

Program 040

DSHS - Developmental Disabilities

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	3,367.4	884,696	852,889	1,737,585
Supplemental Changes				
Federal Funds Technical Adjustment				
Technical Corrections		34	35	69
Keep Children Out of Institutions		1,224	944	2,168
Adult Family Home Fiscal Year 2009 Vendor Rate		552	576	1,128
Shared Living Lawsuit		9,283	9,711	18,994
Education for Children		1,556		1,556
Hyatt Lawsuit		1,000		1,000
Residential Population Increase	50.1	2,572	2,694	5,266
Maximize Local Resources	2.5		590	590
Labor and Industries Rates for Institutional Staff		541	424	965
Pension Plan 1 COLA Funding		40	36	76
PEBB Rate Reduction		(3,375)	(3,012)	(6,387)
Interagency Rate Changes		16	9	25
Mileage Rate Adjustments		23	15	38
Postage Rate Adjustments		8	8	16
Mandatory Caseload Adjustments		(7,032)	(8,819)	(15,851)
FMAP Match Adjustment		2,405	(2,405)	
Transfers	3.0	(2)	1,850	1,848
Subtotal - Supplemental Changes	55.6	8,845	2,656	11,501
Total Proposed Budget	3,423.0	893,541	855,545	1,749,086
Difference	55.6	8,845	2,656	11,501
Percent Change	1.7%	1.0%	0.3%	0.7%

SUPPLEMENTAL CHANGES

Federal Funds Technical Adjustment

A technical adjustment is made to properly align expected federal earnings between federal fund types. (General Fund-Federal)

Technical Corrections

Funding authority is adjusted in several programs within the Department of Social and Health Services to correct for technical errors in the 2007-09 Biennial Budget. These corrections include changes related to the personal needs allowance, Office of Deaf and Hard of Hearing, and the Office of Financial Recovery. Additionally, Public Safety Education Account funding for the Family Policy Council is shifted from the first year to the second year to more accurately align program expenditures.

HUMAN SERVICES - DSHS

Keep Children Out of Institutions

The goal of transitioning children out of Residential Habilitation Centers (RHC) and avoiding more placements is addressed in two ways. First, an accelerated phase-in rate of community residential waiver slots will assist in moving children out of institutions more quickly. To avoid more children being admitted, the Division's new comprehensive assessment tool will identify families who are eligible for Home and Community Based Services and who are most likely to request an out-of-home placement for their children. Those families will receive coordinated services such as minor home or vehicle adaptations, respite, therapies, and intensive behavior management training for the family, other caregivers, or school staff. (General Fund-State, General Fund-Federal)

Adult Family Home Fiscal Year 2009 Vendor Rate

Chapter 184, Laws of 2007, gave adult family home owners the ability to collectively bargain their rates. Since the owners did not elect a representative by October 1, 2007, bargaining did not take place. The rate for adult family homes is increased by 4.8 percent, rather than 2 percent in Fiscal Year 2009. This makes an 8.0 percent overall rate increase in the 2007-09 fiscal period, which is comparable to the increase received by boarding homes. (General Fund-State, General Fund-Federal)

Shared Living Lawsuit

Authorized service hours for in-home care providers who live with their clients are increased to comply with a Washington State Supreme Court decision that invalidated WAC 388-106-0130(3)(b), informally referred to as the Shared Living Rule. In-home providers who live with their clients and contract with the Department of Social and Health Services to provide direct care services to the disabled and elderly are now paid for services that were previously denied including laundry, meal preparation, and shopping. (General Fund-State, General Fund-Federal)

Education for Children

There is an increased number of children in Division of Developmental Disabilities Residential Habilitation Centers (RHC) due to the lack of community residential options for families in need of respite care. During their stay at an RHC, these additional children incur costs for the local school districts related to their education, including support services such as transportation and contracted classroom aides.

Hyatt Lawsuit

A one-time payment settles a class action lawsuit filed by the Washington Federation of State Employees, on behalf of Division of Developmental Disabilities case managers, to achieve wage parity with social workers in the Children's Administration during the period of December 2002 through June 2007.

Residential Population Increase

Due to a lack of available community residential alternatives, there are currently 23 children under the age of 21 living at Fircrest School, mostly for short-term respite stays. There are temporary higher costs in institutional expenses as more children are being placed at Fircrest School until they can be returned to their homes or a community residential placement. (General Fund-State, General Fund-Federal)

Maximize Local Resources

There are opportunities to recover more local funds through institutional billing of drug costs not covered by Medicaid. The increased local authority will fund three positions dedicated to maximizing recoveries to offset state spending within the Division of Developmental Disabilities and the Mental Health Division. (General Fund-Private/Local)

Labor and Industries Rates for Institutional Staff

Labor and Industries rates are increasing effective January 1, 2008. Funding is provided for the increases affecting staff at institutions within the Juvenile Rehabilitation, Developmental Disabilities, and Mental Health divisions. (General Fund-State, General Fund-Federal)

Pension Plan 1 COLA Funding

Funding was provided in the 2007-09 budget for the additional employer contributions to retirement systems required by modifications to the eligibility criteria for the uniform COLA in the Public Employees' Retirement System Plan 1 (PERS 1) and the Teachers' Retirement System Plan 1 (TRS 1) in Senate Bill 5175. This item moves that funding from the State Employee Compensation Adjustments agency into individual agency budgets. (General Fund-State, other funds)

PEBB Rate Reduction

The state contributes 88 percent of the total weighted average of the employee health care premium and also pays for the cost of dental, life and long-term disability insurance. Total Public Employees Benefit Board (PEBB) expenditures for the 2007-09 Biennium are anticipated to be lower than budgeted because (1) health plan costs for calendar year 2008 are lower than expected, which will benefit both the state and its employees; (2) the Uniform Medical Plan continues to perform better than projected; and (3) funding was removed from the PEBB administrative cost allocation for an information technology system replacement due to the restrictive nature of federal funding. The state employer contribution rate will be reduced from \$732 per month to \$575 per month. This one-time reduction will leave an unrestricted fund balance of \$19.2 million at the end of Fiscal Year 2009. (General Fund-State, various other funds).

Interagency Rate Changes

Since final enactment of the 2007-09 budget, the Washington State Patrol increased the rates it charges for background checks. In addition, the Department of Information Services' charges have been adjusted as a result of a regulatory ruling. (General Fund-State, General Fund-Federal)

Mileage Rate Adjustments

Reimbursements for client-related travel are increased to the allowable automobile mileage rate of \$.485 per mile. (General Fund-State, General Fund-Federal)

Postage Rate Adjustments

Funding is provided to address the 5.1 percent postage rate increase for first-class mail. (General Fund-State, General Fund-Federal)

Mandatory Caseload Adjustments

There is a reduction in both caseload growth and utilization costs in Medicaid Personal Care. Caseload shifts for children and adult family homes, as well as per capita changes (for children, individual providers, and agency providers), are the primary reasons for decreased funding. (General Fund-State, General Fund-Federal)

FMAP Match Adjustment

Washington State's federal medical assistance percentage (FMAP) rate was set for Federal Fiscal Year 2009 at 50.94 percent. When converted to state fiscal year, the new FMAP rate for state Fiscal Year 2009 for Title XIX services will be 51.09 percent. The 2007-09 budget assumed an FMAP rate of 51.52 percent. Growth in personal income, especially for western states, is causing the decrease in federal participation. Additional state funding is provided to offset reduced federal participation. (General Fund-State, General Fund-Federal)

Transfers

Transfers between DSHS programs are made to properly align FTE staff and appropriations with those programs expected to realize the expenditures or savings. These transfers net to zero agency-wide. (General Fund-State, General Fund-Federal)