

**Developmental Disabilities Administration**

**040 - M2 - AE - LOCAL AUTHORITY**

**Agency Submittal: 11-2017-19-YR Agency Req**

**Budget Period: 2017-19**

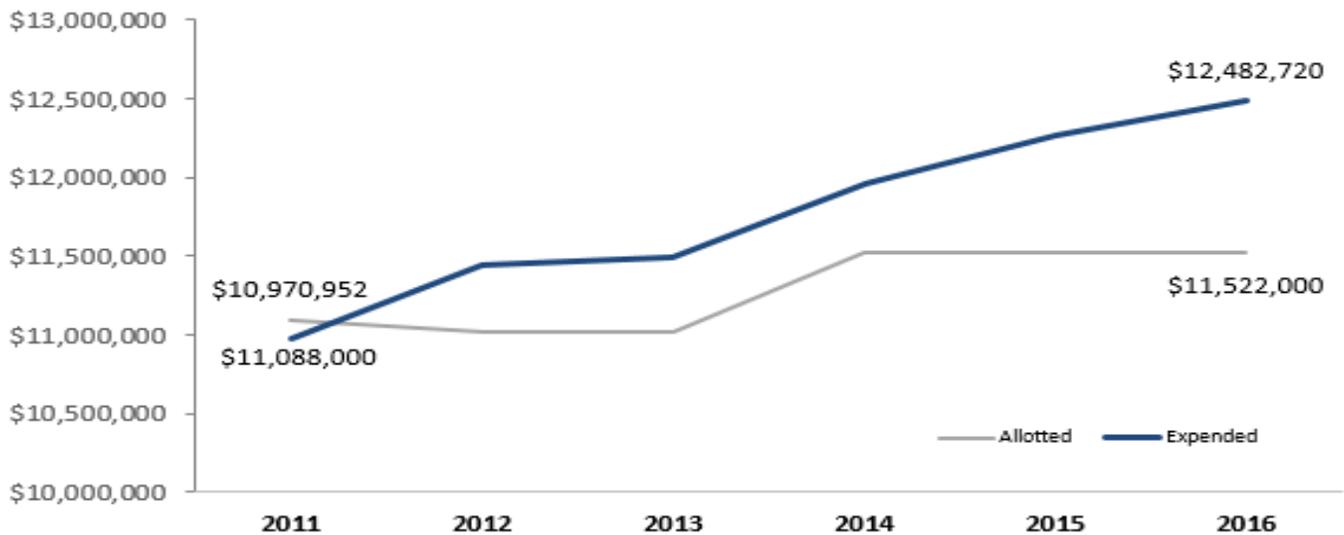
**SUMMARY**

Local Funds received for client participation and Medicare Part D are significantly exceeding local authority so additional local authority is required. The Developmental Disabilities Administration (DDA) requests an offset of \$2,000,000 GF-Local in exchange for \$2,000,000 Federal in Category 2000 – Residential Habilitation Centers (RHCs) of the DDA budget. This request has a \$0 total funds impact and includes no impact to GF-State.

**PROBLEM STATEMENT**

DDA requires additional local authority to match current local expenditures at the RHCs; there is a corresponding amount of excess federal to exchange as an offset. Between Fiscal Years 2011 and 2016, the local allotment for Category 2000 has increased by only four percent while local expenditures increased by 14 percent. DDA must have an allotment for local funds that meets or exceeds the amount of local expenditures, which include a combination of client participation and Medicare Part D funds.

**Trend of RHC Local Funds Budget vs. Expenditure Since FY 2011**



SOURCE: DSHS Developmental Disabilities Administration, July 2016.



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

**040 - M2 - AE - Local Authority**

**PROPOSED SOLUTION**

DDA requests an annual increase of \$1,000,000 local authority in exchange for \$1,000,000 of federal authority to resolve this issue. The request is a net zero impact as the fund adjustment is offset, which also addresses the need for additional local authority at the same time. This request has no GF-State impact and GF-State dollars cannot be used as the offset as GF-State funding for the RHCs is already below the actual cost of running them.

FUND	AMOUNT
GF-FEDERAL (001-C)	\$ (1,000,000)
GF-PRIVATE/LOCAL	\$ 1,000,000

**EXPECTED RESULTS**

An appropriation adjustment between these federal and local funds will better align the appropriated funds with actual expenditures and will allow DDA to better align the budget with actual expenditures.

**STAKEHOLDER IMPACT**

There is no known opposition to this request. DDA does not expect any opposition from stakeholders as this is a technical fix for budgetary purposes to better align appropriated fund sources to actual expenditures involving receipts of Medicare Part D and client participation.

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Program Contact: Eric Mandt, (360) 725-2579

OTHER CONNECTIONS

Performance Outcomes/Important Connections

**1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

**2. The decision package meets the following DSHS' strategic objectives:**

4.4: To ensure clients residing in the Intermediate Care Facilities (ICFs) and Nursing Facilities (NFs) in Residential Habilitation Centers (RHCs) are being supported to attain the highest possible quality of life.

**3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? No

e) Responds to specific task force, report, mandate or executive order? No

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? No

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? N/A

**4. Please provide a detailed discussion of connections/impacts identified above.**

N/A

040 - M2 - AE - Local Authority

Alternatives/Consequences/Other

**5. What alternatives were explored by the agency, and why was this alternative chosen?**

Since at least 2012, DDA has overspent its local authority. This request helps address that problem and is a technical correction to fix a fund authority issue in the DDA budget.

**6. How has or can the agency address the issue or need within its current appropriation level?**

DDA is unable to address this issue within its current appropriation level because there is insufficient local authority to cover local actual expenditures. Local actual expenditures include a combination of Medicare Part D and client participation. This request requires no investment of GF-State dollars.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

- No
- Yes (Include an IT Addendum)

**Fiscal Detail**

040 - M2 - AE - Local Authority

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
001-7 General Fund-Priv-Loc	1,000,000	1,000,000	1,000,000	1,000,000
001-C General Fund-Medicaid	-1,000,000	-1,000,000	-1,000,000	-1,000,000
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Staffing</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
FTEs	0.0	0.0	0.0	0.0

**Performance Measure Detail**

Activity:	Incremental Changes			
	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Program: 040</b>				
D086 Residential Habilitation Facilities	0	0	0	0
No measures submitted for package				

**Object Detail**

	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
	0	0	0	0
<b>Total Objects</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**DSHS Source Detail****Overall Funding**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
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**Fund 001-7, General Fund-Priv-Loc****Sources Title**

5417 Contributions & Grants	1,000,000	1,000,000	1,000,000	1,000,000
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**Total for Fund 001-7** 1,000,000 1,000,000 1,000,000 1,000,000

**Fund 001-C, General Fund-Medicaid****Sources Title**

19TA Title XIX Assistance (FMAP)	-1,000,000	-1,000,000	-1,000,000	-1,000,000
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**Total for Fund 001-C** -1,000,000 -1,000,000 -1,000,000 -1,000,000

**Total Overall Funding** 0 0 0 0

**2017-19 Biennial Budget**  
**040-M2-AE-Local Authority**

Comparison of Local Funds Budgeted vs. Expended

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016 estimate</b>
<b>H31 - Fircrest</b>						
Budget	2,426,000	2,332,000	2,331,000	2,400,000	2,400,000	2,400,000
Expended	2,063,811	2,124,964	2,267,391	2,464,317	2,587,225	2,502,780
Variance	362,189	207,036	63,609	(64,317)	(187,225)	(102,780)
<b>H33 - Rainier</b>						
Budget	4,513,000	4,829,000	4,829,000	5,022,000	5,019,000	5,022,000
Expended	4,945,256	5,293,573	5,065,981	5,322,690	5,373,622	5,299,433
Variance	(432,256)	(464,573)	(236,981)	(300,690)	(354,622)	(277,433)
<b>H34 - Lakeland Village</b>						
Budget	2,527,000	2,628,000	2,627,000	3,000,000	3,000,000	3,000,000
Expended	2,850,951	2,982,431	3,054,485	3,172,636	3,209,636	3,535,148
Variance	(323,951)	(354,431)	(427,485)	(172,636)	(209,636)	(535,148)
<b>H35 - Yakima Valley</b>						
Budget	1,622,000	1,234,000	1,233,000	1,100,000	1,100,000	1,100,000
Expended	1,110,934	1,048,176	1,110,412	995,720	1,100,073	1,145,359
Variance	511,066	185,824	122,588	104,280	(73)	(45,359)
<b>TOTAL</b>						
Budget	11,088,000	11,023,000	11,020,000	11,522,000	11,519,000	11,522,000
Expended	10,970,952	11,449,145	11,498,269	11,955,363	12,270,556	12,482,720
Variance	<b>117,048</b>	<b>(426,145)</b>	<b>(478,269)</b>	<b>(433,363)</b>	<b>(751,556)</b>	<b>(960,720)</b>

	<b>FY11-FY16 net change</b>	<b>FY11-FY16 % change</b>
Allotment	434,000	4%
Expenditure	1,511,768	14%