from streamlining delivery of medical interpreter services.
- $76 million (12 percent) of the state general fund reductions are due to ***fund source changes***. The largest is the use of $44 million from the Tobacco Settlement Account to fund BHP enrollments. The federal government has agreed to cover half the cost of kidney dialysis and cancer treatment for low-income immigrants who do not qualify for Medicaid, saving $23 million of state expenditures. An additional $11 million of state expenditures will be saved by reducing the state's contribution towards the required non-federal match for school-based Medicaid services to 40 percent, requiring school districts to provide the other 60 percent with local funds.
- $53 million (9 percent) of the state general fund reductions ($118 million total funds) derive from ***covering fewer services*** for eligible recipients. Preventive and restorative dental care will no longer be covered for adults unless they are pregnant or receiving long-term care services, for an anticipated $29 million in state savings. Maternity support services are reduced by 30 percent, for a $12 million state savings. The Medicaid program will no longer cover eyeglasses and most hearing devices for adults, saving approximately $5 million, and adult occupational, physical, and speech therapy benefits are reduced by about one-third, for a savings of $4 million.
- $26 million (4 percent) of the state general fund reductions ($36 million total funds) are from ***requiring recipients to pay more*** for covered services. The state will no longer cover the cost of drug co-payments for low-income elderly and disabled persons eligible for Medicare, and HCA will seek a federal waiver under which all Medicaid recipients other than those receiving long-term care services would have drug co-payments comparable to those required in BHP. Families with incomes over 200 percent of the federal poverty level whose children are ineligible for federally funded medical coverage because of their immigration status will be required to pay a premium equal to the average state cost in order to enroll in state-sponsored medical programs.
- $9 million (2 percent) of the state general fund reductions ($17 million total funds) are from an approximately 3 percent reduction in state agency staffing, and from the state employee salary and benefit reductions described in other sections of this document.

Special Commitment Center

The 2011-13 biennial budget adjusted the funding for the Special Commitment Center (SCC), providing a total of $95.4 million state general funds for the operations of SCC. SCC operates both a main facility on McNeil Island and two Secure Community Transitional Facilities for civilly committed sexually violent predators.

Major savings items include:

- $3.2 million through staff reductions and efficiencies;
- $1.1 million through changes to residential and community programs;
- $3.8 million through modification to staffing at the Secure Community Transitional Facilities pursuant to Chapter 19, Laws of 2011 (SHB 1247).

Additionally, $6 million was provided to SCC for McNeil Island operations. Due to the McNeil Island Corrections Center closure in April 2011, SCC solely operates the McNeil Island functions including water treatment, road maintenance, and ferry operations.

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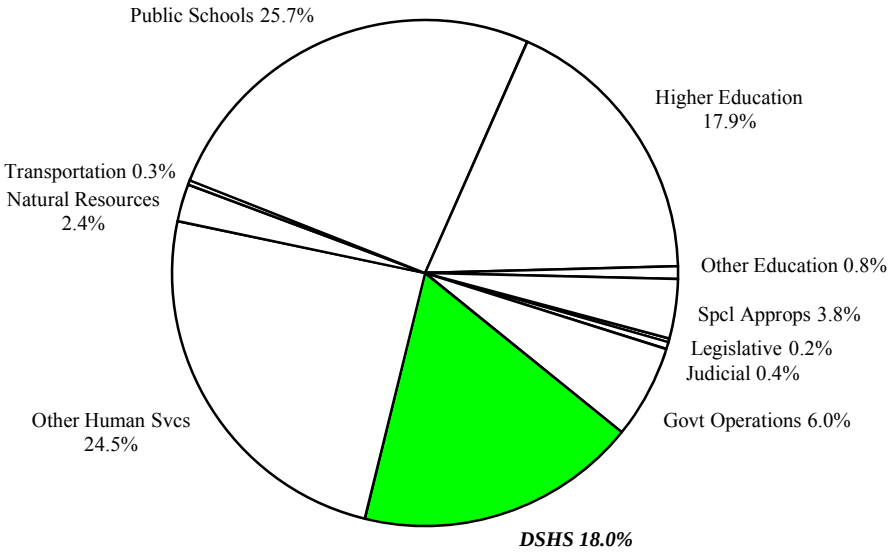
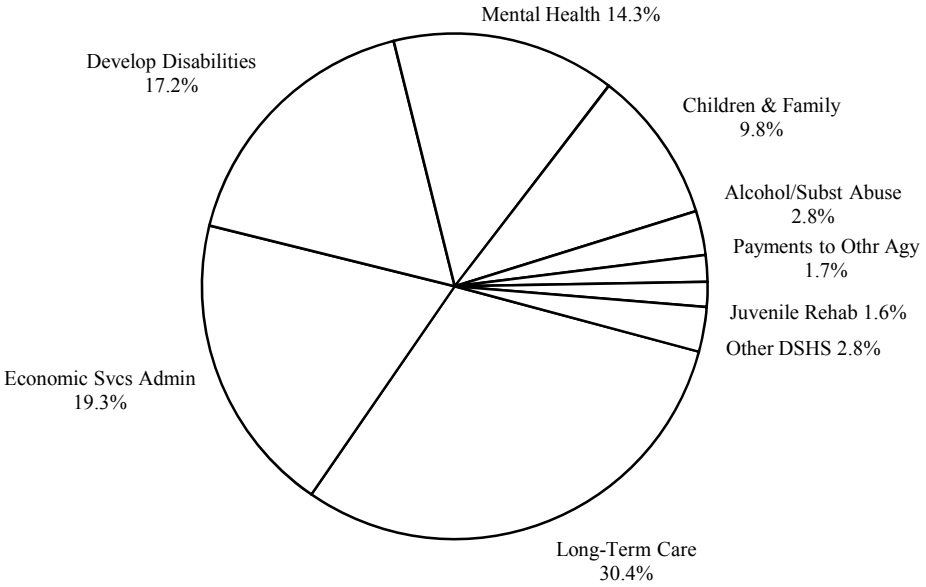


Long-Term Care	3,399,830
Economic Services Admin	2,153,005
Developmental Disabilities	1,926,723
Mental Health	1,598,488
Children & Family Svcs	1,091,468
Alcohol/Subst Abuse	314,507
Pmts to Other Agencies	190,027
Juvenile Rehabilitation	179,430
Other DSHS	317,992
DSHS	***11,171,470***



DSHS

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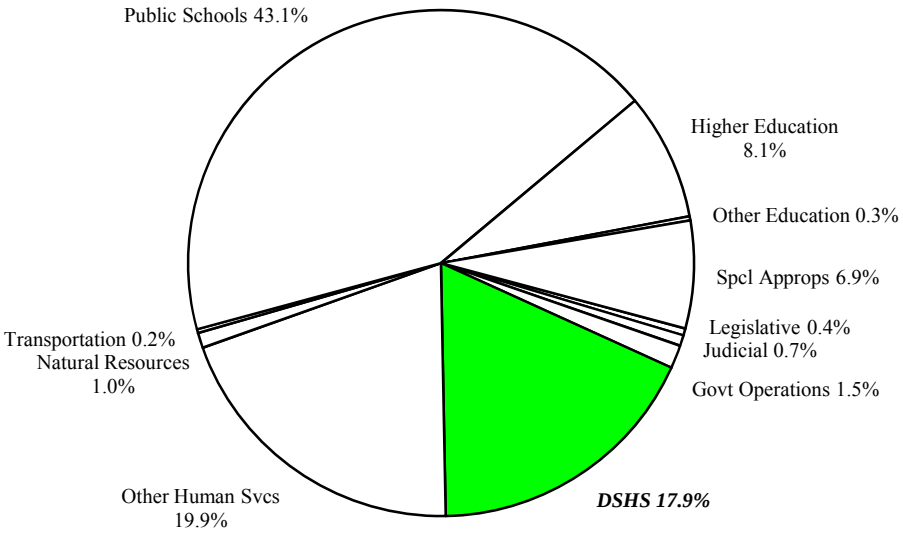
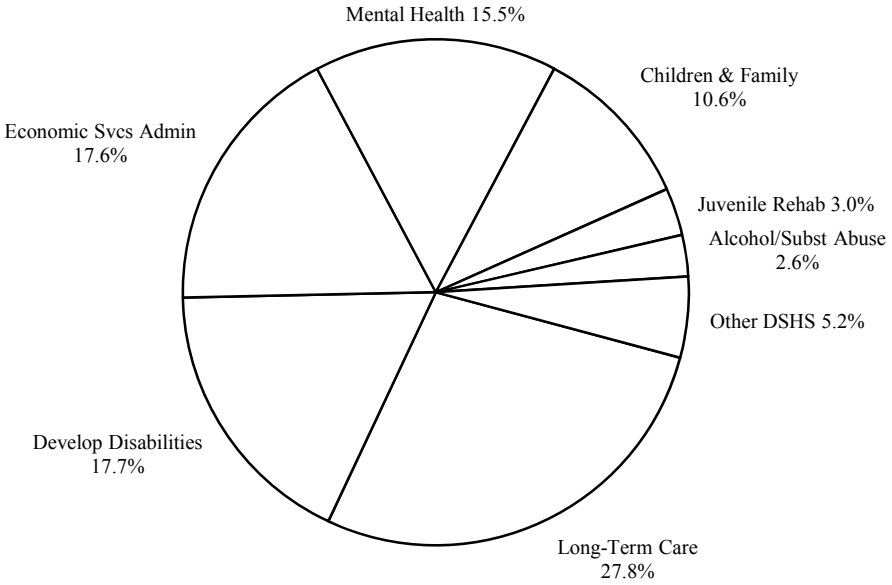


Long-Term Care	1,594,945
Developmental Disabilities	1,012,678
Economic Services Admin	1,006,614
Mental Health	890,068
Children & Family Svcs	605,185
Juvenile Rehabilitation	173,828
Alcohol/Subst Abuse	151,709
Other DSHS	296,473
DSHS	***5,731,500***



DSHS

Department of Social and Health Services
Children & Family Services

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**609,434**	**512,421**	**1,121,855**
2011 Supplemental *	-6,064	-5,405	-11,469
Total 2009-11 Biennium	**603,370**	**507,016**	**1,110,386**
2011-13 Maintenance Level	**645,401**	**511,825**	**1,157,226**
Policy Changes - Non-Comp			
1. Reduce Crisis Residential Cntrs	0	-886	-886
2. Reduce Evaluation Costs	-527	0	-527
3. Reduce Regional Staffing	-6,408	-10,183	-16,591
4. Reduce Behavioral Rehab Services	-1,102	-616	-1,718
5. Reduce Urinalysis Testing	-343	0	-343
6. Extended Foster Care	-348	564	216
7. Dependency System	61	40	101
8. Reduce Med Treatment Child Care	-278	-240	-518
9. Eliminate Chemical Dependency Spec	-1,343	0	-1,343
10. Reduce Funding for SCRC	-186	-128	-314
11. Reduce Regional Administration	-398	-416	-814
12. Adoption Support	-410	-314	-724
13. Medicaid Treatment Child Care	-5,044	-4,304	-9,348
14. Children Advocacy Center	-90	0	-90
15. Reduce Private Agency Fees	-2,688	-512	-3,200
16. Leverage Fund Ed Coordinators	-253	253	0
17. Reduce Pediatric Interim Care	-148	0	-148
18. Reduce Foster Parent Child Care	-2,607	-419	-3,026
19. Reduce Foster Parent Recruitment	-333	-198	-531
20. Expedite Permanency	-3,000	-2,982	-5,982
21. Reduce Voluntary Placement Agreemts	-1,440	-960	-2,400
22. Increase SSI Recoveries	-430	0	-430
23. Reduce HOPE Beds	-276	-350	-626
24. Management Efficiency	-1,284	0	-1,284
Policy -- Non-Comp Total	**-28,875**	**-21,651**	**-50,526**
Policy Changes - Comp			
25. Average Final Compensation Adjust	40	14	54
26. 3% Salary Cut for State Employees	-7,330	-2,515	-9,845
27. Suspend Plan 1 Uniform COLA	-4,031	-1,383	-5,414
28. Retire-Rehire Changes (State)	-20	-7	-27
Policy -- Comp Total	**-11,341**	**-3,891**	**-15,232**
Total 2011-13 Biennium	**605,185**	**486,283**	**1,091,468**
Fiscal Year 2012 Total	301,927	243,338	545,265
Fiscal Year 2013 Total	303,258	242,945	546,203

Comments:

1. **Reduce Crisis Residential Cntrs** - Funding for Crisis Residential Centers (CRCs) is reduced by 17 percent. This item reduces the number of CRC beds rather than the rate paid to CRC providers. CRCs provide temporary residential placement for runaway youth and youth in conflict with their families. (Home Security Fund Account-State)

2. **Reduce Evaluation Costs** - Funding is reduced for neuropsychological testing and behavioral examinations for adults and children served by the Department of Social and Health Services (DSHS).

3. **Reduce Regional Staffing** - Funding is reduced to reflect a reduction of 244.0 FTEs within the Children's Administration. (General Fund-State, General Fund-Federal)

4. **Reduce Behavioral Rehab Services** - Funding for Behavioral Rehabilitative Services (BRS) is reduced. These services are provided to children and youth who are behaviorally or

emotionally disordered and whose behaviors cannot be maintained in a less intensive setting. (General Fund-State, General Fund-Federal)

5. **Reduce Urinalysis Testing** - Funding for urinalysis testing is reduced by 10 percent. The Children's Administration will implement a standardized approach for urinalysis utilization.

6. **Extended Foster Care** - Funding is provided to implement Chapter 330, Laws of 2011 (2SHB 1128). The legislation extends foster care services to youth who elect to stay in care to complete high school or a vocational program up to age 21. (General Fund-State, General Fund-Federal)

7. **Dependency System** - Funding is provided to implement Chapter 160, Laws of 2011 (SHB 1697). The legislation requires the Children's Administration and supervising agencies to randomly select no less that 10 percent of caregivers to receive one unannounced face-to-face visit per year. One-time funding is provided to make changes to the FamLink computer system. Ongoing funding is provided for increased workload associated with visits. (General Fund-State, General Fund-Federal)

8. **Reduce Med Treatment Child Care** - Funding for Medicaid Treatment Child Care (MTCC) is reduced by 5 percent. MTCC provides intensive child development services to young children. (General Fund-State, General Fund-Federal)

9. **Eliminate Chemical Dependency Spec** - Funding for Chemical Dependency Professionals is eliminated. Funding for the contracted services was eliminated in FY 2011, and savings are achieved by continuing the elimination.

10. **Reduce Funding for SCRC** - Funding is reduced by 6.3 percent for the Secure Crisis Residential Centers (SCRCs), which provide temporary residential placement for runaway youth and/or youth in conflict with their families. (General Fund-State, Home Security Fund Account-State)

11. **Reduce Regional Administration** - Funding is reduced due to DSHS consolidating its regional structure from six regions to three for all programs across the state. (General Fund-State, General Fund-Federal)

12. **Adoption Support** - Savings are achieved through setting a maximum adoption payment standard of 90 percent of the foster care maintenance payment in the same time period for future adoptions. Federal law requires that adoptive parents may not receive a monthly payment higher than what the child would have received in foster care for the same time period. Adoptive parents may also receive a tax credit for the adoption of a child. The item does not reduce current adoption assistance agreements. (General Fund-State, General Fund-Federal)

13. **Medicaid Treatment Child Care** - Funding for MTCC is transferred from the Children's Administration to the Department of Early Learning (DEL). MTCC provides intensive child development services to young children. The transfer also includes the transfer of administrative funding for the program to DEL. (General Fund-State, General Fund-Federal)

14. **Children Advocacy Center** - Funding for Child Advocacy Centers is reduced by 6.28 percent. Child Advocacy Centers stress coordination of investigation and intervention services by bringing together professionals and agencies as multi-disciplinary teams to create a child-focused approach to abuse cases.

15. **Reduce Private Agency Fees** - The fees paid to private agencies are reduced. The Children's Administration contracts with private agencies for services for family foster homes. (General Fund-State, General Fund-Federal)

16. **Leverage Fund Ed Coordinators** - Federal funds, rather than state general funds, are provided for a portion of the funding for educational coordinators. Educational coordinators provide educational advocacy services for children in foster care. (General Fund-State, General Fund-Federal)

17. **Reduce Pediatric Interim Care** - Funding is reduced for the Pediatric Interim Care facility in Kent. This facility provides 24-hour care for substance-affected infants up to 45 days after release from the hospital.

18. **Reduce Foster Parent Child Care** - Funding for Foster Parent Employment Child Care is reduced by 8 percent. The Children's Administration will limit foster parent child care when one or more parent is not employed.

19. **Reduce Foster Parent Recruitment** - DSHS will reduce funding for foster care recruitment by 10 percent to reflect achieving efficiencies in foster parent recruitment. (General Fund-State, General Fund-Federal)

20. **Expedite Permanency** - Funding is reduced to reflect savings as a result of expediting adoptions for children in their final home awaiting a home study. The average monthly cost for a child in adoption is less than the average cost for a child in a foster home setting. (General Fund-State, General Fund-Federal)

21. **Reduce Voluntary Placement Agreemts** - Funding is reduced to reflect policy changes adopted by the Children's Administration regarding the utilization of Voluntary Placement Agreements (VPAs). The revised policy will reduce the utilization of VPAs. (General Fund-State, General Fund-Federal)

22. **Increase SSI Recoveries** - The Children's Administration will reduce costs by increasing the Social Security Income (SSI) recoveries. As additional children are approved for SSI benefits, less General Fund-State funding will be required.

23. **Reduce HOPE Beds** - Funding is reduced by 28 percent for HOPE Centers. The Children's Administration contracts for services for street youth to provide assessment and permanency planning for up to 30 days in a HOPE Center setting. (General Fund-State, Home Security Fund Account-State)

Department of Social and Health Services
Children & Family Services

24. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

25. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

26. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

27. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

28. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Children & Family Services

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	Estimated 2011	Estimated 2012	Estimated 2013
Foster Care [1]										
Avg # Children Served Monthly	7,713	7,769	7,769	7,909	7,829	7,347	6,754	6,563	6,448	6,470
% Change from prior year		0.7%	0.0%	1.8%	-1.0%	-6.2%	-8.1%	-2.8%	-1.8%	0.3%
Relative Placements [2]										
Avg # Children Served Monthly	2,914	3,221	3,600	3,773	3,998	4,072	3,455	3,433	3,318	3,199
% Change from prior year		10.5%	11.8%	4.8%	6.0%	1.9%	-15.2%	-0.6%	-3.3%	-3.6%
Child Care [3]										
Avg # Children Served Monthly	4,064	4,182	4,235	4,687	5,457	5,245	4,489	4,425	4,425	4,425
% Change from prior year		2.9%	1.3%	10.7%	16.4%	-3.9%	-14.4%	-1.4%	0.0%	0.0%
Child Protective Services (CPS)										
Avg CPS Referrals Monthly	6,558	6,481	6,426	6,206	6,109	6,009	6,260	6,305	6,262	6,254
% Change from prior year		-1.2%	-0.8%	-3.4%	-1.6%	-1.6%	4.2%	0.7%	-0.7%	-0.1%
Adoption Support [4]										
Avg # Children Served Monthly	8,387	9,208	9,964	10,632	11,254	11,978	13,025	13,891	14,655	15,126
% Change from prior year		9.8%	8.2%	6.7%	5.8%	6.4%	8.7%	6.6%	5.5%	3.2%
Caseload Ratio										
Avg Cases Per Worker [5]	24:1	24:1	23:1	22:1	20:1	18:1	18:1	20:1	20:1	20:1

(1) *Includes unduplicated count of children in licensed foster care placements (family foster care, behavioral rehabilitative services, and receiving care). Does not include unlicensed kinship care. These data are not comparable with prior editions of the Legislative Budget Notes, which provided a duplicated count of children in licensed foster care. Official forecasts are now based on an unduplicated count of children in licensed foster care placements, rather than a duplicated count.*

(2) *Includes an unduplicated count of children in unlicensed kinship care. These data are not comparable to prior editions of the Legislative Budget Notes, which included guardianships. This is the sum of: 1) Court Ordered Unlicensed Placements and 2) Relative of Specified Degree (Not Receiving Foster Care Payments). The data represent any-day-within-month counts, all custody types, and do not include children in guardianships (these are no longer documented as placements).*

(3) *Includes the following child care services: Child Protective Services (CPS)/Child Welfare Services (CWS), Therapeutic/Medicaid Treatment, and Foster Parent Employment. Data is not comparable to prior editions of the Legislative Budget Notes, which also included teen parent, seasonal child care, and adoption support.*

(4) *Data reflect Adoption Support maintenance payments. These data are not comparable to caseloads displayed in editions of the Legislative Budget Notes published prior to 2006, which reported total eligibles. Official forecasts are now based on maintenance payments rather than eligibles.*

(5) *Combined average number of open cases per worker for CPS, CWS, and Family Reconciliation Services at the end of the fiscal year.*

Data Sources :

FY 2004 through FY 2010 actuals for Foster Care, Relative Placements, Child Care, CPS, and Adoption Support are from the Department of Social and Health Services (DSHS) Division of Research and Data Analysis reports.

FY 2004 through FY 2013 actuals for Caseload Ratio are from the DSHS Children's Administration Budget Office.

FY 2011 through FY 2013 data for Relative Placements is from the Caseload Forecast Council.

FY 2011 through FY 2013 estimates for Foster Care and Adoption Support represent the Caseload Forecast Council February 2010 forecast.

FY 2011 through FY 2013 estimates for Child Care, CPS, and Caseload Ratio are from DSHS Children's Administration.

Department of Social and Health Services
Juvenile Rehabilitation

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**199,604**	**15,273**	**214,877**
2011 Supplemental *	-5,927	0	-5,927
Total 2009-11 Biennium	**193,677**	**15,273**	**208,950**
2011-13 Maintenance Level	**193,334**	**5,615**	**198,949**
Policy Changes - Non-Comp			
1. Reduce Parole Services	-3,748	0	-3,748
2. ART and FIT Services	-555	0	-555
3. Close Maple Lane School	-3,272	0	-3,272
4. Reduce Juvenile Court Funding	-2,328	0	-2,328
5. Reduce JRA Institution Costs	-4,642	0	-4,642
6. Reduce Administrative Costs	-560	0	-560
7. Juvenile Court ART and FFT	500	0	500
8. JRA ART and FFT Expansion	500	0	500
9. Management Efficiency	-822	0	-822
Policy -- Non-Comp Total	**-14,927**	**0**	**-14,927**
Policy Changes - Comp			
10. Average Final Compensation Adjust	16	0	16
11. 3% Salary Cut for State Employees	-2,949	-8	-2,957
12. Suspend Plan 1 Uniform COLA	-1,637	-5	-1,642
13. Retire-Rehire Changes (State)	-9	0	-9
Policy -- Comp Total	**-4,579**	**-13**	**-4,592**
Total 2011-13 Biennium	**173,828**	**5,602**	**179,430**
Fiscal Year 2012 Total	87,025	2,795	89,820
Fiscal Year 2013 Total	86,803	2,807	89,610

Comments:

1. **Reduce Parole Services** - The Juvenile Rehabilitation Administration (JRA) will reduce funding for parole services to juveniles. The agency will achieve savings by reducing rates paid for diagnostic services, reducing amounts planned for client services such as urinanalysis testing, reducing the use of polygraph services, restructuring regional administration, increasing caseloads from 20:1 to 25:1, reducing direct care and support staff, and reducing lease costs.

2. **ART and FIT Services** - Family Integrated Treatment (FIT) services will be reduced by 5 percent, resulting in savings of $171,000. The Aggression Replacement Therapy (ART) program is discontinued for JRA-involved youth in the community, resulting in $384,000 in savings.

3. **Close Maple Lane School** - Maple Lane School in Rochester is closed at the end of FY 2011. These savings occur as a result of the closure occurring sooner than previously planned.

4. **Reduce Juvenile Court Funding** - The funding provided to county juvenile courts and participating tribes is reduced, as are DSHS administrative expenditures associated with administering the juvenile court block grant.

5. **Reduce JRA Institution Costs** - JRA will make reductions at the state-run institutions.

6. **Reduce Administrative Costs** - JRA headquarters staffing is reduced.

7. **Juvenile Court ART and FFT** - Funding is provided to expand participation in evidence-based programs, ART and Functional Family Therapy (FFT), by the Juvenile Courts.

8. **JRA ART and FFT Expansion** - Funding is provided to expand participation in evidence-based programs by JRA.

9. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

Department of Social and Health Services
Juvenile Rehabilitation

10. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

11. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

12. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

13. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Juvenile Rehabilitation

WORKLOAD HISTORY
By Fiscal Year

								Estimated		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Community Residential [1]										
Avg Daily Population/Month	144	123	99	92	102	78	101	112	127	127
% Change from prior year		-14.7%	-19.2%	-7.1%	10.9%	-23.5%	29.5%	10.9%	13.4%	0.0%
Institutions										
Avg Daily Population/Month	781	782	728	736	676	624	615	610	590	582
% Change from prior year		0.1%	-6.8%	1.1%	-8.2%	-7.7%	-1.4%	-0.8%	-3.3%	-1.4%
Parole										
Avg Daily Population/Month	802	728	751	692	708	689	440	440	436	436
% Change from prior year		-9.2%	3.1%	-7.9%	2.3%	-2.7%	-36.1%	0.0%	-0.9%	0.0%

In 2011 Sunrise opened, which added 15 beds and Ridgeview was reduced by 4 beds. Touchstone will not open until 2012.

(1) *Includes State Group Homes, Community Residential Placements, Short-Term Transition program, and the County Commitment program. Beginning in FY 2002, funding for County Commitment program beds was eliminated.*

Data Sources :

FY 2004 through FY 2006 from the Department of Social and Health Services (DSHS) Juvenile Rehabilitation Administration (JRA).

FY 2007 through FY 2011 data are from legislative fiscal staff.

FY 2012 through FY 2013 data are from DSHS JRA and legislative fiscal staff.

Department of Social and Health Services
Mental Health

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**801,558**	**766,994**	**1,568,552**
2011 Supplemental *	-20,400	-1,126	-21,526
Total 2009-11 Biennium	**781,158**	**765,868**	**1,547,026**
2011-13 Maintenance Level	**940,476**	**715,231**	**1,655,707**
Policy Changes - Non-Comp			
1. Reduce Spokane Acute Care Proviso	-750	0	-750
2. Close Western State Hospital Ward	-6,644	0	-6,644
3. Reduce WSH Staff Costs	-4,186	0	-4,186
4. Capture Program Savings	-161	0	-161
5. Reduce Regional Support Network Non	-8,695	0	-8,695
6. Reduce CSTC Operating Costs	-324	-324	-648
7. Reduce WIMHRT Technical Assistance	-738	-637	-1,375
8. Medicaid for PACT	-600	600	0
9. Medicaid Match for PALS Diversions	-1,300	1,300	0
10. CPE Technical Adjustment	1,500	1,500	3,000
11. Administrative Reduction	-472	0	-472
12. RSN Medicaid Rates	-8,729	-8,729	-17,458
13. EBPI Fund Source	-700	700	0
14. Reduce ESH Staff Costs	-3,638	0	-3,638
15. Management Efficiency	-1,122	0	-1,122
16. Increase License/Certification Fee	-446	446	0
Policy -- Non-Comp Total	**-37,005**	**-5,144**	**-42,149**
Policy Changes - Comp			
17. Average Final Compensation Adjust	49	5	54
18. 3% Salary Cut for State Employees	-8,531	-1,065	-9,596
19. Suspend Plan 1 Uniform COLA	-4,897	-604	-5,501
20. Retire-Rehire Changes (State)	-24	-3	-27
Policy -- Comp Total	**-13,403**	**-1,667**	**-15,070**
Total 2011-13 Biennium	**890,068**	**708,420**	**1,598,488**
Fiscal Year 2012 Total	443,123	350,792	793,915
Fiscal Year 2013 Total	446,945	357,628	804,573

Comments:

1. **Reduce Spokane Acute Care Proviso** - Funding provided to the Spokane Regional Support Network to lower bed utilization at Eastern State Hospital is reduced by 25 percent.

2. **Close Western State Hospital Ward** - A 30-bed ward serving patients under the state's civil commitment laws was closed in October 2010. The ward is to remain closed during the 2011-13 biennium, reducing total civil treatment capacity at Western State Hospital (WSH) to 557 patients per day.

3. **Reduce WSH Staff Costs** - WSH is to achieve savings by managing vacancies, limiting overtime, and staff reorganization. There is to be no change in the hospital's budgeted capacity of 557 civil commitment beds and 270 forensic beds as a result of this change.

4. **Capture Program Savings** - Funding is reduced to reflect ongoing savings by the administrative group that is responsible for identification and collection of third-party payments at WSH.

5. **Reduce Regional Support Network Non** - Community mental health allocations for persons and services not eligible for federal Medicaid matching funds are reduced by 3.5 percent. Regional Support Networks (RSNs) are to prioritize use of the remaining funds for crisis response, involuntary commitment, emergency hospitalization, and residential support services.

6. **Reduce CSTC Operating Costs** - Operating costs at the Child Study and Treatment Center (CSTC) are reduced by 3 percent through staffing realignments, more effective use of overtime, and other operating efficiencies. There is to be no change in the center's average daily census capacity as a result of these changes. (General Fund-State, General Fund-Federal)

Department of Social and Health Services
Mental Health

7. **Reduce WIMHRT Technical Assistance** - Funding is discontinued for the Washington Institute for Mental Health Research and Training (WIMHRT), which provides research-based technical assistance and training for mental health professionals working in community and hospital settings. (General Fund-State, General Fund-Federal)

8. **Medicaid for PACT** - Program for Assertive Community Treatment (PACT) teams provide intensive, multi-disciplinary assistance for persons who have experienced, or who are at high risk of, repeated psychiatric hospitalizations. Additional components of such programs are to be funded under the state/federal Medicaid program, reducing the need for state-only funding for such services. (General Fund-State, General Fund-Federal)

9. **Medicaid Match for PALS Diversions** - The western Washington RSNs have decided to provide mental health services in community settings rather than purchase services at the Program for Alternative Living Skills (PALS) program at WSH. Components of services qualify for federal Medicaid match, reducing the need for state-only funding for such services. (General Fund-State, General Fund-Federal)

10. **CPE Technical Adjustment** - When Medicaid mental health capitation rates were reset in 2010, some costs associated with hospitals participating in the state's certified public expenditure (CPE) payment program were omitted from the rate setting. Funds are provided to correct this technical oversight. (General Fund-State, General Fund-Federal)

11. **Administrative Reduction** - Funding for headquarters administrative and operations support is reduced.

12. **RSN Medicaid Rates** - RSN Medicaid capitation rates are reduced by 3 percent, or to the bottom of the RSN's federally-allowable rate range, whichever is higher. This will reduce state and federal funding for community Medicaid mental health services by an average of 2.3 percent. (General Fund-State, General Fund-Federal)

13. **EBPI Fund Source** - The University of Washington's Evidence Based Practice Institute (EBPI) supports the identification, evaluation, and implementation of evidence-based or promising practices for serving children and youth with mental health disorders. For the 2011-13 biennium, the Department will enter into an interagency agreement with the Office of the Attorney General to replace state funding for EBPI operations with $700,000 of the state's proceeds from the cy pres settlement in State of Washington v. AstraZeneca (Seroquel). (General Fund-State, General Fund-Private/Local)

14. **Reduce ESH Staff Costs** - Staffing and operating costs at Eastern State Hospital (ESH) are reduced by a total of approximately 3 percent through staffing realignments, more effective use of overtime, and other operating efficiencies. This includes a $937,000 reduction in funding for Consolidated Support Services which provides maintenance services at ESH. There is to be no change in the hospital's average daily census capacity as a result of these changes.

15. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

16. **Increase License/Certification Fee** - The Department is authorized to increase the fees charged for licensing and certification of community mental health agencies and residential treatment beds and to deposit the revenue into a local account to partially offset the cost of program operation. (General Fund-State, General Fund-Local)

17. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

18. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

19. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

20. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Department of Social and Health Services
Mental Health

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Mental Health

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	Budgeted 2011	Budgeted 2012	Budgeted 2013
State Hospitals [1]										
Avg Daily Census/Month	1,192	1,207	1,262	1,292	1,251	1,172	1,101	1,167	1,161	1,161
% Change from prior year		1.2%	4.6%	2.4%	-3.1%	-6.3%	-6.1%	6.0%	-0.5%	0.0%
Community Outpatient Services										
Avg Persons Served per Month	**55,252**	**53,918**	**51,779**	**49,874**	**49,203**	**44,953**	**53,898**	**54,800**	**58,400**	**60,100**
% Change from prior year		-2.4%	-4.0%	-3.7%	-1.3%	-8.6%	19.9%	1.7%	6.6%	2.9%
Adults	39,402	38,340	36,979	35,738	35,278	32,432	38,653	39,200	41,800	43,100
% Change from prior year		-2.7%	-3.5%	-3.4%	-1.3%	-8.1%	19.2%	1.4%	6.6%	3.1%
Children	15,849	15,578	14,800	14,136	13,925	12,521	15,245	15,600	16,600	17,000
% Change from prior year		-1.7%	-5.0%	-4.5%	-1.5%	-10.1%	21.8%	2.3%	6.4%	2.4%
People on Medicaid	45,174	46,752	45,219	42,802	42,322	38,512	46,237	49,300	51,500	53,200
% Change from prior year		3.5%	-3.3%	-5.3%	-1.1%	-9.0%	20.1%	6.6%	4.5%	3.3%
People not on Medicaid	10,078	7,166	6,560	7,072	6,881	6,441	7,660	5,500	6,900	6,900
% Change from prior year		-28.9%	-8.4%	7.8%	-2.7%	-6.4%	18.9%	-28.2%	25.5%	0.0%

[1] *Includes: Eastern State Hospital, Western State Hospital (WSH), WSH Program for Adaptive Living Skills (PALS), and Child Study and Treatment Center.*

Data Sources :

FY 2004 through FY 2010 actuals are from DSHS Division of Research and Data Analysis reports.

FY 2011 - FY 2013 estimates are by legislative fiscal committee staff.

Department of Social and Health Services
Developmental Disabilities

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**773,608**	**1,143,402**	**1,917,010**
2011 Supplemental *	-17,787	-13,897	-31,684
Total 2009-11 Biennium	**755,821**	**1,129,505**	**1,885,326**
2011-13 Maintenance Level	**1,064,769**	**945,162**	**2,009,931**
Policy Changes - Non-Comp			
1. Money Follows the Person	0	1,080	1,080
2. Reduce SOLA Costs	-64	-88	-152
3. Reduce MH Training	-80	-40	-120
4. Reduce Individual & Family Service	-1,228	0	-1,228
5. CBA IP Health Benfts Cents Per Hour	1,888	1,888	3,776
6. Provide Community Placements	5,580	5,447	11,027
7. Reduce RHC Staff & Services	-2,600	-2,598	-5,198
8. Reduce Personal Care Hours	-14,382	-14,382	-28,764
9. MPC Hours-Training Impact	-301	-301	-602
10. MPC Hours-Health Care Impact	-3,025	-3,025	-6,050
11. Reduce Professional Services	-1,092	-1,092	-2,184
12. Capture Voluntary Placement Savings	-400	0	-400
13. Adult Working Policy Reform	-2,901	64	-2,837
14. Reduce Central Office	-102	-102	-204
15. Reduce Field Staff & Services	-2,122	-1,415	-3,537
16. Reduce Residential Services	-3,220	-3,216	-6,436
17. Adjust AFH Rates for License Fees	0	368	368
18. Reduce AP Health Benefit	-291	-291	-582
19. Reduce Regional Administration	-282	-374	-656
20. Medicare Part D Copayments	28	27	55
21. Parent to Parent	150	0	150
22. AP Rates L&I Adjustment Update	-7	-8	-15
23. Delay Mandatory Training	-13,205	-10,743	-23,948
24. CBA Reduce Training Contributions	-959	-959	-1,918
25. Management Efficiency	-318	0	-318
Policy -- Non-Comp Total	**-38,933**	**-29,760**	**-68,693**
Policy Changes - Comp			
26. Average Final Compensation Adjust	50	5	55
27. 3% Salary Cut for State Employees	-8,266	-872	-9,138
28. Suspend Plan 1 Uniform COLA	-4,917	-488	-5,405
29. Retire-Rehire Changes (State)	-25	-2	-27
Policy -- Comp Total	**-13,158**	**-1,357**	**-14,515**
Total 2011-13 Biennium	**1,012,678**	**914,045**	**1,926,723**
Fiscal Year 2012 Total	504,962	453,930	958,892
Fiscal Year 2013 Total	507,716	460,115	967,831

Comments:

1. **Money Follows the Person** - The Centers for Medicare & Medicaid Services (CMS) has approved additional federal funds to staff the Money Follows the Person (MFP) demonstration project. Ten Long-Term Care positions and eight Developmental Disability positions funded by the MFP grant will focus exclusively on transitioning clients from state institutions to community settings. (General Fund-Federal)

2. **Reduce SOLA Costs** - State Operated Living Alternatives (SOLA) will reduce discretionary expenditures for goods and services, travel, and equipment. (General Fund-State, General Fund-Federal)

3. **Reduce MH Training** - Funding is reduced for specialized mental health (MH) training that is provided as a service to residential providers that care for approximately 434 clients

with developmental disabilities. The Department of Social and Health Services (DSHS) will continue to provide mental health training according to the greatest need as long as the funding lasts. (General Fund-State, General Fund-Federal)

4. **Reduce Individual & Family Service** - The state-only funded individual and family services program is reduced by 10 percent. This program provides support to about 1,800 families with family members who are on developmental disability Medicaid programs and who are not receiving any other publicly-funded service through the Division of Developmental Disabilities (DDD). There are no income restrictions for this program, but the levels of services allowed per client are capped. Services include respite care, therapies, adaptive equipment or clothing, training, counseling, medical or dental, and nursing services that are not covered by Medicaid.

5. **CBA IP Health Benfts Cents Per Hour** - Funding is provided for health benefits for Individual Providers (IPs). The tentative collective bargaining agreement (CBA) for the collectively-bargained home care workers contract converts the way that health benefits are paid from a per-member-per-month payment methodology to a cents-per-hour payment methodology. Based on the total funds appropriated for IP health benefits, the base conversion went from a $620 per-member-per-month payment to $1.82 per hour of work. Base funding for agency providers was also included in the calculation. The enacted budget assumed the passage of SHB 2073 (concerning the contribution rate for the health benefits for certain home care workers), which modified RCW 74.39A.310 (2), and therefore assumed $1.96 per hour of work. However, SHB 2073 was not enacted. Appropriations reflect the tentative agreement reached on January 6, 2011, and include an increase in the state's health care contributions. (General Fund-State, General Fund-Federal)

6. **Provide Community Placements** - Funding is provided for out-of-home community residential placements for 58 individuals with developmental disabilities. These clients have been identified as aging out of foster care, ready for discharge from juvenile rehabilitation and mental health institutions, or ready for release from the Department of Corrections. (General Fund-State, General Fund-Federal)

7. **Reduce RHC Staff & Services** - Funding is decreased for Residential Habilitation Centers (RHCs). Savings will be achieved from changes in adult training programs, food services, increased client density in houses and cottages, cottage closures, and staff layoffs. (General Fund-State, General Fund-Federal)

8. **Reduce Personal Care Hours** - Personal care provides assistance with daily living activities to individuals who meet functional and financial eligibility. An average 10 percent acuity-based reduction is made to personal care service hours for adult clients receiving in-home personal care under Medicaid programs. The actual reduction will range between 6 percent and 18 percent per client depending on acuity. In the most acute care category, a client receives on average 382 hours per month of in-home care. This client's care would be reduced by 6 percent, and they will now receive 359 hours of in-home care per month. In the least acute care category, a client receives on average 25 hours per month of in-home care. This client's care would be reduced by 18 percent, and they will now receive 21 hours of care. (General Fund-State, General Fund-Federal)

9. **MPC Hours-Training Impact** - Contributions to the training trust to pay for training for IPs and represented agency providers are provided based on the total number of Medicaid personal care (MPC) hours worked by the providers. Since the total number of personal care hours is being reduced, there is a corresponding reduction in the contributions to the training trust. (General Fund-State, General Fund-Federal)

10. **MPC Hours-Health Care Impact** - Health care contributions for IPs are made based on the total number of MPC hours worked by all providers. Since the total number of hours is being reduced, there is a corresponding reduction in health care contributions. (General Fund-State, General Fund-Federal)

11. **Reduce Professional Services** - Funding for contracted professional and technical services is reduced by 13 percent. Professional services include consultation for staff and family, environmental modifications, specialized medical services, therapy services, sexual deviancy consultation, and specialized psychiatric services. Individuals who have an identified health and welfare need that cannot be met with some other resource will continue to have these services/resources allocated to them. (General Fund-State, General Fund-Federal)

12. **Capture Voluntary Placement Savings** - Voluntary Placement Program funding is aligned with past years' expenditure levels. This reduction reflects projected under-expenditures and is not expected to have a direct impact on clients.

13. **Adult Working Policy Reform** - The adult working policy for persons with a developmental disability will be reformed. The program will be operated with an employment first philosophy requiring clients to participate in the supported employment program option for a minimum of nine months. After that time, clients can choose to participate in the Community Access program. The Department is directed to restructure the Community Access program such that the focus is on providing individualized support to clients and assisting them in participating in their community. (General Fund-State, General Fund-Federal)

14. **Reduce Central Office** - DDD's central office will reduce expenditures for travel, equipment, printing, and projects. These reductions may decrease the assistance available to field staff, advocates, consumers, and partners. (General Fund-State, General Fund-Federal)

15. **Reduce Field Staff & Services** - Reductions are made to case managers and case management services on the no-paid services caseload. In addition, vacant positions are not filled,

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and reductions are made to regional office expenditures. (General Fund-State, General Fund-Federal)

16. **Reduce Residential Services** - Vendor rates are reduced for residential providers which provide care to clients with developmental disabilities. Community residential providers for clients with developmental disabilities include supported living, group homes, alternative living, companion homes, and licensed staff residential settings. (General Fund-State, General Fund-Federal)

17. **Adjust AFH Rates for License Fees** - Vendor rates for publicly-funded adult family home (AFH) beds are increased by approximately $0.22 in FY 2012 and $0.43 in FY 2013 per Medicaid patient day to compensate for increased licensing fees. (General Fund-Private/Local, General Fund-Federal)

18. **Reduce AP Health Benefit** - The Aging and Disabilities Services Administration will reform the way health benefits are purchased for homecare agency providers (APs) who serve Medicaid clients. Approximately $69.6 million in total funds will remain in base funding for agency health care benefits after this reform is implemented. The enacted budget assumed the passage of SHB 2073 (concerning the contribution rate for the health benefits for certain home care workers), which modified RCW 74.39A.310 (2) and funded the monthly amount of $558. However, SHB 2073 was not enacted. (General Fund-State, General Fund-Federal)

19. **Reduce Regional Administration** - DSHS is consolidating its regional structure from six to three for all programs. (General Fund-State, General Fund-Federal)

20. **Medicare Part D Copayments** - The state is discontinuing the reimbursement of co-payments for prescription drug purchases made by qualifying dually eligible Medicare/Medicaid clients in the Medicare Part D program. Prescription drugs are considered an allowable client expenditure in the calculations used to determine what a client will pay towards financial participation in their own care. With the elimination of Part D co-pays, there will be a corresponding drop in client participation, and therefore, the state's responsibility for the cost of care will increase by an equal amount. (General Fund-State, General Fund-Federal)

21. **Parent to Parent** - Funding is provided for direct support to local organizations that utilize parent-to-parent networks and communication to promote access and quality of care for individuals with developmental disabilities and their families.

22. **AP Rates L&I Adjustment Update** - Reimbursements are made to homecare agencies for the increase in average base rate costs of Labor & Industry (L&I) insurance. These statutorily required reimbursements are provided in accordance with RCW 74.39A.310. (General Fund-State, General Fund-Federal)

23. **Delay Mandatory Training** - Pursuant to Chapter 31, Laws of 2011, 1st sp.s. (ESHB 1548 - Long-Term Care Worker Requirements), mandatory increases and enhancements to training, new certification requirements, and federal fingerprint background checks for long-term care workers are delayed until the 2013-15 biennium. Fundamental training for in-home care will continue at its current level of about 28 - 34 hours depending on the type of worker. Background checks based on a name search will continue to be required. No clients will lose service as a result of this delay. (General Fund-State, General Fund-Federal)

24. **CBA Reduce Training Contributions** - Contributions paid to the training partnership and for agency parity are reduced from $0.22 per hour to $0.17 per hour. Training is delayed. Chapter 31, Laws of 2011, 1st sp.s. (ESHB 1548 - Long-Term Care Worker Requirements), makes statutory changes to the increased training requirements, and therefore, the state shall contribute to the partnership $0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement (CBA) negotiated with the exclusive bargaining representative of IPs. (General Fund-State, General Fund-Federal)

25. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

26. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

27. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

28. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount

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in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

29. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

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WORKLOAD HISTORY
By Fiscal Year

								Estimated		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Institutions [1]										
Avg Monthly Population	1,035	1,101	982	996	997	982	951	918	900	890
% Change from prior year		6.4%	-10.8%	1.4%	0.1%	-1.5%	-3.2%	-3.5%	-2.0%	-1.1%
Community Residential Programs [2]										
Avg Month End Clients	4,469	4,903	4,379	4,300	4,269	4,269	4,252	4,265	4,349	4,376
% Change from prior year		9.7%	-10.7%	-1.8%	-0.7%	0.0%	-0.4%	0.3%	2.0%	0.6%
Employment & Day Programs [3]										
Avg Monthly Number Served	8,731	8,636	9,021	9,454	9,853	10,515	10,789	11,063	11,200	11,300
% Change from prior year		-1.1%	4.5%	4.8%	4.2%	6.7%	2.6%	2.5%	1.2%	0.9%
Individual and Family Services [4]										
Number of Clients Served	3,710	3,655	4,089	4,493	2,708	2,742	2,669	2,811	2,715	2,729
% Change from prior year		-1.5%	11.9%	9.9%	-39.7%	1.3%	-2.7%	5.3%	-3.4%	0.5%
Waiver Respite [5]										
Number of Clients Served				129	2,097	2,098	2,303	2,381	2421	2471
% Change from prior year					1525.6%	0.0%	9.8%	3.4%	1.7%	2.1%
Personal Care [6]										
Number of Clients Served	10,933	10,986	11,150	11,391	11,662	12,192	12,937	13,267	13,637	13,768
% Change from prior year		0.5%	1.5%	2.2%	2.4%	4.5%	6.1%	2.6%	2.8%	1.0%

(1) *Caseload counts include long-term and short-term stays.*

(2) *Includes Alternate Living, Group Homes, Companion Homes, Supported Living, Community Protection, and Community Intermediate Care Facility for th Mentally Retarded. Prior to FY 1990, Developmental Disabilities' clients enrolled in these programs were counted in the Long-Term Care program total*

(3) *Employment and day programs include Supported Employment, Group Supported Employment, Person to Person, Child Development Services, Sheltered Industries, and Community Access.*

(4) *Individual and Family Services (IFS) cover state-only respite, therapies, equipment and supplies, modifications for disability access, recreation, and nursing. Respite in the waivers was included in this caseload through 2006. At that time, the respite waiver services was moved to another budget unit. IFS now contains state-only respite.*

(5) *Waiver respite was moved from Family Support to other community services. It is no longer part of IFS.*

(6) *Personal Care services include children and adults receiving individual provider and agency provider in-home services and personal care adult family home and adult residential care in both the Medicaid personal care and Waiver programs.*

Data Sources :

For Personal Care, FY 2009 forward is from the Caseload Forecast Council.

Except as noted above, FY 2012 and FY 2013 are estimates from the allotment process.

Other data is from DSHS's Executive Management Information System and the Aging and Disability Services Administration Comprehensive Assessment Reporting Evaluation database.

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(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**1,256,000**	**1,976,449**	**3,232,449**
2011 Supplemental *	-32,201	-36,693	-68,894
Total 2009-11 Biennium	**1,223,799**	**1,939,756**	**3,163,555**
2011-13 Maintenance Level	**1,753,796**	**1,773,020**	**3,526,816**
Policy Changes - Non-Comp			
1. Money Follows the Person	0	2,544	2,544
2. Reduce NH Rate for Lowest Acuity	-11,331	-11,331	-22,662
3. Reduce NH Rate Financing Rate	-13,521	-13,521	-27,042
4. Delay NH Rebase	-7,446	-7,446	-14,892
5. NH Quality Incentive Payments	-3,176	172,824	169,648
6. Reduce AAA Unit Rate	-1,546	-1,546	-3,092
7. Reduce Senior Citizens Services Act	-1,160	0	-1,160
8. CBA IP Health Benfts Cents Per Hour	3,766	3,766	7,532
9. Adult Day Health COPES	-8,618	-8,618	-17,236
10. Alien Medical Long Term Placements	-2,174	0	-2,174
11. Reshaping LTC Delivery	30	30	60
12. Reduce Personal Care Hours	-73,932	-73,932	-147,864
13. MPC Hours-Training Impact	-643	-643	-1,286
14. MPC Hours-Health Care Impact	-5,819	-5,819	-11,638
15. Expand Family Caregiver Diversion	3,450	0	3,450
16. Family Caregiver Reduce NH Caseload	-2,178	-4,356	-6,534
17. Family Caregiver Reduct Comm Client	-1,995	-3,990	-5,985
18. Expand Family Caregiver Memory Care	150	0	150
19. Increase AFH License Fee	-2,946	4,620	1,674
20. Adjust AFH Rates for License Fees	0	1,847	1,847
21. Increase NH License Fee	0	215	215
22. Vulnerable Adlts AFH Quality Assure	72	1,416	1,488
23. Adjust NH Rates for License Fees	0	606	606
24. Reduce AP Health Benefit	-2,619	-2,618	-5,237
25. Reduce Regional Administration	-368	-488	-856
26. Medicare Part D Copayments	656	655	1,311
27. 2% Min Occpncy Increase Small & ECP	-249	-249	-498
28. 5% Min Occpncy Inc From 2010 Large	-3,759	-3,759	-7,518
29. Lower Direct Care Lid by 2%	-1,336	-1,336	-2,672
30. Lower Support Service Lid by 2%	-570	-570	-1,140
31. AP Rates L&I Adjustment Update	-42	-44	-86
32. Delay Mandatory Training	-14,084	-10,955	-25,039
33. CBA Reduce Training Contributions	-2,047	-2,047	-4,094
34. Management Efficiency	-510	0	-510
35. Governor Veto	-30	-30	-60
Policy -- Non-Comp Total	**-153,975**	**35,225**	**-118,750**
Policy Changes - Comp			
36. Average Final Compensation Adjust	18	13	31
37. 3% Salary Cut for State Employees	-3,129	-2,157	-5,286
38. Suspend Plan 1 Uniform COLA	-1,756	-1,210	-2,966
39. Retire-Rehire Changes (State)	-9	-6	-15
Policy -- Comp Total	**-4,876**	**-3,360**	**-8,236**
Total 2011-13 Biennium	**1,594,945**	**1,804,885**	**3,399,830**

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(Dollars in Thousands)

	NGF-S	Other	Total
Fiscal Year 2012 Total	783,275	887,027	1,670,302
Fiscal Year 2013 Total	811,670	917,858	1,729,528

Comments:

1. **Money Follows the Person** - The Centers for Medicare & Medicaid Services (CMS) has approved additional federal funds to staff the Money Follows the Person (MFP) demonstration project. Ten Long-Term Care (LTC) positions and eight Developmental Disability positions funded by the MFP grant will focus exclusively on transitioning clients from state institutions to community settings. (General Fund-State, General Fund-Federal)

2. **Reduce NH Rate for Lowest Acuity** - Pursuant to Chapter 7, Laws of 2011, 1st sp.s. (ESSB 5581 - Nursing Home Payments), Medicaid clients with the lowest acuity classifications are reimbursed at 87 percent of the average direct care daily rate. This payment change supports the role of nursing homes (NHs) for serving the most fragile clients. (General Fund-State, General Fund-Federal)

3. **Reduce NH Rate Financing Rate** - Pursuant to ESSB 5581, the allowable return on investment in the finance allowance component of the nursing home rate is reduced to 4.0 percent. The percentage of return on investment is set by the state and is adjusted to reflect lowering interest rates for commercial health industry loans. (General Fund-State, General Fund-Federal)

4. **Delay NH Rebase** - Pursuant to ESSB 5581, the Department of Social and Health Services will delay the rebasing of nursing home rates to July 1, 2013, rather than in 2012. Rebasing is the process of using a new, more recent cost report to establish Medicaid payment rates. (General Fund-State, General Fund-Federal)

5. **NH Quality Incentive Payments** - Pursuant to ESSB 5581, the Skilled Nursing Facility Safety Net Trust Fund Account is created in the state treasury. Nursing facilities will provide the funds to leverage federal Medicaid matching funds that will be used to restore rates to the June 30, 2010, payment levels. DSHS shall establish a per bed fee to generate federal match and restore nursing home payments to rates paid before the FY 2011 reductions were implemented. A direct care rate add-on is established for facilities that have taken on higher acuity clients since 2010. The amount will vary by facility and is compensated as an add-on outside of the statewide weighted average rate established in the appropriations act. The direct-care rate add on is typically between $7-10 per patient day depending on the individual facility's growth in direct care from June 2010 to July 2011. (General Fund-State, Skilled Nursing Facility Safety Net Trust Fund Account-State, General Fund-Federal)

6. **Reduce AAA Unit Rate** - The monthly rate paid to the Area Agencies on Aging (AAA) is reduced by 3 percent for each home managed for Medicaid clients. Core service contract management performed by AAAs will also be reduced by 3 percent. The client caseload ratio will increase from 1:70 to 1:72 as a result of this reduction. (General Fund-State, General Fund-Federal)

7. **Reduce Senior Citizens Services Act** - Reductions are made to the Senior Citizens Services Act (SCSA). Through AAAs, SCSA funds are used to pay for services that delay entry into Medicaid and enable people to live in their homes as long as possible. Services affected include case management, transportation, bathing assistance, minor home repair, foot care, and senior meals.

8. **CBA IP Health Benfts Cents Per Hour** - Funding is provided for health benefits for Individual Providers (IPs). The tentative collective bargaining agreement (CBA) for the collectively-bargained home care workers contract converts the way that health benefits are paid from a per-member-per-month payment methodology to a cents-per-hour payment methodology. Based on the total funds appropriated for IP health benefits, the base conversion went from a $620 per-member-per-month payment to $1.82 per hour of work. Base funding for agency providers was also included in the calculation. The enacted budget assumed the passage of SHB 2073 (concerning the contribution rate for the health benefits for certain home care workers), which modified RCW 74.39A.310 (2), and therefore assumed $1.96 per hour of work. However, SHB 2073 was not enacted. Appropriations reflect the tentative agreement reached on January 6, 2011, and include an increase in the state's health care contributions. (General Fund-State, General Fund-Federal)

9. **Adult Day Health COPES** - The Affordable Care Act implemented new federal requirements that no longer allow 1915(i) services to be capped beginning October 2010. Adult Day Health (ADH) is eliminated as a 1915(i) service and is re-established for long-term care clients under the 1915(c) Community Options Program Entry System (COPES) waiver. Approximately 900 clients with developmental disabilities that are currently receiving ADH will be allowed to choose to continue the program by moving onto the long-term care waiver, or they may receive employment or Community Access services that are available within the Division of Developmental Disabilities' waiver programs. (General Fund-State, General Fund-Federal)

10. **Alien Medical Long Term Placements** - The state provides nursing facility care for approximately 45 state-only alien medical clients who are discharged from hospitals with acute, long-term medical conditions. Of the 45 state-only funded nursing home slots, 40 will be moved into adult family homes.

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DSHS will continue to provide medical coverage to maintain current levels of medical care and a consistent level of services for these clients.

11. **Reshaping LTC Delivery** - Funding is provided to implement E2SHB 1901 (Reshaping Long-Term Care Delivery), which is intended to facilitate cost efficiencies by reshaping the delivery of long-term care services. DSHS Aging and Disabilities Administration will convene a workgroup of stakeholders to develop incentives to reduce the number of nursing facility beds from active service. (General Fund-State, General Fund-Federal) Note: E2SHB 1901 did not pass the Legislature. Therefore, this item was vetoed by the Governor. However, Chapter 366, Laws of 2011 (ESSB 5708 - Reshaping Long-Term Care Delivery), was signed into law. Therefore, the workgroup to develop incentives to reduce the number of nursing facility beds from active service is still in effect.

12. **Reduce Personal Care Hours** - Personal care provides assistance with daily living activities to individuals who meet functional and financial eligibility. An average 10 percent acuity-based reduction is made to personal care service hours for adult clients receiving in-home personal care under Medicaid programs. The actual reduction will range between 6 percent and 18 percent per client depending on acuity. In the most acute care category, a client receives on average 382 hours per month of in-home care. This client's care would be reduced by 6 percent, and they will now receive 359 hours of in-home care per month. In the least acute care category, a client receives on average 25 hours per month of in-home care. This client's care would be reduced by 18 percent, and they will now receive 21 hours of care. (General Fund-State, General Fund-Federal)

13. **MPC Hours-Training Impact** - Contributions to the training trust to pay for training for individual providers and represented agency providers are provided based on the total number of Medicaid personal care (MPC) hours worked by the providers. Since the total number of personal care hours is being reduced, there is a corresponding reduction in the contributions to the training trust. (General Fund-State, General Fund-Federal)

14. **MPC Hours-Health Care Impact** - Health care contributions for individual providers are made based on the total number of MPC hours worked by all providers. Since the total number of hours is being reduced, there is a corresponding reduction in health care contributions. (General Fund-State, General Fund-Federal)

15. **Expand Family Caregiver Diversion** - Investments are made in the Family Caregiver Support Program (FCSP), including specialized caregiver support for people with Alzheimer's disease. FCSP is a service available to unpaid caregivers of adults who need care. Providing these caregivers with information and connecting them to other resources may help clients remain in their homes and may delay entry into more costly long-term care services. The Washington Institute for Public Policy will conduct a review of the outcomes of this General Fund-State investment in diverting individuals from publicly-funded nursing homes and residential long-term care services.

16. **Family Caregiver Reduce NH Caseload** - Savings are assumed by reducing the number of nursing home funded beds by 110. General Fund-State savings will be reinvested into the Family Caregiver program. (General Fund-State, General Fund-Federal)

17. **Family Caregiver Reduct Comm Client** - Savings are assumed by reducing the number of LTC residential funded beds by 190. General Fund-State savings will be reinvested into the Family Caregiver program. (General Fund-State, General Fund-Federal)

18. **Expand Family Caregiver Memory Care** - Investments are made for specialized caregiver support for people with Alzheimer's disease.

19. **Increase AFH License Fee** - The initial license fee for adult family homes (AFH) is raised to $2,750, and the rebate is discontinued. License fees for adult family homes are increased to $100 per bed in FY 2012 and $175 per bed in FY 2013 to support the costs of conducting licensing and inspections. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

20. **Adjust AFH Rates for License Fees** - Vendor rates for publicly-funded adult family home beds are increased by approximately $0.22 in FY 2012 and $0.43 in FY 2013 per Medicaid patient day to compensate for increased licensing fees. (General Fund-Private/Local, General Fund-Federal)

21. **Increase NH License Fee** - Nursing home license fees are increased $359 per bed to cover the costs of licensing and inspection. (General Fund-Private/Local, General Fund-Federal)

22. **Vulnerable Adlts AFH Quality Assure** - Funding is provided to implement sections 501 and 502 of Chapter 3, Laws of 2011, 1st sp.s. (ESHB 1277 - Licensed Settings for Vulnerable Adults). The Department will increase investigative resources to address complaints about provider practices as well as alleged abuse, neglect, abandonment, and exploitation of residents in adult family homes. In addition, funding is provided to develop a quality review and accountability program to improve the accountability of staff and the consistency of investigative activities. The Department shall convene an adult family home quality assurance panel to review problems concerning the quality of care for clients in adult family homes. The panel shall provide a report to the appropriate legislative committees by December 1, 2012. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

23. **Adjust NH Rates for License Fees** - Nursing home rates are increased for publicly-funded beds to compensate for increases in licensing fees. (General Fund-Private/Local, General Fund-Federal)

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24. **Reduce AP Health Benefit** - The Aging and Disabilities Services Administration will reform the way health benefits are purchased for homecare agency providers (AP) who serve Medicaid clients. Approximately $69.6 million in total funds will remain in base funding for agency health care benefits after this reform is implemented. The enacted budget assumed the passage of SHB 2073 (concerning the contribution rate for the health benefits for certain home care workers), which modified RCW 74.39A.310 (2) and funded the monthly amount of $558. However, SHB 2073 was not enacted. (General Fund-State, General Fund-Federal)

25. **Reduce Regional Administration** - DSHS is consolidating its regional structure from six to three for all programs across the state. (General Fund-State, General Fund-Federal)

26. **Medicare Part D Copayments** - The state is discontinuing the reimbursement of co-payments for prescription drug purchases made by qualifying dually eligible Medicare/Medicaid clients in the Medicare Part D program. Prescription drugs are considered an allowable client expenditure in the calculations used to determine what a client will pay towards financial participation in their own care. With the elimination of Part D co-pays, there will be a corresponding drop in client participation, and therefore, the state's responsibility for the cost of care will increase by an equal amount. (General Fund-State, General Fund-Federal)

27. **2% Min Occpncy Increase Small & ECP** - During the 2010 legislative session, minimum occupancy was raised from 90 percent to 92 percent for large non-essential providers in the rate components of Operations (OP), Financing Allowance (FA), and Property Allowance (PA). Small non-essential community providers (60 beds or less) and essential community providers (ECPs - the only nursing home within a 40-mile radius) were held harmless. Pursuant to Chapter 7, Laws of 2011, 1st sp.s. (ESSB 5581 - Nursing Home Payments), minimum occupancy in the OP, FA, and PA rate components is raised by 2 percent for these two categories of providers. ECPs go from 85 percent to 87 percent minimum occupancy, and small non-essential community providers will go from 90 percent to 92 percent minimum occupancy. (General Fund-State, General Fund-Federal)

28. **5% Min Occpncy Inc From 2010 Large** - Pursuant to ESSB 5581, large non-essential providers are increased from 92 percent to 95 percent for minimum occupancy in the rate components of OP, FA, and PA. Minimum occupancy in these components was raised from 90 percent to 92 percent in FY 2011, making the overall impact an increase of 5 percent over FY 2010 levels. (General Fund-State, General Fund-Federal)

29. **Lower Direct Care Lid by 2%** - Pursuant to ESSB 5581, allowable costs for the Direct Care (DC) rate component are lowered to no more than 110 percent of the median. Current law allows DC costs that are included in rate setting to equal up to 112 percent of the statewide median. The DC component represents around 57 percent of the total nursing facility payment and includes payment for direct care staff wages and benefits, non-prescription medication, and medical supplies. (General Fund-State, General Fund-Federal)

30. **Lower Support Service Lid by 2%** - Pursuant to ESSB 5581, allowable costs in the Support Services (SS) rate component are lowered to be no more than 108 percent of the median. Current law allows direct care costs for case mix included in the SS component rate setting to equal up to 110 percent of the statewide median. The SS component includes payments for food, food preparation, laundry, and housekeeping. (General Fund-State, General Fund-Federal)

31. **AP Rates L&I Adjustment Update** - Reimbursements are made to homecare agencies for the increase in average base rate costs of Labor & Industry (L&I) insurance. These statutorily required reimbursements are provided in accordance with RCW 74.39A.310. (General Fund-State, General Fund-Federal)

32. **Delay Mandatory Training** - Pursuant to Chapter 31, Laws of 2011, 1st sp.s. (ESHB 1548 - Long-Term Care Worker Requirements), mandatory increases and enhancements to training, new certification requirements, and federal fingerprint background checks for long-term care workers are delayed until the 2013-15 biennium. Fundamental training for in-home care will continue at its current level of about 28 - 34 hours depending on the type of worker. Background checks based on a name search will continue to be required. No clients will lose service as a result of this delay. (General Fund-State, General Fund-Federal)

33. **CBA Reduce Training Contributions** - Contributions paid to the training partnership and for agency parity are reduced from $0.22 per hour to $0.17 per hour. Training is delayed. ESHB 1548, makes statutory changes to the increased training requirements, and therefore, the state shall contribute to the partnership $0.17 per paid hour worked by all home care workers. This amount is pursuant to the collective bargaining agreement (CBA) negotiated with the exclusive bargaining representative of individual providers. (General Fund-State, General Fund-Federal)

34. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

35. **Governor Veto** - The Governor vetoed Section 206(16) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided funding for a workgroup established in E2SHB 1901 (Reshaping Long-Term Care Delivery). The bill did not pass the Legislature.

36. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final

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Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - average final compensation for state and local government employees). (General Fund-State, various other funds)

37. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

38. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

39. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011 1st sp.s. (ESHB 1981 - higher education retirement plan and post-retirement employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

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Long-Term Care Services

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	Estimated 2011	Estimated 2012	Estimated 2013
Nursing Homes										
Avg # Served per Day	12,446	12,088	11,928	11,546	11,057	10,699	10,682	10,335	9,943	9,555
% Change from prior year		-2.9%	-1.3%	-3.2%	-4.2%	-3.2%	-0.2%	-3.3%	-3.8%	-3.9%
Community Care [1]										
Avg # Served per Month	34,635	35,514	37,041	38,094	39,506	41,780	44,079	46,255	48,555	51,043
% Change from prior year		2.5%	4.3%	2.8%	3.7%	5.8%	5.5%	4.9%	5.0%	5.1%
Combined Total										
Avg Persons Served	**47,080**	**47,602**	**48,969**	**49,641**	**50,563**	**52,479**	**54,761**	**56,590**	**58,498**	**60,598**
% Change from prior year		1.1%	2.9%	1.4%	1.9%	3.8%	4.3%	3.3%	3.4%	3.6%

[1] *Includes Chore Services, Community Options Program Entry Services (COPES), Medically Needy, Adult Residential, and Medicaid Personal Care.*

Data Sources :

Caseload Forecast Council and legislative fiscal staff.

Department of Social and Health Services
Economic Services Administration

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**1,129,859**	**1,276,904**	**2,406,763**
2011 Supplemental *	-25,068	7,171	-17,897
Total 2009-11 Biennium	**1,104,791**	**1,284,075**	**2,388,866**
2011-13 Maintenance Level	**1,257,562**	**1,099,626**	**2,357,188**
Policy Changes - Non-Comp			
1. Collective Bargaining Agreement	641	0	641
2. Eliminate Child Support Pass Thru	-18,776	-18,776	-37,552
3. Elimination - IRS Re-Distribution	-6,274	-6,276	-12,550
4. Reduce Disability Lifeline Grant	-100,343	0	-100,343
5. Reduce Regional Administration	-284	-294	-578
6. Disability Lifeline	-79,547	0	-79,547
7. Naturalization Program	-2,370	0	-2,370
8. State Food Assistance	-30,283	0	-30,283
9. Refugee Employment Svcs	-5,002	0	-5,002
10. Health Care Consolidation	5,188	87,150	92,338
11. Reduce Administrative Costs	-2,941	-1,479	-4,420
12. Management Efficiency	-1,842	0	-1,842
13. Refugee Grant	0	-707	-707
Policy -- Non-Comp Total	**-241,833**	**59,618**	**-182,215**
Policy Changes - Comp			
14. Average Final Compensation Adjust	33	47	80
15. 3% Salary Cut for State Employees	-5,845	-8,233	-14,078
16. Suspend Plan 1 Uniform COLA	-3,286	-4,643	-7,929
17. Retire-Rehire Changes (State)	-17	-24	-41
Policy -- Comp Total	**-9,115**	**-12,853**	**-21,968**
Total 2011-13 Biennium	**1,006,614**	**1,146,391**	**2,153,005**
Fiscal Year 2012 Total	506,611	571,487	1,078,098
Fiscal Year 2013 Total	500,003	574,904	1,074,907

Comments:

1. **Collective Bargaining Agreement** - Funding is provided for collective bargaining provisions related to Service Employees International Union 925, whose members are also impacted by the collective bargaining agreement.

2. **Eliminate Child Support Pass Thru** - Pursuant to Chapter 3, Laws of 2010, 2nd sp.s. (SSB 6893), funding is reduced to reflect the suspension of the child support pass-through which was authorized under the Federal Deficit Reduction Act of 2005. (General Fund-State, General Fund-Federal)

3. **Elimination - IRS Re-Distribution** - Funding is reduced reflecting the continuation of suspending support collection distributions made through federal tax intercepts to families which was established under the Federal Deficit Reduction Act of 2005. (General Fund-State, General Fund-Federal)

4. **Reduce Disability Lifeline Grant** - Funding is reduced to reflect the continuation of the 42.1 percent Disability Lifeline grant reduction which was implemented in FY 2011. This grant reduction includes clients in the Unemployable, Aged, Blind, Disabled, and Expedited programs.

5. **Reduce Regional Administration** - Funding is reduced due to the Department of Social and Health Services (DSHS) consolidating its regional structure from six regions to three for all programs across the state. (General Fund-State, General Fund-Federal)

6. **Disability Lifeline** - Funding is reduced to reflect the elimination of the Disability Lifeline program effective October 31, 2011, pursuant to Chapter 36, Laws of 2011, 1st sp.s. (ESHB 2082). The Aged, Blind, or Disabled Asssistance Program funding is established for persons likely to meet the federal Supplemental Security Income disability standard, pursuant to ESHB 2082. Funding is provided to Department of Commerce for an Essential Needs and Housing Program established in the Act.

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7. **Naturalization Program** - Funding is reduced for the Naturalization Program, which provides services that prepare low-income refugees and legal immigrants for U.S. citizenship testing.

8. **State Food Assistance** - Funding is reduced for the State Food Assistance Program. DSHS will achieve savings by modifying benefit amounts for the State Food Assistance Program.

9. **Refugee Employment Svcs** - State general funds are reduced for Refugee Employment Services. These services include employment placement assistance, English as a Second Language training, job skills training, job search workshops, and job retention services.

10. **Health Care Consolidation** - Pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738 - Medicaid Single State Agency), the Medicaid Purchasing Administration (MPA) is transferred out of DSHS and into the Health Care Authority effective July 1, 2011.

11. **Reduce Administrative Costs** - Funding is reduced to reflect administrative reductions within the Economic Services Administration. (General Fund-State, General Fund-Federal)

12. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

13. **Refugee Grant** - Funding is reduced for refugee assistance grants by 15 percent. The Refugee Cash Assistance grant is tied to the Temporary Assistance for Needy Family (TANF) grant standards, and the TANF grant standards were reduced by 15 percent in FY 2011.

14. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

15. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

16. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

17. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Economic Services Administration

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	Estimated 2011	Estimated 2012	Estimated 2013
Lifeline Clients (formerly General Assistance)										
Avg Monthly Caseload	22,028	25,578	27,676	29,237	31,182	35,001	38,276	39,300	39,448	0
% Change from prior year		16.1%	8.2%	5.6%	6.7%	12.2%	9.4%	2.7%	0.4%	-100.0%
Aged, Blind, or Disabled Assistance Program										
Avg Monthly Caseload									18,665	19,103
% Change from prior year										2.4%
TANF Cases										
Avg Monthly Caseload	55,609	56,949	55,520	51,936	50,119	56,458	64,450	65,868	61,144	59,242
% Change from prior year		2.4%	-2.5%	-6.5%	-3.5%	12.6%	14.2%	2.2%	-7.2%	-3.1%
Working Connections Child Care										
Avg # Children Served/Month	62,189	61,606	60,860	59,646	60,620	61,111	63,563	61,734	56,835	59,114
% Change from prior year		-0.9%	-1.2%	-2.0%	1.6%	0.8%	4.0%	-2.9%	-7.9%	4.0%

Data Sources :

FY 2004 through FY 2010 General Assistance actuals provided by the Caseload Forecast Council.

FY 2011 and FY 2013 General Assistance estimates are from Caseload Forecast Council.

FY 2004 through FY 2010 Temporary Assistance for Needy Families (TANF) case actuals are from the Office of Financial Management (OFM).

FY 2010 through FY 2011 TANF case estimates are from the OFM March 2011 TANF forecast and estimated impacts of legislation.

FY 2004 through FY 2006 Child Care actuals are from Department of Social and Health Services Division of Research and Data Analysis reports.

FY 2007 through FY 2010 Child Care numbers are calculated based on the average number of children per Working Connection Child Care (WCCC) case and on the WCCC forecast by OFM.

FY 2011 and FY 2013 Child Care estimates are based on the average number of children per case and the OFM March 2011 forecast adjusted for impacts of legislation.

The Disability Lifeline Program is terminated effective October 31, 2011. Numbers reflect the estimated caseload from July 2011 through October 31, 2011.

The Aged, Blind, or Disabled Assistance Program begins November 1, 2011. The caseload for FY 2012 reflects the estimated caseload average from November 2011 through June 2012.

Department of Social and Health Services
Alcohol & Substance Abuse

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**164,361**	**169,935**	**334,296**
2011 Supplemental *	-5,314	3,556	-1,758
Total 2009-11 Biennium	**159,047**	**173,491**	**332,538**
2011-13 Maintenance Level	**177,279**	**143,402**	**320,681**
Policy Changes - Non-Comp			
1. Reduce Chemical Dependency Services	-7,060	0	-7,060
2. Reduce Regional Administration	-330	-170	-500
3. Reduce Administrative Staff	-480	-274	-754
4. Management Efficiency	-52	0	-52
5. Disability Lifeline	424	2,370	2,794
6. Increase License/Certification Fee	-1,454	1,454	0
7. DL & ADATSA-Impl Fed Waiver 1115	-16,110	16,110	0
8. Reduce Tribal Administrative Costs	-61	0	-61
Policy -- Non-Comp Total	**-25,123**	**19,490**	**-5,633**
Policy Changes - Comp			
9. Average Final Compensation Adjust	2	0	2
10. 3% Salary Cut for State Employees	-286	-60	-346
11. Suspend Plan 1 Uniform COLA	-163	-34	-197
Policy -- Comp Total	**-447**	**-94**	**-541**
Total 2011-13 Biennium	**151,709**	**162,798**	**314,507**
Fiscal Year 2012 Total	75,785	81,187	156,972
Fiscal Year 2013 Total	75,924	81,611	157,535

Comments:

1. **Reduce Chemical Dependency Services** - Outpatient and residential services for low-income individuals who do not qualify for other state programs; non-federally matched services for individuals on Medicaid or receiving medical care through the 1115 waiver; and the associated state and county administration is reduced by approximately 11 percent. Funding for youth residential, pregnant and parenting women; and federally matched services for individuals on Medicaid or receiving medical care through the 1115 waiver are not reduced.

2. **Reduce Regional Administration** - The Department of Social and Health Services is consolidating its regional structure from six to three for all programs across the state. (General Fund-State, General Fund-Federal)

3. **Reduce Administrative Staff** - Five administrative staff positions are eliminated. (General Fund-State, General Fund-Federal)

4. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

5. **Disability Lifeline** - Funding is provided for the increased caseload of Disability Lifeline-Unemployable clients who are required to participate in treatment by Chapter 8, Laws of 2010, 1st sp.s., Partial Veto (E2SHB 2782). Clients who have an identified need for drug or alcohol treatment cannot continue to receive benefits if they refuse without good cause to participate in needed chemical dependency treatment. (General Fund-State, General Fund-Federal)

6. **Increase License/Certification Fee** - The Department will establish licensing and certification fees at an amount adequate to reimburse costs for its certification and regulation activities for approved chemical dependency treatment programs. (General Fund-State, General Fund-Local)

7. **DL & ADATSA-Impl Fed Waiver 1115** - The Department has implemented a federal waiver for individuals served by the Disability Lifeline (DL) and Alcohol and Drug Addiction Treatment Support Act (ADATSA). The waiver allows the Department to draw federal matching funds for treatment

Department of Social and Health Services
Alcohol & Substance Abuse

services provided to these populations and reduces the state funding required to serve them. (General Fund-State, General Fund-Federal)

8. **Reduce Tribal Administrative Costs** - State support for tribal administration expenses is reduced from a maximum of 10 percent to 8 percent per year.

9. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

10. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

11. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Alcohol & Substance Abuse

WORKLOAD HISTORY
By Fiscal Year

								Estimated		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
ADATSA - Assessment										
Avg Monthly Assessments	1,203	1,226	1,141	1,032	1,049	1,165	1,034	1,034	1,034	1,034
% Change from prior year		1.9%	-6.9%	-9.6%	1.6%	11.1%	-11.2%	0.0%	0.0%	0.0%
ADATSA - Outpatient Treatment										
Avg Monthly Admissions	388	428	477	455	517	520	450	450	450	450
% Change from prior year		10.3%	11.4%	-4.6%	13.6%	0.6%	-13.5%	0.0%	0.0%	0.0%
ADATSA - Residential										
Avg Monthly Admissions	569	635	570	534	544	510	462	417	417	417
% Change from prior year		11.6%	-10.2%	-6.3%	1.9%	-6.3%	-9.4%	-9.7%	0.0%	0.0%

Data Sources :

FY 2004 through FY 2010 workload data updated by Department of Social and Health Services Division of Alcohol and Substance Abuse.

FY 2011 through FY 2013 workload estimates provided by DSHS Division of Alcohol and Substance Abuse.

Department of Social and Health Services
Vocational Rehabilitation

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**20,372**	**113,824**	**134,196**
2011 Supplemental *	-602	80	-522
Total 2009-11 Biennium	**19,770**	**113,904**	**133,674**
2011-13 Maintenance Level	**25,929**	**112,277**	**138,206**
Policy Changes - Non-Comp			
1. Eliminate Service Center Funding	0	480	480
2. Reduce Basic Support Grant	-2,479	-9,160	-11,639
3. Leverage Fed Funds Basic Support	0	1,800	1,800
4. Management Efficiency	-54	0	-54
Policy -- Non-Comp Total	**-2,533**	**-6,880**	**-9,413**
Policy Changes - Comp			
5. Average Final Compensation Adjust	6	0	6
6. 3% Salary Cut for State Employees	-1,077	-6	-1,083
7. Suspend Plan 1 Uniform COLA	-609	-3	-612
8. Retire-Rehire Changes (State)	-3	0	-3
Policy -- Comp Total	**-1,683**	**-9**	**-1,692**
Total 2011-13 Biennium	**21,713**	**105,388**	**127,101**
Fiscal Year 2012 Total	10,852	52,549	63,401
Fiscal Year 2013 Total	10,861	52,839	63,700

Comments:

1. **Eliminate Service Center Funding** - General Fund-State funding for the Deaf-Blind Service Center is eliminated. Funding will be provided from the Telecommunications Devices for the Hearing and Speech Impaired Account and administered by the Office of Deaf and Hard of Hearing. (Telecommunications Devices for the Hearing and Speech Impaired Account-State)

2. **Reduce Basic Support Grant** - Across-the-board reductions are made to the Division of Vocational Rehabilitation. The General Fund-State reduction will decrease expenditures used to generate federal match dollars for the Basic Support Grant. These reductions will not jeopardize federal maintenance of effort requirements. (General Fund-State, General Fund-Federal)

3. **Leverage Fed Funds Basic Support** - The Basic Support Grant used to provide employment services to persons with disabilities is matched by the federal government at an 80 percent match rate. Telecommunication and hearing device funds will be used to leverage federal funding and to allow the Basic Support program to grow slightly above maintenance of effort levels. An investment of $300,000 of the Telecommunications Devices for the Hearing and Speech Impaired Account funds is used to leverage $1,500,000 in federal funds for the Basic Support Grant. (General Fund-State, Telecommunications Devices for the Hearing and Speech Impaired Account-State, General Fund-Federal)

4. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

5. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011 1st sp.s. (HB 2070 - average final compensation for state and local government employees). (General Fund-State, various other funds)

6. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington

Department of Social and Health Services
Vocational Rehabilitation

State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

7. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

8. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011 1st sp.s. (ESHB 1981 - higher education retirement plan and post-retirement employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social and Health Services
Special Commitment Center

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**95,878**	**0**	**95,878**
2011 Supplemental *	1,485	0	1,485
Total 2009-11 Biennium	**97,363**	**0**	**97,363**
2011-13 Maintenance Level	**100,234**	**0**	**100,234**
Policy Changes - Non-Comp			
1. Reduce Administrative Staff	-3,268	0	-3,268
2. Reduce SCC Programs	-1,122	0	-1,122
3. Fund McNeil Island Operations	6,050	0	6,050
4. Reduce SCTF Staffing Ratios	-3,826	0	-3,826
5. Pharmaceutical Savings	-380	0	-380
6. Management Efficiency	-306	0	-306
Policy -- Non-Comp Total	**-2,852**	**0**	**-2,852**
Policy Changes - Comp			
7. Average Final Compensation Adjust	7	0	7
8. 3% Salary Cut for State Employees	-1,276	0	-1,276
9. Suspend Plan 1 Uniform COLA	-721	0	-721
10. Retire-Rehire Changes (State)	-4	0	-4
Policy -- Comp Total	**-1,994**	**0**	**-1,994**
Total 2011-13 Biennium	**95,388**	**0**	**95,388**
Fiscal Year 2012 Total	47,779	0	47,779
Fiscal Year 2013 Total	47,609	0	47,609

Comments:

1. **Reduce Administrative Staff** - Funding is reduced for administrative staffing positions at the Special Commitment Center (SCC).

2. **Reduce SCC Programs** - Funding is reduced to reflect a decrease in a number of SCC programs including mailroom services, visitor center hours, recreation programming, clinical internships, and Advanced Registered Nurse Practitioner nursing services.

3. **Fund McNeil Island Operations** - Funding is provided to SCC for island operations including fire suppression, water treatment, and ferry operations. McNeil Island Correctional Center, which provided some of the island operations, was closed in April 2011.

4. **Reduce SCTF Staffing Ratios** - Funds are reduced to reflect a modification in the staffing models for the Secure Community Transitional Facilities (SCTFs), pursuant to Chapter 19, Laws of 2011 (SHB 1247). The staffing models for SCTF operated by SCC are specified in statute.

5. **Pharmaceutical Savings** - Funding is reduced to reflect a 20 percent savings associated with utilization of generic prescriptions and efficiencies in procurement.

6. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

7. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

8. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less

Department of Social and Health Services
Special Commitment Center

than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

9. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

10. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social & Health Services
Special Commitment Center

WORKLOAD HISTORY
By Fiscal Year

								Estimated		
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Special Commitment Center - Main Facility										
Avg Daily Population/Month	189	211	232	251	270	277	280	287	292	298
% Change from prior year		11.6%	10.0%	8.2%	7.6%	2.6%	1.1%	2.5%	1.7%	2.1%
Special Commitment Center - Less Restrictive Alternatives [1]										
Avg Daily Population/Month	10	11	11	12	14	15	16	20	24	28
% Change from prior year		10.0%	0.0%	9.1%	16.7%	7.1%	6.7%	25.0%	20.0%	16.7%

[1] *Includes persons in less restrictive alternative placements on McNeil Island and other locations. Beginning in FY 2002, funding for County Commitment program beds was eliminated.*

Data Sources :

FY 2004 through FY 2010 from Department of Social and Health Services Executive Management Information System reports.

FY 2011 through FY 2013 data are from legislative fiscal staff.

Department of Social and Health Services
Administration & Supporting Services

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**62,745**	**52,124**	**114,869**
2011 Supplemental *	-1,421	323	-1,098
Total 2009-11 Biennium	**61,324**	**52,447**	**113,771**
2011-13 Maintenance Level	**60,951**	**44,766**	**105,717**
Policy Changes - Non-Comp			
1. Eliminate Family Policy Council	-2,800	0	-2,800
2. Eliminate Council for Children	-2,126	-431	-2,557
3. Collective Bargaining Agreement	135	67	202
4. Establish Community Initiative	500	0	500
5. Additional OFA Investigators	0	901	901
6. Medicaid Transfer Cost Allocation	2,907	-2,857	50
7. Reduce Administrative Costs	-2,072	-486	-2,558
8. Health Care Consolidation	-1,368	-740	-2,108
9. Use Performance Audit for DFI	-3,911	3,911	0
10. Community Initiative Funding	1,400	1,400	2,800
11. Management Efficiency	-390	0	-390
Policy -- Non-Comp Total	**-7,725**	**1,765**	**-5,960**
Policy Changes - Comp			
12. Average Final Compensation Adjust	13	2	15
13. 3% Salary Cut for State Employees	-2,296	-440	-2,736
14. Suspend Plan 1 Uniform COLA	-1,278	-246	-1,524
15. Retire-Rehire Changes (State)	-7	-2	-9
Policy -- Comp Total	**-3,568**	**-686**	**-4,254**
Total 2011-13 Biennium	**49,658**	**45,845**	**95,503**
Fiscal Year 2012 Total	25,698	23,791	49,489
Fiscal Year 2013 Total	23,960	22,054	46,014

Comments:

1. **Eliminate Family Policy Council** - Chapter 32, Laws of 2011, 1st sp.s. (E2SHB 1965), eliminates the Family Policy Council and the Council for Children and Families effective July 1, 2012, and creates a non-governmental public-private initiative aimed at reducing adverse childhood experiences. Funding associated with the two councils is removed from the Department of Social and Health Services (DSHS) budget. (General Fund-State, General Fund-Federal)

2. **Eliminate Council for Children** - Chapter 32, Laws of 2011, 1st sp.s. (E2SHB 1965), eliminates the Family Policy Council and the Council for Children and Families effective July 1, 2012, and creates a non-governmental public-private initiative aimed at reducing adverse childhood experiences. Funding associated with the two councils is removed from DSHS budget. (General Fund-State, General Fund-Federal)

3. **Collective Bargaining Agreement** - The Office of Financial Management and Service Employees International Union 775 have agreed to a settlement proposal regarding homecare worker healthcare, training, and certification testing. (General Fund-State, General Fund-Federal)

4. **Establish Community Initiative** - DSHS shall help to develop a non-governmental public-private initiative that helps address the needs of high-risk children and families. The Department is authorized to develop partnerships and a new model for financing network community capacity building and reducing adverse childhood experiences. One-time state funding is provided to start up the initiative.

5. **Additional OFA Investigators** - Additional resources are provided to the Office of Fraud and Accountability (OFA) for Temporary Assistance for Needy Families (TANF) and other fraud investigations. (Performance Audit of Government Account-State)

6. **Medicaid Transfer Cost Allocation** - The transfer of the Medicaid Purchasing Administration (MPA) from DSHS to the Health Care Authority (HCA), pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), changes the base upon which central administrative functions are allocated. Appropriations

Department of Social and Health Services
Administration & Supporting Services

are adjusted to reflect the new administrative allocation anticipated once the transfer is complete. (General Fund-State, General-Fund Federal)

7. **Reduce Administrative Costs** - DSHS will make administrative reductions in operations support and services, planning performance and accountability, research and data analysis, and internal control staff. (General Fund-State, General Fund-Federal)

8. **Health Care Consolidation** - Pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), MPA is transferred out of DSHS and into HCA effective July 1, 2011. (General Fund-State, General Fund-Federal)

9. **Use Performance Audit for DFI** - Funding for the Division of Fraud Investigations (DFI) is transferred on a one-time basis to the Performance Audits of Government Account. The primary work of the division is focused on child support, TANF, and other eligibility and program enforcement work of DSHS. (General Fund-State, Performance Audits of Government Account-State)

10. **Community Initiative Funding** - Funding is provided for the Department to secure private matching funds to allocate to the community networks to provide training and services related to adverse childhood events. (General Fund-State, General Fund-Local)

11. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

12. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, General Fund-Federal)

13. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, General Fund-State)

14. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, General Fund-Federal)

15. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, General Fund-Federal)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social and Health Services
Payments to Other Agencies

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**123,446**	**56,572**	**180,018**
2011 Supplemental *	2,332	283	2,615
Total 2009-11 Biennium	**125,778**	**56,855**	**182,633**
2011-13 Maintenance Level	**135,180**	**59,024**	**194,204**
Policy Changes - Non-Comp			
1. Medicaid Transfer Cost Allocation	-3,262	3,990	728
2. State Data Center Rate Increase	2,282	0	2,282
3. Temporary Assistance Needy Families	739	0	739
4. Health Care Consolidation	-1,950	-1,297	-3,247
5. Interagency Charges - AG	-3,275	-1,404	-4,679
Policy -- Non-Comp Total	**-5,466**	**1,289**	**-4,177**
Total 2011-13 Biennium	**129,714**	**60,313**	**190,027**
Fiscal Year 2012 Total	66,410	30,380	96,790
Fiscal Year 2013 Total	63,304	29,933	93,237

Comments:

1. **Medicaid Transfer Cost Allocation** - The transfer of the Medicaid Purchasing Administration (MPA) from the Department of Social and Health Services (DSHS) to the Health Care Authority (HCA), pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), changes the base upon which central administrative functions are allocated. Appropriations are adjusted to reflect the new administrative allocation anticipated once the transfer is complete. (General Fund-State, General Fund-Federal)

2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency.

3. **Temporary Assistance Needy Families** - Chapter 42, Laws of 2011, 1st sp.s., Partial Veto (ESSB 5921), allows DSHS to adopt rules setting income limits of up to 300 percent of the federal poverty level for non-parents to receive Temporary Assistance for Needy Families benefits for a dependent child. The current estimates are that this will impact approximately 10,400 clients. These clients will have a hearing right, and there will likely be an impact to the Office of Administrative Hearings (OAH). This item provides funding that can be used to pay for hearing charges from OAH.

4. **Health Care Consolidation** - Pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), MPA is transferred out of DSHS and into HCA effective July 1, 2011. (General Fund-State, General Fund-Federal)

5. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, General Fund-Federal)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Social and Health Services
Medical Assistance Payments

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**3,449,576**	**6,364,476**	**9,814,052**
2011 Supplemental *	-15,070	1,034	-14,036
Total 2009-11 Biennium	**3,434,506**	**6,365,510**	**9,800,016**
2011-13 Maintenance Level	**4,847,327**	**6,334,576**	**11,181,903**
Policy Changes - Non-Comp			
1. Access to Child Dentistry	800	0	800
2. Disproportionate Share Grants	-14,441	-14,441	-28,882
3. Children's Health Program DSH	-1,430	1,430	0
4. Prior Auth - Advanced Imaging	-2,235	-1,893	-4,128
5. Prior Auth - Surgical Procedures	-1,469	-1,628	-3,097
6. Emergency Room Utilization	-32,960	-38,761	-71,721
7. Medication Practice Improvement	-3,060	-1,899	-4,959
8. Cesarean Section Births	-715	-873	-1,588
9. Hospital Inpatient	-83,835	-83,890	-167,725
10. Hospital Outpatient	-26,639	-26,674	-53,313
11. Hospital Safety Net Assessments	-40,000	40,000	0
12. Basic Health Plan Children	3,362	2,899	6,261
13. Partnership Access Line Funding	-570	570	0
14. Reimbursement Methods Waiver	-8,805	-8,805	-17,610
15. RHC Prenatal & Well-Child Visits	2,860	2,860	5,720
16. Drug Utilization Management	-2,611	-2,081	-4,692
17. Drug Co-Pays	-10,324	-10,324	-20,648
18. Wheelchair Selective Contracting	-657	-658	-1,315
19. Federal Cancer & Dialysis Match	-23,908	23,908	0
20. Adult Hearing	-1,444	-1,454	-2,898
21. Adult Vision	-3,123	-3,038	-6,161
22. Adult Therapies	-4,144	-4,052	-8,196
23. Durable Medical Equipment	-2,908	-2,915	-5,823
24. SSI Managed Care	-7,679	-8,524	-16,203
25. Interpreter Services	-2,758	-3,406	-6,164
26. School Based Medical Services	-11,299	12,331	1,032
27. Medicare Part D Copayments	-13,981	-22	-14,003
28. Podiatric Physician Reimbursement	-2,005	-1,983	-3,988
29. Children's Health Program	-1,524	-34	-1,558
30. Adult Dental	-28,631	-28,908	-57,539
31. FQHC Payment Methodology	-42,035	-44,286	-86,321
32. Healthy Options Rates	-27,022	-30,405	-57,427
33. Reduce Maternity Support Program	-12,048	-11,908	-23,956
34. Tobacco Cessation Funding	4,778	-4,778	0
35. Health Info Technology Implement	224	1,928	2,152
36. Program Integrity	-41,631	-37,726	-79,357
37. Medicaid Airlift Svcs Supp Pmt Pgm	0	5,854	5,854
38. Health Care Consolidation	-4,397,314	-6,062,561	-10,459,875
39. Administrative Reduction	-4,673	-8,005	-12,678
40. Customer Services Staffing	960	824	1,784
41. One Health Port	186	459	645
42. Clinical Review Staffing	706	972	1,678
43. Contracts & Audit Staffing	362	380	742
44. Claims Processing Staff	524	986	1,510
45. Cowlitz County Integration	36	34	70
46. Medicaid Fraud Enforcement	-4,400	15,430	11,030
47. Medicaid Demonstration Waiver	351	351	702
48. Management Efficiency	-338	0	-338
49. Children's Toll-Free Hotline	140	140	280
Policy -- Non-Comp Total	**-4,847,327**	**-6,334,576**	**-11,181,903**

Department of Social and Health Services
Medical Assistance Payments

(Dollars in Thousands)

	NGF-S	Other	Total
Total 2011-13 Biennium	**0**	**0**	**0**

Comments:

1. **Access to Child Dentistry** - Funding for local outreach, case management, and coordination for the Access to Baby and Child Dentistry (ABCD) program is transferred from the Department of Health to the Medical Assistance Program.

2. **Disproportionate Share Grants** - Funding levels for the Low-Income, Non-Rural Indigent Assistance, and Small Rural Indigent Assistance Disproportionate Share Hospital (DSH) grant programs are each reduced by 40 percent. (General Fund-State, General Fund-Federal)

3. **Children's Health Program DSH** - The Medical Assistance Program will use federally-matched DSH funds to reimburse hospitals for non-emergency inpatient and outpatient care for children who are not eligible for federal Title XIX or Title XXI matching funds due to their citizenship status. (General Fund-State, General Fund-Federal)

4. **Prior Auth - Advanced Imaging** - The Medical Assistance Program will contract for increased medical necessity review of advanced imaging technologies such as computed and positron emission tomography scans, magnetic resonance imaging, and cardio nuclear imaging. This is expected to result in an approximately 20 percent reduction in expenditures on advanced imaging services. (General Fund-State, General Fund-Federal)

5. **Prior Auth - Surgical Procedures** - The Medical Assistance Program will contract for medical necessity review and prior authorization of selected orthopedic, spinal, and nerve surgeries, which is expected to result in an approximately 20 percent reduction in expenditures when fully implemented. (General Fund-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

6. **Emergency Room Utilization** - Effective July 1, 2011, the Medical Assistance Program will pay for no more than three emergency room visits for non-emergent conditions per enrollee per year. Hospitals may directly bill enrollees for the fourth and subsequent visits for non-emergent conditions and are encouraged to work with enrollees and primary care providers to avoid earlier such visits. (General Fund-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

7. **Medication Practice Improvement** - The Medical Assistance Program will partner with community mental health centers, other prescribers of adult anti-psychotic medications, and public schools of medicine and pharmacy to improve prescriptive practice and adherence with regard to the safe and effective use of antipsychotic and other medications used in the treatment of serious and persistent mental illness. The effort will include development and delivery of standard protocols and practices regarding best and promising practices; development of metrics and production of peer-comparison feedback reports for prescribers and mental health centers regarding medication adherence, poly-pharmacy, excessive dosing, and off-label use; and establishment of an access line through which community practitioners can obtain second opinion consultations regarding cases flagged for additional utilization review. These efforts, the non-federal share of which will be funded with $300,000 obtained through settlement of lawsuits involving the drug Seroquel, are expected to result in an approximately 6 percent reduction in state expenditures for adult mental health medications over the course of the 2011-13 biennium. (General Fund-State, General Fund-Private/Local, General Fund-Federal)

8. **Cesarean Section Births** - The Medical Assistance Program will partner with obstetricians, gynecologists, family practitioners, a health sciences university or universities, and other state and private purchasers to develop and deliver a curriculum based on the current literature and best practices regarding induced, cesarean section, and post-cesarean births. This, together with metrics development and practitioner feedback reporting, is expected to result in a 20 percent reduction in the number of publicly-funded births that would otherwise be delivered by cesarean section, lower birth and postpartum costs, and improve birth outcomes. (General Fund-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

9. **Hospital Inpatient** - Hospital inpatient payment rates, most of which were increased by 13 percent during the 2010 session, are reduced by 8 percent effective July 1, 2011. The rate reduction applies only to non-governmental, non-rural hospitals. This reduction is based upon analysis showing that Medicaid inpatient payment rates for such hospitals are presently an average of 6 percent higher than the federal Medicare program would pay for the same services. (General Fund-State, General Fund-Federal)

10. **Hospital Outpatient** - Hospital outpatient payment rates, most of which were increased by approximately 37 percent in the 2010 session, are reduced by 7 percent effective July 1, 2011. The rate reduction applies only to non-governmental, non-rural hospitals. This reduction is based upon analysis showing that Medicaid outpatient payment rates for such hospitals are presently an average of 5 percent higher than the federal Medicare program would pay for the same services. (General Fund-State, General Fund-Federal)

Department of Social and Health Services
Medical Assistance Payments

11. **Hospital Safety Net Assessments** - Revenue to the Hospital Safety Net Assessment Account is forecasted to exceed projected expenditures. The excess fund balance is used to fund hospital services that would otherwise be funded from the state general fund. (General Fund-State, Hospital Safety Net Assessment Account-State)

12. **Basic Health Plan Children** - Beginning March 1, 2011, the Health Care Authority restricted enrollment in the Basic Health Plan (BHP) to persons who qualify for services under the Medicaid waiver for the BHP. Approximately 1,700 children who are not eligible for services under the waiver moved from the BHP to the Apple Health for Kids Program. (General Fund-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

13. **Partnership Access Line Funding** - The Partnership Access Line (PAL) employs child psychiatrists, child psychologists, and social workers affiliated with Seattle Children's Hospital to deliver telephone consultation services regarding children's mental health drug prescriptions. In order to continue operation of this service, the Medical Assistance Program will enter into an interagency agreement with the Office of the Attorney General for expenditure of $570,000 of the state's proceeds of the cy pres settlement in State of Washington v. AstraZeneca (Seroquel). (General Fund-State, General Fund-Private/Local)

14. **Reimbursement Methods Waiver** - Pursuant to Chapter 1, Laws of 2011, 1st sp.s. (E2SSB 5596), the Medical Assistance Program will seek a federal Medicaid waiver to implement new reimbursement methods such as bundled, global, and risk-bearing payment arrangements that support health homes and accountable care organizations. (General Fund-State, General Fund-Federal)

15. **RHC Prenatal & Well-Child Visits** - Federally-qualified rural health clinics (RHCs) will be paid their standard cost-related encounter rate for prenatal and well-child services provided to women and children enrolled in the Medicaid and State Children's Health Insurance programs. Additionally, such visits will be considered eligible for the standard encounter rate for purposes of reconciling managed care enhancement payments for 2009 and 2010. (General Fund-State, General Fund-Federal)

16. **Drug Utilization Management** - The Medical Assistance Program will increase efforts to promote more cost-effective drug utilization. Efforts will focus on drugs where there is evidence of over-utilization, off-label use, excessive dosing, duplicative therapy, or opportunities to shift utilization to less expensive, equally effective formulations. (General Fund-State, General Fund-Federal)

17. **Drug Co-Pays** - The Medical Assistance Program will seek a federal Medicaid waiver to allow implementation of enforceable co-payments for prescription drugs in FY 2013 that will promote more cost-effective utilization of prescription drugs. The co-payments are expected to apply to most medical assistance and medically needy enrollees and are expected to include a tiered strategy under which there would be no co-payment for most generic drugs; a $15 co-payment for preferred brand-name drugs; and 50 percent co-insurance for non-preferred drugs. (General Fund-State, General Fund-Federal)

18. **Wheelchair Selective Contracting** - The Medical Assistance Program is expected to achieve savings by competitively contracting with manufacturers and/or distributors of wheelchairs. The competitive bidding process is expected to be completed no later than July 2012. (General Fund-State, General Fund-Federal)

19. **Federal Cancer & Dialysis Match** - The federal government is expected to approve the state's proposal that cancer and kidney dialysis treatment for persons who do not qualify for full-scope Medicaid coverage because of their immigration status should qualify for federal matching funds under the alien emergency medical provisions of the Medicaid program. (General Fund-State, General Fund-Federal)

20. **Adult Hearing** - The Medical Assistance Program will not pay for adult hearing aids and devices, except for cochlear implants and bone anchored hearing aids, during the 2011-13 biennium. (General Fund-State, General Fund-Federal)

21. **Adult Vision** - The Medical Assistance Program will not pay for eyeglasses for adults. As provided in Chapter 100, Laws of 2011 (SSB 5352), medical assistance recipients will be able to purchase eyeglasses from optical providers at the discounted correctional industries production rate. (General Fund-State, General Fund-Federal)

22. **Adult Therapies** - The Medical Assistance Program will limit coverage of occupational, physical, and communication disorder therapies to 12 visits per year for adults with injuries to the brain, hips, knees, or spine and to 6 visits per year for persons with all other injuries. (General Fund-State, General Fund-Federal)

23. **Durable Medical Equipment** - The Medical Assistance Program will competitively contract with manufacturers and/or distributors of nutritional supplements and incontinence supplies. The competitive contracting process is expected to be completed no later than January 2012. (General Fund-State, General Fund-Federal)

24. **SSI Managed Care** - During FY 2013, the Medical Assistance Program plans to transition all elderly and disabled supplemental security income (SSI) recipients into either fully capitated medical managed care or into primary care medical homes operating on a risk-sharing basis. This is expected to result in reduced expenditures through more cost-effective care management, coordination, and delivery. (General Fund-State, General Fund-Federal)

25. **Interpreter Services** - No later than January 2012, the Medical Assistance Program will develop a new system for delivery of spoken-language interpreter services. Under the new system, the Medical Assistance Program will develop guidelines for the appropriate use of telephonic, video-remote, and in-person

interpreting. The Medical Assistance Program will contract with delivery organizations that employ or contract with language access providers or interpreters. Medical practitioners will use a secure web-based tool to schedule appointments for interpreter services that identifies the most appropriate and cost-effective method of service delivery. (General Fund-State, General Fund-Federal)

26. **School Based Medical Services** - The Medical Assistance Program will initiate a new intergovernmental transfer program under which the state will provide 40 percent and school districts will provide 60 percent of the required non-federal matching funds for therapies and other qualifying medical services provided to Medicaid-eligible children. (General Fund-State, General Fund-Federal)

27. **Medicare Part D Copayments** - Coverage of co-payments for prescription drug purchases made by qualifying dually-eligible Medicare and Medicaid clients in the Medicare Part D program is eliminated. (General Fund-State, Tobacco Prevention and Control Account-State, General Fund-Federal)

28. **Podiatric Physician Reimbursement** - The Medical Assistance Program will reimburse for adult foot care only when it is medically necessary to treat acute conditions or non-acute conditions for at-risk clients. The Program will distribute a list of diagnosis codes that will be eligible for reimbursement. Treatment for other conditions may be reviewed for medical necessity using the Exception to Rule process. (General Fund-State, General Fund-Federal)

29. **Children's Health Program** - Families with incomes above 200 percent of the federal poverty level must pay premiums equal to the average state-only per capita cost of coverage under the Children's Health Program (CHP). CHP provides medical coverage to children who are not eligible for federal Title XIX or Title XXI funding due to citizenship status. (General Fund-State, General Fund-Federal)

30. **Adult Dental** - Funding is reduced for preventive and restorative dental care for adult recipients of state medical assistance. Preventive and restorative dental care will continue to be available for Medicaid recipients who are pregnant, reside in nursing homes or intermediate care facilities, or receive long-term care services under one of the Medicaid home- and community-based services waivers. Only emergency dental care will be covered for other adult medical assistance recipients. (General Fund-State, General Fund-Federal)

31. **FQHC Payment Methodology** - Federal law requires that federally-qualified health centers (FQHCs) and rural health clinics (RHCs) be paid a cost-related per visit rate for services to persons covered by Medicaid and the State Children's Health Insurance Program (SCHIP). In 2009, the Medical Assistance Program replaced the federal Prospective Payment System (PPS) that was based on 2001 costs adjusted by a national measure of medical inflation with an alternative payment methodology (APM) using a higher Washington-specific inflation measure. The Medical Assistance Program will adopt a new payment methodology effective July 1, 2011, that is expected to result in rates that average 10.6 percent less than what would have been paid under the 2009 APM. Under the revised system, rates that were rebased in 2010 will reflect allowable costs during the base year adjusted by the cumulative change in the Medicare Economic Index (MEI) since that year. Rates that were not rebased in 2010 will be the applicable PPS rate inflated by the cumulative change in the Washington-specific inflation measure to 2008, and by the cumulative increase in the MEI from 2008 to 2011 (for calendar year 2011 rates) and from 2008 to 2012 (for 2012 rates). Rates that were not rebased in 2010 will be rebased in 2013 to reflect 2010 allowable costs adjusted by the cumulative change in the MEI from 2010 to 2013. (The Governor vetoed section 213(38) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto [2ESHB 1087], because the proviso incorrectly identified 2007 rather than 2008 as the base year in which alternative inflation measures were to be applied.) (General Fund-State, General Fund-Federal)

32. **Healthy Options Rates** - The Medical Assistance Program is expected to emphasize price in the 2012 competitive procurement for health insurers delivering services under the existing Healthy Options managed care program for non-disabled children and adults. This is expected to result in lower rates than the rates developed under the current system of negotiated rate-setting. (General Fund-State, General Fund-Federal).

33. **Reduce Maternity Support Program** - The Maternity Support Services (MSS) program provides professional observation, assessment, education, intervention, and counseling for pregnant and postpartum women. Funding for this program is reduced by approximately 30 percent. The Medical Assistance Program will prioritize evidence-based practices, and it will continue to target the available funds toward pregnant women with the highest risk of poor birth outcomes. (General Fund-State, General Fund-Federal)

34. **Tobacco Cessation Funding** - Funding for the Medicaid smoking cessation benefit is provided from the state general fund instead of the Tobacco Prevention and Control Account. (General Fund-State, Tobacco Prevention and Control Account-State)

35. **Health Info Technology Implement** - Funding is provided to implement provider incentive payments and other initiatives related to the plan for increased use of electronic billings and medical records in the state Medicaid program. (General Fund-State, General Fund-Federal)

36. **Program Integrity** - The Medical Assistance Program has contracted with a private firm on a contingency basis to identify additional recipients who may have private or other public insurance coverage that can pay for their medical care. This is expected to result in an approximately 10 percent increase in the number of recipients for whom such coverage is identified, for a net state savings of approximately $24 million. Funding is also provided for additional audit and benefit coordination staff

who will support the medical assistance program's efforts to recover and avoid approximately $14 million of state medical expenditures. Because legislation establishing the new dedicated account that was to pay for these activities was not enacted, this appropriation lapsed, and the activities will be initiated with state general funds pending further action during the next legislative session. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)

37. **Medicaid Airlift Svcs Supp Pmt Pgm** - Funding for medical airlift services is increased by using local funds to collect federal Medicaid match. (General Fund-Federal, General Fund-Private/Local)

38. **Health Care Consolidation** - Pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), the Medical Assistance Program is transferred from DSHS to the Health Care Authority effective July 1, 2011. (General Fund-State, General Fund-Private/Local, Emergency Medical Services and Trauma Care Systems Trust Account-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

39. **Administrative Reduction** - The Medical Assistance Program operated at approximately 4 percent below the level budgeted for FY 2011 as a result of hiring freezes and other cost reduction efforts. Staff and funding are adjusted to reflect continued operation at this reduced level. (General Fund-State, General Fund-Federal)

40. **Customer Services Staffing** - Funding is provided to fill 13 call center staff positions that have been vacant due to the state hiring freeze. This is expected to increase the rate of calls answered from 20 to 45 percent. This is also expected to decrease the response time to non-phone inquiries from 20 days to 10 days for clients and from 90 days to 20 days for providers. (General Fund-State, General Fund-Federal)

41. **One Health Port** - Funding is provided for information system modifications that will enable medical providers to access the ProviderOne payment system through OneHealthPort, which is a secure web portal that allows providers to use a single digital credential and password to access other major health insurance sites. ProviderOne access through this site is expected to increase the number of providers who can bill electronically rather than through paper claims. (General Fund-State, General Fund-Federal)

42. **Clinical Review Staffing** - Funding is provided to fill seven medical staff positions that have been vacant due to the state hiring freeze. This is expected to support timely reviews and action on provider requests to dispense medications or receive prior authorization when it is required. (General Fund-State, General Fund-Federal)

43. **Contracts & Audit Staffing** - Funding is provided to fill four contract monitoring and audit positions that have been vacant due to the state hiring freeze. (General Fund-State, General Fund-Federal)

44. **Claims Processing Staff** - Funding is provided to fill 11 claims payment positions that have been vacant due to the state hiring freeze. Filling these positions is expected to enable the Medical Assistance Program to keep the backlog of unprocessed provider billings under 100,000. (General Fund-State, General Fund-Federal)

45. **Cowlitz County Integration** - Funding is provided for the Medical Assistance Program to provide administrative assistance and data analysis to facilitate and support integrated delivery of medical and behavioral health services in Cowlitz County. (General Fund-State, General Fund-Federal)

46. **Medicaid Fraud Enforcement** - Funds were provided for implementation of ESSB 5960 (Medicaid Fraud), which would have established new tools for detecting and prosecuting Medicaid fraud and new penalties for engaging in it. Because the legislation was not enacted, this appropriation lapsed, and the new dedicated account that was to pay for current and increased fraud detection and enforcement activities was not established. The previous level of fraud detection and enforement activity will continue with state general funds pending further action during the next legislative session. (General Fund-State, Medicaid Fraud Penalty Account-State, General Fund-Federal)

47. **Medicaid Demonstration Waiver** - Under Chapter 1, Laws of 2011, 1st sp.s. (E2SSB 5596), the Medical Assistance Program will develop and obtain federal approval for a demonstration project that will allow the state greater flexibility in management of its Medicaid program. The project will include flexibility to provide a modified benefit package modeled on the essential benefits package proposed for national health reform; to differentiate benefits based on enrollee age, disability, and medical condition; to implement reasonable and enforceable cost-sharing; to streamline eligibility determination; and to adopt new payment mechanisms. Funding is provided for staff and contractors to develop alternative program approaches; to advise policy-makers on fiscal, enrollee, and delivery system impacts; and to work with federal officials to secure project approval by FY 2013. (General Fund-State, General Fund-Federal)

48. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

49. **Children's Toll-Free Hotline** - Funds are provided to continue operation by a nonprofit organization of a toll-free phone line that helps families learn about and enroll in Apple Health for Kids, which provides publicly-funded medical and dental care for families with incomes below 300 percent of the federal poverty level. (General Fund-State, General Fund-Federal)

Agency 300
Program 080

Department of Social and Health Services
Medical Assistance Payments

* Please see the 2011 Supplemental Operating Budget Section
for additional information.

Department of Social & Health Services
Medical Assistance Payments

WORKLOAD HISTORY
By Fiscal Year

								Estimated		
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Categorically Needy	**815,257**	**810,363**	**840,971**	**854,989**	**878,543**	**936,848**	**1,019,542**	**1,080,894**	**1,137,012**	**1,179,140**
AFDC/TANF	283,973	293,185	283,290	267,472	251,978	264,433	290,883	307,027	324,886	337,074
Elderly	54,573	55,544	56,467	57,041	57,640	58,594	61,100	62,294	64,066	65,850
Disabled	123,248	126,868	129,667	132,375	135,946	140,820	148,304	154,466	159,313	163,188
Non-AFDC Children	319,772	298,548	329,580	344,238	363,347	397,238	443,173	478,272	507,839	529,517
Non-AFDC Pregnant Women	26,366	27,121	27,589	28,480	29,143	29,660	29,722	30,285	30,490	31,456
Undocumented Children	0	0	2,528	10,127	23,567	27,558	26,207	25,678	25,071	24,981
Medicare Beneficiaries	7,066	8,563	10,689	13,781	15,201	16,568	17,761	20,061	22,183	23,581
Breast & Cervical Cancer	0	56	375	495	565	655	811	1,024	1,193	1,326
Medicaid Buy-In	261	479	787	981	1,157	1,321	1,580	1,787	1,971	2,167
Medically Needy	**16,972**	**17,849**	**16,536**	**13,594**	**13,568**	**18,007**	**17,664**	**12,466**	**12,352**	**12,316**
Elderly	6,510	6,592	6,150	5,233	5,159	10,085	10,332	4,904	4,855	4,819
Disabled	10,462	11,257	10,385	8,361	8,409	7,923	7,332	7,562	7,497	7,497
Children's Health Insurance Program	9,516	13,303	11,786	11,409	11,974	14,467	19,275	23,836	26,374	28,641
Lifeline Cases (formerly General Assistance/ADATSA)										
# Persons/Month	11,651	14,109	15,982	17,137	17,907	19,902	21,127	22,026	22,062	23,268
State Medically Indigent										
# Persons/Month	0	0	0	0	0	0	0	0	0	0
Refugees										
# Persons/Month	684	685	754	738	674	757	923	861	914	960
Total Eligibles per Month	**854,080**	**856,310**	**886,028**	**897,867**	**922,666**	**989,982**	**1,078,531**	**1,140,083**	**1,198,715**	**1,244,324**
% Change from prior year		0.3%	3.5%	1.3%	2.8%	7.3%	8.9%	5.7%	5.1%	3.8%

Data Sources :

Caseload Forecast Council and legislative fiscal committees.

Other Human Services

Department of Corrections

A total of $1.7 billion is provided for the Department of Corrections (DOC) to incarcerate an average of 18,000 inmates per month and to supervise an average of 15,225 offenders in the community per month for the 2011-13 biennium. This represents a decrease of $73.4 million (4.3 percent) in corrections spending from the 2009-11 biennium and savings of $137.3 million (7.6 percent) from the 2011-13 maintenance level.

The budget provides $6 million for prison safety enhancements, including: a study to standardize a body alarm or proximity card system statewide; pilot projects for a body alarm system and a proximity card system; upgrades to the radio system to add panic buttons; expanded use of pepper spray; development and implementation of training for supervisors on enhanced security awareness; additional staff counselor positions; and the addition of custody staff at the Monroe Correctional Complex and the Washington State Penitentiary who are responsible for monitoring the whereabouts of all prison employees.

Funding is reduced by $53.6 million General Fund-State to reflect savings from continuing reductions begun in fiscal year 2011 as a result of the Governor's across-the-board reductions and enactment of Chapter 1, Laws of 2010, 2nd sp.s. (HB 3225). These continued savings include: eliminating staff positions ($18.6 million); reducing administrative costs ($2.8 million); changing agency staffing structure ($7.2 million); holding positions vacant ($7.9 million); reducing Drug Offender Sentencing Alternative bed utilization ($3.4 million); and achieving additional program savings ($7.8 million).

Funding is reduced to reflect net savings of $18.3 million General Fund-State in the 2011-13 biennium from the closure of the McNeil Island Corrections Center (MICC) on April 1, 2011, consistent with the policy included in HB 3225. The savings from the closure of MICC are partially offset by the opening of a unit at the Larch Correctional Center in Yacolt.

The budget assumes savings of $9.4 million General Fund-State due to changes in community supervision consistent with the following policy changes included in Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891):

- Elimination of supervision for certain offenders from jail, saving $1.9 million. Excluded from this group are sex offenders, offenders in treatment programs, offenders with a high-risk profile, and certain offenders with a conviction of a domestic violence offense.
- Elimination of "tolling" or pausing the term of community custody while an offender is confined for violating a sentencing condition, saving $5.2 million. The length of an offender's supervision will run continuously regardless of whether an offender is incarcerated for violating the terms of their supervision. The practice of tolling will continue for sex offenders.
- Reduction in the length of community supervision for offenders on the First Time Offender Waiver program from 24 and 12 months to 12 and 6 months, saving $2.3 million.

The budget assumes savings of $15.5 million General Fund-State related to costs for housing community supervision violators. DOC will negotiate lower contract amounts for housing offenders in local and tribal government jails. The rate must not exceed $85 per day per offender, saving $7 million. In addition, the budget assumes a lower demand for violator beds attributable to the reduction in the number of offenders on supervision and the elimination of tolling, saving $8.5 million.

Funding is reduced by $4.0 million General Fund-State to reflect savings from early deportation of certain non-citizen drug and property offenders, consistent with Chapter 206, Laws of 2011, Partial Veto (ESHB 1547). The

reduction assumes that qualifying non-citizen offenders are deported and that qualifying newly-sentenced non-citizen offenders are processed for deportation upon arrival to the state prison system.

Criminal Justice Training Commission

The budget provides $30.3 million from General Fund-State to the Criminal Justice Training Commission (CJTC) for training and certification of local law enforcement and corrections officers and pass-through funds to the Washington Association of Sheriffs and Police Chiefs (WASPC). This funding level is an 11.1 percent reduction from General Fund-State expenditures in the 2009-11biennium.

Major items include:

- Funding is reduced by $1.3 million to reflect a 25 percent partial reimbursement of the basic law enforcement academy costs by law enforcement agencies that send cadets for training. The budget assumes total funding of $5.2 million for eight basic law enforcement academies in fiscal year 2011 and nine academies in fiscal year 2012.
- Funding is reduced by $2.5 million for pass-through programs administered by WASPC. The reduction is partially backfilled with $1.7 million in funding from the Washington Auto Theft Prevention Account, for a net reduction of $803,000.
- $2.0 million is provided for grants to counties historically underserved by federally-funded narcotics task forces.

Department of Health

The Department of Health (DOH) has a total budget of $1.1 billion to provide educational and health care services, administer a variety of health care licensure programs, regulate drinking water and commercial shellfish production, respond to infectious disease outbreaks, support local public health jurisdictions, and operate the state's public health laboratory.

In 2007, the Legislature increased funding to local public health jurisdictions by $20 million based on the recommendation of the Blue Ribbon Commission on Health Care. The funding was accompanied by a mandate to define core public health functions and for local public health jurisdictions to report on outcomes. This program is reduced by $10 million in the 2011-13 biennium. Local public health jurisdictions will receive a total of $73.2 million in discretionary funding from DOH for the 2011-13 biennium.

DOH provides family planning funding to a network of local providers throughout the state. These funds can be used for a variety of family planning activities and serve clients who earn 250 percent or less of the federal poverty level. Funding for these grants is reduced by 11.25 percent ($2.3 million Near General Fund-State).

Employment Security Department

The Employment Security Department has a total budget of $715 million to administer Washington's unemployment insurance system, operate the WorkSource system, operate the Washington Service Corps program, and conduct labor market and economic analysis.

Savings of $33.2 million in state general fund are achieved by delaying the implementation of the Family Leave Insurance Program by three years until October 2015, pursuant to Chapter 25, Laws of 2011, 1st sp.s. (ESSB 5091).

A total of $35.6 million in federal funds is provided for implementing the second phase of the new unemployment insurance tax information computer system, which will replace the current system that was originally implemented in 1984.

Labor and Industries

The Department of Labor and Industries has a total budget of $638 million to administer Washington's workers' compensation system, manage the occupational health and safety program, operate the crime victims' compensation program, and license and enforce safe building practices.

Savings of $1.6 million in state general fund are achieved by eliminating payment awards provided as permanent partial disability benefits and benefits for home and vehicle modifications given to victims of criminal acts pursuant to Chapter 346, Laws of 2011, Partial Veto (SSB 5691).

A total of $26.9 million in state industrial insurance funds are provided for implementing changes to the workers' compensation program pursuant to Chapter 37, Laws of 2011, 1st sp.s. (EHB 2123). The legislation makes a number of changes including authorizing claim resolution structured settlement agreements for workers age 55 or older with a phase-in to younger workers over time. Savings of $600 million in industrial insurance trust funds are assumed as well as $6 million in state general fund from reduced workers compensation charges to the state.

Department of Veterans' Affairs

A total of $114.8 million total funds is provided for veterans' services for soldiers and their families. The appropriated amount reflects a General Fund-State reduction of $245,000 to headquarters administration and a General Fund-State increase of $85,000 for updating information technology systems. The budget assumes an additional $660,000 in revenue generated by the implementation of Chapter 352, Laws of 2011 (SB 5806 - Veteran Lottery Raffle). Proceeds from a newly-created annual raffle will be used to provide support, including emergency financial assistance, for returning combat veterans through the Veterans' Innovation Program.

Washington State Health Care Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**337,345**	**277,403**	**614,748**
2011 Supplemental *	-20,338	3,248	-17,090
Total 2009-11 Biennium	**317,007**	**280,651**	**597,658**
2011-13 Maintenance Level	**266,819**	**389,174**	**655,993**
Policy Changes - Non-Comp			
1. Moore, et al. v. HCA	886	0	886
2. Washington Health Program	0	49,501	49,501
3. Health Care Consolidation	4,395,444	5,977,448	10,372,892
4. Dental Residency	-630	0	-630
5. Comm Health Collaborative Grants	-500	0	-500
6. Health Literacy	-420	0	-420
7. Reduce Health Clinic Grant Program	-24,000	0	-24,000
8. Basic Health Plan	-128,467	-73,955	-202,422
9. Medicaid Transfer Cost Allocation	-1,946	1,946	0
10. Health Care Consolidation Executive	-1,028	-942	-1,970
11. State Data Center Rate Increase	20	22	42
12. Health Benefits Exchange Grants	0	23,700	23,700
13. Basic Health Stabilization	-44,000	44,000	0
14. Basic Health Admin Adjustment	-1,135	-601	-1,736
15. Interagency Charges - AG	-14	-20	-34
16. School Employees' Benefits Proposal	1,200	0	1,200
17. Management Efficiency	-98	0	-98
18. TRS 1 Retirement Subsidies	0	178	178
19. Governor Veto	0	-17,039	-17,039
Policy -- Non-Comp Total	**4,195,312**	**6,004,238**	**10,199,550**
Policy Changes - Comp			
20. Average Final Compensation Adjust	10	18	28
21. 3% Salary Cut for State Employees	-1,839	-3,382	-5,221
22. Suspend Plan 1 Uniform COLA	-1,037	-1,891	-2,928
23. Retire-Rehire Changes (State)	-6	-9	-15
Policy -- Comp Total	**-2,872**	**-5,264**	**-8,136**
Total 2011-13 Biennium	**4,459,259**	**6,388,148**	**10,847,407**
Fiscal Year 2012 Total	2,195,580	3,138,097	5,333,677
Fiscal Year 2013 Total	2,263,679	3,250,051	5,513,730

Comments:

1. **Moore, et al. v. HCA** - Funding is provided for the first fiscal year of the 2011-13 biennium to fund continuing legal services related to Moore, et al. v. Health Care Authority (HCA), a class action seeking damages related to health care benefits for part-time employees in many state agencies and institutions. (General Fund-State)

2. **Washington Health Program** - Additional expenditure authority is provided to recognize increasing enrollment in the Washington Health Program, a non-subsidized insurance option that allows clients to pay the full premium and administrative cost for a medical benefit package that includes higher deductibles and copayments and lower annual benefit limits than the subsidized Basic Health Plan. (Basic Health Plan Subscription Account-Non-Appropriated)

3. **Health Care Consolidation** - Pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), administration of the Medical Assistance Program is transferred from the Department of Social and Health Services (DSHS) to the HCA effective July 1, 2011. (General Fund-State, General Fund-Private/Local, Emergency Medical Services and Trauma Care Systems Trust Account-State, Hospital Safety Net Assessment Account-State, General Fund-Federal)

4. **Dental Residency** - State dental residency grants are suspended for the 2011-13 biennium. The grants have enabled community clinics in five counties to employ recent dental graduates in the provision of dental care for low-income and uninsured persons.

5. **Comm Health Collaborative Grants** - State grants for Community Health Care Collaborative (CHCC) programs are

Washington State Health Care Authority

suspended for the 2011-13 biennium. These grants provided funding to 14 CHCC programs providing services in 28 counties. The CHCC programs helped community groups develop local partnerships and strategies for providing medical and dental care for low-income uninsured or underinsured persons.

6. **Health Literacy** - Funding is adjusted to reflect completion of a project undertaken during the 2009-11 biennium to increase health awareness among low-income populations.

7. **Reduce Health Clinic Grant Program** - State grants to community health clinics are suspended for the biennium. The grants have helped clinics provide primary care to uninsured persons on a sliding-fee basis.

8. **Basic Health Plan** - New admissions to the state-subsidized Basic Health Plan (BHP) will continue to be frozen throughout the 2011-13 biennium. An average of approximately 37,000 persons per month are expected to be covered by the program during FY 2012 and an average of 33,000 per month during FY 2013. (General Fund-State, Basic Health Plan Trust Account-Non-Appropriated, General Fund-Federal)

9. **Medicaid Transfer Cost Allocation** - The transfer of the Medical Assistance Program from DSHS to HCA, pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), changes the base upon which central administrative functions are allocated. Appropriations are adjusted to reflect the new administrative allocation anticipated once the transfer is complete. (General Fund-State, State Health Care Authority Administrative Account, General Fund-Federal)

10. **Health Care Consolidation Executive** - The consolidation of the Medical Assistance Program and HCA, pursuant to Chapter 15, Laws of 2011, 1st sp.s. (2E2SHB 1738), reduces the number of senior management positions. (General Fund-State, General Fund-Federal)

11. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

12. **Health Benefits Exchange Grants** - Chapter 317, Laws of 2011 (SSB 5445), directs the state to operate a health benefit exchange by January 1, 2014, pursuant to the federal Patient Protection and Affordable Care Act. The Authority expects to receive federal grant funding for planning and implementing the exchange. (General Fund-Federal)

13. **Basic Health Stabilization** - Funds are transferred from the Tobacco Settlement Account into the Basic Health Stabilization Account in order to support continued operation of the BHP. (General Fund-State, Basic Health Plan Stabilization Account-State)

14. **Basic Health Admin Adjustment** - Staff and funding for administration of the BHP are reduced to reflect the reduced workload associated with decreased enrollment levels. (General Fund-State, General Fund-Federal)

15. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, State Health Care Authority Administration Account-State, General Fund-Federal)

16. **School Employees' Benefits Proposal** - Funding is provided for HCA to develop a plan to implement a consolidated health benefits system for school district and educational service district employees for the 2013-14 school year. The plan shall be reported to the Governor and the fiscal committees of the Legislature by December 15, 2011. Along with the plan, the report shall include information and recommendations on subjects including the costs and benefits of the current system of providing school district and educational service district employee health benefits, options for voluntary or mandatory statewide participation, and methods to reduce inequities between individual and family coverage for participants.

17. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

18. **TRS 1 Retirement Subsidies** - Funding is provided for the cost of administering a $250 per month subsidy payment program for certain newly-retired members of the Teachers' Retirement System Plan 1 (TRS 1), pursuant to SSB 5846 (Retired Public Employees). (Health Care Authority Administrative Account-State)

19. **Governor Veto** - The Governor vetoed the Medicaid Fraud Penalty Account-State appropriation in Section 213 of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), because the Legislature did not enact legislation establishing the account.

20. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for

Washington State Health Care Authority

State and Local Government Employees). (General Fund-State, various other funds)

21. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

22. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

23. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Washington State Health Care Authority

WORKLOAD HISTORY

By Fiscal Year

								Estimated		
	2004	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**
Basic Health Plan										
Subsidized Enrollees	103,452	99,807	100,444	102,118	104,792	103,590	76,079	52,520	37,276	33,041
% Change from prior year		-3.5%	0.6%	1.7%	2.6%	-1.1%	-26.6%	-31.0%	-29.0%	-11.4%

These numbers do not include home care workers receiving state-subsidized coverage through the Basic Health Plan as this group has dropped almost to zero nearing the end of the 2005-07 biennium. This drop is due to the availability of other coverage options. For historical purposes, the home care workers continue to be included in past fiscal year totals.

Data Sources :

FY 2004 through FY 2010 from the Health Care Authority.

FY 2011 through FY 2013 are actuals and estimates from legislative fiscal staff.

Human Rights Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**5,149**	**1,584**	**6,733**
2011 Supplemental *	-158	0	-158
Total 2009-11 Biennium	**4,991**	**1,584**	**6,575**
2011-13 Maintenance Level	**5,133**	**1,994**	**7,127**
Policy Changes - Non-Comp			
1. Reduce Administrative Costs	-226	0	-226
2. Reduce Admin Hearings Services	-70	0	-70
3. Close Seattle Office	-182	0	-182
4. Travel Reductions	-34	0	-34
5. State Data Center Rate Increase	13	0	13
6. Interagency Charges - AG	-37	0	-37
Policy -- Non-Comp Total	**-536**	**0**	**-536**
Policy Changes - Comp			
7. 3% Salary Cut for State Employees	-74	-58	-132
8. Suspend Plan 1 Uniform COLA	-41	-33	-74
Policy -- Comp Total	**-115**	**-91**	**-206**
Total 2011-13 Biennium	**4,482**	**1,903**	**6,385**
Fiscal Year 2012 Total	2,240	971	3,211
Fiscal Year 2013 Total	2,242	932	3,174

Comments:

1. **Reduce Administrative Costs** - The Human Rights Commission (HRC) will achieve savings through staff reductions and by identifying administrative efficiencies.

2. **Reduce Admin Hearings Services** - HRC will achieve savings through its continued effort to reduce the number of cases that proceed to litigation.

3. **Close Seattle Office** - HRC's Seattle branch was closed on June 30, 2010. This item represents savings from the excess in funds allocated for the office lease and the associated service contracts.

4. **Travel Reductions** - HRC will continue to achieve savings by reducing travel expenses and relying on telephone and web video conferencing.

5. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

6. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

7. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

8. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Board of Industrial Insurance Appeals

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**0**	**36,298**	**36,298**
2011-13 Maintenance Level	**0**	**37,803**	**37,803**
Policy Changes - Non-Comp			
1. Agency Back Office Efficiencies	0	-477	-477
2. Reduce Caseload & Cost Assumptions	0	-810	-810
3. State Data Center Rate Increase	0	32	32
4. Interagency Charges - AG	0	-8	-8
5. WISHA Violation Abatement	0	72	72
6. COHE	0	32	32
7. Workers' Compensation	0	3,786	3,786
Policy -- Non-Comp Total	**0**	**2,627**	**2,627**
Policy Changes - Comp			
8. Average Final Compensation Adjust	0	4	4
9. 3% Salary Cut for State Employees	0	-672	-672
10. Suspend Plan 1 Uniform COLA	0	-380	-380
11. Retire-Rehire Changes (State)	0	-2	-2
Policy -- Comp Total	**0**	**-1,050**	**-1,050**
Total 2011-13 Biennium	**0**	**39,380**	**39,380**
Fiscal Year 2012 Total	0	19,528	19,528
Fiscal Year 2013 Total	0	19,852	19,852

Comments:

1. **Agency Back Office Efficiencies** - Ongoing expenses related to three administrative and financial positions are eliminated. (Accident Account-State, Medical Aid Account-State)

2. **Reduce Caseload & Cost Assumptions** - The Board of Industrial Insurance Appeals tracks the number of appeals it hears and the cost per appeal. Based on recent experience, ongoing expenditure authority is reduced to better match current workload. (Accident Account-State, Medical Aid Account-State)

3. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (Accident Account-State, Medical Aid Account-State)

4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (Accident Account-State, Medical Aid Account-State)

5. **WISHA Violation Abatement** - Funding is provided to implement Chapter 91, Laws of 2011 (ESSB 5068). The bill requires the Board of Industrial Insurance Appeals to adopt rules necessary for conducting an expedited review on the stay of abatement request and issue a final decision within 45 working days of the notice of filing of appeal. (Accident Account-State, Medical Aid Account-State)

6. **COHE** - Centers of Occupational Health and Education (COHES) work with medical providers, employers, and injured workers in community-based programs. Funding is provided for potential increases in appeals, pursuant to Chapter 6, Laws of 2011 (SSB 5801). (Accident Account-State, Medical Aid Account-State)

7. **Workers' Compensation** - Funding is provided to implement Chapter 37, Laws of 2011, 1st sp.s. (EHB 2123), which requires creation of a wage subsidy program for injured workers doing light duty or transitional work, a claim resolution structured settlement agreement program, and a safety and health investments project program. The legislation also makes changes to permanent total and partial disability awards, suspends cost-of-living adjustments, creates an Industrial Insurance Rainy Day Fund, and provides for a performance audit of the workers' compensation claims management system and a study of occupational disease claims. (Accident Account-State, Medical Aid Account-State)

8. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary

Board of Industrial Insurance Appeals

reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

9. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

10. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

11. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

Washington State Criminal Justice Training Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**35,116**	**7,898**	**43,014**
2011 Supplemental *	-1,122	663	-459
Total 2009-11 Biennium	**33,994**	**8,561**	**42,555**
2011-13 Maintenance Level	**34,086**	**16,040**	**50,126**
Policy Changes - Non-Comp			
1. Administration Activity Reductions	-420	60	-360
2. Basic Law Enforcement Academy	-320	0	-320
3. Corrections Training Activity	-300	0	-300
4. Crisis Intervention Training	0	681	681
5. Development, Training and Standards	-762	312	-450
6. Driving Simulator	0	246	246
7. State Data Center Rate Increase	29	0	29
8. Reimbursement for Ammunition Costs	-321	321	0
9. Partial Reimbursement for BLEA	-1,296	1,296	0
10. Auto Theft Prevention Account	0	-7,944	-7,944
11. WASPC Activity	-2,500	1,697	-803
12. Prosecuting Attorney Training	-46	0	-46
13. Rural Drug Task Forces	2,000	0	2,000
14. School Safety Training	392	0	392
15. Interagency Charges - AG	-21	0	-21
16. School Mapping	0	1,000	1,000
Policy -- Non-Comp Total	**-3,565**	**-2,331**	**-5,896**
Policy Changes - Comp			
17. 3% Salary Cut for State Employees	-138	0	-138
18. Suspend Plan 1 Uniform COLA	-78	0	-78
Policy -- Comp Total	**-216**	**0**	**-216**
Total 2011-13 Biennium	**30,305**	**13,709**	**44,014**
Fiscal Year 2012 Total	15,165	6,833	21,998
Fiscal Year 2013 Total	15,140	6,876	22,016

Comments:

1. **Administration Activity Reductions** - Funding is reduced to reflect administrative savings achieved by: combining the duties of the Deputy Director and Certification Manager; reducing the Human Resources Manager from full-time to part-time status; reducing 1.5 FTE fiscal staff by transitioning to Small Agency Client Services; and hiring a new Deputy Director at a lower salary. Also, outside agencies will be charged a rental fee for the use of the Criminal Justice Training Commission's (CJTC's) Burien facility. (General Fund-State, General Fund-Private/Local)

2. **Basic Law Enforcement Academy** - Funding is reduced to reflect efficiencies in the Basic Law Enforcement Academy (BLEA). The contract for the Defensive Tactics instructor will be reduced, and the current agreement for the services of the BLEA commander will end. A state employee will be hired to perform these duties at a reduced cost. Agreements with law enforcement agencies will be ended early in order to return training officers to their agencies and remove them from the BLEA payroll.

3. **Corrections Training Activity** - Funding is reduced to reflect a reduction in the number of corrections training classes offered and the elimination of one training officer position.

4. **Crisis Intervention Training** - Expenditure authority is provided for Crisis Intervention Training. CJTC will be reimbursed by King County for provision of the training. (General Fund-Private/Local)

5. **Development, Training and Standards** - Funding is reduced to reflect reductions for the emergency vehicle operator course; methamphetamine, crisis intervention, and child welfare training programs; and for elimination of a part-time regional training manager position. Pass-through funding is reduced for the defense attorneys, municipal attorneys, Drug Prosecution Assistance Program, Project Safe Neighborhoods, and the Major Crimes Task Force. This item also includes increased local funding obtained by charging local law enforcement agencies for non-mandated post-academy basic training. (General Fund-State, General Fund-Private/Local)

Washington State Criminal Justice Training Commission

6. **Driving Simulator** - Funding was provided for statewide advanced driver training utilizing the driving simulators in the FY 2010 supplemental capital budget. Expenditure authority is provided from private/local funds for the support and operation of the simulator training. (General Fund-Private/Local)

7. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

8. **Reimbursement for Ammunition Costs** - Funding from General Fund-State is reduced and funding from General Fund-Local is increased to reflect cost recovery for ammunition. Agencies will reimburse CJTC for the costs of ammunition, based on the average cost of ammunition per cadet, for cadets they enroll in the BLEA. (General Fund-State, General Fund-Local)

9. **Partial Reimbursement for BLEA** - Funding is reduced to reflect a 25 percent partial reimbursement of the BLEA costs for law enforcement agencies that send cadets for training. (General Fund-Private/Local)

10. **Auto Theft Prevention Account** - Funding of $5.9 million is provided for the Washington Auto Theft Prevention Authority and auto theft prevention task forces. (Washington Auto Theft Prevention Authority Account-State)

11. **WASPC Activity** - Funding is reduced for programs administered by the Washington Association of Sheriffs and Police Chiefs (WASPC). Programs administered by WASPC include the Uniform Crime Reporting, retention of sex offender records, Missing Persons, Victim Information System, Jail Booking and Reporting System and Statewide Automated Victim Identification System, Sex Offender Address Verification, Offender Watch System, and National Incident Based Reporting. Funding for the Sex Offender Address Verification Program is exempted from the reduction. Funding from the Washington Auto Theft Prevention Authority Account is provided to partially offset the reduction. (General Fund-State, Washington Auto Theft Prevention Authority Account-State)

12. **Prosecuting Attorney Training** - Funding for prosecuting attorney training is reduced by 10 percent.

13. **Rural Drug Task Forces** - Funding is provided for grants to enforce illegal drug laws in counties that have been historically underserved by federally funded state narcotics task forces. WASPC, the Washington Association of Prosecuting Attorneys, and the Washington Association of County Officials shall jointly develop funding allocations for the offices of the county sheriff, county prosecutor, and county clerk.

14. **School Safety Training** - Funding is provided to train school security officers, individuals engaged in school safety, and school administrators. The goal is to assist schools in developing the expertise and capacity to manage safety and security concerns with the support of law enforcement and other public safety officials.

15. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

16. **School Mapping** - Funding is provided from the Washington Auto Theft Prevention Authority Account to maintain the statewide Critical Incident Planning and Mapping System commonly referred to as School Mapping. The operation of the system has been supported by the use of capital funds provided for the construction of the system. Construction is now complete, and the system has ongoing maintenance and operating expenses, including system management, software license maintenance, and managed services, including data hosting. (Washington Auto Theft Prevention Authority Account-State)

17. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

18. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Labor and Industries

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**44,311**	**581,901**	**626,212**
2011 Supplemental *	-1,216	1,216	0
Total 2009-11 Biennium	**43,095**	**583,117**	**626,212**
2011-13 Maintenance Level	**41,852**	**575,502**	**617,354**
Policy Changes - Non-Comp			
1. Contractor Program Tech Savings	-108	0	-108
2. State Data Center Rate Increase	12	1,206	1,218
3. Contractor Misclassification	34	0	34
4. Workers Compensation	0	2,562	2,562
5. Crime Victims Compensation	-1,560	0	-1,560
6. For Hire Vehicles and Operators	0	102	102
7. Underground Economy	1,250	2,666	3,916
8. Use Federal Crime Victims' Funds	-2,555	0	-2,555
9. Interagency Charges - AG	-35	-2,657	-2,692
10. Industrial Insurance System	0	8,727	8,727
11. Workers' Compensation	0	26,861	26,861
12. Management Efficiency	-82	0	-82
13. Governor Veto	-34	0	-34
Policy -- Non-Comp Total	**-3,078**	**39,467**	**36,389**
Policy Changes - Comp			
14. Average Final Compensation Adjust	2	53	55
15. 3% Salary Cut for State Employees	-439	-9,385	-9,824
16. Suspend Plan 1 Uniform COLA	-251	-5,313	-5,564
17. Retire-Rehire Changes (State)	-2	-26	-28
Policy -- Comp Total	**-690**	**-14,671**	**-15,361**
Total 2011-13 Biennium	**38,084**	**600,298**	**638,382**
Fiscal Year 2012 Total	18,571	295,614	314,185
Fiscal Year 2013 Total	19,513	304,684	324,197

Comments:

1. **Contractor Program Tech Savings** - The Department of Labor and Industries' contractor insurance renewal program has implemented technology improvements that will allow ongoing savings, resulting in a 2.5 FTE staff and $108,000 reduction.

2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, Accident Account-State, Medical Aid Account-State, Electrical License Account-State)

3. **Contractor Misclassification** - Expenditure authority is provided for the impacts of 2ESHB 1701 (Contractor Misclassification). Note: This bill did not pass during the 2011 regular session or the first special session of the Legislature.

4. **Workers Compensation** - Expenditure authority is provided for the implementation of Chapter 290, Laws of 2011 (ESHB 1725). The bill allows L&I to send industrial insurance notices and orders electronically, requires the Department to report on changes needed to allow injured workers to receive industrial insurance-related care from direct care providers, and requires the Department to make changes to the restrospective rating premium and claim cost calculation as necessary to account for employer payment for direct care services. (Accident Account-State, Medical Aid Account-State)

5. **Crime Victims Compensation** - Chapter 346, Laws of 2011, Partial Veto (SSB 5691), which simplifies administration of the Crime Victims' Compensation program and eliminates specific benefits, is estimated to save $1.56 million during the 2011-13 biennium.

6. **For Hire Vehicles and Operators** - Expenditure authority is provided for the impacts of Chapter 190, Laws of 2011 (ESHB 1367). (Accident Account-State, Medical Aid Account-State)

Department of Labor and Industries

7. **Underground Economy** - L&I shall expand the detecting unregistered employers targeting system and support field staff in investigation and enforcement. (General Fund-State, Public Works Administrative Account-State, Medical Aid Account-State, Accident Account-State)

8. **Use Federal Crime Victims' Funds** - The fund source mix for L&I's Crime Victims' Compensation program is adjusted to account for the availability of additional federal funds. Federal matching funds are currently relatively high due to previous higher state expenditures.

9. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, Public Works Account-State, Accident Account-State, Medical Aid Account-State, Plumbing Certificate Account-State, Pressure Systems Safety Account-State)

10. **Industrial Insurance System** - Funding is provided to implement and administer Chapter 6, Laws of 2011 (SSB 5801). The bill requires L&I to establish a health care provider network to treat injured workers. (Medical Aid Account-State)

11. **Workers' Compensation** - Funding is provided to implement Chapter 37, Laws of 2011, 1st sp.s. (EHB 2123), which requires L&I to implement a wage subsidy program for injured workers doing light duty or transitional work, a claim resolution structured settlement agreement program, and a safety and health investments project program. The legislation also makes changes to permanent total and partial disability awards, suspends cost-of-living adjustments, creates an Industrial Insurance Rainy Day Fund, and provides for a performance audit of the workers' compensation claims management system and a study of occupational disease claims. (Accident Account-State, Medical Aid Account-State)

12. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

13. **Governor Veto** - The Governor vetoed Section 217(3) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided expenditure authority for implementation of 2ESHB 1701 (Contractor Misclassification), a bill that was not enacted during the 2011 regular session or first special session of the Legislature.

14. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

15. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

16. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

17. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Veterans' Affairs

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**19,316**	**93,950**	**113,266**
2011 Supplemental *	-578	578	0
Total 2009-11 Biennium	**18,738**	**94,528**	**113,266**
2011-13 Maintenance Level	**16,814**	**100,881**	**117,695**
Policy Changes - Non-Comp			
1. Administrative Reductions	-245	0	-245
2. State Data Center Rate Increase	24	13	37
3. Mitigate IT Security Risks	85	0	85
4. Interagency Charges - AG	-6	-8	-14
5. Management Efficiency	-36	0	-36
6. Veterans Raffle Bill	0	660	660
Policy -- Non-Comp Total	**-178**	**665**	**487**
Policy Changes - Comp			
7. Average Final Compensation Adjust	0	10	10
8. 3% Salary Cut for State Employees	-239	-1,523	-1,762
9. Suspend Plan 1 Uniform COLA	-136	-984	-1,120
10. Retire-Rehire Changes (State)	0	-5	-5
Policy -- Comp Total	**-375**	**-2,502**	**-2,877**
Total 2011-13 Biennium	**16,261**	**99,044**	**115,305**
Fiscal Year 2012 Total	8,531	49,398	57,929
Fiscal Year 2013 Total	7,730	49,646	57,376

Comments:

1. **Administrative Reductions** - The Department of Veterans' Affairs will find efficiencies in headquarters to achieve an administrative reduction.

2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

3. **Mitigate IT Security Risks** - Expenditure authority is provided for new contractual requirements, the purchase of a new pharmacy accounting system, and to maintain compliance with information system standards. (General Fund-Federal, General Fund-Private/Local)

4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

5. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

6. **Veterans Raffle Bill** - Chapter 352, Laws of 2011 (SB 5806 - Veteran Lottery Raffle), creates an annual raffle in support of Veterans' programs. The proceeds from the raffle are deposited in the Veterans Innovations Program Account. (Veterans Innovations Program Account-State)

7. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - average final compensation for state and local government employees). (General Fund-State, various other funds)

8. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less

Department of Veterans' Affairs

than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

9. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

10. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011 1st sp.s. (ESHB 1981 - higher education retirement plan and post-retirement employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Health

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**180,149**	**959,671**	**1,139,820**
2011 Supplemental *	-9,308	242	-9,066
Total 2009-11 Biennium	**170,841**	**959,913**	**1,130,754**
2011-13 Maintenance Level	**187,922**	**970,222**	**1,158,144**
Policy Changes - Non-Comp			
1. Transfer ABCD Dental Coordinators	-800	0	-800
2. Providing Access to Health Care	0	2,061	2,061
3. Maternity Support Services	-600	0	-600
4. Providing Safe Health Care	0	4,784	4,784
5. Support for Safe Drinking Water	-120	1,670	1,550
6. Reduce Environmental Health Service	-2,364	0	-2,364
7. Reduce Maternal & Children's Health	-1,825	0	-1,825
8. Reduce Hlth Facility Quality Assura	-556	0	-556
9. Reduce Public Health Support	-2,542	0	-2,542
10. Reduce/Restructure Administration	-2,253	0	-2,253
11. Family Planning Capacity Grants	-2,250	0	-2,250
12. Tobacco Cessation Program Changes	0	-43,594	-43,594
13. Delay Homecare worker certification	0	-4,370	-4,370
14. State Data Center Rate Increase	256	197	453
15. Non-Infectious Disease Epidemiology	-170	0	-170
16. Massage Practitioner Legislation	0	137	137
17. Blue Ribbon Public Health Funds	-10,000	0	-10,000
18. Developmental Disabilities Council	170	0	170
19. Online HealthCare Provider Licenses	0	1,969	1,969
20. Physician Provider Information	0	336	336
21. Local WIC Funding	-800	0	-800
22. Interagency Charges - AG	-86	-568	-654
23. Midwives/UW Library Access	0	46	46
24. Board of Naturopathy	0	16	16
25. Health Care Assistants	0	21	21
26. Pharmacy Technicians	0	54	54
27. Surgical Facility Licensing	0	595	595
28. Social Workers	0	142	142
29. Physicians & Physician Assistants	0	336	336
30. Reduce Health Screening/Tracking	-221	0	-221
31. Farmers Market Program	-420	0	-420
32. Stormans v. Pharmacy Board	0	628	628
33. Management Efficiency	-836	0	-836
34. Midwife Fees	115	0	115
35. Radioactive Transfer	0	349	349
36. Governor Veto	0	-5,670	-5,670
Policy -- Non-Comp Total	**-25,302**	**-40,861**	**-66,163**
Policy Changes - Comp			
37. Average Final Compensation Adjust	7	28	35
38. 3% Salary Cut for State Employees	-1,332	-5,113	-6,445
39. Suspend Plan 1 Uniform COLA	-744	-2,875	-3,619
40. Retire-Rehire Changes (State)	-4	-12	-16
Policy -- Comp Total	**-2,073**	**-7,972**	**-10,045**
Total 2011-13 Biennium	**160,547**	**921,389**	**1,081,936**
Fiscal Year 2012 Total	80,370	482,092	562,462
Fiscal Year 2013 Total	80,177	439,297	519,474

Comments:

1. **Transfer ABCD Dental Coordinators** - Local dental

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coordinators associated with the Access to Baby and Child Dentistry (ABCD) program are transferred to the Medicaid Purchasing Administration (MPA).

2. **Providing Access to Health Care** - Increased expenditure authority from the Health Professions Account is provided to accommodate growth in the health professional licensure and credentialing workload. (General Fund-Private/Local, Health Professions Account-State)

3. **Maternity Support Services** - Administrative activities in the Department of Health (DOH) which support the Maternity Support Services program in MPA are eliminated. The oversight activities will be conducted by MPA.

4. **Providing Safe Health Care** - Increased expenditure authority from the Health Professions Account is provided to accommodate growth in the health professional disciplinary workload. (Health Professions Account-State)

5. **Support for Safe Drinking Water** - SHB 1468 (Public Water System Permits) removes operating system permit fees for Group A water systems from statute and provides the Department with authority to set fee levels through rule-making. Appropriations are adjusted based on the Department's anticipated program costs and fee changes. This item was vetoed (please see Governor Veto item below). (General Fund-State, Safe Drinking Water Account-State)

6. **Reduce Environmental Health Service** - Reductions will be made to administrative activities that support local governments in environmental health efforts. Reductions include incentive grants for on-site sewage disposal; outreach and compliance efforts for water systems; and education and prevention activities for zoonotic diseases, water recreation, chemical and pesticide hazards, school environmental health, and food safety.

7. **Reduce Maternal & Children's Health** - Reductions will be made in the Department's maternal and children's health functions, including elimination of staff support for the Community Health Leadership forum and reductions to administrative and technical support.

8. **Reduce Hlth Facility Quality Assura** - Reductions will be made to the health facility quality assurance functions, including eliminating group care facility inspections, increasing fees for in-home care agency inspections to offset state subsidies, maximizing Model Toxics Control Account funding, and reducing staff for temporary housing inspections.

9. **Reduce Public Health Support** - Multiple reductions will be made to the administrative capacity of DOH to support public health efforts. Reductions are made to several activities including: the elimination of the Health Declarations registry; reduced expenditures in the Public Health Laboratory; reduced capacity in monitoring for health care acquired infections, reduced technical support for adverse events tracking, and reduced support to the Poison Control Center.

10. **Reduce/Restructure Administration** - DOH's central agency administrative functions are reduced by 10 percent ($1.16 million). The Health Services Quality Assurance Division support is reduced ($855,000). Health Impact Reviews are suspended ($238,000).

11. **Family Planning Capacity Grants** - State funding for family planning activities is reduced by 11.25 percent.

12. **Tobacco Cessation Program Changes** - Amounts in the Tobacco Prevention and Control Account are not sufficient to continue past levels of programming. Expenditure authority from this account is reduced to reflect that, and tobacco cessation activities within the Department will be reduced. Remaining programs including the Quit-Line and outreach and awareness campaigns will continue to be funded through fees raised from licensing of cigar lounges or tobacconist shops as authorized under ESSB 5542 (Cigar Lounges/Tobacconists). ESSB 5542 did not pass in the 2011 legislative session. (Tobacco Prevention and Control Account-State)

13. **Delay Homecare worker certification** - Mandatory increases and enhancements to training, new certification requirements, and federal fingerprint background checks for long-term care workers are delayed until the 2013-15 biennium. Fundamental training for in-home care will continue at its current levels of about 28 hours - 34 hours depending on the type of worker. Background checks based on a name search will continue to be required. No clients will lose service as a result of this delay. (Health Professions Account-State)

14. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

15. **Non-Infectious Disease Epidemiology** - Funding to track non-infectious diseases is reduced by 11 percent.

16. **Massage Practitioner Legislation** - Appropriation authority in the Health Professions Account is increased for additional workload associated with Chapter 223, Laws of 2011 (SHB 1133 - Massage Practitioner License). (Health Professions Account-State)

17. **Blue Ribbon Public Health Funds** - Public health grants funded in 2008 as a result of the omnibus Blue Ribbon Commission Act are reduced by 50 percent.

18. **Developmental Disabilities Council** - Funding is provided for the Developmental Disabilities Council to contract for a family-to-family mentor program to provide information and support to families and guardians of persons who are transitioning out of residential habilitation centers.

19. **Online HealthCare Provider Licenses** - Additional staff and appropriation authority are provided to implement a system that allows for the direct online submission of new license applications, renewals, address changes, and credit card payments. DOH must submit a detailed investment plan for this project to the Office of Financial Management (OFM). OFM

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must review and approve this plan before funding may be expended. DOH must successfully implement online application and renewal for at least one profession as a pilot project before pursuing additional professions. DOH must report to OFM on the outcome of the pilot project. (Health Professions Account-State)

20. **Physician Provider Information** - Increased appropriation authority is provided for the Medical Commission to collect demographic information at the time of license renewal, including practice location/setting, medical specialty, clinical competency and medical trends, in order to support emergency/health care reform planning and development of rules and policies. (Health Professions Account-State)

21. **Local WIC Funding** - Funding is reduced for pass through to local Women, Infants, and Children (WIC) providers. The Department will work with local providers to ensure that no federal funds are lost as state general fund is no longer provided and is replaced with state level federal funds.

22. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, General Fund-Federal, General Fund-Private/Local, Health Professions Account-State)

23. **Midwives/UW Library Access** - Chapter 35, Laws of 2011 (SSB 5071), requires midwives and marriage and family therapists to pay an additional $25 per year to access the University of Washington's (UW's) Health Services Library. (Health Professions Account-State)

24. **Board of Naturopathy** - Funding is provided to implement Chapter 41, Laws of 2011 (HB 1181), which creates the Board of Naturopathy. (Health Professions Account-State)

25. **Health Care Assistants** - Funding is provided to implement Chapter 70, Laws of 2011 (SHB 1304), which clarifies which drugs may be administered by health care assistants. (Health Professions Account-State)

26. **Pharmacy Technicians** - Funding is provided for Chapter 71, Laws of 2011 (HB 1353), which requires certified pharmacy technicians to complete continuing education requirements. (Health Professions Account-State)

27. **Surgical Facility Licensing** - Funding is provided for Chapter 76, Laws of 2011 (SHB 1575), which redefines ambulatory surgical facilities. (Ambulatory Surgical Facility Account-Non-Appropriated)

28. **Social Workers** - Funding is provided for Chapter 89, Laws of 2011 (ESSB 5020), which requires a social worker to have a degree from an accredited social work program. (Health Professions Account-State)

29. **Physicians & Physician Assistants** - Funding is provided for Chapter 178, Laws of 2011 (SB 5480), which requires physicians and physician assistants to submit demographic data to the Medical Quality Assurance Commission when renewing their licenses. (Health Professions Account-State)

30. **Reduce Health Screening/Tracking** - Screening for sexually transmitted diseases is reduced by 5 percent. Data collection and prevention activities related to tracking of hospital data, zoonotic diseases, and food safety are reduced by 5 percent.

31. **Farmers Market Program** - State funding for the Farmer's Market Nutritional Program is reduced to reflect federal funds now available for this purpose. State funding is provided in both fiscal years to match federal funds.

32. **Stormans v. Pharmacy Board** - Funding is provided for Attorney General legal services related to Board of Pharmacy rules requiring pharmacies to dispense all lawful medications. (Health Professions Account-State)

33. **Management Efficiency** - Funding is reduced to reflect management and administrative reforms, such as delayering and streamlining of support functions, that will result in increased efficiency. For most agencies, management reductions of 7 to 10 percent are expected to be achieved over the course of the biennium. State agencies can anticipate continuous legislative policy and fiscal committee examination of the architecture and cost of the state's career and executive workforce, and shall be prepared to provide relevant information in hearings and work sessions. (General Fund-State, various other funds)

34. **Midwife Fees** - Funding is provided to offset Department expenditures related to licensing of midwives that is not covered by licensing fees.

35. **Radioactive Transfer** - Pursuant to E2SSB 5669 (Natural Resource Agencies), the low-level radioactive waste site permitting program is transferred from the Department of Ecology to DOH. The transfer will take place at the beginning of the second fiscal year. Note: This bill did not pass in the 2011 regular session or first special session of the Legislature. (Site Closure Account-State)

36. **Governor Veto** - The Governor vetoed Section 219(11) and (17) of Chapter 50, Laws of 2011, 1st sp.s., Partial Veto (2ESHB 1087), which provided expenditure authority for SHB 1468 (Public Water System Permits) and ESSB 5542 (Cigar Lounges/Tobacconists). These two bills were not enacted during the 2011 regular session or first special session of the Legislature.

37. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

38. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain

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employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

39. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

40. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Corrections

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**1,498,532**	**232,496**	**1,731,028**
2011 Supplemental *	-303	-68	-371
Total 2009-11 Biennium	**1,498,229**	**232,428**	**1,730,657**
2011-13 Maintenance Level	**1,778,944**	**17,656**	**1,796,600**
Policy Changes - Non-Comp			
1. Cost of Supervison Fee Change	875	-750	125
2. Risk Assessment Tool Changes	817	0	817
3. Early Deportation Alien Offenders	-3,975	-890	-4,865
4. Eliminate Tolling for Offenders	-5,165	-159	-5,324
5. Close McNeil Island Corrections Ctr	-23,162	0	-23,162
6. Reduce Administrative Costs	-2,802	0	-2,802
7. Changes Agency Staffing Structure	-7,125	0	-7,125
8. Hold Positions Vacant	-7,906	0	-7,906
9. Eliminate Staff Positions	-18,668	0	-18,668
10. Eliminate On-the-Job Training	-1,354	0	-1,354
11. Achieve Program Underexpenditures	-7,870	0	-7,870
12. Reduce Offender Programming	-1,397	0	-1,397
13. Reduce Contracted Services	-1,342	0	-1,342
14. Reduce DOSA Bed Utilization	-3,400	0	-3,400
15. Reduce Electronic Home Monitoring	-3,012	0	-3,012
16. Merge Indeterminate Sentencing Rev	3,814	0	3,814
17. ISRB Merger Savings	-937	0	-937
18. Open Larch Corrections Elkhorn Unit	4,859	0	4,859
19. State Data Center Rate Increase	635	0	635
20. Health Care Employee Overtime	204	0	204
21. Expedited Medical Assistance	65	0	65
22. Prison Safety Enhancements	0	6,009	6,009
23. Utilize Auto Theft Prevention Funds	-2,110	2,110	0
24. Interagency Charges - AG	-653	0	-653
25. Reduce Rental Rate for Violators	-7,035	0	-7,035
26. Reduce Supervision for FTOW	-2,305	-81	-2,386
27. OBTS Migration	-1,363	0	-1,363
28. Reduce Supervision of Jail Offender	-1,896	-59	-1,955
29. Housing Voucher Expansion	844	0	844
30. Violator Bed Savings	-8,552	0	-8,552
Policy -- Non-Comp Total	**-99,916**	**6,180**	**-93,736**
Policy Changes - Comp			
31. Average Final Compensation Adjust	159	0	159
32. 3% Salary Cut for State Employees	-27,873	-10	-27,883
33. Suspend Plan 1 Uniform COLA	-15,747	-7	-15,754
34. Retire-Rehire Changes (State)	-79	0	-79
Policy -- Comp Total	**-43,540**	**-17**	**-43,557**
Total 2011-13 Biennium	**1,635,488**	**23,819**	**1,659,307**
Fiscal Year 2012 Total	839,464	11,918	851,382
Fiscal Year 2013 Total	796,024	11,901	807,925

Comments:

1. **Cost of Supervison Fee Change** - One-time funding is provided for a fund balance shortfall in the Cost of Supervision Account. The Department of Corrections (DOC) will also change the amount of the supervision fee and institute a new fee for interstate offenders supervised in Washington, consistent with Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891). (General Fund-State, Cost of Supervision Account-Non-Appropriated)

2. **Risk Assessment Tool Changes** - Funding is provided for implementation of a secondary risk assessment tool designed specifically for sex offenders.

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3. **Early Deportation Alien Offenders** - Savings will be achieved by deporting certain non-citizen drug and property offenders. The proposal assumes that qualifying non-citizen offenders are deported and that qualifying newly sentenced non-citizen offenders are processed for deportation upon arrival to the state prison system, consistent with Chapter 206, Laws of 2011, Partial Veto (ESHB 1547). (General Fund-State, General Fund-Federal)

4. **Eliminate Tolling for Offenders** - DOC will eliminate "tolling" or pausing the term of community custody while an offender is confined for violating a sentencing condition, pursuant to ESSB 5891. The length of an offender's community supervision will run continuously regardless of whether an offender is incarcerated at any time during the community supervision sentence. Tolling would continue for sex offenders. (General Fund-State, Cost of Supervision Account-Non-Appropriated)

5. **Close McNeil Island Corrections Ctr** - Funding is reduced to reflect savings from the closure of the McNeil Island Corrections Center on April 1, 2011.

6. **Reduce Administrative Costs** - Funding is reduced to reflect administrative staff reductions in Community Corrections, Health Services, the Office of the Secretary, and the Prisons Division.

7. **Changes Agency Staffing Structure** - Funding is reduced to reflect reductions to recreation staff, recruitment teams, staff counselors, emergency response teams, and captains at stand-alone minimum security facilities.

8. **Hold Positions Vacant** - Funding is reduced to reflect savings from vacancies.

9. **Eliminate Staff Positions** - Funding is reduced to reflect savings from the elimination of positions throughout DOC.

10. **Eliminate On-the-Job Training** - Funding is reduced to reflect savings from the elimination of the on-the-job training program for correctional officers.

11. **Achieve Program Underexpenditures** - Funding is reduced to reflect savings achieved in health care services.

12. **Reduce Offender Programming** - Funding is reduced to reflect savings from reductions to chemical dependency and education contracts.

13. **Reduce Contracted Services** - Funding is reduced to reflect reductions to contracts for consultative and research services, sex offender treatment services, and medical services and procedures.

14. **Reduce DOSA Bed Utilization** - DOC will reduce the number of funded Drug Offender Sentencing Alternative (DOSA) beds from 215 to 140 to reflect lower utilization.

15. **Reduce Electronic Home Monitoring** - Funding is reduced to reflect savings from limiting the use of electronic home monitoring of offenders to sex offenders, Extraordinary Medical Program participants, Family Offender Sentencing Alternative offenders, and similar cases.

16. **Merge Indeterminate Sentencing Rev** - The Indeterminate Sentence Review Board (ISRB) is merged with DOC, consistent with ESSB 5891. The offender release functions of ISRB will continue. Savings are achieved by eliminating duplicate staff positions from both agencies. The independent decision-making authority of ISRB will not change.

17. **ISRB Merger Savings** - DOC will assume the administrative functions of ISRB. Savings are achieved by eliminating staff positions and the associated expenses of being a stand-alone agency.

18. **Open Larch Corrections Elkhorn Unit** - Funding is provided to open the Elkhorn Unit at Larch Corrections Center to increase system capacity needed as a result of closing McNeil Island Corrections Center.

19. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

20. **Health Care Employee Overtime** - Funding is provided to implement Chapter 251, Laws of 2011 (HB 1290), related to elimination of mandatory overtime for health care employees at DOC.

21. **Expedited Medical Assistance** - Funding is provided to implement Chapter 236, Laws of 2011 (SHB 1718), related to providing an expedited medical assistance application process for offenders with developmental disabilities or traumatic brain injuries who are being released from DOC facilities and were previously enrolled in the medical assistance program.

22. **Prison Safety Enhancements** - Funding is provided for the following prison safety enhancements: a study to standardize a body alarm or proximity card system statewide; a pilot program of a body alarm system and a proximity card system; upgrades to the radio system to add panic buttons; expanded use of pepper spray; develop and implement training for supervisors on enhanced security awareness; add staff counselor positions; and add custody staff at the Monroe Correctional Complex and the Washington State Penitentiary that are responsible for ensuring the whereabouts of all prison employees.

23. **Utilize Auto Theft Prevention Funds** - Funding is provided from the Washington Auto Theft Prevention Authority Account to offset incarceration costs in the Department.

24. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

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25. **Reduce Rental Rate for Violators** - The mandatory workload step assumes that the average in-state daily rental rates for community custody violator beds will be $83.54 and $87.75 in FY 2012 and FY 2013, respectively. Savings are assumed from DOC being directed to negotiate rates that do not exceed $85 per day, plus medical costs.

26. **Reduce Supervision for FTOW** - Funding is reduced to reflect savings from reducing the supervision of offenders on a first-time offender waiver (FTOW) from 24 and 12 months to 12 and 6 months, pursuant to ESSB 5891.

27. **OBTS Migration** - DOC will reduce payments to the Department of Information Services or its successor by $213,000 in FY 2012 and by $1,150,000 in FY 2013. The reduction in payment is related to the elimination of the Offender Base Tracking System (OBTS), including moving remaining portions of the OBTS into the Offender Management Network Information system.

28. **Reduce Supervision of Jail Offender** - Funding is reduced to reflect passage of ESSB 5891, which eliminates community supervision of certain misdemeanant offenders. Supervision is maintained for sex offenders and is added for certain offenders with a conviction for a domestic violence offense.

29. **Housing Voucher Expansion** - Funding is provided to expand the use of housing vouchers and enable the Department to release offenders as close to the offenders' earned release date as possible. Funding is provided to increase the number of vouchers from 165 per month to 238.

30. **Violator Bed Savings** - Funding is reduced to reflect savings in the number of community custody violator beds that will be needed due to changes including reducing supervision by the DOC of jail and court offenders and elimination of tolling (or pausing) the term of community custody while an offender is confined for violating a sentencing condition.

31. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

32. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

33. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

34. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Department of Corrections

WORKLOAD HISTORY
By Fiscal Year

	2004	2005	2006	2007	2008	2009	2010	2011	Estimated 2012	Estimated 2013
Community Supervision [1] [2]										
# Active (Non-Monetary) Offenders	32,685	29,190	26,466	27,057	28,212	28,894	20,155	18,849	16,464	15,987
% Change from prior year		-10.7%	-9.3%	2.2%	4.3%	2.4%	-30.2%	-6.5%	-12.7%	-2.9%
Institutions [3]										
Avg Daily Population/Month	16,736	17,388	17,828	18,410	18,388	18,518	18,360	18,232	17,965	18,065
% Change from prior year		3.9%	2.5%	3.3%	-0.1%	0.7%	-0.9%	-0.7%	-1.5%	0.6%
Average Cost Per Inmate [4] [5]										
Annual	26,736	27,193	29,055	31,071	35,611	36,756	34,615	33,455	33,748	33,668
% Change from prior year		1.7%	6.8%	6.9%	14.6%	3.2%	-5.8%	-3.4%	0.9%	-0.2%

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

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

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

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

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

Data Sources :

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

Department of Services for the Blind

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**4,894**	**20,011**	**24,905**
2011 Supplemental *	-230	0	-230
Total 2009-11 Biennium	**4,664**	**20,011**	**24,675**
2011-13 Maintenance Level	**5,113**	**21,385**	**26,498**
Policy Changes - Non-Comp			
1. Deaf-Blind Service Center Contract	-480	0	-480
2. State Data Center Rate Increase	16	2	18
3. Independent Living Overmatch	-26	0	-26
4. Interagency Charges - AG	0	-2	-2
Policy -- Non-Comp Total	**-490**	**0**	**-490**
Policy Changes - Comp			
5. Average Final Compensation Adjust	0	2	2
6. 3% Salary Cut for State Employees	-52	-232	-284
7. Suspend Plan 1 Uniform COLA	-29	-130	-159
Policy -- Comp Total	**-81**	**-360**	**-441**
Total 2011-13 Biennium	**4,542**	**21,025**	**25,567**
Fiscal Year 2012 Total	2,278	10,619	12,897
Fiscal Year 2013 Total	2,264	10,406	12,670

Comments:

1. **Deaf-Blind Service Center Contract** - During the 2011-13 biennium, the Office of Deaf and Hard of Hearing will continue to manage the contract for the Deaf-Blind Service Center which provides accessibility, security, and independence with daily life activities for deaf-blind individuals in Washington State. The Office of Deaf and Hard of Hearing assumed responsibility for this contract during FY 2011.

2. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

3. **Independent Living Overmatch** - The Department of Services for the Blind will reduce Independent Living Program outreach activities. Funding is used to provide education and outreach about the services provided in the Independent Living Program. No client who is currently receiving services will lose their services in relation to this reduction.

4. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

5. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - average final compensation for state and local government employees). (General Fund-State, various other funds)

6. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

7. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

Department of Services for the Blind

* Please see the 2011 Supplemental Operating Budget Section
for additional information.

Employment Security Department

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**7,107**	**758,635**	**765,742**
2011 Supplemental *	-318	-14,740	-15,058
Total 2009-11 Biennium	**6,789**	**743,895**	**750,684**
2011-13 Maintenance Level	**33,283**	**688,433**	**721,716**
Policy Changes - Non-Comp			
1. Eliminate Port Jobs Program	-106	0	-106
2. Next Generation Tax System	0	35,584	35,584
3. Washington Service Corp	0	2,084	2,084
4. Unemployment Insurance	0	1,544	1,544
5. State Data Center Rate Increase	69	792	861
6. Family Leave Insurance	-33,177	0	-33,177
7. Interagency Charges - AG	0	-136	-136
8. Distributed Generation	0	25	25
Policy -- Non-Comp Total	**-33,214**	**39,893**	**6,679**
Policy Changes - Comp			
9. Average Final Compensation Adjust	0	49	49
10. 3% Salary Cut for State Employees	0	-8,429	-8,429
11. Suspend Plan 1 Uniform COLA	0	-4,891	-4,891
12. Retire-Rehire Changes (State)	0	-25	-25
Policy -- Comp Total	**0**	**-13,296**	**-13,296**
Total 2011-13 Biennium	**69**	**715,030**	**715,099**
Fiscal Year 2012 Total	43	387,568	387,611
Fiscal Year 2013 Total	26	327,462	327,488

Comments:

1. **Eliminate Port Jobs Program** - Funding is eliminated for the Port Jobs Program, which assisted people in finding employment at the Seattle Port.

2. **Next Generation Tax System** - Funding is provided for the second phase of the replacement of the mainframe unemployment insurance tax information system and its ancillary subsystems, which were originally implemented in 1984. (Unemployment Compensation Administration Account-Federal)

3. **Washington Service Corp** - Funding is provided to meet the federal grant match requirement for the Washington Service Corps program. The Washington Service Corps Program allows communities to receive educational, disaster preparedness, environmental, and other types of direct support. (Administrative Contingency Account-State)

4. **Unemployment Insurance** - Funding is provided to implement Chapter 4, Laws of 2011 (EHB 1091), which establishes caps on the flat social rate and reduces the multipliers used for certain graduated social rates, provides a temporary benefit increase by adding $25 to the weekly benefit amount, and makes changes to extended benefits, including a three-year look-back period. (General Fund-Federal)

5. **State Data Center Rate Increase** - Funds are provided for this agency's share of the cost to design, acquire, and install infrastructure (cabling, cabinets, and fiber connectivity) for the new State Data Center. These funds will also pay for setting up existing data center infrastructure (network, storage, security, servers, mainframe and tape backup, and telephone equipment) in the new location. This new allocation is distributed based on the number of virtual server instances for each agency. (General Fund-State, various other funds)

6. **Family Leave Insurance** - Pursuant to Chapter 25, Laws of 2011, 1st sp.s. (ESSB 5091), funding is reduced to reflect the delay of implementing the Family Leave Insurance program until October 2015. Prior to the enactment of ESSB 5091, Family Leave Insurance program benefits were to start in October 2012.

7. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

8. **Distributed Generation** - Funding is provided to evaluate the economic impact of promoting and retaining biomass and qualified solar energy systems. The Employment Securty Department's analysis must include an examination of the impact of such energy systems on local employment and wages. (Administrative Contingency Account-State)

Employment Security Department

9. **Average Final Compensation Adjust** - Funding is provided for the pension rate impacts from adjusting Average Final Compensation for state or local government employee members of the state retirement systems who have reduced compensation during the 2011-13 fiscal biennium due to reduced work hours, mandatory leave without pay, temporary layoffs, or salary reductions that affect pension benefit calculations and would otherwise have reduced benefits, pursuant to Chapter 5, Laws of 2011, 1st sp.s. (HB 2070 - Average Final Compensation for State and Local Government Employees). (General Fund-State, various other funds)

10. **3% Salary Cut for State Employees** - Funding for state agencies and institutions is reduced to reflect a 3 percent cost savings in employee salaries, excluding employees earning less than $2,500 per month, student employees, and certain employees of the Washington State Patrol and the Washington State Department of Transportation. Compensation expenditures by state institutions of higher education from non-appropriated funds are not subject the 3 percent of salary reduction. The reduction is temporary through the 2011-13 biennium only. (General Fund-State, various other funds)

11. **Suspend Plan 1 Uniform COLA** - This item reflects savings from ending future automatic benefit increases in the Public Employees' Retirement System Plan 1 and the Teachers' Retirement System Plan 1. The basic minimum benefit amount in the plans is not affected, and the alternative minimum benefit is raised to $1,500 per month. (General Fund-State, various other funds)

12. **Retire-Rehire Changes (State)** - Employer contribution rates to the Public Employees' Retirement System and the Teachers' Retirement System are reduced to reflect savings from reduced pension benefit costs through implementing Chapter 47, Laws of 2011, 1st sp.s. (ESHB 1981 - Higher Education Retirement Plan and Post-Retirement Employment). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Agency 250

Indeterminate Sentence Review Board

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**3,746**	**0**	**3,746**
2011 Supplemental *	-205	0	-205
Total 2009-11 Biennium	**3,541**	**0**	**3,541**
2011-13 Maintenance Level	**3,838**	**0**	**3,838**
Policy Changes - Non-Comp			
1. Merge ISRB with Corrections	-3,814	0	-3,814
2. Interagency Charges - AG	-24	0	-24
Policy -- Non-Comp Total	**-3,838**	**0**	**-3,838**
Total 2011-13 Biennium	**0**	**0**	**0**

Comments:

1. **Merge ISRB with Corrections** - The Indeterminate Sentence Review Board (ISRB) is merged with the Department of Corrections, consistent with Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891). The offender release functions and the independent decision-making authority of ISRB will continue. Savings are achieved by eliminating staff positions and the associated expenses of being a stand-alone agency.

2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.

Agency 302

Home Care Quality Authority

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**1,229**	**0**	**1,229**
2011-13 Maintenance Level	**0**	**0**	**0**
Total 2011-13 Biennium	**0**	**0**	**0**

Comments:

The Home Care Quality Authority was eliminated in the 2010 legislative session.

Agency 325

Sentencing Guidelines Commission

(Dollars in Thousands)

	NGF-S	Other	Total
2009-11 Expenditure Authority	**1,910**	**0**	**1,910**
2011 Supplemental *	-104	0	-104
Total 2009-11 Biennium	**1,806**	**0**	**1,806**
2011-13 Maintenance Level	**1,915**	**0**	**1,915**
Policy Changes - Non-Comp			
1. Transfer SGC to CFC and OFM	-1,913	0	-1,913
2. Interagency Charges - AG	-2	0	-2
Policy -- Non-Comp Total	**-1,915**	**0**	**-1,915**
Total 2011-13 Biennium	**0**	**0**	**0**

Comments:

1. **Transfer SGC to CFC and OFM** - Pursuant to Chapter 40, Laws of 2011, 1st sp.s. (ESSB 5891), functions of the Sentencing Guidelines Commission are transferred to the Caseload Forecast Council and the Office of Financial Management (OFM), and the Sex Offender Policy Board is transferred to OFM.

2. **Interagency Charges - AG** - Funding levels are adjusted to reflect anticipated changes in billings for services provided by the Office of the Attorney General (AG). (General Fund-State, various other funds)

* Please see the 2011 Supplemental Operating Budget Section for additional information.