

## Health and Human Resources

<b>Adopted Amendments</b>				
(\$ in millions)				
	<b>FY 2017 Adopted</b>		<b>FY 2018 Adopted</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
<b>2016-18 Current Budget</b> (Chapter 780, 2016 Session)	\$6,053.2	\$8,160.4	\$6,185.8	\$8,246.2
Increases	126.6	190.8	285.3	272.9
Decreases	<u>(47.0)</u>	<u>(36.6)</u>	<u>(33.9)</u>	<u>(40.4)</u>
\$ Net Change	79.5	155.2	251.2	232.4
<b>Chapter 836 (HB 1500, as Adopted)</b>	<b>\$6,132.7</b>	<b>\$8,315.5</b>	<b>\$6,437.0</b>	<b>\$8,478.5</b>
% Change	1.3%	1.9%	4.1%	2.8%
FTEs	8,498.79	6,766.23	8,540.72	6,795.30
# Change	0.00	8.00	38.65	32.35

- **Secretary of Health of Human Resources**
  - *Fund Contractor to Develop an Implementation Plan for Financial Realignment of the Public Behavioral Health System.* Provides \$250,000 GF the first year to prepare an implementation plan for the financial realignment of Virginia's public behavioral health system. The plan will further the goal of transforming the system of care into one that incorporates best practices and state-of-the-art services by treating individuals in the community where appropriate. In addition, it will ensure state hospitals are structured to ensure high quality care, efficient operation and sufficient capacity to serve those individuals in need of state hospital care.
- **Children's Services Act (CSA)**
  - *Mandatory Caseload and Cost Increases.* Adds \$41.2 million GF the first year and \$44.5 million GF the second year to fund the anticipated growth in the CSA program. Additional costs in the program are being driven by caseload growth and the increasing costs of providing services. In addition, the first year includes \$13.2 million in funding to cover the shortfall from FY 2016.

Caseload grew in FY 2015 by 4.3 percent and declined slightly in FY 2016 by 0.6 percent. However, even with a slight decline in caseload in FY 2016, program expenditures grew by 6 percent, which is mainly driven by the 6.6 percent increase in cost per child. The primary driver is the increasing cost of children placed in private day treatment through federally mandated Individualized Education Plans (IEP). The number of children in private day placements increased from 3,416 in FY 2015 to 3,585 in FY 2016. The average cost of a private day placement was \$38,753 in FY 2016 compared with average annual cost of \$23,455, for all CSA services.

- **Department of Health**

*New Spending*

- *Transfer Responsibility for Sexually Transmitted Disease Testing.* The adopted budget adds \$594,883 GF the second year for the agency to assume responsibility for sexually-transmitted disease testing, which is currently handled by the Department of General Services (DGS) Consolidated Labs. A change in federal grant requirements related to third-party billing will increase DGS testing costs which will be higher than the Department of Health contracting with a private lab.
- *Implement an Emergency Department Care Coordination System.* Provides \$370,000 GF and \$3.3 million NGF the second year to develop and implement a single, statewide technology solution that connects all the emergency departments in the Commonwealth to enable real time communication and collaboration between physicians, providers and other clinical or care management personnel for patients receiving services in hospital emergency departments. The GF for implementing this program will be matched with \$3.3 million in federal Health Information Technology for Economic and Clinical Health (HITECH) Act funds for a total budget in FY 2018 of \$3.7 million. Implementation of this program is contingent upon the receipt of the federal HITECH Act funds.
- *Fund Local Health Department Rent Increases.* Includes funding of \$303,236 GF and \$167,772 NGF to support increases in rent for the Chesterfield County and Accomack County local health departments. The current buildings occupied by these two health departments are local government-owned and are undergoing renovations. As a result of long-term lease agreements that are expiring and the newly renovated spaces, the rent for these two health departments is increasing. The nongeneral fund portion is the local share paid through the cooperative budget.
- *Restore Funding for the Physician Loan Repayment Program.* Adds \$300,000 GF the second year to restore funding for the Virginia State Loan Repayment Program that was eliminated in the Governor's October 2016 Savings Plan and HB 1500, as

introduced. Funding for the program is matched by the federal government to provide student loan repayment on behalf of qualified medical, dental, behavioral health and pharmaceutical (pharmacists) professionals who practice at an eligible site in one of the federally designated Health Professional Shortage Areas in Virginia.

- ***Establish a Perinatal Quality Collaborative.*** Provides \$124,470 GF and \$82,980 NGF the second year for the Virginia Department of Health to establish and administer a Perinatal Quality Collaborative. The Perinatal Quality Collaborative will work to improve pregnancy outcomes for women and newborns by advancing evidence-based clinical practices and processes through continuous quality improvement.
- ***Addition of Neonatal Abstinence Syndrome as Reportable Disease.*** The adopted budget includes \$52,000 GF the second year related to the costs of adding Neonatal Abstinence Syndrome to the list of reportable diseases by the Department of Health. This action is required by Chapters 280 and 185 of the 2017 Acts of Assembly (HB 1467/SB 1323).
- ***Fund Special Olympics Healthy Athlete Program.*** Provides \$10,000 GF the second year for the Special Olympics Healthy Athlete exam and treatment program. The program provides health exams to its athletes and other individuals with intellectual disability and links individuals to health care services. The program also trains health care professionals and students to treat individuals with intellectual disability.

### ***Budget Reductions***

- ***October 2016 Savings Plan.*** The adopted budget reduces funding of \$1.1 million GF the first year to reflect the reductions included in the Governor’s October 2016 Savings Plan. Reductions in the plan continued in the second year are reflected as separate amendments.
- ***Continue FY 2017 Budget Reductions in FY 2018.*** Continues budget reduction strategies for FY 2017 in the second year for a savings of \$485,789 GF, including:
  - \$217,539 GF from consolidation of the Environmental Health Hazards Control and Drinking Water Improvement programs;
  - \$200,000 GF from modifying a contract with Virginia Tech for the use of soil scientists to perform evaluations on an as-needed basis rather than paying for a set number of staff;
  - \$38,250 GF for the Hampton Roads Proton Beam Institute, which is a 7.5 percent reduction; and

- \$30,000 GF by eliminating the state match for a federal abstinence grant.
- ***Capture Administrative Savings.*** Reduces \$150,000 GF each year from administrative savings in the agency’s budget. Budget language allows the agency to spread the reduction across programs within the agency's budget.
- ***Transfer NGF Balances.*** The adopted budget transfers \$210,000 NGF in cash balances the second year to the general fund, reflecting the projected interest earnings for the following funds:
  - Waterworks Technical Assistance Fund;
  - Donations – Local Health Departments;
  - Trauma Center Fund;
  - Virginia Rescue Squads Assistance Grant Fund;
  - Water Supply Assistance Grant Fund;
  - Radioactive Materials Facility Licensure/Inspection Fund;
  - Medical and Physicians’ Assistant Scholarship and Loan Repayment Fund; and
  - Nursing Scholarship and Loan Repayment Fund.
- ***Reduce Agency Server Hardware.*** The adopted budget includes savings of \$200,000 GF the second year through consolidation of servers and storage.
- ***Capture Savings from Vacant Positions.*** Captures savings of \$96,000 GF the second year from vacant positions that have not been filled.

***Language***

- ***Transfer Food Programs to the Department of Education.*** The adopted budget includes language authorizing the Department of Planning and Budget to transfer a portion of the appropriation and positions to the Department of Education for certain components of the Summer Food Service Program and the At-Risk After Schools Meals Program.
- ***Expand the Sale of Vital Records.*** The adopted budget contains language that allows local health departments to sell birth, marriage and divorce records to the public. Currently, local health departments are only allowed to sell death records. In addition, the language also requires that 35 percent of the new revenue generated by the sale of the additional records at local health departments shall be

paid to the state Division of Vital Records to support the overall system. For death records, the local health departments are allowed to keep all of the revenue.

- *Eliminate Set-Aside for 12-Lead EKG Monitors.* Eliminates language in the budget requiring that \$400,000 in nongeneral funds from the Rescue Squad Assistance Fund (RSAF) be set aside for the purchase of 12-lead EKG monitors. The RSAF will continue to approve grants for the 12-lead monitors as they are presented, but the specific requirement for the use of the fund is no longer necessary.
- *Electronic Death Registration System Requirements.* Adds language requiring the state teaching hospitals to work with the Department of Health and Division of Vital Records to fully implement use of the Electronic Death Registration System (EDRS) for all deaths occurring within any Virginia state teaching hospital's facilities. Full implementation shall occur and be reported by the Division of Vital Records to the Chairmen of the House Appropriations and Senate Finance Committees by April 15, 2018, in alignment with Vital Records' plans to promulgate and market the EDRS.
- *Southwest Virginia Graduate Medical Education Consortium.* Eliminates language stating the Southwest Virginia Graduate Medical Education Consortium (GMEC) is a program of the University of Virginia (UVA) at Wise. GMEC is becoming an independent entity and is terminating its formal relationship with UVA at Wise.

- **Department of Health Professions**

- *Add Appropriation for Six Positions.* Adds \$275,813 NGF the first year and \$551,625 NGF the second year to support six new positions authorized in the 2016 Session to address higher workloads as a result of an increase in the number of licensees. The revenue to support the agency comes from licensing fees charged to regulated professions.
- *Prescription Drug Monitoring Program Demonstration.* Adds \$250,000 from nongeneral funds the second year and language directing the agency to develop and implement a real time prescription drug monitoring demonstration program with Medicaid prescribers. The source of nongeneral funds is from prescription drug monitoring funds matched with enhanced federal Health Information Technology for Economic and Clinical Health (HITECH) Act funds. Language requires the Department of Medical Assistance Services to apply for up to \$225,000 in federal HITECH Act funds and makes the program contingent on the receipt of the federal funds.

- ***Fund Additional Building Space.*** The adopted budget includes \$39,450 NGF the first year and \$168,345 NGF the second year to expand space for the agency in its current building. The revenue to support the agency comes from licensing fees charged to regulated professions.
- ***Cost of Legislation to Register Peer Recovery Specialists and Qualified Mental Health Professionals.*** Provides \$50,000 NGF the second year to support the costs of legislation in the 2017 Session that requires peer recovery specialists and other qualified mental health professionals to register with the Board of Counseling.
- ***Add Positions.*** Adds 12 positions to allow the agency to manage the increase in workload across the Health Regulatory Boards that license health professionals, enforce standards of practice, and provide information to health care practitioners and the public.

- **Department of Medical Assistance Services**

***Forecast Changes***

- ***Medicaid Utilization and Inflation.*** Adds \$73.3 million GF and \$100.1 million NGF in FY 2017 and \$174.5 million GF and \$143.7 million NGF in FY 2018 to fund expected increases in enrollment and medical costs for the Medicaid program. Medicaid spending is expected to increase by 7.4 percent and 4.3 percent, respectively, in FY 2017 and FY 2018; below the average annual growth rate of 7.8 percent over the past 12 years. However, these increases are applied to a larger Medicaid spending base as the FY 2016 expenditures increased by 8.5 percent. Spending growth in the program is largely due to an increase in specialty behavioral health services, Medicare Part B premiums, Part D prescription drug cost increases, increasing utilization in the fee-for-service program, and higher growth in home and community based waiver services.

The November 2016 Medicaid Forecast assumes that managed care rates will increase by 2.1 percent the first year and 5.2 percent the second year. Enrollment is expected to grow at 5 percent in FY 2017 and 2.4 percent in FY 2018. The forecast does not assume any additional “woodwork” effect from current federal Affordable Care Act enrollment, despite the unexpected impact experienced in the last half of FY 2015 and recent trends in this eligibility group.

- ***Adjust Appropriation from the Virginia Health Care Fund.*** The adopted budget decreases the appropriation for Medicaid by \$34.7 million GF in FY 2017 and \$9.2 million GF in FY 2018 and adds a like amount of nongeneral funds each year to reflect higher revenue to the Virginia Health Care Fund. Revenues from the Fund are used as a portion of the state’s match for the Medicaid program; therefore, higher revenues result in a reduction of the general fund appropriation needed to

maintain currently-funded Medicaid services. Conversely, lower revenues require additional general fund support. Revenues in the fund are derived from tobacco taxes, Medicaid recoveries and revenue maximization initiatives, and a portion of the Master Tobacco Settlement Agreement (41.5 percent of tobacco settlement revenues). The estimated change in the Fund assumes a \$26.8 million balance from FY 2016. Changes to the fund include:

- A decrease of \$8.5 million in FY 2017 and \$8.6 million in FY 2018 Medicaid recoveries;
  - An increase of \$19.0 million in FY 2017 and \$22.2 million in FY 2018 in expected pharmacy rebates; and
  - A decrease of \$2.8 million in FY 2017 and \$4.4 million in FY 2018 from projected reductions in tax collections from cigarettes and other tobacco products.
- ***Fund Family Access to Medical Insurance Security (FAMIS) Utilization and Inflation.*** Provides \$2.3 million GF and \$16.4 million NGF in FY 2017 and \$2.8 million GF and \$19.9 million NGF in FY 2018 to reflect the forecast of expenditures in the FAMIS program. The higher forecast is primarily driven by growth in managed care costs.

The FAMIS enrollment trend, which was declining in FY 2015 and FY 2016, has reversed and is increasing compared to FY 2016. The FAMIS program serves pregnant women and children under the age of 19 in families with income between 133 and 200 percent of poverty.

- ***Medicaid State Children’s Health Insurance Program (SCHIP) Utilization and Inflation.*** The adopted budget adds \$657,633 GF and \$4.4 million NGF in FY 2017 and adds \$927,937 GF and \$6.0 million NGF in FY 2018 to reflect the forecast of expenditures in the SCHIP program. As with the FAMIS program, the higher forecast is primarily due to higher managed care costs and an increasing number of children served by the program. Enrollment of children in the SCHIP program in FY 2016 increased 3 percent over FY 2015. The SCHIP program provides services for Medicaid-eligible low-income children living in families with incomes between 100 and 133 percent of the federal poverty level.
- ***Adjust Funding for Involuntary Mental Commitments.*** The adopted budget adds \$605,189 GF the second year for expected expenditure growth as a result of higher costs for hospital and physician services for persons subject to involuntary mental health commitment hearings. Legislation adopted by the 2014 General Assembly related to the duration of emergency custody and temporary detention orders has resulted in higher costs for these medical services.

*Policy Changes*

- *Modify and Create Slots in the New Developmentally Disabled (DD) Waivers.* The adopted budget includes language modifying the distribution of slots to be created across the three new developmental disability waivers. The three waivers are the Community Living (formerly Intellectual Disability) waiver, the Family and Individual Support (formerly Developmental Disability) waiver, and the Building Independence (formerly Day Support) waiver. In accordance with the Settlement Agreement with the U.S. Department of Justice, 440 slots are approved to be created in FY 2018. As a result of the waiver redesign, the new waivers are expected to better align services and supports with the needs of individuals, which results in a shift in need between the waivers allowing 144 new Family and Individual Support waiver slots to be created in FY 2018. The adopted budget includes changes to the slot allocation as follows:

Waiver	Current Slots	Adopted Slots
Community Living	415	180
Family and Individual Support	25	344
Building Independence	<u>0</u>	<u>60</u>
<b>Total</b>	<b>440</b>	<b>584</b>

- *Nursing Facility Payments in Managed Care.* Adds language directing the agency to amend the managed care regulations to reflect that payments for nursing facilities and specialized care services will not be less than the established per diem amounts set by the department's reimbursement methodologies. The language does not impact current contracts for long term care supports and services, but requires the managed care regulations to reflect existing practice.
- *Modify Supplemental Payment Methodology for Public Nursing Homes.* The adopted budget includes language related to supplemental Medicaid payments for local government-owned nursing homes that exempts residents admitted to these facilities from the CCC Plus program unless the department has secured federal approval to use a minimum fee schedule for these facilities. Currently five local-government owned nursing homes provide the Department of Medical Assistance Services (DMAS) with funding to draw down matching federal funds for reimbursement for services provided to Medicaid recipients. New federal regulations prevent Medicaid from making supplemental payments to these

facilities when DMAS implements its managed long-term care services and supports program (CCC Plus) on August 1, 2017.

- ***Allow Customized Rates for Sponsored Residential Services.*** The adopted budget includes sponsored residential services as an eligible service to receive customized rates in Medicaid for providing services to individuals with high needs.
- ***Implement Electronic Visit Verification.*** Includes language directing the agency to implement an Electronic Visit Verification (EVV) system for use by aides providing Medicaid consumer-directed personal care, respite care and companion services. In addition, it provides that the agency should work with agency-based service providers to develop standards for EVV systems that meet federal requirements. The federal 21st Century Cures Act requires states to use EVV for these services by January 1, 2019.
- ***Medicaid Appeals Process (This amendment was vetoed by the Governor).*** Modifies language regarding the Medicaid appeals process to: i) amend regulations to clarify that the informal appeals agent shall have the ability to close an informal appeal based on settlement between the parties up to \$250,000; ii) direct the agency to convene a workgroup to develop a plan to avoid or adjust retractions of Medicaid payments for non-material breaches of the Provider Participation Agreement when the provider has substantially complied with it; and iii) require the agency to report to the Chairmen of House Appropriations and Senate Finance Committees on the status of the plan to avoid retractions.

### ***New Spending***

- ***Fund Full Inflation for Nursing Facilities.*** Adds \$5.5 million GF the second year and a like amount of federal Medicaid matching funds to fund the full value of projected inflation (2.5 percent) for nursing facilities in FY 2018. Nursing facilities receive an annual inflation adjustment each year per Virginia regulations. In the 2016 Session, only half (1.25 percent) of the inflation adjustment was authorized and funded.
- ***Increase Nursing Facility Payments.*** The adopted budget adds \$3.3 million GF and \$3.3 million from matching federal Medicaid funds to increase payments for nursing homes effective July 1, 2017. Language changes the price percentages for direct and indirect care. The change will help mitigate the effect of rebasing nursing facility rates utilizing base year costs that reflect multiple years of artificially constrained payments due to budgetary constraints.
- ***Expand GAP Income Eligibility.*** Provides \$2.0 million from the general fund and \$2.0 million in federal matching Medicaid funds the second year to modify the income eligibility criteria for the Medicaid demonstration waiver program for

adults with serious mental illness in Medicaid from 80 to 100 percent of the federal poverty level effective October 1, 2017. Language also adds addiction recovery and treatment services, including partial day hospitalization and residential treatment to those services already provided through the waiver. A separate amendment provides additional funding for expansion-related mental health screenings and administrative costs.

- ***Modify Peer Group Assignment for Danville and Pittsylvania Nursing Facilities.*** The adopted budget provides \$1.6 million GF and a like amount of federal Medicaid matching funds to correct the unintended consequence of changing the designation of the Danville and Pittsylvania County peer group for purposes of calculating Medicaid nursing home reimbursement for nursing facilities located in these localities from a Metropolitan Statistical Area to a Micropolitan Statistical Area. The change occurred in 2013 as part of implementing the Medicaid Price-Based Payment System for nursing facilities.
- ***Restore FY 2018 Inflation for Medicaid Payments to Children's Hospital of the King's Daughters.*** Adds \$1.4 million GF and \$1.4 million from matching federal Medicaid funds the second year and strikes language which would have prohibited the payment of an inflation adjustment in inpatient hospital payments to Children's Hospital of the King's Daughters (CHKD) in FY 2018.
- ***Fund Medicaid Share of Same Day Access Services at Community Services Boards.*** Proposes \$1.3 million GF and an equivalent amount of federal Medicaid matching funds in the second year for the costs associated with the Same Day Access initiative at Community Services Boards (CSBs). This initiative provides funds to ensure CSBs are able to provide assessment and evaluation services on the same day an individual seeks services. The proposed funding is associated with individuals covered by Medicaid. A companion amendment in the Department of Behavioral Health and Developmental Services provides funds for individuals who are not Medicaid eligible.

### ***Administrative Funding***

- ***Medicaid Improvements in Long-Term Services and Supports Screening.*** Adds \$687,500 GF and a like amount of matching federal Medicaid funds the second year, four positions, and language to implement recommendations from a recent review of the Virginia Medicaid Program by the Joint Legislative Audit and Review Commission to improve the reliability of Medicaid screening for long-term services and supports.
- ***Fund Long-Term Care Requirements.*** The adopted budget includes \$478,394 GF and \$478,394 from matching federal Medicaid funds and seven positions for the agency to implement the provisions of Chapter 749 of the 2017 Acts of Assembly

(HB 2304) which reflects the JLARC recommendations related to spending in the Medicaid program. The bill primarily focuses on improving and standardizing training for preadmission screenings used in Medicaid to access long-term care services.

- ***Fund Medicaid Fraud Prevention and Prepayment Analytics.*** Adds \$371,000 GF and \$3.0 million from matching federal Medicaid funds for the fiscal impact of Chapter 750 of the 2017 Acts of Assembly (HB 2417) which directs the agency to establish a program, and hire a vendor, using prepayment analytics to mitigate the risk of improper payments to providers of services furnished under the state plan for medical assistance who commit fraud, abuse, or errors.
- ***Increase Managed Care Requirements and Oversight.*** Provides \$357,502 GF and a like amount of federal matching funds for one position and other related administrative costs of the agency's implementation of various Joint Legislative Audit and Review Committee (JLARC) recommendations related to oversight of the Medicaid managed care programs. Budget language requires the agency to establish a profit cap, increase managed care and agency reporting requirements, and strengthen actuarial rate-setting as recommended by JLARC in its December 2016 report on Medicaid Spending. Language also directs the agency to seek federal approval for a proposal for family cost-sharing for the optional 300 percent of Supplemental Security Income eligibility category.
- ***Fund Substance Use Disorder Waiver Evaluation.*** Adds \$150,000 GF and a like amount of federal Medicaid matching funds the second year to fund an independent evaluation of the new Addiction and Recovery Treatment (ARTS) waiver. As part of the approval of the waiver, the federal government requires an evaluation of the effectiveness of the ARTS initiative with external academic researchers.
- ***Corrects Funding for Managed Long-Term Services and Supports Initiative.*** Adds \$50,000 GF and reduces \$50,000 NGF the first year and adds \$125,000 GF and reduces \$125,000 NGF the second year to correct the fund split between state and federal funds for the Managed Long-Term Services and Supports Initiative. Administrative funding for this initiative was provided in the 2016 Session, but the split between funding source was incorrect.
- ***Administrative Costs Related to GAP Expansion.*** Provides \$111,521 GF and \$280,052 in enhanced federal Medicaid matching funds for the administrative costs associated with expanding the Medicaid demonstration waiver program for adults with serious mental illness (GAP) from 80 percent to 100 percent of the federal poverty level effective October 1, 2017. Funding will be used for additional mental health screenings, eligibility processing and other related

administrative costs. A companion amendment provides funding for the medical-related costs of the GAP expansion.

- ***Medicaid Managed Care Organization Reports on Pharmacy Claims.*** Adds \$76,427 GF and a like amount of federal matching Medicaid funds, one position, and language directing the agency to include language in all its managed care contracts requiring quarterly reports on details related to pharmacy claims. The language requires the agency to provide a report using aggregate data to the Chairmen of the House Appropriations and Senate Finance Committee on the implementation of this initiative and impact on program expenditures by December 1, 2017. The language includes provisions to ensure confidentiality and prohibit disclosure of proprietary information related to the report.
- ***Comply with Federal Access Reporting Requirements.*** Provides \$75,000 GF and a like amount of federal Medicaid matching funds the second year to conduct access to care reviews to comply with federal requirements. In November 2015, the federal government approved regulations requiring states to periodically review the adequacy of provider rates and their impact on access to care for various services.
- ***Fund Readiness Reviews for New Managed Care Organizations.*** The adopted budget includes \$67,572 GF and \$202,716 NGF the second year to conduct readiness reviews for new managed care organizations. These reviews are impartial assessments of whether managed care organizations are prepared to operate in Medicaid managed care.
- ***Fund Enhanced Staffing for Estate Recovery Efforts.*** Includes net savings of \$1.4 million GF and an increase of \$1.6 million NGF the second year for expanded estate recovery efforts. This initiative includes costs of \$124,406 GF and a like amount of federal Medicaid matching funds to add three positions to the estate recovery program, bringing the total number of positions to five. The additional recoveries are projected to result in increased revenue to the Health Care Fund of \$1.5 million, which supplants GF used as state match for Medicaid.

### ***Budget Reductions***

- ***October 2016 Savings Plan.*** The adopted budget reduces funding of \$2.0 million GF the first year to reflect the strategies included in the Governor’s October 2016 Savings Plan. Reductions in the plan continued in the second year are reflected as separate amendments.
- ***Continue FY 2017 Budget Reductions in FY 2018.*** Continues budget reduction strategies for FY 2017 in the second year for a savings of \$2.6 million GF, including:

- \$688,013 GF and a like amount of federal Medicaid matching funds from reducing contractor audits related to diagnosis related groups (DRG) payments to hospitals by using internal agency staff;
  - \$400,000 GF and a like amount of federal Medicaid matching funds from a delay in reprourement of certain contracts by exercising a one-year extension;
  - \$373,433 GF and a like amount of federal Medicaid matching funds from reducing contractor audits of durable medical equipment and pharmacy services by using internal agency staff;
  - \$279,887 GF and a like amount of federal Medicaid matching funds associated with improved agency operations and efficiencies in the agency;
  - \$264,113 GF and a like amount of federal Medicaid matching funds associated with savings due to normal turnover and vacancies in staff;
  - \$250,000 GF and a like amount of federal matching funds from rate setting and audits of institutional services as the agency moves towards implementing more price-based payment systems, which requires fewer resources;
  - \$250,000 GF and a corresponding increase in federal Medicaid matching funds to reflect a higher federal match rate for information technology (IT) positions; and
  - \$125,000 GF with a corresponding increase in federal Medicaid matching funds the second year to reflect a higher match rate for a major software license due to a change a federal policy.
- ***Reduce Costs for Call Center and Centralized Processing Unit.*** The adopted budget proposes a reduction of \$106,237 GF and \$318,711 in federal Medicaid matching funds the second year by reducing the contract costs of the Cover Virginia call center and the Central Processing Unit.
  - ***Maximize Intermediate Care Provider Assessment.*** Captures \$500,000 GF in savings by increasing the provider assessment on Intermediate Care Facilities for the Intellectually Disabled (ICF-ID) from the current assessment of 5.5 percent to the maximum allowed by federal law of 6 percent. The assessment on ICF-IDs generates additional state dollars used as matching funds to draw down federal Medicaid funds and applies to both private and state providers.
  - ***Capture Unsubscribed Funds for New Medicaid Medical Residencies.*** The adopted budget reduces \$500,000 GF and a like amount of federal matching

Medicaid dollars from unsubscribed funds for the Medicaid medical residency program for FY 2018. The 2016 General Assembly provided funding for a new program to fund 25 medical residency slots effective July 1, 2017, of which 13 were for primary care residencies and 12 for high-need specialty residencies. Currently, 15 residency slots have been awarded to hospitals for fiscal year 2018. Budget language reserves any unused funding for Medicaid residency slots to be used for future costs of the residency program and requires the agency to adjust the 2018-20 Medicaid forecast to include funding for the 25 residency slots approved by the 2016 General Assembly.

- ***Capture Administrative Savings.*** Captures \$250,000 GF and a like amount of federal funds the first year as administrative savings.

### ***Other Budget Actions***

- ***Developmental Disability Waivers Workgroup.*** Includes language creating an annual stakeholder’s workgroup for issues related to the developmental disability waiver programs. Specifically, the workgroup will examine issues related to the tools to assess individual support needs, the assigned payment levels for providers, and the communication of these matters to individuals, families, case managers, providers and others.
- ***Notice of MCO Rate Setting and Impact.*** The adopted budget includes language requiring the agency to notify the Director, Department of Planning and Budget, and the Chairmen of the House Appropriations and Senate Finance Committees 30 days prior to any rate change for Medicaid managed care companies, and to provide an estimate of the impact any such change on the state budget.
- ***Supplemental Medicaid Payments to Certain Teaching Hospitals.*** Provides authority for the agency to implement supplemental Medicaid payments to certain teaching hospitals affiliated with an accredited medical school based on the department's reimbursement methodology established for such payments and/or its contracts with managed care organizations. The state's share of funding for the supplemental payments shall be provided by the accredited medical schools, Eastern Virginia Medical School and the Virginia Tech Carilion School of Medicine. Companion amendments in the Higher Education portion and Part 4 of the appropriation act authorize the transfer of funds from these schools to the agency for this purpose.
- ***Revise Indirect Medical Education Payments for Children’s Hospital of the King’s Daughters.*** The adopted budget includes language related to indirect medical education (IME) payments to Children's Hospital of the King's Daughters (CHKD) to ensure that CHKD continues to receive Medicaid payments up to the uncompensated care cost limit as authorized by the General Assembly. This

amendment ensures that in light of recent federal action by the Centers for Medicare and Medicaid related to the calculation of DSH, CHKD will continue to receive total payments consistent with the intent of the General Assembly.

- *Medicaid Pharmacy Liaison Committee Meetings and Input.* Adds language directing the agency to meet with the Pharmacy Liaison Committee at least semi-annually and solicit input regarding pharmacy provisions in the development and enforcement of all managed care contracts.
- *Impact of Waiver Changes on Sponsored Residential Services.* Modifies language in the current appropriation act, approved by the 2016 General Assembly, to have the agency, in cooperation with the Department of Behavioral Health and Developmental Services, collect information and feedback related to payments to family homes and the impact of changes to the rates on family homes statewide from sponsored residential providers and family home providers.
- *Increase Availability of Agency Data to the Public.* Includes language requiring the agency to create a web-based interface for the public to easily access agency data by the end of FY 2018.
- *Line of Credit for the Health Care Fund.* The adopted budget includes language in Part 3 of the budget bill to provide the Health Care Fund with a \$12.0 million line of credit, used in cases where agencies need to maintain cash flow for expenditures while waiting for anticipated revenues. The proposed line of credit is intended to allow the agency to use all tobacco tax collections in June for Medicaid expenditures prior to the end of the fiscal year. Currently, a large portion of the revenue is deposited too late to be used for expenditures in the fiscal year it is collected.
- *Technical Adjustment for Federal Appropriation in Medicaid and Provider Incentive Payments.* Includes a net reduction of \$12.0 million in federal funds that reflects two technical actions. The federal appropriation for federal incentive provider payments for electronic health records is reduced by \$20.0 million each year to reflect the decline in payments as the program nears its end. The federal appropriation for Medicaid is increased by \$8.0 million each year to reflect an oversight from the 2016 Session in which GF was transferred to the appropriation for state facilities, but not the equivalent federal share.

- **Department of Behavioral Health and Developmental Services (DBHDS)**

*Mental Health and Substance Use Disorder Treatment Services*

- *Add Funds for Community Behavioral Health Services.* Provides \$4.4 million GF and \$5.0 million in federal funds the second year to increase funding to

community services boards (CSBs) to address service gaps and help reduce admissions to state mental health facilities. Funds will be used for the following services:

- \$5.0 million NGF from the federal State Targeted Response to the Opioid Crisis Grant for opioid treatment services to approximately 700 individuals, and includes language allowing the funding to be used for non-narcotic, non-addictive, injectable treatments;
  - \$2.5 million GF for discharge assistance services for 150 individuals at state mental health hospitals who are facing extraordinary barriers to community placement;
  - \$1.0 million for detoxification services for 250 individuals; and
  - \$880,000 GF to provide an additional community gero-psychiatric team to work with nursing homes and geriatric individuals with mental illness.
- ***Add Funds for Assessment Services at Community Services Boards (CSBs).*** The adopted budget adds \$6.2 million GF and \$1.3 million NGF the second year to help 25 CSBs provide same-day access to assessment services. Of this amount, \$4.9 million GF is provided in the budget for DBHDS and the remaining GF and NGF funding is provided in the budget for the Department of Medical Assistance Services for those services provided on behalf of Medicaid recipients. Funding will be used for additional staffing to provide intake and increase mental health evaluations. Funding will also be used for consultation services to help the remaining CSBs prepare for future implementation of same-day access to services. A companion amendment to the budget in the Department of Medical Assistance Services provides \$1.3 million GF and a like amount of federal Medicaid matching funds.
- ***Expand Permanent Supportive Housing for Mentally Ill.*** Adds \$4.9 million GF the second year to expand permanent supportive housing for individuals with serious mental illness. The program is evidence-based and provides supportive services and rental subsidies to allow individuals with serious mental illness to live in the community and prevent unnecessary hospitalizations, homelessness, or interactions with the criminal justice system. In addition to the program funding, \$100,000 GF is provided in a separate amendment to support one position to oversee the program.
- ***Add Funding for Local Inpatient Bed Purchases for Adults, Children and Geriatric Patients.*** Proposes funding of \$3.0 million GF in FY 2018 for local inpatient purchase of service (LIPOS) program for adults, children and geriatric patients to

divert and discharge these individuals from state psychiatric facilities. Funding is provided in the following manner:

- \$1.25 million GF to divert adults from state mental health hospitals to private inpatient psychiatric beds;
  - \$1.0 million GF to divert and discharge children from the Commonwealth Center for Children and Adolescents to private inpatient psychiatric beds or other appropriate community-based services, based on service plans developed for those children who are ready for discharge; and
  - \$750,000 GF to divert and discharge geriatric patients from state geriatric mental health treatment facilities to private inpatient psychiatric beds or other appropriate community-based services, based on service plans developed for those individuals who are ready for discharge.
- ***Fund Opiate Overdose Reversal Kits.*** Provides \$200,000 NGF the second year from the federal State Targeted Response to the Opioid Crisis Grant to provide funding for the purchase and distribution of 9,000 additional REVIVE! Kits and 6,600 units of Narcan Nasal Spray which are used to revive individuals who have overdosed on opiates. Each kit includes equipment to conduct two opiate overdose reversals.
- ***Add Position to Coordinate Medication Assisted Treatment Programs.*** Provides \$78,750 GF the second year to add one position to coordinate medication assisted treatment programs for individuals with substance use disorders.

#### ***Facility Mental Health Services***

- ***Address Special Hospitalization Costs at State Facilities.*** Provides \$1.6 million GF each year to address the increase in special hospitalization costs for individuals residing in state facilities, including the Virginia Center for Behavioral Rehabilitation. Spending on special hospitalization expenditures to provide outside medical care to facility residents at the 9 mental health facilities has almost doubled since FY 2013.
- ***Add Direct Care Staff at Catawba Hospital.*** The adopted budget adds \$805,281 GF the second year to fund 10 direct care positions at Catawba Hospital. Additional staff is needed to handle the increase in admissions and patients in need of direct supervision. Recent changes in law have doubled the number of temporary detention order admissions to the facility.
- ***Add Direct Care Staff at Piedmont Geriatric Treatment Center.*** The adopted budget adds \$474,447 GF the second year to fund 10 direct care positions to handle the increase in admissions at the facility.

- ***Increase Pharmacy Budget at Western State Hospital (WSH).*** Provides \$305,000 GF the second year to increase the pharmacy budget at WSH to address the increased census and discharge rates. Individuals who are discharged from the facility are provided with a 14-day supply of needed medication to ensure continuity of care until outpatient services begin. Recent changes in mental health laws have resulted in more admissions and discharges.
- ***Add Staff at the Virginia Center for Behavioral Rehabilitation.*** Adds \$301,805 GF the second year for 12 additional security and vocational positions to address the growing census at the facility.
- ***Increase Child Psychiatrist Services at the Commonwealth Center for Children and Adolescents.*** Provides \$269,985 GF the second year to add one full-time psychiatrist at the facility to ensure both units are staffed with a psychiatrist.
- ***Add Staffing at the Northern Virginia Mental Health Institute (NVMHI).*** Adds \$256,488 GF the second year for four additional security officers at the facility. The facility is experiencing a higher number of jail transfers, as well as an increase in admissions and acuity of individuals admitted to the facility.
- ***Transfer Funds from Northern Virginia Training Center (NVTC) to NVMHI.*** Includes the transfer of \$136,822 GF the second year from NVTC to NVMHI to support operations that had been shared by the facilities prior to the closure of NVTC.

#### ***Intellectual and Developmental Disabilities Services***

- ***Provide Appropriation from Behavioral Health and Developmental Services (BHDS) Trust Fund for Building Community Capacity.*** Appropriates \$8.6 million the second year from the BHDS Trust Fund to be spent on services to expand community capacity for individuals with intellectual and developmental disabilities. Language specifies that the funds will be used for crisis stabilization services, quality improvement and expanding community-based housing, primarily in the Northern Virginia catchment area. The additional funding is anticipated from the sale of the Northern Virginia Training Center.

#### ***Budget Reductions***

- ***Governor's October 2016 Budget Reductions.*** Includes reduction strategies announced in October 2016 for a savings of \$5.1 million GF in FY 2017.
- ***Continue FY 2017 Budget Reductions in FY 2018.*** Continues budget reduction strategies for FY 2017 in the second year for a savings of \$3.6 million GF, including:

- \$2.5 million GF from unobligated funding available due to the closure of the Northern Virginia Training Center;
- \$239,005 GF from reduced costs for transitioning individuals from training centers who are not eligible for Medicaid;
- \$222,000 GF in reduced costs to operate the background check program;
- \$202,595 GF from personnel actions to eliminate, layoff, or adjust salaries for positions;
- \$200,000 GF from reductions in VITA expenditures on computer and telecom hardware; and
- \$140,000 GF from eliminating funding for the DOJ transition tracking system, which had been delayed and is no longer necessary.

### *Language*

- *Developmental Disability Waiver Reporting Requirements.* Requires the agency to report on implementation of the Developmentally Disabled (DD) Waiver programs and the management and characteristics of individuals on the waiting list for services through the DD Waiver programs. The agency is required to report on these items to the Chairmen of the House Appropriations and Senate Finance Committees by October 15, 2017.
- *Modify Language Capping Carryforward Amount of Unexpended Special Fund Balances.* Includes language to lower the cap on amounts that can be carried forward into the next fiscal year of unexpended special fund balances from \$30.0 million to \$25.0 million. Language also clarifies that this cap applies only to special funds, and would not apply to balances in the Behavioral Health and Developmental Services Trust Fund.
- **Department for Aging and Rehabilitative Services**
  - *Fully Fund Care Coordination for the Elderly Virginians Program.* Provides \$490,000 GF the second year for the Care Coordination for the Elderly Virginians Program. This program provides care coordination services for low-income older Virginians throughout the Commonwealth. Language is added to clarify that in fiscal year 2018, the number of Area Agencies on Aging (AAAs) authorized to use the funding for the program shall increase from 18 to 25. The Governor’s October 2016 Budget Reductions eliminated funding for the program only in FY 2017. This action resumes the program in FY 2018 across all AAAs.

- ***Add Funds to Expand Office of the Long-Term Care Ombudsman.*** The adopted budget adds \$395,124 GF and \$395,124 in matching federal Medicaid funds and six positions to expand the state Office of the Long-Term Care Ombudsman to support the new Medicaid Managed Long-Term Services and Support (MLTSS) waiver. The federal Centers for Medicare and Medicaid require the Commonwealth to ensure an independent ombudsman program is available to resolve any problems that arise between managed care organizations and Medicaid recipients participating in the MLTSS waiver and to ensure that participants have access to conflict free counseling on their plan choice as well as independent enrollment or disenrollment.
- ***Governor’s October 2016 Budget Reductions.*** Includes reduction strategies announced in October 2016 for a savings of \$2.4 million GF the first year.
- ***Restorations of FY 2017 Budget Reductions.*** The adopted budget in separate amendments restores funding in FY 2017 that was reduced in the October 2016 Budget Reductions, as follows:
  - \$375,000 GF to fully restore the reduction for brain injury services;
  - \$200,000 GF to fully restore the reduction for Centers for Independent Living;
  - \$200,000 GF to fully restore the reduction for the Long Term Employment Support Services program; and
  - \$145,834 GF to fully restore the Pharmacy Connect program operated by Mountain Empire Older Citizens.
- ***Capture Administrative Savings.*** Reduces funding by \$45,000 GF in FY 2017 and \$534,240 GF in FY 2018 through streamlining operations and reducing discretionary expenditures, by the following actions:
  - \$289,083 GF from three position layoffs in agency administration and the continuation of savings from FY 2017 from streamlining payroll processing;
  - \$178,721 GF from operations in the Office of Community Integration, Community Rehabilitation Case Management Services and Community Based Services;
  - \$45,000 GF in FY 2017 from administrative efficiencies;
  - \$34,951 GF from restructuring the workforce in the Policy and Legislative Affairs Office; and

- \$31,485 GF from reducing management and oversight for brain injury services, Centers for Independent Living and Long-Term Employment Support Services.

- **Woodrow Wilson Rehabilitation Center**

- *Appropriate Nongeneral Funds to Reflect Revenues.* Increases funding by \$1.3 million NGF each year of the biennium to reflect changes in the most recent nongeneral fund revenue projections.
- *Governor’s October 2016 Budget Reductions.* Includes reduction strategies announced in October 2016 for a savings of \$252,755 GF in FY 2017.

- **Department of Social Services**

*Spending Increases*

- *Fund Increase in Child Welfare Services per Federal Mandate.* Provides \$5.5 million GF and \$2.5 million NGF the second year to fund an increase in child welfare services as required by federal law. Since federal FY 2010, the program criteria for an applicable child for federal Title IV-E adoption assistance have resulted in an increase in children eligible for federal funding. These children were fully state-supported, resulting in state savings. These savings are required by federal law to be reinvested in the child welfare system. The introduced budget proposes using these “reinvestment” funds in the following manner:
  - \$977,000 GF and \$2.5 million in matching federal funds to update the child welfare information system to make it mobile for workers to use in the field;
  - \$1.3 million GF to add local workers to address an increase in child protective services assessments and investigations of substance exposed infants; and
  - \$3.2 million GF to add local workers to handle increasing workloads for child and adult protective services and adoption case management.
- *Restore Funds for VITA Costs of Transitioning from UNISYS Mainframe to Virginia Case Management System (VaCMS).* Restores \$4.0 million GF the first year and \$7.2 million NGF the first year and \$4.6 million GF and \$8.5 million NGF the second year for projected information systems operating costs through VITA and other systems costs related to the transition from the UNISYS system to the Virginia Case Management System. The agency is experiencing system redundancy costs as it terminates use of the UNISYS mainframe, which was not

accounted for in VITA reductions that were proposed and subsequently adopted in Chapter 780 of the 2016 Acts of Assembly.

- ***Fund Foster Care and Adoption Forecast.*** The adopted budget includes a net increase of \$2.0 million GF and \$6.0 million NGF the first year and a reduction of \$383,327 GF and an increase of \$6.7 million NGF the second year for forecast changes to the foster care and adoption programs. Title IV-E foster care expenditures are expected to increase by \$4.9 million GF and \$4.9 million NGF the first year and \$3.2 million GF and \$3.2 million NGF the second year. Title IV-E Adoption subsidies are projected to increase by \$1.2 million GF the first year and \$1.2 million NGF and \$3.5 million GF and \$3.5 million NGF the second year. The increased GF costs for the Title IV-E foster care and adoption programs are partially offset by a projected decline in state adoption subsidies by \$4.0 million GF the first year and \$7.1 million GF the second year. The source of the nongeneral fund is federal matching Title IV-E funds.
- ***Fund Title IV-E Foster Care for Exposed Infants.*** Includes an additional \$957,600 GF and \$957,600 NGF the second year for a projected increase in foster care placements for substance exposed infants.
- ***Food Stamp Program Replacement of EBT Cards (The bill was vetoed by the Governor).*** Provides \$121,315 GF and \$121,315 NGF and one position to implement the provisions of House Bill 2207, which requires the agency to take steps to identify, notify and monitor recipients of the food stamp program who make excessive requests (more than four) for the replacement of an electronic benefit transfer card.
- ***Review of Records for Eligibility for Public Assistance (The bill was vetoed by the Governor).*** Adds \$75,000 GF and \$75,000 from nongeneral funds to implement the provisions of House Bill 2092 which requires the review of additional data sources by local staff in determining eligibility for public assistance. A portion of the funding is for one-time costs to make systems and process changes to allow data sharing of Lottery winnings for the purpose of determining financial eligibility for public assistance.
- ***Increase Appropriation for Child Care and Development Fund (CCDF) Block Grant Award.*** Increases the appropriation for the CCDF by \$4.2 million NGF each year of the biennium. This reflects Virginia’s allocation of the CCDF, which is used for child care financial assistance and quality improvement activities for child care programs.
- ***Increase Appropriation for Central Registry Search Fees.*** Increases the special fund appropriation for the child protective services (CPS) hotline by \$100,000 NGF

each year of the biennium. The hotline is funded through fees charged to conduct central registry searches. This action reflects the revenues generated by the fees.

### *Temporary Assistance to Needy Families (TANF) Block Grant Funding*

- *Adjust Funding for Mandatory TANF Benefits.* Reduces spending on cash assistance provided to TANF recipients by \$15.2 million NGF the first year and \$15.9 million NGF the second year to reflect the spending forecast for TANF income benefits and TANF VIEW child care subsidies. TANF spending for mandated benefits has declined in recent years and is expected to decline by 20 percent over the amounts appropriated in Chapter 780. The adopted budget further redistributes funding within the federal TANF block grant program to address the declining caseload for mandatory child care under the Virginia Initiative for Employment not Welfare (VIEW) program by a reduction of almost \$5.0 million NGF each year.

These reductions are offset by additional TANF spending allocations included in the adopted budget that includes:

- \$7.5 million NGF the second year for a new program for community employment and training programs, of which \$2.0 million is directed at grants to Employment Services Organizations (ESOs) to be allocated to qualifying programs through a memorandum of understanding with the agency, which sets out performance measures and outcomes and is contingent upon a local match of at least 25 percent (including in-kind services);
- \$90,000 GF and \$2.5 million NGF to reorganize the three locality groupings for Temporary Assistance to Needy Families (TANF) cash assistance into only two by combining Groups I and II and applying the rates in Group II to everyone in the group, resulting in a modest increase in TANF cash assistance payments;
- \$2.0 million NGF the second year for a 2.5 percent increase in the cash assistance benefit payment beginning July 1, 2017;
- \$1.3 million NGF the second year to supplant GF monies for the Virginia Early Childhood Foundation;
- \$825,500 NGF the second year to supplant GF monies for the Child Advocacy Centers; and
- \$500,000 NGF the second year to supplant \$200,000 in GF monies for Northern Virginia Family Services and an additional amount to offset the loss of federal grants.

Finally, the proposed TANF budget reflects a decrease of \$2.8 million NGF the first year and an increase of \$900,000 the second year in transfers to the Child Care and Development (CCDF) block grant. A companion action increases the federal funding for the block grant by \$4.2 million each year of the biennium, lessening the need for TANF transfers to provide child care subsidies to low-income working families.

### ***Budget Reductions***

- ***Supplant GF with Federal Temporary Assistance to Needy Families (TANF) Funds.*** Supplants \$2.3 million GF in FY 2018 with a like amount of federal TANF block grant funds for the Virginia Early Childhood Foundation, Child Advocacy Centers and the Northern Virginia Family Services (amounts indicated above) which meet the intent of TANF funding.

## TANF Block Grant Funding Adopted FY 2017 and FY 2018

	CH 836 (HB 1500, as Adopted) <u>FY 2017</u>	CH 836 (HB 1500, as Adopted) <u>FY 2018</u>
<b>TANF Resources</b>		
Annual TANF Block Grant Award	\$158,285,172	\$158,285,172
Carry-Forward From Prior Fiscal Year	<u>99,130,637</u>	<u>91,985,120</u>
<b>Total TANF Resources Available</b>	<b>\$257,415,539</b>	<b>\$250,270,292</b>
<b>TANF Expenditures</b>		
<i>VIP/VIEW Core Benefits and Services</i>		
TANF Income Benefits	\$36,615,108	\$45,431,357
VIEW Employment Services	13,612,144	13,612,144
VIEW Child Care Services	7,234,225	7,234,225
TANF Caseload Reserve	<u>2,000,000</u>	<u>2,000,000</u>
<b>Subtotal VIP/VIEW Benefits and Services</b>	<b>\$59,461,477</b>	<b>\$68,277,726</b>
<i>Administration</i>		
State Administration	\$3,002,653	\$3,002,653
Information Systems	4,052,023	4,052,023
Local Staff and Operations	45,513,536	45,513,536
Eligibility System Maintenance/IT	<u>1,000,000</u>	<u>1,000,000</u>
<b>Subtotal Administration</b>	<b>\$53,568,212</b>	<b>\$53,568,212</b>
<i>TANF Programming</i>		
Healthy Families/Healthy Start	\$9,035,501	\$9,035,501
Community Action Agencies	4,250,000	4,250,000
CHIP of Virginia (VDH)	2,400,000	2,400,000
Local Domestic Violence Prevention Grants	3,346,792	3,346,792
EITC Grants	185,725	185,725
Boys and Girls Club	1,000,000	1,000,000
Resource Mothers (VDH)	1,000,000	1,000,000
Local Employment and Training Program	0	7,500,000
Virginia Early Childhood Foundation	0	1,250,000
Child Advocacy Centers	0	825,500
Northern Virginia Family Services	0	500,000
<b>Subtotal TANF Programming</b>	<b>\$21,218,018</b>	<b>\$29,899,018</b>
<b>Total TANF Expenditures</b>	<b>\$134,247,707</b>	<b>\$153,139,456</b>
<b>Transfers to other Block Grants</b>		
CCDF for At-Risk Child Care	\$12,857,212	\$16,601,336
CCDF for Head Start Wraparound Services	2,500,000	2,500,000
SSBG for Children's Services Act	9,419,998	9,419,998
SSBG for Local Staff Support	<u>6,405,502</u>	<u>6,405,502</u>
<b>Total TANF Transfers</b>	<b>\$31,182,712</b>	<b>\$34,926,836</b>
<b>Total TANF Expenditures &amp; Transfers</b>	<b>\$165,430,419</b>	<b>\$188,066,292</b>

- *Capture Administrative Savings.* Reduces funding of \$819,747 GF and \$819,747 NGF in FY 2018 from program management, administrative support services and licensing services. Nongeneral funds represent cost recoveries for administration of programs in which funding is shared by the federal government.
- *Capture Surplus in Funding from the Auxiliary Grant Program.* Reduces \$500,000 GF the second year from the Auxiliary Grant program. Fewer individuals are expected to participate in the program. Expenditures in the program have steadily declined by slightly more than one percent per year on average of over the past four fiscal years.
- *Reduce Funding for Unemployed Parent Program.* Reduces funding by \$500,000 GF for the Unemployed Parent Program due to a continuing decline in caseload.
- *Governor's October 2016 Budget Reductions.* Includes reduction strategies announced in October 2016 for a savings of \$421,685 GF in FY 2017.
- *Eliminate Funding for Youth for Tomorrow.* Eliminates \$100,000 GF in FY 2018 used to support Youth for Tomorrow.

#### *Language*

- *Modify Reporting Requirement for Report on Adoptions.* Changes the reporting frequency on adoptions from quarterly to annually.

- **Virginia Board for People with Disabilities**

- *Governor's October 2016 Budget Reductions.* Includes reduction strategies announced in October 2016 for a savings of \$10,910 GF in FY 2017.
- *Capture Information Technology Savings.* Includes \$16,365 GF in savings the second year from information technology storage savings.

- **Department for the Blind and Vision Impaired**

- *Add Appropriation for Virginia Industries for the Blind.* Provides \$6.5 million NGF the first year and \$3.0 million NGF the second year to cover anticipated spending associated with expanding business opportunities.
- *Adjust Nongeneral Fund Appropriation and Position Level.* The adopted budget includes \$1.5 million NGF the first year and \$1.7 million NGF the second year to match the agency's projected expenditures. Five positions are also added for workforce assistance and audits that would be supported with existing revenue.
- *Supplant GF with Federal Vocational Rehabilitation Funds.* Supplants \$387,771 GF the second year with a corresponding increase in federal funds by moving

expenditures that could be paid for from the federal Vocational Rehabilitation grant.

- *Governor's October 2016 Budget Reductions.* Includes reduction strategies announced in October 2016 for a savings of \$266,508 GF in FY 2017.
- *Staff Vacancy Savings.* Includes savings of \$92,474 GF the second year by delaying hiring to fill vacant positions.

- **Virginia Rehabilitation Center for the Blind and Vision Impaired**

- *Reduce Funding for Training.* Reduces funding by \$27,750 GF the second year for the training of blind and vision impaired individuals who do not qualify for support through the federal Vocational Rehabilitation grant.
- *Governor's October 2016 Budget Reductions.* Includes reduction strategies announced in October 2016 for a savings of \$18,500 GF in FY 2017.