



Office of Health & Human Resources

Summary

The Health and Human Resources secretariat includes agencies responsible for service delivery and management of the Commonwealth's responses to some of the most critical human resource issues Virginia has faced in the past and will face in the future. The agencies in the Health and Human Resources secretariat promote self-sufficiency and independence. Priorities for agencies in the secretariat are to strengthen families, improve care and treatment for Virginians who are mentally or physically impaired, increase awareness and accessibility of long-term care for Virginians, and assure affordable and accessible health care for Virginians. In addition, the health and human resources agencies ensure quality care and safety for citizens through inspection programs for food safety, environmental health, hospitals and nursing homes as well as oversight of certain professions such as doctors, nurses, and counselors.

Summary of recommended funding for Health and Human Resources agencies

Agency	Fiscal year 2003			Fiscal year 2004		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Health and Human Resources	0.8	0.2	1.0	0.8	0.2	1.0
Comprehensive Services for At-Risk Youth and Families	131.1	34.0	165.1	138.9	34.4	173.3
Department for the Aging	16.4	24.6	41.0	16.4	24.6	41.0
Department for the Deaf And Hard-of-Hearing	1.4	0.1	1.6	1.4	0.1	1.6
Department of Health	144.7	273.7	418.4	144.8	273.7	418.5
Department of Health Professions	0.0	16.1	16.1	0.0	15.8	15.8
Department of Medical Assistance Services	1,699.4	1,830.1	3,529.5	1,839.8	1,917.5	3,757.2
Department of Mental Health, Mental Retardation & Substance Abuse Services	434.4	332.9	767.3	435.6	332.9	768.5
Department of Rehabilitative Services	27.6	96.3	123.9	27.6	96.5	124.1

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<i>Agency</i>	<i>Fiscal year 2003</i>			<i>Fiscal year 2004</i>		
	<i>GF</i>	<i>NGF</i>	<i>All funds</i>	<i>GF</i>	<i>NGF</i>	<i>All funds</i>
Woodrow Wilson Rehabilitation Center	5.6	19.4	25.0	5.6	19.4	25.0
Department of Social Services	284.7	1,133.4	1,418.1	288.9	1,189.2	1,478.1
Virginia Board for People with Disabilities	0.1	1.5	1.7	0.1	1.5	1.7
Virginia Department for the Blind and Vision Impaired	7.0	20.9	27.9	7.0	21.9	28.9
Virginia Rehabilitation Center for the Blind and Vision Impaired	0.2	1.7	2.0	0.2	1.7	2.0
Total for Office of Health and Human Resources	2,753.5	3,785.1	6,538.5	2,907.1	3,929.5	6,836.6

Dollars in millions. Figures may not add due to rounding. See "How to read the summary tables" on page B-1.

Secretary of Health and Human Resources

The Secretary of Health and Human Resources is appointed by the Governor and assists the Governor in the management and direction of state government. This Secretary provides guidance to the 13 agencies and organizations in the Health and Human Resources secretariat. The Secretary's office receives no federal funds.

Recommended funding change:

- ▶ **Adjust funding for rental charges.** Adjusts the agency's appropriation in response to the development of new rates for rental space at the seat of government. The new rates were developed to account for increases in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2003, an increase of \$1,518 (GF). For 2004, an increase of \$3,004 (GF).

Comprehensive Services For At-Risk Youth and Families

The 1992 General Assembly enacted legislation to develop a method to improve services for youth with emotional or behavioral problems and to control the escalating costs to state and local governments of residential care for these youth. Known as the Comprehensive Services Act for At-Risk Youth and Families, the legislation created a collaborative system of services and funding that is child-centered, family-focused, and community-based. The mechanisms created by the Comprehensive Services Act include consolidation of eight categorical funding streams from four state agencies into a State Funds Pool that is distributed to localities on a formula basis and a State Trust Fund to provide venture capital for localities to initiate and expand community-based services. Under the act, interagency teams work at both the state and local levels. Training and technical assistance are provided to localities as they reconfigure their service-delivery systems. In 2001, 8.2 percent of Comprehensive Services Act spending was from federal funds.

Recommended funding changes:

- ▶ **Fund mandated foster care and special education services.** Additional funds to continue mandated special education and foster care services to Virginia's at-risk youth. This proposal will continue the state's collaborative effort with localities. Furthermore, these funds will cover increased costs, while

allowing Virginia to remain a leader in serving at-risk youth. For 2003, \$63.7 million (GF) and \$2.1 million (NGF). For 2004, \$74.0 million (GF) and \$2.5 million NGF).

- ▶ **Restructure Comprehensive Services Act match rate to leverage federal funds.** An adjustment in funds to alter the match rates for services reimbursed through the Comprehensive Services Act. The adjustment will eliminate the required local match on services reimbursed through Medicaid and establish a statewide match rate of 50 percent for non-Medicaid expenditures. This proposal will foster an incentive for localities to increase their use of federal funds through Medicaid and Title IV-E rather than relying on funding through the Comprehensive Services Act. For 2003, a reduction of \$12.2 million (GF). For 2004, a reduction of \$14.7 million (GF).
- ▶ **Fund the Comprehensive Services Act Trust Fund through the federal Temporary Aid for Needy Families (TANF) grant.** An adjustment in general fund to support the Community Services Trust Fund for Youth and Families through the federal TANF grant administered by the Department of Social Services. This action will ensure continued support of this community based-activity. For each year, a reduction of \$1.1 million (GF).

Virginia Department for the Aging

The department administers and manages programs for older Virginians and their families through a network of 25 local area agencies on aging and other contractors. About 95 percent of the agency's budget provides home and community-based services such as care coordination (case management), homemaker, personal care, adult day care, home delivered and congregate meals, and transportation. In 2001, more than 200,000 older Virginians and their families received these services. The department also promotes the protection of older citizens and their rights, manages the Public Guardian and Conservator Program, provides fiscal oversight for the Office of the State Long-Term Care Ombudsman, and administers prevention services. In 2001, 60.2 percent of the agency's spending was from federal funds.

Recommended funding changes:

- ▶ **Provide funding for Pharmacy Connect in Southwest Virginia.** Adds funding to continue Pharmacy Connect, a program operated by an area agency on aging in Southwest Virginia. The program assists medically-indigent Virginians to apply for low-cost or free medications provided by the pharmaceutical companies. In fiscal year 2001, Pharmacy Connect helped over 6,800 individuals apply to receive over \$5.7 million (wholesale value) in pharmaceuticals. For each year, \$371,000 (GF).
- ▶ **Adjust nongeneral fund appropriation for community services employment for older Americans.** A technical adjustment to provide appropriation for an employment program for older Virginians. Executive Order 67 (2000) transferred this program from the Governor's Employment and Training Department (GETD) to this agency. As a result, the agency needs additional nongeneral fund appropriation to operate the program. For each year, \$3.0 million (NGF). For 2003, one position (NGF).
- ▶ **Adjust appropriation of federal dollars for the National Family Caregiver Support Program.** A technical adjustment to provide nongeneral fund appropriation for the operation of the caregiver support program. Title III-E of the 2000 Older Americans Act created this program to allow states to develop systems of support to ease the burden on hundreds of thousands of family caregivers nationwide. For each year, \$2.4 million (NGF).

Department for the Deaf and Hard-of-Hearing

The department provides a variety of programs to assist Virginians who are deaf or hard-of-hearing, their families, and the professionals who serve them. Its outreach services include specialized training, technical assistance, and information and referral to more than 90,000 Virginians.

The interpreter program maintains a directory of qualified interpreters for businesses and professionals who need to communicate with individuals who are deaf or hard-of-hearing. The agency also coordinates an average of 1,500 requests each year for interpreters to serve in courts, state government, and legislative activities. The quality assurance screening program provides skills assessment for an average of 400 interpreters each year and awards screening levels to those who meet established standards.

The technology assistance program issues over 1,200 coupons for assistive devices each year. The department also oversees the Virginia Relay Service with a center located in Norton. This service relays more than 125,000 telephone calls per month. The department has a small special fund appropriation. It does not receive any federal funding.

Recommended funding change:

- ▶ **Achieve savings from the reduction in workers' compensation premiums.** Savings resulting from a reduction in workers' compensation premiums paid by state agencies on behalf of their employees. Workers' compensation premiums are based in large part on the claims experience of agencies. A low claims experience results in a reduction in premiums. This action allows the agency to retain 25 percent of the premium reduction as an incentive to maintain good workplace safety. For 2003, a savings of \$307 (GF). For 2004, a savings of \$149 (GF).

Virginia Department of Health

The Virginia Department of Health provides public health, environmental, and medical services through 132 local health departments. Forty-five percent of the department's budget supports health services for mothers and children. The department spends about 18 percent of its appropriation to protect the public from diseases and health hazards caused by the unsanitary disposal of sewage, unsafe water, unsafe handling of food and beverages, and unnecessary exposure to radiation and hazardous materials. An additional 15 percent of the budget is spent to prevent and control the spread of contagious diseases. The department's clinics immunize about one-third of Virginia's children against vaccine-preventable illnesses.

The department tests, diagnoses, and treats people with contagious diseases. It registers almost 300,000 births, deaths, adoptions, marriages, and divorces each year and provides over 300,000 copies of such records to the public. To limit medical care costs and encourage the adequate distribution of health care, the department regulates the purchase of expensive medical equipment and the construction of medical facilities. The department is also responsible for providing information to consumers on the quality and costs of medical care. The medical examiner system investigates violent and unexpected deaths and provides expert testimony in criminal cases. The department provides funds to the emergency medical services system, certifies personnel, and licenses agencies. Finally, the department licenses and inspects hospitals, nursing homes, and other medical establishments.

In 2001, 40 percent of the agency's spending was from federal funds. About 25 percent of its spending came from other nongeneral fund sources such as fees and local government matching funds and contributions.

Recommended funding changes:

- ▶ **Transfer sexual assault program to the Department of Criminal Justice Services.** A technical adjustment to transfer the general fund appropriation for the sexual assault program to the Department of Criminal Justice Services, which has administered the program since July 1999. For each year, a reduction of \$835,000 (GF).
- ▶ **Transfer funds to the Department of Criminal Justice Services to cover a portion of the maintenance and operating costs associated with the Norfolk Public Health Building.** This technical adjustment transfers a portion of the funds needed for the maintenance and operation of the Norfolk Public Health Building to the Department of Criminal Justice Services. For each year, a reduction of \$200,000 (GF).
- ▶ **Continue funding for information technology network infrastructure.** Additional operating funds to support the department's essential information technology management infrastructure, including VISION (Virginia Information Systems Integrated Online Network.) The infrastructure is the backbone of agency operations, supporting every program and service provided by local health departments. The additional funding is needed to meet existing obligations and stabilize the current network structure. For each year, \$3.0 million (GF).
- ▶ **Maximize the use of Temporary Assistance for Needy Families (TANF) in the Virginia Department of Health.** Savings to be generated by replacing eligible general fund support for the Comprehensive Health Investment Project (CHIP) of Virginia, the Virginia Fatherhood Campaign, and several teen pregnancy prevention programs. For each year, a savings of \$1.5 million (GF).
- ▶ **Achieve savings from the reduction in workers' compensation premiums.** Savings resulting from a reduction in workers' compensation premiums paid by state agencies on behalf of their employees. Workers' compensation premiums are based in large part on the claims experience of agencies. A low claims experience results in a reduction in premiums. This action allows the agency to retain 25 percent of the premium reduction as an incentive to maintain good workplace safety. For 2003, a savings of \$25,341 (GF). For 2004, a savings of \$11,903 (GF).
- ▶ **Adjust funding for rental charges.** Adjusts the agency's appropriation in response to the development of new rates for rental space at the seat of government. The new rates were developed to account for increases in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2003, an increase of \$468,204 (GF). For 2004, an increase of \$508,488 (GF).

Department of Health Professions

The department regulates health and health-related occupations through 13 boards that register, certify, or license about 250,000 practitioners such as doctors, nurses, dentists, and nursing home administrators. Each year the department reviews and analyzes about 3,800 complaints alleging misconduct, conducting more than 2,800 investigations. Its total budget is supported by nongeneral fund sources, mostly licensing fees. The agency does not receive any federal funds.

Recommended funding change:

- ▶ **Fund additional rent costs associated with the relocation of agency operations.** Additional nongeneral fund appropriation to fund increased rent costs associated with the required relocation of the Department of Health Professions. For 2003, \$554,382 (NGF). For 2004, \$287,728 (NGF).

Department of Medical Assistance Services

The department administers Medicaid, a federal-state program that pays for the medical care of more than 617,000 Virginians. Medicaid has been one of the largest and fastest-growing programs in the state budget. More than 97 percent of the department's budget goes directly to more than 28,000 hospitals, physicians, nursing homes, pharmacies, health maintenance organizations, and others who provide medical care to eligible Medicaid clients.

In November 1998, the department initiated the Children's Medical Security Insurance Plan (CMSIP) that pays for medical care for children up to age 19 in low-income families that do not qualify for Medicaid. On August 1, 2001, the department transitioned from CMSIP, a Medicaid look-alike program, to the Family Access to Medical Insurance Security (FAMIS) Program. FAMIS uses a simplified enrollment process and a benefit package similar to the one offered to the children of state employees. As of November 2001, about 35,000 children were enrolled in the FAMIS program.

In 2001, 51.6 percent of the agency's Medicaid spending was from federal funds. The department's budget also includes small amounts of general and special funds for other indigent health care programs.

Recommended funding changes:

- ▶ **Provide funding for utilization and inflation.** Additional funds for increased use of Medicaid services by recipients (utilization) and anticipated increases in the costs of those services (inflation) in the General Medicaid, Mental Illness Services, and Mental Health/Mental Retardation Community Services programs. For the 2002-2004 biennium, Medicaid costs are expected to be affected by the recent growth in the number of indigent children and families enrolled in Medicaid, expansion of the managed care program planned for December 2001, increases in rates paid to health maintenance organizations, implementation of a revised reimbursement methodology for nursing facilities in 2003, change in coverage of non-emergency transportation services, and continued growth in pharmacy services and the Mental Retardation Waiver program. This funding will ensure that quality care is provided in a cost-effective and efficient manner. For 2003, \$235.2 million (GF) and \$181.9 million (NGF). For 2004, \$351.7 million (GF) and \$286.5 million (NGF).
- ▶ **Fund all current Mental Retardation Waiver slots.** Increased funds for the 5,386 Mental Retardation (MR) Waiver slots currently approved by the Centers for Medicare and Medicaid Services (CMS), formerly the Health Care Financing Administration (HCFA), the federal agency responsible for overseeing the Medicaid program. The MR Waiver has a mandatory federal feature called the waiver slot. CMS and the Commonwealth decide on a maximum number of individuals who will be on the Waiver at any time. For 2003, \$9.0 million (GF) and \$9.3 million (NGF). For 2004, \$9.0 million (GF) and \$9.2 million (NGF).
- ▶ **Increase Mental Retardation Waiver slots.** Additional funds to support 150 new Mental Retardation Waiver slots. The 5,386 currently approved slots have reached capacity. These 150 additional slots will address a need that currently exists for mental retardation services in the community. For each year, \$2.9 million (GF) and \$3.0 million (NGF).
- ▶ **Eliminate the shortfall in the mental health and mental retardation facilities.** Additional funds to use as match to draw down projected Medicaid revenues for treatment of Medicaid-eligible clients at mental health and mental retardation facilities. This funding will ensure the continuity of treatment for Virginians with mental disabilities. For 2003, \$13.7 million (GF) and \$14.1 million (NGF). For 2004, \$13.7 million (GF) and \$14.0 million (NGF).

- ▶ **Provide funding to address the shortfall resulting from the reclassification of pharmacy rebates.** Restores Medicaid funding lost when it was determined that it was no longer appropriate for the department to continue its practice of reclassifying prior year pharmacy rebates as expenditure refunds. These rebates are now being classified as prior year revenue. For 2003, \$11.7 million (GF) and \$12.1 million (NGF). For 2004, \$11.7 million (GF) and \$11.9 million (NGF).
- ▶ **Complete development of the new Medicaid claims processing system.** Increases funds to ensure the completion of the development and implementation of the Commonwealth's new Medicaid claims processing system. An effective operating system is required by the Centers for Medicare and Medicaid Services for a state's participation in the federal Medicaid program. Failure to develop the new system would result in a disallowance of federal funding for Virginia's Medicaid program. Federal funds will pay for 90 percent of costs to develop the new system. For 2003, \$996,882 (GF) and 0.50 position (GF), and \$6.6 million (NGF) and 1.5 positions (NGF). For 2004, \$212,761 (GF), and \$638,279 (NGF).
- ▶ **Adjust funding for the Family Access to Medical Insurance Security Plan.** Reduces funds for the Family Access to Medical Insurance Security (FAMIS) Plan due to slower-than-originally-estimated enrollment and a revised estimate issued by the State Corporation Commission's Bureau of Insurance of the premium differential to be transferred to the FAMIS Trust Fund. The adjustment does not place any limitation on qualified children of Virginia's low-income working families receiving quality medical care. For 2003, a reduction of \$1.7 million (GF) and \$965,074 (NGF).
- ▶ **Receive funding for previous Elderly and Disabled Waiver consumers.** A technical adjustment to transfer funding from the Department of Mental Health, Mental Retardation and Substance Abuse Services to address the movement of some recipients from the Elderly and Disabled Waiver to the Mental Retardation Waiver. By moving between waivers, these consumers will receive enhanced and more appropriate services. For each year, \$2.7 million (GF) and \$2.7 million (NGF).
- ▶ **Receive Utilization Review funding and positions.** A technical adjustment to transfer funding and positions for the Utilization Review function from the Department of Mental Health, Mental Retardation and Substance Abuse Services. For 2003, \$300,380 (GF) and 4.25 positions (GF), and \$381,097 (NGF) and 5.75 positions (NGF). For 2004, \$300,380 (GF) and \$381,097 (NGF).
- ▶ **Fund indigent health care.** Additional resources for unreimbursed indigent health care services provided by the Virginia Commonwealth University (VCU) Health System Authority (\$30.7 million) and the University of Virginia (UVA) Medical Center (\$4.0 million). For 2004, \$34.7 million (GF)
- ▶ **Increase the number of agency positions.** Allows the department to hire additional staff to implement a multi-year federal grant that it has been awarded. No state funding will be necessary, as the salaries for these positions will be paid from the grant. For each year, two positions (NGF).
- ▶ **Achieve savings by reducing pharmaceutical costs further below the average wholesale price by increasing discounts.** Savings to be achieved by revising the formula by which the current pharmacy reimbursement is calculated. This action changes the formula from the "average wholesale price" (AWP) minus nine to the AWP minus 11. The AWP list is produced by First Databank, which receives cost data primarily from manufacturers. It represents the average of all wholesaler costs across the country. For 2003, a savings of \$6.1 million (GF) and \$6.3 million (NGF). For 2004, a savings of \$6.7 million (GF) and \$6.8 million (NGF).
- ▶ **Achieve savings by maximizing federal financial participation through optimizing Medicaid claims, recovering costs, and reducing eligibility determinations.** Savings to be achieved by pursuing opportunities for the Commonwealth to receive more federal financial participation than cur-

rently received by Virginia's Medicaid program. Other states have employed similar efforts with successful results. For each year, a savings of \$19 million (GF) and an increase of \$19 million (NGF).

- ▶ **Achieve savings by deferring the expansion of Medicaid coverage to include substance abuse services.** Savings to be achieved by deferring the expansion of substance abuse services as a Medicaid program indefinitely. The needs of the individuals who would benefit from this expansion are already being served by other programs offered through the Governor's Substance Abuse Reduction Effort (SABRE) and the Department of Mental Health, Mental Retardation and Substance Abuse Services. For each year, a savings of \$5.1 million (GF) and \$5.4 million (NGF).
- ▶ **Achieve savings by improving Medicaid through more stringent medical oversight of patients in specific disease categories.** Savings to be achieved by adding new disease categories to the agency's current disease management effort. Currently, the agency operates disease management programs for diabetes, hypertension/congestive heart failure, depression, gastroesophageal reflux disease/peptic ulcer disease, and asthma/chronic obstructive pulmonary disease. This savings initiative will add new disease categories including, but not limited to, smoke-related diagnoses, HIV/AIDS, arthritis, Alzheimer's, cystic fibrosis, and schizophrenia. For 2003, an increase of \$350,000 (GF) and \$350,000 (NGF). For 2004, a savings of \$10.4 million (GF) and \$10.6 million (NGF).
- ▶ **Achieve savings by limiting hospital payments to 80 percent of total costs.** Savings to be achieved by setting hospital reimbursement rates at about the marginal cost of Medicaid inpatient hospital services. For 2003, a savings of \$11.1 million (GF) and \$11.4 million (NGF). For 2004, a savings of \$11.5 million (GF) and \$11.7 million (NGF).

Department of Mental Health, Mental Retardation and Substance Abuse Services

The department treats, trains, and cares for about 7,631 people with mental illness, mental retardation, or substance abuse problems. It operates ten psychiatric facilities and five training centers with a capacity of about 3,633 beds. Operating these facilities accounts for 64 percent of the department's budget. The facilities provide psychiatric and rehabilitative services, medical care, self-help, and social skills training. They offer special mental health programs for the elderly, children, adolescents, and the criminally insane.

The department provides policy guidance and direction, program monitoring, consultation, and state and federal funds to 40 Community Services Boards providing services in all 136 cities and counties in Virginia. These boards, which are agencies of their local governments, serve more than 201,600 individuals with mental illness, mental retardation, or substance abuse problems in community-based settings. The boards offer emergency, local inpatient, outpatient, case management, day support, residential, prevention, and early intervention services. Over 30 percent of the department's budget goes for community services, 40 percent if the community services match funds (in the budget of the Department of Medical Assistance Services) are included.

About 43.5 percent of the department's budget comes from nongeneral funds such as federal grants and fees paid by or on behalf of patients and residents. In 2001, 8.2 percent of the department's spending was from federal funds, not including Medicaid.

Recommended funding changes:

- ▶ **Transfer funding for previous Elderly and Disabled Waiver consumers.** A technical adjustment to transfer funding to the Department of Medical Assistance Services to address the movement of some recipients from the Elderly and Disabled Waiver to the Mental Retardation Waiver. By moving be-

tween waivers, these consumers will receive enhanced and more appropriate services. For each year, a reduction of \$2.7 million (GF).

- ▶ **Transfer Utilization Review funding and positions.** A technical adjustment to transfer funding and positions for Utilization Review to the Department of Medical Assistance Services. For 2003, \$300,380 (GF) and 10 positions (GF), and \$381,097 (NGF). For 2004, \$300,380 (GF) and \$381,097 (NGF).
- ▶ **Adjust federal appropriation to reflect reimbursement changes.** A technical adjustment to permit the receipt of administrative reimbursement from the Department of Medical Assistance Services and to reflect decreases in reimbursement from federal lunch and education programs. For each year, \$1.3 million (NGF).
- ▶ **Enhance staffing at training centers.** Additional funding to enhance staffing at training centers for the mentally retarded. Increased professional and direct care staff will ensure appropriate, effective, and timely care to clients served at Southeastern Virginia Training Center, Central Virginia Training Center, Southside Virginia Training Center, and Southwestern Virginia Training Center. For 2003, \$1.7 million (GF) and \$1.8 million (NGF). For 2004, \$1.7 million (GF) and \$1.7 million (NGF).
- ▶ **Implement a program to treat violent sexual predators.** Funding to develop a secure program to assess and treat persons with violent sexual disorders. Effective treatment, and therefore a lower rate of repeat offenses, requires a combination of effective screening, comprehensive treatment specific to sex offenders, and intensive long-term monitoring. Treatment is required for continued commitment. For 2004, \$954,208 (GF) and one position (GF).
- ▶ **Achieve savings from the reduction in workers' compensation premiums.** Savings resulting from a reduction in workers' compensation premiums paid by state agencies on behalf of their employees. Workers' compensation premiums are based in large part on the claims experience of agencies. A low claims experience results in a reduction in premiums. This action allows the agency to retain 25 percent of the premium reduction as an incentive to maintain good workplace safety. For 2003, a savings of \$391,606 (GF). For 2004, a savings of \$182,832 (GF).
- ▶ **Adjust funding for rental charges.** Adjusts the agency's appropriation in response to the development of new rates for rental space at the seat of government. The new rates were developed to account for increases in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2003, an increase of \$8,119 (GF). For 2004, an increase of \$48,417 (GF).

Department of Rehabilitative Services

The department helps people with disabilities obtain employment and maximize their independence. It receives funding through the federal Rehabilitation Services Administration. Through 40 community-based field offices, the department provides and purchases vocationally related services needed by individuals to reach their employment goals. In 2001, the department helped place 4,016 persons with disabilities into employment. It administers several programs that emphasize longer-term needs of individuals with physical and sensory disabilities, and that complement the agency's primary vocational rehabilitation program. The department also operates and maintains the Woodrow Wilson Rehabilitation Center and is under contract with the U.S. Social Security Administration to administer its Disability Determination Services program in Virginia. In 2001, 69.6 percent of the agency's spending was from federal funds.

Recommended funding change:

- ▶ **Increase nongeneral fund appropriation for Disability Determination Services.** Increases federal appropriation in response to unprecedented increases in service demand for Disability Determination Services. Since 1994, there has been a 25 percent increase in claims and increased time spent per claim due to policy changes made by the Social Security Administration. For 2003, \$12.6 million (NGF) and 10 positions (NGF). For 2004, \$12.8 million (NGF).

Woodrow Wilson Rehabilitation Center

The center, located in Fishersville, provides comprehensive rehabilitation services for persons with severe disabilities who need multiple services to help them obtain or retain employment. The center offers comprehensive residential and outpatient medical rehabilitation programs. Interdisciplinary teams provide vocational, medical, and independent living services. The center served 2,594 people in fiscal year 2001. Its revenues come from a variety of sources including federal vocational rehabilitation support, the state's general fund, reimbursements from insurance claims, and other earned revenue. In 2001, less than one percent of the agency's spending was from federal funds.

No recommended funding changes

Department of Social Services

The department helps low-income families move from dependence to self-sufficiency, assists working families with day care and other services, and helps custodial parents obtain financial support for their children from absent parents.

The agency spends almost 40 percent of its budget to establish financial obligations, collect, and disburse child support payments from parents who do not have custody of their children. Child support disbursements for fiscal year 2001 exceeded the prior year's level by \$49.2 million, or 13 percent.

Only eight percent of the agency's budget supports Temporary Assistance to Needy Families (TANF), the federal block grant program that provides temporary cash assistance and other services to low-income families with children, and the associated Unemployed Parent (UP) cash assistance program. Increasingly, these funds are being used for programs other than cash assistance that help people attain self-sufficiency and avoid dependence on traditional welfare. Under the Commonwealth's welfare reform program, enacted in 1995, the TANF caseload declined over 60 percent from March 1995 through September 2001. As of August 2001, 5,821 recipients were working and earning an average of \$942 per month.

Almost four percent of the agency's funding helps individuals through other direct financial assistance, while local agencies use almost nine percent of the department's budget to determine eligibility for the Food Stamp and Medicaid programs and to provide Food Stamps to individuals.

The department spends over 14 percent of its funding to protect Virginia's children and adults from abuse and neglect, to provide day care services for children in working families that do not receive cash assistance, and to provide chore and companion services for handicapped and frail elderly adults in their own homes.

State administrative costs, over half of which are devoted to computer services, use about six percent of the department's budget.

About 78 percent of the agency's total budget comes from nongeneral fund sources. In 2001, over 43 percent of agency spending was from federal funds and 35 percent was from special funds, largely child support collections passed through to custodial parents.

Recommended funding changes:

- ▶ **Fund mandated foster care maintenance and adoption subsidy payments.** Additional funds to continue mandated payments to foster care and special needs adoption children. These funds ensure that the state fulfills its obligation to these children in need and provide a 2.1 percent mandated rate increase to be effective July 1, 2003. For 2003, \$15.6 million (GF) and \$15.4 million (NGF). For 2004, \$22.5 million (GF) and \$21.8 million (NGF).
- ▶ **Meet federal mandate to operate an Electronic Benefits Transfer (EBT) system for Food Stamps.** Additional funding to support implementation of a federally-mandated Electronic Benefits Transfer system that will allow Food Stamp recipients to purchase food with an electronic card readable at the point of sale. A contractor will operate the system. For 2003, \$2.0 million (GF) and \$2.0 million (NGF). For 2004, \$1.9 million (GF) and \$1.9 million (NGF).
- ▶ **Fund federal mandated spending to improve Food Stamp eligibility and benefits accuracy, based on prior error rates.** Provides funds to reinvest in corrective actions to improve the Commonwealth's accuracy on Food Stamp eligibility and benefits determinations. These funds will help meet federal requirements related to performance through the most recent audited federal fiscal year (2000). For 2003, \$1.4 million (GF). For 2004, \$162,035 (GF).
- ▶ **Fund child support enforcement operations.** Additional funds to provide continued support to the state's child support collection efforts. The funds will help maintain current staffing levels and activities by covering the reduction in resources from retained Temporary Assistance for Needy Families (TANF) collections. For 2003, an increase of \$417,081 (GF) and a decrease of \$417,081 (NGF). For 2004, an increase of \$1.0 million (GF) and a decrease of \$1.0 million (NGF).
- ▶ **Replace old computers used on mission-critical systems by over 150 offices.** Funds to support the replacement of 1700 computers statewide through the Master Equipment Lease Program. This includes 1300 critical systems in local departments that support the Commonwealth's Online Automated Services Information System (OASIS). In addition, 400 computers are required to meet the growing needs of child support enforcement and statewide management activities. For each year, \$564,565 (GF) and \$678,419 (NGF).
- ▶ **Fund the Comprehensive Services Assistance and Review Team.** Additional funds to support technical assistance and review activities with local governments through the Comprehensive Services Act. The funds will support a team of professionals to conduct site visits and coordinate activities with local governments. The team will report directly to the Director of the Office of Comprehensive Services. For 2003, \$293,965 (GF) and four positions (GF). For 2004, \$293,965 (GF).
- ▶ **Fund eligible community services with the Temporary Assistance for Needy Families (TANF) grant.** Provides funds from the federal TANF grant to eligible state and community-based services. These activities include the Comprehensive Services Act Community Services Trust Fund for Youth and Families, the Virginia Fatherhood Campaign, teen pregnancy prevention activities, the Comprehensive Health Investment Project of Virginia, and competitive grants for state and community-based services. For each year, \$15.9 million (NGF).
- ▶ **Increase nongeneral fund appropriation to support current operations and reflect anticipated revenues.** A technical adjustment to provide nongeneral fund appropriation to cover revenue increases related to existing operations. Child support enforcement collections, which are paid to custodial parents, are estimated to increase by \$100 million in 2003 and by \$150 million in 2004. Smaller items include federal match for the general fund already included in the base for local salary increases (\$3.0 million annually) and increases in federal funds passed through to localities (\$21.5 mil-

lion annually) for activities for which localities provide 100 percent of the required non-federal matching funds. For 2003, \$124.5 million (NGF). For 2004, \$174.5 million (NGF).

- ▶ **Adjust position level for the Division of Child Support's payment processing operation.** A technical adjustment to adjust the position level for the division in order to permanently convert staff who handle payment-processing operations to classified positions. These positions will provide long-term stability and continuity to this critical activity. For 2003, 25 positions (NGF).
- ▶ **Authorize capital leases from operating budget.** Authority for continuation and new capital outlay leases on the Richmond central office Theater Row Building and four child support district offices. These leases will be paid from the operating budget. This action is contained in Budget Bill language and has no direct budget impact.
- ▶ **Propose consolidation of local departments of social services management.** Provides for the development of a plan by the Virginia Department of Social Services to streamline social service operations through the consolidation of local offices, designation of satellite offices, and other management efficiencies. The plan would be submitted through the Secretary of Health and Human Resources to the Governor for approval and implementation no later than January 1, 2003. For 2003 a reduction of \$1.0 million (GF). For 2004, a reduction of \$3.0 million (GF).
- ▶ **Achieve savings from the reduction in workers' compensation premiums.** Savings resulting from a reduction in workers' compensation premiums paid by state agencies on behalf of their employees. Workers' compensation premiums are based in large part on the claims experience of agencies. A low claims experience results in a reduction in premiums. This action allows the agency to retain 25 percent of the premium reduction as an incentive to maintain good workplace safety. For 2003, a savings of \$5,122 (GF). For 2004, a savings of \$8,014 (GF).

Virginia Board for People with Disabilities

The board serves as the Developmental Disabilities Planning Council for addressing the needs of people with disabilities. The board advises the Secretary of Health and Human Resources and the Governor on issues related to people with disabilities in Virginia.

The major activities of the board include administering the developmental disabilities competitive grant programs that provide federal funds to initiate major disability service innovations and the Partners in Policymaking Program that provides leadership training for parents of children with disabilities. The board also awards the James C. Wheat, Jr. Award, which recognizes individuals for outstanding service to Virginians with disabilities. In addition, it provides staff support to the Legislative Disability Commission, which considers the needs of people with physical and sensory disabilities. In 2001, 86.6 percent of the board's spending was from federal funds.

Recommended funding changes:

- ▶ **Increase federally funded positions.** Provides two additional nongeneral fund positions to coordinate two ongoing federal programs, the Partners in Policymaking program and the Youth Leadership Forum program. These programs are currently staffed by wage employees. For 2003, two positions (NGF).
- ▶ **Adjust funding for rental charges.** Adjusts the agency's appropriation in response to the development of new rates for rental space at the seat of government and changes in the agency's space needs. For 2003, a savings of \$5,274 (GF). For 2004, a savings of \$5,154 (GF).

Virginia Department for the Blind and Vision Impaired

The department assists people who are blind, visually impaired, or deafblind to achieve their highest level of independence. Based on individualized assessments, it provides vocational training and specialized equipment to prepare blind people for employment, special education services to promote academic success, and independent living services to enhance personal autonomy and responsibility. It also assists people with partial sight to fully utilize their remaining vision; creates employment for blind people as food service managers; and provides recorded, taped, and other special library materials for persons with print disabilities.

The department operates six regional offices, the Virginia Rehabilitation Center for the Blind, a library and resource center, and two Virginia Industries for the Blind manufacturing plants. In 2001, 27.2 percent of the department's spending was from federal funds.

Recommended funding changes:

- ▶ **Adjust nongeneral fund appropriation for Virginia Industries for the Blind.** A technical adjustment to reflect increased revenues and expenditures. Additional stores and satellite offices have opened recently, creating the need for additional appropriation. For 2003, \$6.7 million (NGF). For 2004, \$7.7 million (NGF).
- ▶ **Adjust federal appropriation for vocational rehabilitation services.** A technical adjustment to align federal appropriation and expenditures. This additional federal appropriation will be used to provide vocational rehabilitation services to blind, visually impaired, and deafblind Virginians. For each year, \$513,638 (NGF).
- ▶ **Achieve savings from the reduction in workers' compensation premiums.** Savings resulting from a reduction in workers' compensation premiums paid by state agencies on behalf of their employees. Workers' compensation premiums are based in large part on the claims experience of agencies. A low claims experience results in a reduction in premiums. This action allows the agency to retain 25 percent of the premium reduction as an incentive to maintain good workplace safety. For 2003, a savings of \$6,694 (GF). For 2004, a savings of \$3,612 (GF).

Virginia Rehabilitation Center for the Blind and Vision Impaired

The center provides training in personal adjustment skills and the use of adaptive computer equipment to prepare blind people to live independently and to enter the workforce. The center trains blind people for employment as customer service representatives and evaluates blind people for employment as vending stand operators. In 2001, 86.8 percent of the center's spending was from federal funds.

No recommended funding changes



Office of Health & Human Resources

Detail Tables

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
SECRETARY OF HEALTH AND HUMAN RESOURCES						
2002 legislative appropriation	828,658	178,508	1,007,166	828,658	178,508	1,007,166
Adjustments to legislative appropriation	(13,672)	1,811	(11,861)	(13,672)	1,811	(11,861)
Activity-based budget	814,986	180,319	995,305	814,986	180,319	995,305
Recommended funding change:						
▶ Adjust funding for rental charges	1,518	0	1,518	3,004	0	3,004
Total recommended funding change	1,518	0	1,518	3,004	0	3,004
Total recommended funding	816,504	180,319	996,823	817,990	180,319	998,309
% change over activity-based budget	0.19%	0%	0.15%	0.37%	0%	0.30%
Position level:						
2002 legislative appropriation	8.00	2.00	10.00	8.00	2.00	10.00
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	8.00	2.00	10.00	8.00	2.00	10.00
COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND FAMILIES						
2002 legislative appropriation	80,655,144	31,890,661	112,545,805	80,655,144	31,890,661	112,545,805
Adjustments to legislative appropriation	0	0	0	0	0	0
Activity-based budget	80,655,144	31,890,661	112,545,805	80,655,144	31,890,661	112,545,805
Recommended funding changes:						
▶ Fund mandated foster care and special education services	63,693,989	2,141,436	65,835,425	73,994,888	2,510,617	76,505,505
▶ Restructure Comprehensive Services Act match rates to leverage federal funds	(12,193,715)	0	(12,193,715)	(14,727,553)	0	(14,727,553)
▶ Fund the Comprehensive Services Act Trust Fund through the federal Temporary Aid for Needy Families (TANF) grant	(1,064,245)	0	(1,064,245)	(1,064,245)	0	(1,064,245)
Total recommended funding changes	50,436,029	2,141,436	52,577,465	58,203,090	2,510,617	60,713,707
Total recommended funding	131,091,173	34,032,097	165,123,270	138,858,234	34,401,278	173,259,512
% change over activity-based budget	62.53%	6.71%	46.72%	72.16%	7.87%	53.95%
Position level:						
2002 legislative appropriation	0	0	0	0	0	0
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	0	0	0	0	0	0

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
DEPARTMENT FOR THE AGING						
2002 legislative appropriation	16,039,180	19,218,123	35,257,303	16,039,180	19,218,123	35,257,303
Adjustments to legislative appropriation	(15,825)	12,999	(2,826)	(15,825)	12,999	(2,826)
Activity-based budget	16,023,355	19,231,122	35,254,477	16,023,355	19,231,122	35,254,477
Recommended funding changes:						
▶ Adjust nongeneral fund appropriation for community services employment for older Americans	0	3,033,798	3,033,798	0	3,033,798	3,033,798
▶ Adjust appropriation of federal dollars for the National Family Caregiver Support Program	0	2,354,500	2,354,500	0	2,354,500	2,354,500
▶ Provide funding for Pharmacy Connect in Southwest Virginia	371,000	0	371,000	371,000	0	371,000
Total recommended funding changes	371,000	5,388,298	5,759,298	371,000	5,388,298	5,759,298
Total recommended funding	16,394,355	24,619,420	41,013,775	16,394,355	24,619,420	41,013,775
% change over activity-based budget	2.32%	28.02%	16.34%	2.32%	28.02%	16.34%
Position level:						
2002 legislative appropriation	17.00	10.00	27.00	17.00	10.00	27.00
Recommended position level changes	0	1.00	1.00	0	1.00	1.00
Total recommended positions	17.00	11.00	28.00	17.00	11.00	28.00
DEPARTMENT FOR THE DEAF AND HARD-OF-HEARING						
2002 legislative appropriation	1,468,348	137,557	1,605,905	1,468,348	137,557	1,605,905
Adjustments to legislative appropriation	(25,612)	(170)	(25,782)	(25,612)	(170)	(25,782)
Activity-based budget	1,442,736	137,387	1,580,123	1,442,736	137,387	1,580,123
Recommended funding change:						
▶ Achieve savings from the reduction in workers' compensation premiums	(307)	0	(307)	(149)	0	(149)
Total recommended funding change	(307)	0	(307)	(149)	0	(149)
Total recommended funding	1,442,429	137,387	1,579,816	1,442,587	137,387	1,579,974
% change over activity-based budget	(0.02%)	0%	(0.02%)	(0.01%)	0%	(0.01%)
Position level:						
2002 legislative appropriation	14.00	0	14.00	14.00	0	14.00
Recommended position level changes	(.96)	.96	0	(.96)	.96	0
Total recommended positions	13.04	.96	14.00	13.04	.96	14.00
DEPARTMENT OF HEALTH						
2002 legislative appropriation	143,062,225	274,865,497	417,927,722	143,062,225	274,865,497	417,927,722
Adjustments to legislative appropriation	748,210	(1,137,633)	(389,423)	748,210	(1,137,633)	(389,423)
Activity-based budget	143,810,435	273,727,864	417,538,299	143,810,435	273,727,864	417,538,299
Recommended funding changes:						
▶ Transfer sexual assault program to the Department of Criminal Justice Services	(835,000)	0	(835,000)	(835,000)	0	(835,000)

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Transfer funds to the Department of Criminal Justice Services to cover a portion of the maintenance and operating costs associated with the Norfolk Public Health Building	(200,000)	0	(200,000)	(200,000)	0	(200,000)
▶ Continue funding for information technology network infrastructure	2,993,000	0	2,993,000	2,993,000	0	2,993,000
▶ Adjust funding for rental charges	468,204	0	468,204	508,488	0	508,488
▶ Maximize the use of Temporary Assistance for Needy Families (TANF) in the Virginia Department of Health	(1,500,000)	0	(1,500,000)	(1,500,000)	0	(1,500,000)
▶ Achieve savings from the reduction in workers' compensation premiums	(25,341)	0	(25,341)	(11,903)	0	(11,903)
Total recommended funding changes	900,863	0	900,863	954,585	0	954,585
Total recommended funding	144,711,298	273,727,864	418,439,162	144,765,020	273,727,864	418,492,884
% change over activity-based budget	0.63%	0%	0.22%	0.66%	0%	0.23%
Position level:						
2002 legislative appropriation	1,719.00	1,971.00	3,690.00	1,719.00	1,971.00	3,690.00
Recommended position level changes	(49.00)	(80.00)	(129.00)	(49.00)	(80.00)	(129.00)
Total recommended positions	1,670.00	1,891.00	3,561.00	1,670.00	1,891.00	3,561.00
DEPARTMENT OF HEALTH PROFESSIONS						
2002 legislative appropriation	40,000	14,906,245	14,946,245	40,000	14,906,245	14,946,245
Adjustments to legislative appropriation	(40,000)	651,842	611,842	(40,000)	651,842	611,842
Activity-based budget	0	15,558,087	15,558,087	0	15,558,087	15,558,087
Recommended funding change:						
▶ Fund additional rent costs associated with the relocation of agency operations	0	554,382	554,382	0	287,728	287,728
Total recommended funding change	0	554,382	554,382	0	287,728	287,728
Total recommended funding	0	16,112,469	16,112,469	0	15,845,815	15,845,815
% change over activity-based budget	0%	3.56%	3.56%	0%	1.85%	1.85%
Position level:						
2002 legislative appropriation	0	133.00	133.00	0	133.00	133.00
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	0	133.00	133.00	0	133.00	133.00
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES						
2002 legislative appropriation	1,477,236,021	1,622,054,835	3,099,290,856	1,477,236,021	1,622,054,835	3,099,290,856
Adjustments to legislative appropriation	(11,706,800)	(17,322,586)	(29,029,386)	(11,706,800)	(17,310,485)	(29,017,285)
Activity-based budget	1,465,529,221	1,604,732,249	3,070,261,470	1,465,529,221	1,604,744,350	3,070,273,571
Recommended funding changes:						
▶ Provide funding to address the shortfall resulting from the reclassification of pharmacy rebates	11,700,000	12,061,170	23,761,170	11,700,000	11,950,697	23,650,697
▶ Receive funding for previous Elderly and Disabled Waiver consumers	2,666,800	2,749,122	5,415,922	2,666,800	2,723,942	5,390,742

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Receive utilization review funding and positions	300,380	381,097	681,477	300,380	381,097	681,477
▶ Provide funding for utilization and inflation	235,219,985	181,956,741	417,176,726	351,684,637	286,548,193	638,232,830
▶ Fund all current Mental Retardation Waiver slots	9,000,000	9,277,823	18,277,823	9,000,000	9,192,844	18,192,844
▶ Increase Mental Retardation Waiver slots	2,900,000	2,989,521	5,889,521	2,900,000	2,962,139	5,862,139
▶ Eliminate the shortfall in the mental health and mental retardation facilities	13,700,000	14,122,908	27,822,908	13,700,000	13,993,552	27,693,552
▶ Adjust funding for the Family Access to Medical Insurance Security Plan	(1,744,001)	(965,074)	(2,709,075)	0	0	0
▶ Complete development of the new Medicaid claims processing system	996,882	6,608,110	7,604,992	212,761	638,279	851,040
▶ Achieve savings by reducing pharmaceutical costs further below the average wholesale price by increasing discounts	(6,090,000)	(6,277,993)	(12,367,993)	(6,690,000)	(6,833,347)	(13,523,347)
▶ Achieve savings by maximizing federal financial participation through optimizing Medicaid claims, recovering costs, and reducing eligibility determinations	(19,000,000)	19,000,000	0	(19,000,000)	19,000,000	0
▶ Achieve savings by deferring the expansion of Medicaid coverage to include substance abuse services	(5,056,251)	(5,436,073)	(10,492,324)	(5,056,251)	(5,436,073)	(10,492,324)
▶ Achieve savings by improving Medicaid through more stringent medical oversight of patients in specific disease categories	350,000	350,000	700,000	(10,396,388)	(10,634,152)	(21,030,540)
▶ Achieve savings by limiting hospital payments to 80 percent of total costs	(11,100,000)	(11,442,645)	(22,542,645)	(11,500,000)	(11,746,412)	(23,246,412)
▶ Fund indigent health care	0	0	0	34,700,000	0	34,700,000
Total recommended funding changes	233,843,795	225,374,707	459,218,502	374,221,939	312,740,759	686,962,698
Total recommended funding	1,699,373,016	1,830,106,956	3,529,479,972	1,839,751,160	1,917,485,109	3,757,236,269
% change over activity-based budget	15.96%	14.04%	14.96%	25.53%	19.49%	22.37%
Position level:						
2002 legislative appropriation	140.92	166.08	307.00	140.92	166.08	307.00
Recommended position level changes	4.75	9.25	14.00	4.75	9.25	14.00
Total recommended positions	145.67	175.33	321.00	145.67	175.33	321.00
DEPT. OF MENTAL HEALTH, MENTAL RETARDATION & SUBSTANCE ABUSE SERVICES						
2002 legislative appropriation	432,290,936	326,956,567	759,247,503	432,290,936	326,956,567	759,247,503
Adjustments to legislative appropriation	3,793,550	3,301,400	7,094,950	3,793,550	3,301,400	7,094,950
Activity-based budget	436,084,486	330,257,967	766,342,453	436,084,486	330,257,967	766,342,453
Recommended funding changes:						
▶ Transfer utilization review and Elderly and Disabled Waiver funding to DMAS	(2,967,180)	(381,097)	(3,348,277)	(2,967,180)	(381,097)	(3,348,277)
▶ Increase federal appropriation to reflect DMAS administrative reimbursement	0	1,271,700	1,271,700	0	1,271,700	1,271,700
▶ Enhance staffing at training centers	1,700,000	1,752,478	3,452,478	1,700,000	1,736,426	3,436,426

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
► Implement Sexually Violent Predators program	0	0	0	954,208	0	954,208
► Adjust funding for rental charges	8,119	0	8,119	48,417	0	48,417
► Achieve savings from the reduction in workers' compensation premiums	(391,606)	0	(391,606)	(182,832)	0	(182,832)
Total recommended funding changes	(1,650,667)	2,643,081	992,414	(447,387)	2,627,029	2,179,642
Total recommended funding	434,433,819	332,901,048	767,334,867	435,637,099	332,884,996	768,522,095
% change over activity-based budget	(0.38%)	0.80%	0.13%	(0.10%)	0.80%	0.28%
Position level:						
2002 legislative appropriation	6,830.18	3,233.32	10,063.50	6,830.18	3,233.32	10,063.50
Recommended position level changes	(26.00)	0	(26.00)	(25.00)	0	(25.00)
Total recommended positions	6,804.18	3,233.32	10,037.50	6,805.18	3,233.32	10,038.50
DEPARTMENT OF REHABILITATIVE SERVICES						
2002 legislative appropriation	27,764,765	83,022,601	110,787,366	27,764,765	83,022,601	110,787,366
Adjustments to legislative appropriation	(133,466)	615,633	482,167	(133,466)	615,633	482,167
Activity-based budget	27,631,299	83,638,234	111,269,533	27,631,299	83,638,234	111,269,533
Recommended funding change:						
► Increase nongeneral fund appropriation for Disability Determination Services	0	12,628,263	12,628,263	0	12,812,699	12,812,699
Total recommended funding change	0	12,628,263	12,628,263	0	12,812,699	12,812,699
Total recommended funding	27,631,299	96,266,497	123,897,796	27,631,299	96,450,933	124,082,232
% change over activity-based budget	0%	15.10%	11.35%	0%	15.32%	11.52%
Position level:						
2002 legislative appropriation	121.25	587.75	709.00	121.25	587.75	709.00
Recommended position level changes	0	10.00	10.00	0	10.00	10.00
Total recommended positions	121.25	597.75	719.00	121.25	597.75	719.00
WOODROW WILSON REHABILITATION CENTER						
2002 legislative appropriation	5,647,629	19,310,712	24,958,341	5,647,629	19,310,712	24,958,341
Adjustments to legislative appropriation	(87,072)	78,871	(8,201)	(87,072)	78,871	(8,201)
Activity-based budget	5,560,557	19,389,583	24,950,140	5,560,557	19,389,583	24,950,140
Total recommended funding	5,560,557	19,389,583	24,950,140	5,560,557	19,389,583	24,950,140
% change over activity-based budget	0%	0%	0%	0%	0%	0%
Position level:						
2002 legislative appropriation	120.67	244.33	365.00	120.67	244.33	365.00
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	120.67	244.33	365.00	120.67	244.33	365.00
DEPARTMENT OF SOCIAL SERVICES						
2002 legislative appropriation	265,896,455	973,644,596	1,239,541,051	265,896,455	973,644,596	1,239,541,051
Adjustments to legislative appropriation	(436,130)	1,714,040	1,277,910	(436,130)	1,714,040	1,277,910
Activity-based budget	265,460,325	975,358,636	1,240,818,961	265,460,325	975,358,636	1,240,818,961

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Recommended funding changes:						
▶ Fund eligible community services with the Temporary Assistance for Needy Families (TANF) grant	0	15,914,045	15,914,045	0	15,914,045	15,914,045
▶ Increase nongeneral fund appropriation to support current operations and reflect anticipated revenue	0	124,500,000	124,500,000	0	174,500,000	174,500,000
▶ Meet federal mandate to operate an Electronic Benefits Transfer (EBT) system for food stamps	2,010,348	2,010,348	4,020,696	1,948,596	1,948,596	3,897,192
▶ Fund mandated foster care maintenance and adoption subsidy payments	15,562,775	15,398,026	30,960,801	22,463,467	21,839,848	44,303,315
▶ Fund federal mandated spending to improve food stamp eligibility and benefits accuracy, based on prior error rates	1,370,363	0	1,370,363	162,035	0	162,035
▶ Fund child support enforcement operations	417,081	(417,081)	0	1,035,044	(1,035,044)	0
▶ Replace old computers used on mission-critical systems by over 150 offices	564,565	678,419	1,242,984	564,565	678,419	1,242,984
▶ Fund the Comprehensive Services Assistance and Review team	293,965	0	293,965	293,965	0	293,965
▶ Propose consolidation of local departments of social services management	(1,000,000)	0	(1,000,000)	(3,000,000)	0	(3,000,000)
▶ Achieve savings from the reduction in workers' compensation premiums	(5,122)	0	(5,122)	(8,014)	0	(8,014)
Total recommended funding changes	19,213,975	158,083,757	177,297,732	23,459,658	213,845,864	237,305,522
Total recommended funding	284,674,300	1,133,442,393	1,418,116,693	288,919,983	1,189,204,500	1,478,124,483
% change over activity-based budget	7.24%	16.21%	14.29%	8.84%	21.92%	19.12%
Position level:						
2002 legislative appropriation	259.76	1,324.74	1,584.50	259.76	1,324.74	1,584.50
Recommended position level changes	4.00	25.00	29.00	4.00	25.00	29.00
Total recommended positions	263.76	1,349.74	1,613.50	263.76	1,349.74	1,613.50
VIRGINIA BOARD FOR PEOPLE WITH DISABILITIES						
2002 legislative appropriation	146,775	1,531,465	1,678,240	146,775	1,531,465	1,678,240
Adjustments to legislative appropriation	548	6,362	6,910	548	6,362	6,910
Activity-based budget	147,323	1,537,827	1,685,150	147,323	1,537,827	1,685,150
Recommended funding change:						
▶ Adjust funding for rental charges	(5,274)	0	(5,274)	(5,154)	0	(5,154)
Total recommended funding change	(5,274)	0	(5,274)	(5,154)	0	(5,154)
Total recommended funding	142,049	1,537,827	1,679,876	142,169	1,537,827	1,679,996
% change over activity-based budget	(3.58%)	0%	(0.31%)	(3.50%)	0%	(0.31%)
Position level:						
2002 legislative appropriation	2.00	4.00	6.00	2.00	4.00	6.00
Recommended position level changes	0	2.00	2.00	0	2.00	2.00
Total recommended positions	2.00	6.00	8.00	2.00	6.00	8.00

	Fiscal Year 2003			Fiscal Year 2004		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
DEPARTMENT FOR THE BLIND AND VISION IMPAIRED						
2002 legislative appropriation	7,060,677	13,563,079	20,623,756	7,060,677	13,563,079	20,623,756
Adjustments to legislative appropriation	(68,708)	115,210	46,502	(68,708)	115,210	46,502
Activity-based budget	6,991,969	13,678,289	20,670,258	6,991,969	13,678,289	20,670,258
Recommended funding changes:						
▶ Adjust nongeneral fund appropriation for Virginia Industries for the Blind	0	6,683,803	6,683,803	0	7,683,803	7,683,803
▶ Adjust federal appropriation for vocational rehabilitation services	0	513,638	513,638	0	513,638	513,638
▶ Achieve savings from the reduction in workers' compensation premiums	(6,694)	0	(6,694)	(3,612)	0	(3,612)
Total recommended funding changes	(6,694)	7,197,441	7,190,747	(3,612)	8,197,441	8,193,829
Total recommended funding	6,985,275	20,875,730	27,861,005	6,988,357	21,875,730	28,864,087
% change over activity-based budget	(0.10%)	52.62%	34.79%	(0.05%)	59.93%	39.64%
Position level:						
2002 legislative appropriation	97.08	72.92	170.00	97.08	72.92	170.00
Recommended position level changes	8.32	(8.32)	0	8.32	(8.32)	0
Total recommended positions	105.40	64.60	170.00	105.40	64.60	170.00
VIRGINIA REHABILITATION CENTER FOR THE BLIND						
2002 legislative appropriation	241,168	1,694,239	1,935,407	241,168	1,694,239	1,935,407
Adjustments to legislative appropriation	(6,800)	32,460	25,660	(6,800)	32,460	25,660
Activity-based budget	234,368	1,726,699	1,961,067	234,368	1,726,699	1,961,067
Total recommended funding	234,368	1,726,699	1,961,067	234,368	1,726,699	1,961,067
% change over activity-based budget	0%	0%	0%	0%	0%	0%
Position level:						
2002 legislative appropriation	.25	25.75	26.00	.25	25.75	26.00
Recommended position level changes	0	0	0	0	0	0
Total recommended positions	.25	25.75	26.00	.25	25.75	26.00
TOTAL FOR HEALTH AND HUMAN RESOURCES						
Grand total recommended funds	2,753,490,442	3,785,056,289	6,538,546,731	2,907,143,178	3,929,467,460	6,836,610,638
Grand total recommended positions	9,271.22	7,734.78	17,006.00	9,272.22	7,734.78	17,007.00