

Program 060

**DSHS - Economic Services Administration**

**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2009-11 Expenditure Authority</b>	4,217.0	1,145,907	1,197,423	2,343,330
<b>Supplemental Changes</b>				
Administrative and Staff Reductions	(72.0)	(5,650)	(3,810)	(9,460)
Reduction of Mandatory Workload	(75.4)	(6,416)	(5,166)	(11,582)
Working Connections Child Care Reduction		(88,500)		(88,500)
Eliminate General Assistance Unemployable	(38.2)	(72,059)		(72,059)
Average Final Compensation		54	40	94
Health Insurance Increase		1,887	1,372	3,259
One-time transfer from TANF Program		(17,598)		(17,598)
Planning and Policy Development	(1.5)	(115)	(152)	(267)
Administrative Streamlining	(.5)	(47)	(63)	(110)
Child Support Pass-Through Payments		(6,135)	(6,135)	(12,270)
Redistribution of Federal Tax Interest	.8	(3,011)	(2,904)	(5,915)
Division of Child Support Additional Federal Authority			10,708	10,708
Consolidate Printing Functions		(239)	(316)	(555)
Human Resources Reduction	(1.6)	(243)	(152)	(395)
Transfer Financial Recovery to Division of Child Support	64.2	4,043	4,447	8,490
Suspend Medicare Part D Co-Pay #	13.0	991	989	1,980
Federal Funds Technical Adjustment				
General Assistance Program Changes	(2.6)	(16,477)		(16,477)
Mandatory Caseload Adjustments		26,636	1,520	28,156
Mandatory Workload Adjustments	75.4	6,416	5,166	11,582
Transfers	(1.0)	(276)	(4,908)	(5,184)
<b>Subtotal - Supplemental Changes</b>	<b>(39.4)</b>	<b>(176,739)</b>	<b>636</b>	<b>(176,103)</b>
<b>Total Proposed Budget</b>	<b>4,177.6</b>	<b>969,168</b>	<b>1,198,059</b>	<b>2,167,227</b>
Difference	(39.4)	(176,739)	636	(176,103)
Percent Change	(0.9)%	(15.4)%	0.1%	(7.5)%

**SUPPLEMENTAL CHANGES**

**Administrative and Staff Reductions**

Administrative efficiencies from consolidating office functions in the Economic Services Administration will allow the agency to achieve savings. (General Fund-State, General Fund-Federal)

**Reduction of Mandatory Workload**

Funding that was provided for maintenance level mandatory workload is now reduced. (General Fund-State, General Fund-Federal)

## **HUMAN SERVICES - DSHS**

### **Working Connections Child Care Reduction**

The Working Connections Child Care program provides payments for child care services to Temporary Assistance for Needy Families (TANF) clients, and low-income, non-TANF parents who are working or participating in certain employment and training activities. Child care for families with seasonal employment, as well as homeless and teen parent populations, is also partially subsidized. Savings will be achieved by prioritizing entry into the program to families with the lowest income, including TANF clients.

### **Eliminate General Assistance Unemployable**

The General Assistance Unemployable Program which provides cash grants to adults is eliminated. General Assistance-Expedited Medicaid (GA-X) grants will continue for individuals with pending applications for federal Supplemental Security Income. Grants for individuals on the General Assistance Aged, Blind, and Disabled program will also continue.

### **Health Insurance Increase**

Washington State employee medical and health insurance expenditures are projected to exceed budgeted levels. With the current trend, the Public Employees Benefits Board (PEBB) fund is anticipated to have a negative fund balance exceeding \$200 million. Increases in revenues will be accomplished by using the entire Premium Stabilization Reserve; transferring \$35 million from the Incurred But Not Received (IBNR) reserve account; and modifying point of service costs (e.g., deductibles) for PEBB plan offerings beginning in calendar year 2011. The current Fiscal Year 2011 monthly contribution rate of \$768 is increased to \$830 to make up the remaining fund deficit.

### **One-time transfer from TANF Program**

State funding in the Temporary Assistance for Needy Families (TANF) program is reduced in Fiscal Year 2011. The reduction will be achieved by tightening program requirements and prioritizing services for WorkFirst clients.

### **Planning and Policy Development**

Savings will be achieved through a reduction of three FTE staff associated with non-essential business functions. (General Fund-State, General Fund-Federal)

### **Administrative Streamlining**

Additional staffing reductions are achieved through efficiencies in the executive workforce. (General Fund-State, General Fund-Federal)

### **Child Support Pass-Through Payments**

Additional savings are achieved by suspending the child support pass-through provision allowed under the federal Deficit Reduction Act. That act gave states the option to pass through, which means to pay a portion of the child support collected directly to families receiving cash assistance. Effective October 1, 2008, Washington State implemented the pass-through option of up to \$100 for a one-child family or up to \$200 for two or more children. The federal government waives the federal share. This item suspends the pass-through to families receiving TANF cash assistance. (General Fund-State, General Fund-Federal)

### **Redistribution of Federal Tax Interest**

Additional savings are achieved by suspending the redistribution of Internal Revenue Service (IRS) refund payments. The federal Deficit Reduction Act allows states to pay support collected through the federal tax offset procedure to former TANF families before repaying the state debt. Effective October 1, 2008, IRS collections began to be distributed to families first, whether on TANF or not. The redistribution of federal refund payments to former TANF families before repaying the state debt is suspended. (General Fund-State, General Fund-Federal)

**Division of Child Support Additional Federal Authority**

Federal expenditure authority is adjusted to reflect the higher match rates for some federal funding received by the Division of Child Support. (General Fund-Federal)

**Consolidate Printing Functions**

Savings will be achieved in printing costs by consolidating printing functions within the agency. (General Fund-State, General Fund-Federal)

**Human Resources Reduction**

Savings will be gained through the realignment of human resources functions in the agency. (General Fund-State, General Fund-Federal)

**Transfer Financial Recovery to Division of Child Support**

The Office of Financial Recovery is transferred to the Division of Child Support within the Economic Services Administration in order to consolidate all of the agency's financial recovery functions in one area. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

**Suspend Medicare Part D Co-Pay**

As part of the Medicare Prescription Drug Improvement and Modernization Act of 2003, Medicare began charging co-payments on prescriptions filled for eligible members. To reduce the impact to Washington seniors who are eligible for both Medicare and Medicaid, the state reimburses these dually eligible clients for their co-payments. Beginning July 1, 2010, this reimbursement will no longer be available. (General Fund-State, General Fund-Federal)

**Federal Funds Technical Adjustment**

Adjustments are necessary between federal fund types to accurately reflect expected types of federal earnings in the 2009-11 Biennium. Total federal expenditure authority does not change. (General Fund-Federal)

**General Assistance Program Changes**

Using its administrative authority to modify rules in the General Assistance Unemployable Program, the Department will reduce the program by aligning incapacity eligibility criteria more closely with the federal standards used to determine disability for the federal Supplemental Security Income and Social Security disability programs.

**Mandatory Workload Adjustments**

Funding is provided for increased workload due to caseload and application levels. (General Fund-State, General Fund-Federal)

**Transfers**

A transfer is necessary to align FTE staff and associated funding with the program expected to pay for them. (General Fund-State, General Fund-Federal)