

Governor's Supplemental Budget

Budget Highlights

November 28, 2011



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Setting the Context

- The Governor's proposed 2012 Supplemental Budget includes more than \$2 billion in spending cuts.
- The total general fund state reduction proposed for DSHS is \$337.8 million, or 5.9 percent.
 - Policy level reductions total \$372.9 million gf-s, or 6.5 percent
 - Caseload and workload adjustments increase the DSHS budget by \$13.4 million gf-s
 - Maintenance level adjustments increase the DSHS budget by \$21.7 million gf-s.
- Federal and other fund sources are increased by \$37.7 million
- The Governor has also proposed a three-prong revenue package which together raise an estimated \$835 million to reduce or eliminate some of the proposed cuts.



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Investments

- Savings from the elimination of the Housing and Essential Needs Program will be used to develop housing support and community mental health treatment for patients discharged from WSH upon closure of two wards in 2013. (\$6.4 million total funds)
- These savings are also redirected to provide housing support and services for 258 clients who would lose their current residential placement as a result of eligibility changes in Developmental Disabilities and Long-Term Care. (\$4.3 million total funds)
- Funding is provided for 35 community residential placements for individuals with developmental disabilities in crisis who are aging out of other services. (\$2.6 million total funds)



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Investments

- Initiative 1163 was approved by the voters and requires increased mandatory training, additional background checks, and certification for long-term care workers beginning January 7, 2012. Funding is provided for this requirement. (\$26.8 million total funds)
- Additional funding is provided for community crisis stabilization capacity in the Division of Developmental Disabilities. (\$2.4 million total funds)
- Funding is provided to support increased costs associated with the growth in EBT card issuance. (\$4.5 million total funds)



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Investments

- Funding is provided to support the required work of outstationed eligibility staff located in federally qualified health clinics, disproportionate share hospitals, and Indian health clinics across the state. (\$8.4 million total funds)
- Funding is provided in DSHS and HCA for Provider One Phase Two. (\$24.7 million total funds)
- Funding is provided to support the cost of sustaining operation on McNeil Island. (\$2.3 million total funds)



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Significant Differences

The Governor's budget proposes:

- a lesser eligibility reduction for clients with developmental disabilities or long-term care needs. Approximately 1,600 clients will lose personal care services or will no longer be eligible for developmental disability institution and Medicaid waiver services.
- to eliminate Family Reconciliation Services.
- to reduce funding for parole services provided to juvenile offenders by 20 percent.
- does not propose the closure of Naselle Youth Camp.
- a \$1.00/hour reduction in the homecare agency provider rates. Homecare agencies provide personal care services to individuals in their own homes.
- to reduce funding for behavioral rehabilitation services (BRS) by 20 percent in the Children's Administration.



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Significant Differences

The Governor's budget proposes:

- to reduce rates by approximately 6.5 percent for community residential providers who serve 3,800 clients with developmental disabilities each month. The budget also proposes to reduce instruction and support services by two percent.
- to increase the nursing home safety net assessment from \$11/day to \$19/day.
- assumes that Washington state will earn federal contingency funds to support its TANF program, and that these funds can be used to replace the gf-s currently supporting the TANF program.
- to reduce the Naturalization Program funding by 47 percent.
- to reduce funding for the state-subsidized Working Connections Child Care program
- to reduce funding for chemical dependency services



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Major Impacts

- More than 1,300 low-income individuals with developmental disabilities or in long-term care will lose eligibility for personal care services.
- Nearly 1,000 individuals will lose adult day health services.
- Respite and other support services will be suspended for nearly 1,000 families of individuals with developmental disabilities
- Over 15,000 clients who receive chemical dependency services are affected by the elimination of the Disability Lifeline and ADATSA medical programs
- Almost 5,000 clients are affected by a reduction in outpatient and residential chemical dependency services
- The State Family Assistance Program, currently providing cash assistance to 1,200 families, is eliminated.



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Major Impacts

- The Working Connections Child Care program will serve fewer families.
- Approximately 55,000 households will see a 2 percent reduction in monthly cash grants for the Temporary Assistance to Needy Families program. Approximately 2,000 families will no longer be eligible for TANF grants when the time limit is reduced to 48 months.
- 488 individuals with developmental disabilities will no longer receive job training, placement and support services.
- Services to over 500 at-risk adolescents and their families will be eliminated with the elimination of Family Reconciliation Services.
- Parole services would be impacted for about 400 youths.
- The Governor proposes to close Rainier School residential habilitation center and transition approximately 350 clients to community-based settings or other residential habilitation centers.



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Revenue Options –

Building a Better Future

- The Governor is asking voters to approve a temporary half-cent increase in the state sales tax (from 6.5 percent to 7.0 percent). If approved this would raise \$494 million.
 - \$42 million of this revenue would be used for long-term care and developmental disability services to:
 - Prevent 1,600 individuals from losing all personal care and other services, and restore service hours for some of the most vulnerable clients whose care has been reduced over the past three years.
 - Restore nearly \$13 million in home care and residential provider rates.
 - Invest more than \$15 million in programs that keep elderly and individuals with developmental disabilities in their own homes and with their families.



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Revenue Options – *Building a Better Future*

- The Governor is also recommending revenue alternatives to the Legislature, some of which require a simple majority vote of the Legislature (raising an estimated \$59 million) and some of which require a two-thirds vote of the Legislature (raising an estimated \$282 million)
- With this additional revenue, the Governor has offered priorities for preventing or mitigating reductions, such as:
 - Restoring chemical dependency services for nearly 5,000 low income individuals
 - Restoring non-Medicaid funding to the RSNs for services such as crisis intervention, medication management, and case management
 - No further reduction in TANF/WorkFirst grants
 - No further reduction to domestic violence prevention funding.
 - Restoration of parole services for juvenile offenders



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Process going forward

- The Special Session of the Legislature began on November 28th.
- The Legislature will consider the Governor's proposed supplemental budget during this 30 day special session.
- It is important for all Washingtonians to stay informed and be engaged.
- You can find complete details on the Governor's proposed supplemental budget at:

<http://www.ofm.wa.gov/budget12/default.asp>



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