

Budget Highlights

April 11, 2012



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Many Budget Versions to Consider

- The Governor proposed a 2012 Supplemental Budget that included total General Fund-State reductions for DSHS of \$372.9 million, or 5.9 percent.
- The Early Action Budget enacted by the Legislature in December included policy level reductions of approximately \$89.6 million General Fund-State
- Next came several Legislative proposals. These reduced the department's budget by an additional \$118.9 million up to an additional \$284.3 million in General Fund-State.
- The Final 2012 Supplemental Budget passed by the Legislature on April 11 includes policy level reductions to the department of an additional \$177.4 million General Fund-State.
- The total General Fund-State reduction to the department's budget, from its original 2011-13 appropriation is \$249 million, or approximately 4.3 percent. This includes maintenance and policy level changes.



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Key Policy Level Changes in the Final Budget

	General Fund-State	Other Funds	Total
Program under-expenditures in current fiscal year	(\$25.5) million	(\$6.6) million	(\$32.1) million
Caseload decline (Policy Level Only)	(\$128.0) million	(\$0.4) million	(\$128.4) million
Program reductions	(\$16.5) million	(\$9.0) million	(\$25.5) million
Transfers to other programs	(\$15.8) million		(\$15.8) million
Other fund sources	\$0.4 million	\$8.1 million	\$8.5 million
Central Services Reductions	(\$3.2) million	(\$1.0) million	(\$4.2) million
Program Investments	\$18.6 million	\$14.4 million	\$33.0 million
PEBB Reductions	(\$7.4) million	(\$2.7) million	(\$10.1) million



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Program Reductions

Children's Administration (CA)

- Funding is reduced to reflect a variety of cost savings measures including preventing overpayments, contract efficiencies, and reviews of child care costs for foster children. Savings are also achieved through reductions to evaluation and treatment, training, and reductions in adoption costs. Costs for certain programs offering treatment to foster care children are held to Fiscal Year 2011 levels. (\$9.9) million GF-State, (\$15.8) million total



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Program Reductions

Mental Health (MH)

- Medicaid funding is discontinued for optional waiver services provided by some Regional Support Networks, including supported employment, clubhouse, and respite care services. (\$1.2) million GF-State, (\$2.6) million total



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Program Reductions

Developmental Disabilities (DD)

- Savings are assumed for under-expenditures in the current fiscal year. (\$17.4) million GF-State



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Program Reductions

Long Term Care (LTC)

- Payment rates for boarding homes and assisted living facilities are reduced by two percent on July 1, 2012. (\$1.7) million GF-State, (\$3.4) million total



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Program Reductions

Economic Services Administration (ESA)

- Funding for the Temporary Assistance for Needy Families (TANF) and the Working Connections Child Care (WCCC) programs is adjusted to reflect under-expenditures due to caseload reductions. Funding is also adjusted within these programs to reflect 12-month WCCC authorizations, repealing the child support enforcement requirement provisions related to subsidized child care, adjusting the WCCC eligibility to 200 percent of the federal poverty level, and adjusting the maximum grant to an eight-person household rather than six. Funding is reduced for WorkFirst activities. (\$126.6) million GF-State
- Savings are assumed for under-expenditures in the current fiscal year. (\$8.1) million GF-State, (\$14.7) million total
- Funding is reduced to reflect the state receiving matching funds for the cost of incapacity exams. (\$4.5) million GF-State
- Funding is eliminated for the Early Supplemental Security Income Transition Project. (\$1.1) million GF-State



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Program Reductions

Alcohol and Substance Abuse (ASA)

- Funding for residential and sheltered contracted services, including intensive inpatient, long-term residential and recovery house, is reduced. This reduction shall apply to all contracted services and vendors, excluding services for pregnant and parenting women, services for juveniles, and services for parents in dependency proceedings. (\$2.1 million GF-State)
- Funding is adjusted to reflect decreases in the medical services caseload. (\$1.4) million GF-State, (\$1.8) million total
- Chemical dependency assessments are limited to two per year, eliminating funding for an estimated 251 assessments per year. (\$0.2) million GF-State



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Program Reductions

Other

- The Division of Vocational Rehabilitation (DVR) will reduce expenditures used to generate federal match dollars for the Basic Support Grant. This level of reduction will not violate federal Maintenance of Effort Requirements. (\$0.23) million GF-State
- Agency Wide - Funding is reduced to reflect efficiencies related to state agency use of cell phones, mailing, printing, and information technology. (\$3.2) million GF-State, (\$4.2) million total
- Agency Wide - Employer contributions for medical benefits for state employees are reduced. The employee share of health insurance premiums does not change. (\$7.4) million GF-State, (\$10.1) million total



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Program Investments

- Investments are made in Children's Administration services, including implementation of Family Assessment Response, extension of foster care services to youth who elect to stay in care to attend a post-secondary academic or vocational educational program, and for performance-based contracts for the provision of family support and related services. \$1.4 million GF-State, \$3.0 million total
- Investments are made in Developmental Disabilities: a) to implement the enhanced training, background check, and certification requirements of Initiative 1163; b) for 35 out-of-home community residential placements for individuals with developmental disabilities in crisis; c) for Medicaid employment programs for about 160 high school graduates who will be turning 21 years of age; d) to complete a long-range vision and development plan for Rainier School; and e) to contract with school districts for instructional support of new students with developmental disabilities who are admitted to a Residential Habilitation Center. \$6.3 million GF-State, \$10.8 million total



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Program Investments

- Additional investments are made in the Family Caregiver Support program providing services to unpaid caregivers which may help clients remain in their homes and may delay entry into more costly long-term care services. (\$1.7) million GF-State, (\$8.7) million total
- Funding is provided for Initiative 1163 approved by voters in 2011 and requiring increased mandatory training, additional background checks, and certification for long-term care workers. \$9.2 million GF-State, \$15.4 million total



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Program Investments

- Funding is provided in the Health Care Authority to implement phase 2 of ProviderOne, which includes the transition of long-term care payments.
- Funding is provided for increasing the level of evidence-based or research-based prevention and treatment programs in the department's Mental Health, Juvenile Justice, and Child Welfare programs. \$0.2 million GF-State, \$0.4 million total
- Funding is provided for a grant program focused on criminal street gang prevention and intervention administered by the Washington State Partnership Council on Juvenile Justice. \$0.25 million GF-State
- Funding is provided to support the cost of sustaining operations on McNeil Island for the Special Commitment Center. \$2.3 million GF-State



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Next Steps

- The Budget as passed by the Legislature has been sent to the Governor for signature.
- Work has already begun on developing the 2013-15 budget requests, with the department's budget proposal submitted to the Governor in September.
- Information on all of the budget proposals can be found at:

http://leap.leg.wa.gov/leap/archives/index_budgetsp.asp



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