

Program 070

DSHS - Alcohol And Substance Abuse

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2007-09 Expenditure Authority	95.4	139,108	210,202	349,310
Supplemental Changes				
Federal Funds Technical Adjustment				
Problem Gambling Account Adjustment			(103)	(103)
Youth Residential Treatment		362		362
Extend Integrated Crisis Response and Management Pilot Programs #		4,803		4,803
Federal Funding Authority	4.6		5,309	5,309
Pension Plan 1 COLA Funding		2		2
PEBB Rate Reduction		(160)	(37)	(197)
Postage Rate Adjustments		2		2
FMAP Match Adjustment		213	(213)	
Transfers		(88)	5	(83)
Subtotal - Supplemental Changes	4.6	5,134	4,961	10,095
Total Proposed Budget	100.0	144,242	215,163	359,405
Difference	4.6	5,134	4,961	10,095
Percent Change	4.8%	3.7%	2.4%	2.9%

SUPPLEMENTAL CHANGES

Federal Funds Technical Adjustment

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

Problem Gambling Account Adjustment

Expenditures are reduced to reflect current revenue assumptions. (Problem Gambling Account-State)

Youth Residential Treatment

Funding is provided to the the Division of Substance Abuse (DASA) to reach its targeted goal of 111 additional youth receiving intensive inpatient treatment. The 2007-09 budget assumed an average cost of \$4,224 per youth served. This assumption is adjusted to \$7,493 based upon the estimated cost of available treatment beds.

Extend Integrated Crisis Response and Management Pilot Programs #

Two integrated crisis response/secure detoxification pilot programs and two intensive case management pilot programs established by Chapter 504, Laws of 2005, began operation in March 2006. The purpose of these pilots is to determine whether involuntary drug and alcohol treatment or intensive case management can reduce "high utilization" of other expensive services (such as emergency rooms and jails) and offset future likely spending in these areas. A solid evaluation of the pilots will require longitudinal data and an eighteen month period may not be long enough to assess whether the approaches are really cost effective. Funding is provided to extend the pilots for an additional year to ensure there is sufficient data for a comprehensive evaluation.

HUMAN SERVICES - DSHS

Federal Funding Authority

Federal funding authority is adjusted to reflect anticipated grant receipts. Starting in 2009, DASA will receive the Access to Recovery (ATR) grant and the Strategic Prevention Framework-State Incentive Grant (SPF-SIG). The ATR provides funding for drug and alcohol services for adults who would otherwise not be eligible for financial assistance. The SPF-SIG is a federal project aimed at proving the efficacy of the five-step prevention framework which addresses the following steps: assessment of needs, resources, and readiness; community mobilization; strategic planning; selection and implementation of evidence-based programs, practices, or policies; and monitoring and evaluation. (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).

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)

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 decreased 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.