



Office of Health and Human Resources

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

Summary of recommended funding for Health and Human Resources agencies

Agency	Fiscal year 2005			Fiscal year 2006		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Health and Human Resources	0.6	<0.1	0.6	0.6	<0.1	0.6
Comprehensive Services for At-Risk Youth and Families	187.9	56.0	243.9	196.9	61.4	258.3
Department for the Aging	14.3	29.9	44.2	14.5	29.9	44.3
Department for the Deaf and Hard-of-Hearing	1.2	0.1	1.3	1.2	0.1	1.3
Department of Health	138.4	336.9	475.2	138.4	338.0	476.4
Department of Health Professions	0.0	19.1	19.1	0.0	19.2	19.2
Department of Medical Assistance Services	1,803.5	2,477.6	4,281.1	2,027.7	2,636.0	4,663.6
Department of Mental Health, Mental Retardation and Substance Abuse Services	442.6	336.4	779.0	448.3	336.4	784.7
Department of Rehabilitative Services	25.3	102.3	127.6	25.3	102.4	127.7
Woodrow Wilson Rehabilitation Center	5.3	19.9	25.1	5.3	19.9	25.1
Department of Social Services	302.3	1,314.7	1,617.0	308.0	1,338.4	1,646.4

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Agency	Fiscal year 2005			Fiscal year 2006		
	GF	NGF	All funds	GF	NGF	All funds
Virginia Board for People with Disabilities	0.1	1.6	1.7	0.1	1.6	1.7
Virginia Department for the Blind and Vision Impaired	6.0	29.4	35.4	6.0	29.9	35.9
Virginia Rehabilitation Center for the Blind and Vision Impaired	0.2	1.8	2.0	0.2	1.8	2.0
Total for Office of Health and Human Resources	2,927.7	4,725.5	7,653.3	3,172.3	4,914.8	8,087.1

Dollars in millions. Figures may not add due to rounding. See "How to Read the Table" on page 9.

Secretary of Health and Human Resources

Activities of the agency:

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.

Recommended budget actions:

- ▶ **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 changes in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2005, an increase of \$2,218 (GF). For 2006, an increase of \$3,166 (GF).
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$1,161 (GF).
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF).

Comprehensive Services for At-Risk Youth and Families

Activities of the agency:

Pool Fund Service Expenditures. To reimburse local governments the appropriate state share of expenditures for services to assist at-risk children and their families served by the Comprehensive Services Act and provide technical assistance and training.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Pool Fund Service Expenditures	203,399,398	0.00	203,399,398	0.00
Total	203,399,398	0.00	203,399,398	0.00

Recommended budget actions:

- ▶ **Fund mandated special education and foster care services for Virginia’s at-risk youth.** Additional funds to ensure that Virginia continues to provide mandated services to children with emotional and behavioral problems. These funds will further the state’s collaborative effort with localities to provide children with appropriate and cost-effective services. For 2005, an increase of \$18.9 million (GF) and \$21.6 million (NGF). For 2006, an increase of \$27.9 million (GF) and \$27.0 million (NGF). *[Affected Activity: Pool Fund Service Expenditures]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency’s particular operations were excluded from the reform initiative. For each year, an increase of \$9,818 (GF). *[Affected Activity: Pool Fund Service Expenditures]*

Department for the Aging

Activities of the agency:

Home and Community Based Services. To provide services for individuals that include adult day care, homemaker, personal care, nutrition, transportation, health education and screening, disease prevention, socialization and recreation, care coordination, public information, and the Respite Care Incentive Grant Program.

Elder Rights and Protection. To provide services for the elderly including education, legal assistance, consumer protection, crime and fraud prevention, and community-based TRIAD (programs that deter crimes against the elderly), and to administer the Public Guardian and Conservator Program and the Long-Term Care Ombudsman Program.

Monitoring, Education, Research, and Partnership Expansion. To assure quality and cost-effectiveness of services and programs through service standards, policy guidelines, contract administration, monitoring, and technical assistance. This activity also involves analyzing demographic data and encouraging private-sector initiatives.

Agency Administration and Support. To conduct day-to-day operations of the agency, including fiscal, information systems, and administrative support functions.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Home and Community Based Services	41,020,695	8.75	41,020,695	8.75
Elder Rights and Protection	1,699,483	4.50	1,699,483	4.50
Monitoring, Education, Research, and Partnership Expansion	1,016,897	12.75	1,016,897	12.75
Agency Administration and Support	70,612	1.00	70,612	1.00
Total	43,807,687	27.00	43,807,687	27.00

Recommended budget actions:

- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjust-

ment is necessary to account for legislative changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$9,307 (GF). *[Affected Activity: Agency Administration and Support]*

- ▶ **Expand the Public Guardian and Conservator Program.** Additional funds to establish about five new Guardian and Conservator Programs in planning districts throughout the Commonwealth that do not currently have them. This program serves adults ages 18 and older who do not have the financial resources to pay for services of a guardian and who have no family or friends able to provide the service. Furthermore, this program offers community reinvestment opportunities by allowing individuals to move from state institutions back into the community. By expanding this program, about 125 indigent individuals requiring guardian services will be served. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$110,000 (GF). For 2006, an increase of \$250,000 (GF). *[Affected Activity: Elder Rights and Protection]*
- ▶ **Provide funding for the distribution of comprehensive health and aging information.** Additional funds to permit accessibility to health and aging information for seniors, their families and caregivers to support independence, confidentiality, dignity, and quality of life. With the growth of Virginia's aging population not expected to abate, the demand for information about available services for aging, health, and long-term care will continue to increase. For each year, an increase of \$250,000 (GF). *[Affected Activity: Home and Community Based Services]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year a reduction of less than \$1,000 (GF). *[Affected Activity: Agency Administration and Support]*
- ▶ **Transfer six positions from general fund to nongeneral fund.** A technical adjustment to align the agency's positions with the appropriate fund source. For each year, a decrease of six positions (GF) and an increase of six positions (NGF). *[Affected Activities: All Activities]*

Department for the Deaf and Hard-of-Hearing

Activities of the agency:

Hearing Technology Services. To ensure communications access for persons who are deaf or hard-of-hearing by providing specific assistive technology, on a loan or ownership basis, directly to consumers; and to provide oversight for the operations of the federally mandated Virginia Relay, which enables communication by TTY (text telephone) or another assistive telephone device with anyone who uses a standard telephone.

Consumer, Interpreter, and Community Support Services. To ensure communications access for consumers by providing community-based outreach services, coordination of interpreter services, quality assurance screening for interpreters (skills assessment), and specialized library services.

Administration and Computer Services. To provide policy and program development and leadership as well as administrative and technical support to all department activities to ensure consumer access and quality customer service. (Note: All information technology services are provided under contract with the Department of Rehabilitative Services.)

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Hearing Technology Services	325,090	3.40	325,090	3.40
Consumer, Interpreter, and Community Support Services	664,917	6.90	664,917	6.90

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Administration and Computer Services	349,904	3.70	349,904	3.70
Total	1,339,911	14.00	1,339,911	14.00

Recommended budget actions:

- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$1,927 (GF). [*Affected Activity: Administration and Computer Services*]
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF). [*Affected Activity: Administration and Computer Services*]

Department of Health

Activities of the agency:

Communicable Disease Prevention. To protect all Virginians through the effective prevention and control of sexually transmitted diseases, tuberculosis, and other diseases or conditions.

Environmental Health Hazards Protection. To protect all Virginians by preventing and controlling food-borne illnesses in restaurants and other food service operations, by ensuring safe drinking water, and by the timely and appropriate permitting of well and septic systems.

Emergency Medical Services. To ensure that emergency medical service personnel statewide are properly trained and licensed through various educational and training programs, and to help localities address equipment needs for emergency medical services.

Emergency Preparedness and Response. To establish and continually evaluate and maintain up-to-date, coordinated, and functioning emergency response plans at the local, regional, and state levels by working effectively with health care providers and state and federal preparedness programs.

Family Health and Promotion, Education, and Injury Prevention. To provide services designed to improve the health of families, with a particular focus on the health of women and children through efforts such as the federal Women, Infants, and Children (WIC) food program, maternity and well child services, and children's special health needs.

Primary Health Care. To provide affordable and accessible health care through local health departments statewide. This is especially critical in rural and other areas with less-than-adequate private health care resources to address poorer citizens' health care needs.

Oral Health. To provide affordable and accessible dental care through the state's local health departments, including preventive services largely for children to avoid more complicated and costly dental problems.

Quality Oversight and Consumer Protection. To ensure the thorough and fair investigation of nursing home and hospital care complaints through an effective licensing and certification program.

Medical Examiner Services. To ensure a thorough medical investigation of murders, suicides, accidents, and unexplained deaths, including providing scientific information to the courts in cases of criminal investigations or prosecutions.

Public Health Data Collection and Analysis. To collect and provide critical health data and vital records such as birth and death certificates in a timely and accurate manner.

Health Leadership and Operational Support. To effectively lead the agency's various services and programs designed to improve and maintain the health of all Virginians.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Communicable Disease Prevention	66,775,514	489.00	66,775,514	489.00
Environmental Health Hazards Protection	81,896,304	809.00	81,896,304	809.00
Emergency Medical Services	15,610,438	35.00	15,610,438	35.00
Emergency Preparedness and Response	22,576,000	15.00	22,576,000	15.00
Family Health and Promotion, Education, and Injury Prevention	177,606,577	1,441.00	177,606,577	1,441.00
Primary Health Care	21,639,032	237.00	21,639,032	237.00
Oral Health	8,955,383	117.00	8,955,383	117.00
Quality Oversight and Consumer Protection	17,878,239	90.00	17,878,239	90.00
Medical Examiner Services	5,313,032	40.00	5,313,032	40.00
Public Health Data Collection and Analysis	14,608,892	175.00	14,608,892	175.00
Health Leadership and Operational Support	9,432,614	105.00	9,432,614	105.00
Total	442,292,025	3,553.00	442,292,025	3,553.00

Recommended budget actions:

- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state’s self-insurance programs. For 2005, an increase of less than \$1,000 (GF). For 2006, an increase of \$3,691 (GF). *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **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 changes in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2005, an increase of \$176,271 (GF). For 2006, an increase of \$197,431 (GF). *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **Adjust funding for state employee workers’ compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers’ compensation. Changes in workers’ compensation premiums are the result of changes in the covered payroll or claims experience. For 2005, a decrease of \$9,912 (GF). For 2006, a decrease of \$18,259 (GF). *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency’s particular operations were excluded from the reform initiative. For each year, an increase of \$3.3 million (GF). *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **Increase funding for Emergency Medical Services (EMS) system.** Provides the Emergency Medical Services system with the appropriation to reflect the revenue generated by dedicating an additional two dollars of the surcharge on motor vehicle registrations. These funds will be distributed to the EMS system according to a formula set out in the Code of Virginia. This funding is contingent upon passage of the Governor’s proposed tax reform legislation. For each year, an increase of \$13.8 million (NGF). *[Affected Activity: Emergency Medical Services]*
- ▶ **Redirect automation resources in the Office of Vital Records and Health Statistics.** Redirects two dollars of the four dollars currently dedicated to the automation of vital records to support the op-

erations of the Office of Vital Records. This action recognizes the progress made by the office to transition over 4.4 million birth records dating back to 1915 to an electronic format. Increasing operating revenue will free general fund dollars and allow the Office to be fully self-supporting. For 2005, a reduction of \$967,904 (GF) and an increase of \$967,904 (NGF) and a reduction of 61 positions (GF) and an increase of 61 positions (NGF). For 2006, a reduction of \$967,904 (GF) and an increase of \$967,904 (NGF). *[Affected Activity: Public Health Data Collection and Analysis]*

- ▶ **Remove general fund supplement for Emergency Medical Services system.** Removes general fund supplement for Emergency Medical Services (EMS) system in anticipation of the system receiving an additional \$13.8 million each year from motor vehicle registration surcharges. For each year, a reduction of \$3.2 million (GF). *[Affected Activity: Emergency Medical Services]*
- ▶ **Support med-flight operations with Emergency Medical Services revenue.** Transfers emergency medical services revenue to the Department of State Police to support medical evacuation flights. For each year, a reduction of \$1.0 million (NGF). *[Affected Activity: Emergency Medical Services]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of \$38,367 (GF). *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **Allow Area Health Education Centers (AHEC) to leverage Medicaid dollars.** Allows Area Health Education Centers to draw down matching Medicaid funds for certain activities involving the recruitment, retention, and practice support of Medicaid providers in medically underserved areas or areas with medically underserved populations. Matching funds are also available for provider education, health promotion, and Medicaid outreach and enrollment. This action is contained in Budget Bill language, and has no direct budget impact for this agency. *[Affected Activity: Health Leadership and Operational Support]*
- ▶ **Adjust nongeneral fund appropriation for the Office of the Chief Medical Examiner.** A technical adjustment to increase nongeneral fund appropriation to reflect a federal grant. The Office of the Chief Medical Examiner receives the federal grant for the development and maintenance of a National Violent Death Reporting System and has entered into an ongoing interagency agreement with the Department of Mental Health, Mental Retardation and Substance Abuse Services to provide death investigations. For each year, \$414,659 (NGF). *[Affected Activity: Medical Examiner Services]*
- ▶ **Adjust federal funds for the Communicable and Chronic Disease Prevention Program.** This technical adjustment reflects increased federal grant funding awarded to the agency for the Communicable and Chronic Disease Prevention and Control Program. For 2005, \$20.1 million (NGF) and 124 positions (NGF). For 2006, \$21.2 million (NGF). *[Affected Activities: Communicable Disease Prevention, Quality Oversight and Consumer Protection, and Environmental Health Hazards Protection]*
- ▶ **Transfer wastewater functions to the Department of Environmental Quality.** A technical adjustment to transfer funding and positions associated with regulating the construction and operation of sewage treatment plants to the Department of Environmental Quality. The 2003 General Assembly enacted legislation giving the State Water Control Board and the Department of Environmental Quality the sole authority to regulate the construction and operation of sewage treatment plants, including the review and approval of the plans and specifications for such facilities. This authority had previously been the joint responsibility of the Board of Health and the State Water Control Board. For 2005, a decrease of \$552,006 (GF) and seven positions (GF). For 2006, a decrease of

\$552,006 (GF). *[Affected Activity: Environmental Health Hazards Protection]*

Department of Health Professions

Activities of the agency:

Licensure, Permitting, and Certification. To ensure that individuals and entities meet the statutory licensure requirements to practice as health care professionals in Virginia, in order to protect patients and clients.

Investigation and Adjudication. To identify violations of regulations governing health care providers designed for public safety and to take appropriate action to protect the public in the future.

Nurse Scholarships. To encourage individuals to become nurses to assure adequate health care.

Administration and Support. To provide administrative support to the department and the Boards.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Licensure, Permitting, and Certification	3,861,576	33.79	3,861,576	33.79
Investigation and Adjudication	10,964,988	93.86	10,964,988	93.86
Nurse Scholarships	65,000	0.00	65,000	0.00
Administration and Support	2,028,580	18.35	2,028,580	18.35
Total	16,920,144	146.00	16,920,144	146.00

Recommended budget actions:

- ▶ **Provide appropriation for increased investigation and adjudication costs.** Additional appropriation for increased investigative and adjudication costs associated with lowering the standard of proof from gross negligence to simple negligence for disciplinary actions taken against doctors of medicine, podiatry, and osteopathy. Health care institutions and professionals must also submit to the department timely reports of possible misconduct. These new requirements will cause a significant increase in the regulatory duties of the department. For 2005, an increase of \$2.2 million (NGF) and 27 positions (NGF). For 2006, an increase of \$2.3 million (NGF). *[Affected Activities: Investigation and Adjudication, and Administration and Support]*
- ▶ **Use certified nurse aide fees to leverage Medicaid dollars.** Allows the department to transfer revenue generated from fees paid by certified nurse aides to the Department of Medical Assistance Services to draw down matching Medicaid funds. The funds will be available to pay for expenditures associated with the regulation of certified nurse aides. This action is contained in Budget Bill language, and has no direct budget impact for this agency. *[Affected Activities: Investigation and Adjudication, and Administration and Support]*

Department of Medical Assistance Services

Activities of the agency:

Medicaid Program Delivery. To ensure access to a system of high-quality comprehensive health services by qualified members of Virginia's low-income and medically needy populations.

Children's Health Insurance Program Delivery. To provide comprehensive health benefits to Virginia's children through the age of 18 in families with incomes less than or equal to 200 percent of the federal poverty level who do not have health insurance coverage and who are ineligible for Medicaid.

Indigent Healthcare Trust Fund Administration. To more evenly distribute the indigent health care burden among Virginia's acute care hospitals and reimburse for part of the charity care they provide.

State and Local Hospitalization Program. To cover the care and treatment provided by hospitals, ambulatory and surgical centers, and local health department clinics to medically indigent individuals in localities throughout the Commonwealth.

Regular Assisted Living Payments for Residents of Adult Homes. To provide assistance to eligible low-income recipients in adult care residences who require some help with daily living activities.

Health Premium Assistance for HIV-Positive Individuals. To pay for health insurance premiums for HIV-positive individuals who are at or below 250 percent of the federal poverty guidelines, are unable to continue working, and are eligible to continue receiving coverage through the employers' group policies.

Involuntary Mental Commitment Services. To reimburse hospitals for the cost of caring for court-ordered detentions.

Administration and Support. To provide the staff and overall administrative support necessary to successfully operate the agency's programs.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Medicaid Program Delivery	3,526,718,568	0.00	3,526,718,568	0.00
Children's Health Insurance Program Delivery	68,582,935	0.00	68,582,935	0.00
Indigent Healthcare Trust Fund Administration	9,285,831	0.00	9,285,831	0.00
State and Local Hospitalization Program	13,665,779	0.00	13,665,779	0.00
Regular Assisted Living Payments for Residents of Adult Homes	1,612,952	0.00	1,612,952	0.00
Health Premium Assistance for HIV-Positive Individuals	456,702	0.00	456,702	0.00
Involuntary Mental Commitment Services	9,190,614	0.00	9,190,614	0.00
Administration and Support	123,700,535	323.00	123,700,535	323.00
Total	3,753,213,916	323.00	3,753,213,916	323.00

Recommended budget actions:

- ▶ **Fund Medicaid 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 Professional and Institutional Medical, Privately Owned Community-Based Mental Health/Mental Retardation, and Public Community-Based Mental Health/Mental Retardation programs. For the 2004-2006 biennium, Medicaid costs are expected to be affected by the growth in the number of indigent children and families enrolled in the program, increases in the rates paid to health maintenance organizations, general medical inflation, continued growth in the Mental Retardation Waiver program, continued growth in pharmacy utilization and unit costs, and increases in the cost per day of serving nursing facility residents. This funding ensures that quality care is provided in a cost-effective and efficient manner. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, a decrease of \$38.7 million (GF) and an increase of \$555.2 million (NGF). For 2006, an increase of \$159.5 million (GF) and \$684.1 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Fund Family Access to Medical Insurance Security Plan utilization and inflation.** Additional support for the Family Access to Medical Insurance Security (FAMIS) Plan based on an estimated increase in program enrollment throughout the biennium due to aggressive outreach efforts. These funds ensure that the qualified children of Virginia's low-income working families will receive quality medical care. For 2005, an increase of \$6.2 million (GF) and \$10.1 million (NGF). For 2006, an increase of \$8.6 million (GF) and \$16.0 million (NGF). *[Affected Activity: Children's Health Insurance Program Delivery]*
- ▶ **Fund medical assistance services for low-income children utilization and inflation.** Additional support for the Commonwealth's Medicaid Children's Health Insurance Program established by the General Assembly in 2002. Program enrollment is estimated to continue increasing throughout the biennium. This Medicaid coverage applies to Virginia's children over the age of five who fall

within the income limit of 100 percent to 133 percent of the Federal Poverty Level. In this program, federal funds match state funds at a higher rate than in the regular Medicaid program. The funding for this program is comparable to the funding used in the FAMIS Plan. The key advantage of this program is that all children in one family now receive the same health insurance coverage. For 2005, an increase of \$8.1 million (GF) and \$14.2 million (NGF). For 2006, an increase of \$8.4 million (GF) and \$15.6 million (NGF). *[Affected Activity: Children's Health Insurance Program Delivery]*

- ▶ **Reflect actual results of revenue maximization efforts.** Adjusts savings estimates originally made by the agency prior to the implementation of its revenue maximization initiative to reflect the fact that some of the proposed efforts, while successful in other states, have proven unsuccessful in Virginia. For each year, an increase of \$6.9 million (GF) and a decrease of \$6.9 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Fund medical services for involuntary mental commitments.** Additional funds to ensure uninterrupted hospital and physician services for persons subject to involuntary mental commitment. For 2005, an increase of \$1.1 million (GF). For 2006, an increase of \$2.0 million (GF). *[Affected Activity: Involuntary Mental Commitment Services]*
- ▶ **Adjust indigent health care funding.** Reflects the fact that the agency has implemented several initiatives in an effort to reduce the reliance of the Virginia Commonwealth University and the University of Virginia medical centers on disproportionate share hospital (DSH) payments. DSH payments are those payments made to certain hospitals in addition to the normal payments for operating costs. Hospitals that are eligible to receive DSH payments are those identified as having a "disproportionate share" of Medicaid or low-income patients. Through these initiatives, the Commonwealth will be able to better address the indigent health care needs of Virginia's academic health centers during the biennium with fewer general fund resources. For 2005, a decrease of \$15.6 million (GF) and an increase of \$2.3 million (NGF). For 2006, a decrease of \$12.4 million (GF) and an increase of \$5.5 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2006, an increase of less than \$1,000 (GF). *[Affected Activity: Administration and Support]*
- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For each year, a reduction of less than \$1,000 (GF). *[Affected Activity: Administration and Support]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislative changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$788,899 (GF). *[Affected Activity: Administration and Support]*
- ▶ **Increase Individual and Family Developmental Disabilities Support Waiver slots.** Additional funds to support 25 new slots. The 323 currently approved slots are fully utilized. Increasing the number of slots in the waiver will allow individuals on the waiting list to enroll in the program. Some of these slots will be used to move individuals from state institutions to community-based care programs, which is more desirable and considerably more cost-efficient. This funding is con-

tingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$344,756 (GF) and \$344,756 (NGF). For 2006, an increase of \$459,675 (GF) and \$459,675 (NGF). *[Affected Activity: Medicaid Program Delivery]*

- ▶ **Increase the inpatient hospital adjustment factor.** Provides additional funds to increase the hospital adjustment factor from about 72 percent to 75 percent. The adjustment factor reflects the amount of discount the Commonwealth receives relative to the hospitals' cost. Increasing the adjustment factor will result in hospitals being reimbursed 25 percent below allowable cost as opposed to 28 percent. This change will also impact the inpatient hospital portion of Medicaid managed care rates. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, an increase of \$9.1 million (GF) and \$9.1 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Increase payments to nursing facilities.** Additional funds to provide a \$3 per day increase in nursing facility rates. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2006, an increase of \$9.7 million (GF) and \$9.7 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Incorporate the AIDS Waiver into the Elderly and Disabled Waiver.** Reflects the fact that the number of individuals served by the AIDS Waiver has been steadily decreasing since 1999, when 516 individuals were enrolled. New strides in medical technology and treatment help account for the fact that individuals applying for this waiver do not meet the nursing facility admission criteria, which accounts for some of the decline. In addition to streamlining functions associated with the administration of these waivers, expenditures for case management services will be eliminated since case management is not a covered service in the Elderly and Disabled Waiver. For each year, a decrease of \$1.2 million (GF) and \$1.2 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Reduce reimbursement rates for durable medical equipment.** Savings resulting from adjusting the rates paid for durable medical equipment (DME) to ensure that Medicaid rates do not exceed the rates paid by Medicare. In addition, the agency will eliminate a 30 percent mark-up paid for certain DME products that are not included in Virginia Medicaid's rate schedule. For each year, a decrease of \$200,000 (GF) and \$201,043 (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Implement a state maximum allowable cost program.** Savings generated through the implementation of a state maximum allowable cost (MAC) program. Currently, Virginia reimbursement rates for all drugs are determined by the lowest of: the average wholesale price (AWP) minus 10.25 percent, federal upper limits, or state MAC. This program would establish a pricing model that would set a state MAC as a driver to contain costs for generic drugs. A MAC takes advantage of the cost savings of a competitive environment, as the price may change on a monthly basis due to market conditions. A MAC is controlled by actual acquisition costs in the marketplace. It encourages pharmacies to be prudent purchasers of wholesale drugs and discourages providers from billing for products with the highest AWP. For each year, a decrease of \$5.2 million (GF) and \$5.2 million (NGF). *[Affected Activity: Medicaid Program Delivery]*
- ▶ **Implement a test phase of disease state management.** Reflects the fact that while the agency has experienced major difficulties in implementing a disease state management program, the expectation remains that a program will be implemented during the biennium. The agency is being encouraged to explore all possible options to implement and operate a program that will result in quality care to recipients, but will offer the minimum amount of administrative costs and the maximum amount of savings to the Commonwealth. For each year, a decrease \$1,000,000 (GF) and \$1,000,000 (NGF). *[Affected Activity: Medicaid Program Delivery]*

- ▶ **Remove administrative funding associated with the disease state management program.** A decrease resulting from the difficulty experienced by the agency in implementing a statewide disease state management (DSM) program approved by the 2002 General Assembly. One of the major obstacles in implementing the program is the unwillingness of a vendor to implement and operate a DSM program for the administrative funding provided. While the agency pursues various options, the administrative funding originally provided will be removed until a plan for implementation has been finalized. For each year, a decrease of \$700,000 (GF) and \$700,000 (NGF). [*Affected Activity: Administration and Support*]
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year a reduction of \$7,478 (GF). [*Affected Activity: Administration and Support*]
- ▶ **Provide treatment beds to nursing facility residents.** Authorizes the agency to use existing resources to provide a \$10 add-on to the per day reimbursement rate to nursing facilities for those Medicaid residents suffering from stage IV pressure ulcers (severe bedsores) and requiring special treatment beds. This action is contained in Budget Bill language.
- ▶ **Develop a waiver for persons with Alzheimer's disease and related dementias.** Requires the agency to develop a home and community-based care waiver for individuals with Alzheimer's disease and related dementias with an enrollment of no more than 200 individuals in the first year. However, the waiver cannot be implemented until it has received approval from the federal Centers for Medicare and Medicaid Services. This action is contained in Budget Bill language.
- ▶ **Implement a Medicaid Buy-In waiver.** Requires the agency to implement a new Medicaid Buy-In program designed to enable individuals with disabilities to return to or stay in the work force while receiving Medicaid benefits. The program will be implemented as a waiver and limited to 200 recipients in the first year. This action is contained in Budget Bill language.

Department of Mental Health, Mental Retardation and Substance Abuse Services

Activities of the agency:

Community Emergency Services. To provide around-the-clock community crisis intervention services to individuals in crisis, including referral assistance, emergency services, home visits, and jail services.

Inpatient Mental Health Services. To provide intensive psychiatric services in state mental health facilities, including acute stabilization and longer-term rehabilitation (civil and forensic), and specialized adult, geriatric, and child or adolescent services.

Inpatient Mental Retardation Services. To provide intermediate care and skilled nursing services to individuals in state training centers, including residential care and training in language, self-care, independent living, socialization, academic skills, and motor development.

Medical Services. To provide medical care needed by patients or residents of state facilities, either at the state facility or in community hospitals.

Community Local Inpatient Services. To provide intensive short-term psychiatric services and medical detoxification services purchased by community services boards as an alternative to hospitalization in a state mental health facility.

Community Ambulatory Services. To provide community case management, outpatient, day support, early intervention, and prevention services.

Community Residential Services. To provide short- and long-term overnight supervision or supportive services in the community, including residential treatment centers, group homes, supervised apartments, assisted living, and family support.

Inpatient Behavioral Rehabilitation Services. To provide treatment services in a secure state facility to individuals who are civilly committed as sexually violent predators.

Ancillary Services. To provide state facility medical support, medications, and other ancillary patient or resident services.

Facility Support Services. To provide nutritious meals and dietary services, physical plant, laundry, and housekeeping services in state facilities.

Facility Administration. To carry out the administrative functions needed to operate state mental health and mental retardation facilities.

System Development and Management. To carry out the services system strategic direction, leadership, oversight, administrative, licensing and management responsibilities of the department's central office.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Community Emergency Services	13,078,768	0.00	13,078,768	0.00
Inpatient Mental Health Services	116,165,357	2656.25	116,165,357	2656.25
Inpatient Mental Retardation Services	96,366,240	2,305.00	96,366,240	2,305.00
Medical Services	114,216,384	1,346.00	114,216,384	1,346.00
Community Local Inpatient Services	5,724,019	0.00	5,724,019	0.00
Community Ambulatory Services	144,311,024	0.00	144,311,024	0.00
Community Residential Services	49,389,352	0.00	49,389,352	0.00
Inpatient Behavioral Rehabilitation Services	1,630,615	10.00	1,630,615	10.00
Ancillary Services	55,953,416	833.20	55,953,416	833.20
Facility Support Services	80,670,164	1,611.00	80,670,164	1,611.00
Facility Administration	48,877,892	850.30	48,877,892	850.30
System Development and Management	25,235,955	266.00	25,235,955	266.00
Total	751,619,186	9,877.75	751,619,186	9,877.75

Recommended budget actions:

- ▶ **Address facility revenue shortfall.** Provides additional funds to address a shortfall in revenues within mental health treatment centers. Due to a declining census and a corresponding reduction in Medicaid eligible persons within the treatment centers, Medicaid and Medicare revenues have declined. These funds are provided to enable the continued operation of the mental health treatment centers. For each year, an increase of \$14.8 million (GF) and a decrease of \$14.8 million (NGF). *[Affected Activity: Inpatient Mental Health Services]*
- ▶ **Provide staffing for the operation of the Virginia Center for Behavioral Rehabilitation.** An increase to adequately staff and operate the secure program for the treatment of civilly committed sexually violent predators. For 2005, an increase of \$3.6 million (GF) and 63 positions (GF). For 2006, an increase of \$5.6 million (GF) and an additional 41 positions (GF). *[Affected Activity: Inpatient Behavioral Rehabilitation Services]*
- ▶ **Fund additional mental retardation waiver slots.** Additional funds to support 160 new mental retardation waiver slots. The community-based services associated with these 160 additional slots will allow 107 individuals currently residing in training centers to be discharged to appropriate care in less restrictive settings. In addition, 53 individuals currently residing in the community will be able to receive a full array of services, in lieu of being placed in facility care. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$2.7 million (GF). For 2006, an increase of \$4.0 million (GF). *[Affected Activity: Community Residential Services]*
- ▶ **Fund individualized mental health discharge assistance plans.** Funding to support individualized service plans for 77 long-term, extended rehabilitation patients who face extraordinary barriers

to placement in the community and who need highly specialized services to leave the hospital. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$3.6 million (GF). For 2006, an increase of \$5.4 million (GF). *[Affected Activity: Community Residential Services]*

- ▶ **Increase community mental health services for non-mandated children and adolescents.** Adds funding to provide additional mental health services for children and adolescents with serious emotional disturbances and related disorders. These services will address the needs of children and adolescents who qualify but who are not mandated for services under the Comprehensive Services Act. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For each year, an increase of \$2.0 million (GF). *[Affected Activity: Community Ambulatory Services]*
- ▶ **Provide services and monitoring for conditionally released sexually violent predators.** Provides funding to implement the monitoring, treatment, and other support services for individuals found to be sexually violent predators but conditionally released by the courts to the community. For 2005, an increase of \$325,000 (GF). For 2006, an increase of \$534,000 (GF). *[Affected Activity: Community Ambulatory Services]*
- ▶ **Implement Programs of Assertive Community Treatment (PACT).** Funds the placement of three additional PACT teams in communities. PACT programs avoid the need for hospitalization by meeting the individual and changing needs of adults with mental illness and helping to stabilize them in community settings. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For 2005, an increase of \$2.0 million (GF). For 2006, an increase of \$2.6 million (GF). *[Affected Activity: Community Ambulatory Services]*
- ▶ **Increase inpatient treatment purchased in community hospitals.** Funding to expand the purchase of short-term inpatient treatment at local community hospitals. These services will reduce admissions and possible longer-term stays in state facilities as well as enhance opportunities for further restructuring of mental health services by strengthening community-based services and supports. This funding is contingent upon passage of the Governor's proposed tax reform legislation. For each year, an increase of \$1.0 million (GF). *[Affected Activity: Community Local Inpatient Services]*
- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2005, an increase of \$8,475 (GF). For 2006, an increase of \$37,407 (GF). *Affected Activity: System Development and Management]*
- ▶ **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 changes in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2005, an increase of \$52,349 (GF). For 2006, an increase of \$74,736 (GF). *[Affected Activity: System Development and Management]*
- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For 2005, an increase of \$140,825 (GF). For 2006, a decrease of \$11,218 (GF). *[Affected Activity: System Development and Management]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the

initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$475,882 (GF). *[Affected Activity: System Development and Management]*

- ▶ **Replace obsolete computer hardware.** Provides funds to replace antiquated regional file servers. This computer hardware, which supports all of the agency's financial management systems, is no longer supported by the manufacturer. The outdated hardware must be replaced so as not to jeopardize activities such as procurement, patient fund accounting, accounts payable, cost accounting, budgeting, and grant funding. For 2005, an increase of \$400,000 (GF). For 2006, an increase of \$175,000 (GF). *[Affected Activity: System Development and Management]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of \$70,504 (GF). *[Affected Activity: System Development and Management]*
- ▶ **Implement the Olmstead v. L.C. decision within Virginia.** Specifies the responsibilities of the Governor's community integration oversight advisory committee on implementation of the United States Supreme Court's 1999 Olmstead decision within the Commonwealth. The court ruled that the Americans with Disabilities Act may require states to provide community-based services rather than institutional placements for individuals with disabilities. This action is contained in Budget Bill language and has no direct budget impact.
- ▶ **Reduce nongeneral fund appropriation to reflect 15 percent reduction.** A technical adjustment to reduce the nongeneral fund appropriation at mental retardation training centers resulting from reductions made during the 2002-04 biennium. For each year, a decrease of \$1.9 million (NGF). *[Affected activity: Inpatient Mental Retardation Services]*
- ▶ **Transfer funding for day support services from community services boards to mental retardation training centers.** A technical adjustment to transfer funding from the community services boards to Northern Virginia Training Center for day support services provided for clients from the community. An increase in the training center's nongeneral funds occurs with these Medicaid eligible services. For each year, an increase of \$189,284 (NGF). *[Affected Activities: Inpatient Mental Retardation Services, Community Ambulatory Services]*
- ▶ **Adjust nongeneral funds to reflect decrease.** A technical adjustment to realign funding within programs to more accurately reflect expenditures and reduce the federal fund appropriation in mental retardation training centers to more accurately reflect the amount received for the instruction program. For each year, a decrease of \$34,000 (NGF). *[Affected Activity: Inpatient Mental Retardation Services]*
- ▶ **Adjust nongeneral funds to reflect increased grant awards.** A technical adjustment to reflect an increase in federal grant funds within community services boards for early intervention children's services. For each year, an increase of \$9.4 million (NGF). *[Affected Activity: Community Ambulatory Services]*
- ▶ **Transfer funds and positions between mental health treatment centers, central office, and community services boards.** A technical adjustment to correctly align the appropriation and position levels at mental health facilities, transfer funding between facilities, the central office and community services boards, and adjust the federal appropriation for a decrease in instructional funding.

For each year, a decrease of \$5,500 (NGF). *[Affected Activity: Inpatient Mental Health Services, System Development and Management, and Community Ambulatory Services]*

- ▶ **Adjust nongeneral funds to reflect grant increases.** A technical adjustment to reflect an increase in federal grant funds within the central office for early intervention children’s services and crisis counseling and outreach services. For each year, \$2.6 million (NGF). *[Affected Activity: System Development and Management]*
- ▶ **Increase nongeneral fund appropriation for mental retardation/mental illness unit to reflect Medicaid revenue.** A technical adjustment to increase the nongeneral fund appropriation of Southwestern Virginia Training Center to account for Medicaid revenue generated by the facility’s mental retardation/mental illness unit. For each year, an increase of \$344,080 (NGF). *[Affected Activity: Inpatient Mental Retardation Services]*
- ▶ **Adjust nongeneral funds to reflect grant increases in administrative and support services.** A technical adjustment to reflect an increase in federal grant funds within the central office to ensure the protection of human rights. For each year, \$389,797 (NGF). *[Affected Activity: System Development and Management]*
- ▶ **Adjust nongeneral funds to reflect grant.** A technical adjustment to reflect an increase in federal grant funds within the central office for licensure services. For each year, \$300,000 (NGF). *[Affected Activity: System Development and Management]*

Department of Rehabilitative Services

Activities of the agency:

Vocational Rehabilitation Services. To provide direct delivery of services to persons with disabilities to help them remove barriers to employment and reach an employment goal.

Community Rehabilitation Program. To improve the employability and independence of the most severely disabled persons. Long-term services needed by clients for successful job placement include sheltered and supported employment and personal assistance services.

Disability Determination Services. To provide accurate, timely, efficient and cost-effective evaluations of medical evidence related to claims filed by citizens of Virginia for benefits under the Social Security Act; and to process claims filed for Medicaid based on disability in a timely and accurate manner.

Agency Support Activities. To ensure compliance with all state and federal laws and guidelines related to fund usage, accounting, and procurement of goods and services, including general management, policy and planning, human resources, fiscal, and information technology services.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Vocational Rehabilitation Services	59,423,061	344.25	59,423,061	344.25
Community Rehabilitation Program	22,481,219	27.00	22,481,219	27.00
Disability Determination Services	34,924,135	274.75	34,924,135	274.75
Agency Support Activities	8,211,932	61.00	8,211,932	61.00
Total	125,040,347	707.00	125,040,347	707.00

Recommended budget actions:

- ▶ **Fund mandated eligibility activities of Medicaid Disability Unit.** Provides sufficient funding to address increased workload demands in processing applications for determining eligibility for

Medicaid disability services. For 2005, an increase of \$250,000 (GF) and \$250,000 (NGF). For 2006, an increase of \$256,250 (GF) and \$256,250 (NGF). *[Affected Activity: Disability Determination Services]*

- ▶ **Expand services for brain-injured individuals in southwestern Virginia.** Additional funding to provide coordination of services to individuals with brain injuries in southwestern Virginia. For each year, an increase of \$75,000 (GF). *[Affected Activity: Community Rehabilitation Program]*
- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For 2005, a decrease of \$4,374 (GF). For 2006, a decrease of \$6,157 (GF). *[Affected Activity: Agency Support Activities]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF). *[Affected Activity: Agency Support Activities]*
- ▶ **Transfer and increase appropriation for the Commonwealth Neurotrauma Initiative.** A technical adjustment to transfer the appropriated funds and one position for the Commonwealth Neurotrauma Initiative Fund to the correct fund. Additional appropriation is provided for grant distribution. For each year, \$1.2 million (NGF). *[Affected Activity: Community Rehabilitation Program]*
- ▶ **Accept transfer of funds to support the Postsecondary Education/Rehabilitation Transition (PERT) Program.** A technical adjustment to transfer general fund dollars from the Department of Education (Direct Aid to Public Education). Currently, this funding is administratively transferred annually. For each year, \$864,911 (GF). *[Affected Activity: Vocational Rehabilitation Services]*

Woodrow Wilson Rehabilitation Center

Activities of the agency:

Vocational Rehabilitation Services. To provide comprehensive services to persons with severe or multiple disabilities, to assess vocational readiness, and to prepare the individuals for successful community living and employment, when appropriate.

Medical Rehabilitation Services. To provide comprehensive services to persons in need of intensive medical rehabilitation as a result of trauma, illness or disease. The program goal is to achieve the individual's highest obtainable functioning level.

General Management and Support Services. To ensure positive program outcomes for clients through effective management and operation of a residential facility, and to provide coordination and leadership for clients and staff in all administrative matters concerning the programs and the facility.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Vocational Rehabilitation Services	9,902,375	148.00	9,902,375	148.00
Medical Rehabilitation Services	7,994,520	148.00	7,994,520	148.00
General Management and Support Services	7,321,892	67.00	7,321,892	67.00
Total	25,218,787	363.00	25,218,787	363.00

Recommended budget actions:

- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance pro-

grams. For 2005, an increase of less than \$1,000 (GF). For 2006, an increase of \$1,088 (GF). *[Affected Activity: General Management and Support Services]*

- ▶ **Generate savings by replacing contractors with classified positions.** A reduction in funds for conversion from contractual services. This action reflects the savings that will result from transitioning from contracted employment placement services to agency positions. For each year, a decrease of \$75,000 (GF). *[Affected Activity: Vocational Rehabilitation Services]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF). *[Affected Activity: General Management and Support Services]*

Department of Social Services

Activities of the agency:

Welfare Reform Services. To promote economic self-reliance of Virginians in order to reduce dependence on public assistance by providing employment services and child care subsidies to assist families to obtain and maintain employment.

Child Support Enforcement. To establish child support orders, and to collect and disburse child support payments that assist custodial parents to attain or retain economic independence.

Quality and At-Risk Day Care. To support economic self-sufficiency of families by providing childcare services while parents or guardians seek or maintain employment.

Child Protective Services. To protect children who have been or are at risk of being abused, neglected, or exploited.

Foster Care and Adoption Services. To provide safe living environments, both permanent and temporary, for children who have been abused, neglected, or exploited.

Adult and Child Care Facilities Licensure. To assure that facilities for children and elderly adults meet state standards through a system of licensure and inspection.

Adult Protection and Services. To protect adults who have been or are at risk of being abused, neglected, or exploited; and also to assist elderly adults with daily living activities in their homes.

Eligibility and Benefits Determination for Food Stamp and Medicaid programs. To make federal Food Stamp and Medicaid benefits accessible to eligible indigent citizens.

General Relief. To provide benefits and services to indigent persons not eligible for the major federal assistance programs.

Auxiliary Grants. To supplement the incomes of indigent aged, blind, or disabled persons who reside in adult living facilities.

Community Action Grants. To provide a wide range of services to low-income individuals through the network of 26 local community action agencies.

Energy, Newcomer, and Refugee Assistance. To assure access of eligible persons to federal energy and refugee assistance benefits.

General Administrative Oversight and Support for Local Programs. To provide the administrative and management infrastructure to operate and oversee the department's 16 major programs and 112 local agencies.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Welfare Reform Services	221,163,778	0.00	221,163,778	0.00
Child Support Enforcement	633,620,868	932.00	633,620,868	932.00
Quality and At-Risk Day Care	88,638,120	23.00	88,638,120	23.00
Child Protective Services	46,412,867	0.00	46,412,867	0.00
Foster Care and Adoption Services	189,373,749	10.00	189,373,749	10.00
Adult and Child Care Facilities Licensure	11,475,576	154.00	11,475,576	154.00
Adult Protection and Services	14,671,994	0.00	14,671,994	0.00

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Eligibility and Benefits Determination for Food Stamp and Medicaid programs	126,135,968	0.00	126,135,968	0.00
General Relief	4,611,421	0.00	4,611,421	0.00
Auxiliary Grants	20,098,755	0.00	20,098,755	0.00
Community Action Grants	31,032,615	9.00	31,032,615	9.00
Energy, Newcomer, and Refugee Assistance	31,841,730	18.00	31,841,730	18.00
General Administrative Oversight and Support for Local Programs	70,568,147	501.50	70,568,147	501.50
Total	1,489,645,588	1,647.50	1,489,645,588	1,647.50

Recommended budget actions:

- ▶ **Fund adoption subsidy obligations.** Increases support for mandated adoption subsidies and special needs adoptions due to increasing caseloads and expenditures. The department must fully fund anticipated program expenditures for maintenance, special service subsidies, and non-recurring expenses. This funding will ensure that the state meets its contractual obligation with adoptive parents. For 2005, \$5.5 million (GF) and \$690,344 (NGF). For 2006, \$8.6 million (GF) and \$1.9 million (NGF). *[Affected Activity: Foster Care and Adoption Services]*
- ▶ **Fund Title IV-E foster care maintenance payment.** Provides additional funds to cover the anticipated caseload and expenditure increase for the Title IV-E Foster Care program. Federal and state laws mandate that the department fully fund program expenditures for maintenance payments, which include food, clothing, shelter, and daily supervision. For 2005, \$3.9 million (GF) and \$3.9 million (NGF). For 2006, \$7.4 million (GF) and \$7.4 million (NGF). *[Affected Activity: Foster Care and Adoption Services]*
- ▶ **Fund cost increase for the Electronic Benefits Transfer (EBT) system for the distribution of food stamps.** Funds contractual obligations for the administration of the Electronic Benefits Transfer (EBT) system. The EBT system is a federally mandated program established to provide access to food stamp benefits for clients through the use of the existing electronic funds transfer infrastructure and point-of-sale technology. For 2005, \$1.4 million (GF) and \$1.4 million (NGF). For 2006, \$400,000 (GF) and \$400,000 (NGF). *[Affected Activity: Eligibility and Benefits Determination for Food Stamp and Medicaid programs]*
- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2006, an increase of less than \$1,000 (GF). *[Affected Activity: General Administrative Oversight and Support for Local Programs]*
- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For 2005, an increase of \$4,687 (GF). For 2006, an increase of \$9,453 (GF). *[Affected Activity: General Administrative Oversight and Support for Local Programs]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particu-

lar operations were excluded from the reform initiative. For each year, an increase of \$2.4 million (GF). *[Affected Activity: General Administrative Oversight and Support for Local Programs]*

- ▶ **Address shortfalls in Temporary Assistance for Needy Families (TANF) benefits and maintenance of effort (MOE).** Adds funds for federally mandated cash assistance that is provided to needy families with dependent children for the purchase of necessities, such as shelter. The federal TANF grant requires that states expend a minimum amount of dollars on TANF-eligible populations. This requirement is known as maintenance of effort (MOE). This action ensures that the Commonwealth will continue to meet its minimum MOE requirements. Failure to fully fund MOE would result in significant TANF grant penalties, roughly equal to double the annual MOE shortfall. For each year, an increase of \$10.3 million (GF). *[Affected Activity: Welfare Reform Services]*
- ▶ **Provide funding for Healthy Families Virginia.** Adds funds to promote positive parenting, improve child health and development, and reduce child abuse and neglect. For each year, an increase of \$459,980 (GF). *[Affected Activity: Welfare Reform Services]*
- ▶ **Provide child care services to at-risk, low-income families.** Continues subsidies to at-risk, low-income families who need child care in order to sustain employment, education, and/or training. Child care assistance allows these families to maintain economic independence. This funding will also leverage an equal amount (\$3.3 million) of federal dollars. For each year, an increase of \$3.3 million (GF).
- ▶ **Generate savings by replacing wage with classified positions.** Replaces three financial systems and accounting contractors in the Division of Finance with state classified positions to achieve savings based on the elimination of overhead. In addition, several nongeneral fund wage positions would be converted to classified positions. For 2005, a reduction of \$67,057 (GF) and a reduction of \$81,958 (NGF) and an increase of 15 positions. For 2006, a reduction of \$67,057 (GF) and a reduction of \$81,958 (NGF). *[Affected Activities: General Administrative Oversight and Support for Local Programs, Child Support Enforcement, and Energy, Newcomer, and Refugee Assistance]*
- ▶ **Capture savings from renegotiated contract for data line services.** Reduces funds to account for renegotiated rates for data-telecommunication lines. For each year, a reduction of \$205,990 (GF). *[Affected Activity: General Administrative Oversight and Support for Local Programs]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of \$301,690 (GF). *[Affected Activity: General Administrative Oversight and Support for Local Programs]*
- ▶ **Authorize Kinship Care program for children receiving Temporary Assistance for Needy Families (TANF).** Adds language to authorize the separation of the population of children receiving TANF into a separate program to be called the Kinship Care program, since non-parental family members typically care for these children. This distinction will provide the department with administrative and programmatic advantages. This action is contained in Budget Bill language and has no direct budget impact for this agency. *[Affected Activity: Welfare Reform Services]*
- ▶ **Adjust nongeneral fund appropriation to reflect increased revenue.** Increases appropriation to account for additional federal dollars associated with grants and the federal share of certain state and local expenditures. Additional appropriation is also provided for projected increases in child support collections and payments. For 2005, \$94.7 million (NGF). For 2006, \$114.7 million (NGF).

[Affected Activities: all activities except General Relief, Auxiliary Grants, Community Action Grants, Energy, Newcomer, and Refugee Assistance]

Virginia Board for People with Disabilities

Activities of the agency:

Programs and Project Grants. To provide grant funding to conduct targeted projects designed to improve the service delivery system for people with developmental disabilities. The board funds grants in the areas of community inclusion, education, employment, housing, and transportation.

Monitoring and Advocacy. To develop programs for self-determination, monitor delivery systems, and design initiatives to improve the lives of persons with developmental disabilities and to advise the Governor on policy and legislative issues affecting persons with disabilities.

General Management and Administrative Services. To provide supervision, guidance, and administrative services in direct support of the management and operations of the 40-member board mandated under federal and state law and to comply with all other federal and state mandates.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Programs and Project Grants	1,228,035	3.00	1,228,035	3.00
Monitoring and Advocacy	159,005	3.00	159,005	3.00
General Management and Administrative Services	289,271	2.00	289,271	2.00
Total	1,676,311	8.00	1,676,311	8.00

Recommended budget actions:

- ▶ **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 changes in the costs of contractual services, payments in lieu of taxes, utilities, vacant space, and personal services. For 2005, an increase of \$2,131 (GF). For 2006, an increase of \$3,044 (GF). *[Affected Activity: General Management and Administrative Services]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$2,592 (GF). *[Affected Activity: General Management and Administrative Services]*
- ▶ **Correct fund source for positions.** A technical adjustment to align positions with the correct source of funding. For each year, a decrease of 1.25 positions (GF) and an increase of 1.25 positions (NGF). *[Affected Activities: Programs and Projects, General Management and Administrative Services]*

Virginia Department for the Blind and Vision Impaired

Activities of the agency:

Rehabilitation Services. To enable blind individuals to acquire the special skills they need to enter, re-enter, or maintain employment and live independently.

Education Services. To enable blind and visually impaired students to fully participate in public or private schools; to provide infant developmental programs; and to provide Braille, large-print, and recorded textbooks and library materials to all visually impaired Virginians.

Business Enterprises. To create and provide job opportunities for blind and visually impaired individuals.

Administration and Support Services. To provide leadership, direction, and administrative support to the agency's rehabilitation, education, and business enterprises programs.

Regional Office Support and Administration. To provide direction and supervision to staff who provide direct customer services.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Rehabilitation Services	9,022,000	70.00	9,022,000	70.00
Education Services	2,288,153	23.00	2,288,153	23.00
Business Enterprises	14,544,626	14.00	14,544,626	14.00
Administration and Support Services	1,618,690	29.00	1,618,690	29.00
Regional Office Support and Administration	1,868,387	27.00	1,868,387	27.00
Total	29,341,856	163.00	29,341,856	163.00

Recommended budget actions:

- ▶ **Assess salary reimbursement of teachers of the visually impaired.** Directs the agency, in cooperation with the Department of Education, to study and report on the current methodologies and inequities in reimbursement of special education teachers of the visually impaired. This action is contained in Budget Bill language and has no direct budget impact.
- ▶ **Provide funding for risk management premiums.** Adds funding for an increase in automobile and property insurance premiums, which are based on increased costs in the state's self-insurance programs. For 2006, an increase of less than \$1,000 (GF). *[Affected Activity: Administration and Support Services]*
- ▶ **Adjust funding for state employee workers' compensation premiums.** Adjusts funding to reflect changes in the premiums paid by the agency on behalf of its employees for workers' compensation. Changes in workers' compensation premiums are the result of changes in the covered payroll or claims experience. For each year, a decrease of less than \$1,000 (GF). *Affected Activity: Administration and Support Services]*
- ▶ **Restore funding for in-house information technology activities.** Restores funding previously removed for implementing the new statewide information technology reform initiative. This adjustment is necessary to account for legislated changes to the implementation schedule and scope of the initiative. For medium or large agencies, consolidation into the new structure was delayed until as late as January 2005. In addition, computer applications considered specific to an agency's particular operations were excluded from the reform initiative. For each year, an increase of \$31,984 (GF). *[Affected Activity: Administration and Support Services]*
- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of \$3,775 (GF). *[Affected Activity: Administration and Support Services]*
- ▶ **Adjust enterprise appropriation.** A technical adjustment to increase the appropriation of enterprise funds for the Virginia Industries for the Blind. Additional military supply stores will open

soon and new products are being added to the production line. For 2005, \$6.0 million (NGF). For 2006, \$6.5 million (NGF). *[Affected Activity: Business Enterprises]*

- ▶ **Correct funding source for positions.** A technical adjustment to transfer two positions from federal fund to general fund to correctly align the fund sources of the positions with the agency's spending. For 2005, a decrease of two positions (GF) and an increase of two positions (NGF). *[Affected Activities: Business Enterprises, Regional Office Support and Administration]*

Virginia Rehabilitation Center for the Blind and Vision Impaired

Activities of the agency:

Residential Rehabilitative Services. To assist blind and visually impaired customers in becoming confident in their abilities, independent, and prepared for work or independent living through structured and intensive residential training at the center.

Administrative Program Support Services. To provide leadership, administration and management support and supervision of direct customer services and instructional staff, dormitory services, food service, and citizen participation in the services of the center.

Activity resources:

Activity	2005 Base Budget		2006 Base Budget	
	All Funds	Positions	All Funds	Positions
Residential Rehabilitative Services	1,134,732	20.00	1,134,732	20.00
Administrative Program Support Services	810,673	6.00	810,673	6.00
Total	1,945,405	26.00	1,945,405	26.00

Recommended budget actions:

- ▶ **Implement VITA savings strategy.** Captures savings from new telecommunications contracts negotiated by the Virginia Information Technologies Agency (VITA), including for the new COVANET contract and, if applicable, any cell-phone usage. The COVANET contract includes long distance voice services along with a comprehensive data network and Internet services. For each year, a reduction of less than \$1,000 (GF). *[Affected Activity: Administrative Program Support Services]*
- ▶ **Adjust federal appropriation for vocational rehabilitation services.** A technical adjustment to reflect additional federal funding for vocational rehabilitation services for the blind, vision impaired, and deaf-blind. For each year, \$40,000 (NGF). *[Affected Activity: Residential Rehabilitative Services]*
- ▶ **Correct funding source for position.** A technical adjustment to correct the funding source of a portion of a position. For each year, a decrease of 0.25 positions (GF) and an increase of 0.25 positions (NGF). *[Affected Activity: Residential Rehabilitative Services]*

Strategic planning and performance measurement information for all executive branch agencies can be accessed centrally through *Virginia Results*, the Commonwealth's automated performance management information system, at:
www.dpb.state.va.us/VAResults/VRHome.html



Office of Health and Human Resources

Detail Tables

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
SECRETARY OF HEALTH AND HUMAN RESOURCES						
2004 legislative appropriation	528,104	0	528,104	528,104	0	528,104
Adjustments to legislative appropriation	20,705	4,790	25,495	20,705	4,790	25,495
2004-2006 base budget	548,809	4,790	553,599	548,809	4,790	553,599
Recommended budget actions:						
▶ Adjust funding for rental charges	2,218	0	2,218	3,166	0	3,166
▶ Restore funding for in-house information technology activities	1,161	0	1,161	1,161	0	1,161
▶ Implement VITA savings strategy	(215)	0	(215)	(215)	0	(215)
Total recommended budget actions	3,164	0	3,164	4,112	0	4,112
Total recommended funding	551,973	4,790	556,763	552,921	4,790	557,711
Percent change over base budget	.58%	0.00%	.57%	.75%	0.00%	.74%
Position level:						
2004 legislative appropriation	6.00	0.00	6.00	6.00	0.00	6.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	6.00	0.00	6.00	6.00	0.00	6.00
COMPREHENSIVE SERVICES FOR AT-RISK YOUTH AND FAMILIES						
2004 legislative appropriation	168,998,120	34,401,278	203,399,398	168,998,120	34,401,278	203,399,398
Adjustments to legislative appropriation	0	0	0	0	0	0
2004-2006 base budget	168,998,120	34,401,278	203,399,398	168,998,120	34,401,278	203,399,398
Recommended budget actions:						
▶ Fund mandated special education and foster care services for Virginia's at-risk youth	18,937,051	21,555,538	40,492,589	27,881,725	27,010,400	54,892,125
▶ Restore funding for in-house information technology activities	9,818	0	9,818	9,818	0	9,818
Total recommended budget actions	18,946,869	21,555,538	40,502,407	27,891,543	27,010,400	54,901,943
Total recommended funding	187,944,989	55,956,816	243,901,805	196,889,663	61,411,678	258,301,341
Percent change over base budget	11.21%	62.66%	19.91%	16.50%	78.52%	26.99%
Position level:						
2004 legislative appropriation	0.00	0.00	0.00	0.00	0.00	0.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	0.00	0.00	0.00	0.00	0.00	0.00

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
DEPARTMENT FOR THE AGING						
2004 legislative appropriation	13,918,969	29,833,171	43,752,140	13,918,969	29,833,171	43,752,140
Adjustments to legislative appropriation	29,632	25,915	55,547	29,632	25,915	55,547
2004-2006 base budget	13,948,601	29,859,086	43,807,687	13,948,601	29,859,086	43,807,687
Recommended budget actions:						
▶ Restore funding for in-house information technology activities	9,307	0	9,307	9,307	0	9,307
▶ Expand the Public Guardian and Conservator Program	110,000	0	110,000	250,000	0	250,000
▶ Provide funding for the distribution of comprehensive health and aging information	250,000	0	250,000	250,000	0	250,000
▶ Implement VITA savings strategy	(143)	0	(143)	(143)	0	(143)
Total recommended budget actions	369,164	0	369,164	509,164	0	509,164
Total recommended funding	14,317,765	29,859,086	44,176,851	14,457,765	29,859,086	44,316,851
Percent change over base budget	2.65%	0.00%	.84%	3.65%	0.00%	1.16%
Position level:						
2004 legislative appropriation	16.00	11.00	27.00	16.00	11.00	27.00
Recommended position level changes	(6.00)	6.00	0.00	(6.00)	6.00	0.00
Total recommended positions	10.00	17.00	27.00	10.00	17.00	27.00
DEPARTMENT FOR THE DEAF AND HARD-OF-HEARING						
2004 legislative appropriation	1,177,466	137,387	1,314,853	1,177,466	137,387	1,314,853
Adjustments to legislative appropriation	24,503	555	25,058	24,503	555	25,058
2004-2006 base budget	1,201,969	137,942	1,339,911	1,201,969	137,942	1,339,911
Recommended budget actions:						
▶ Restore funding for in-house information technology activities	1,927	0	1,927	1,927	0	1,927
▶ Implement VITA savings strategy	(265)	0	(265)	(265)	0	(265)
Total recommended budget actions	1,662	0	1,662	1,662	0	1,662
Total recommended funding	1,203,631	137,942	1,341,573	1,203,631	137,942	1,341,573
Percent change over base budget	.14%	0.00%	.12%	.14%	0.00%	.12%
Position level:						
2004 legislative appropriation	13.04	.96	14.00	13.04	.96	14.00
Recommended position level changes	(1.04)	1.04	0.00	(1.04)	1.04	0.00
Total recommended positions	12.00	2.00	14.00	12.00	2.00	14.00
DEPARTMENT OF HEALTH						
2004 legislative appropriation	135,988,785	298,344,337	434,333,122	135,988,785	298,344,337	434,333,122
Adjustments to legislative appropriation	3,660,522	4,298,381	7,958,903	3,660,522	4,298,381	7,958,903
2004-2006 base budget	139,649,307	302,642,718	442,292,025	139,649,307	302,642,718	442,292,025
Recommended budget actions:						
▶ Provide funding for risk management premiums	554	0	554	3,691	0	3,691
▶ Adjust funding for rental charges	176,271	0	176,271	197,431	0	197,431

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Adjust funding for state employee workers' compensation premiums	(9,912)	0	(9,912)	(18,259)	0	(18,259)
▶ Restore funding for in-house information technology activities	3,315,206	0	3,315,206	3,315,206	0	3,315,206
▶ Increase funding for Emergency Medical Services (EMS) system	0	13,800,000	13,800,000	0	13,800,000	13,800,000
▶ Redirect automation resources in the Office of Vital Records and Health Statistics	(967,904)	967,904	0	(967,904)	967,904	0
▶ Remove general fund supplement for emergency medical services	(3,185,823)	0	(3,185,823)	(3,185,823)	0	(3,185,823)
▶ Support med-flight operations with emergency medical services revenue	0	(1,045,375)	(1,045,375)	0	(1,045,375)	(1,045,375)
▶ Implement VITA savings strategy	(38,367)	0	(38,367)	(38,367)	0	(38,367)
▶ Adjust nongeneral fund appropriation for the Office of the Chief Medical Examiner	0	414,659	414,659	0	414,659	414,659
▶ Adjust federal funds for the Communicable and Chronic Disease Prevention Program	0	20,079,667	20,079,667	0	21,189,667	21,189,667
▶ Transfer wastewater functions to the Department of Environmental Quality	(552,006)	0	(552,006)	(552,006)	0	(552,006)
Total recommended budget actions	(1,261,981)	34,216,855	32,954,874	(1,246,031)	35,326,855	34,080,824
Total recommended funding	138,387,326	336,859,573	475,246,899	138,403,276	337,969,573	476,372,849
Percent change over base budget	(.90%)	11.31%	7.45%	(.89%)	11.67%	7.71%
Position level:						
2004 legislative appropriation	1,661.00	1,892.00	3,553.00	1,661.00	1,892.00	3,553.00
Recommended position level changes	(68.00)	185.00	117.00	(68.00)	185.00	117.00
Total recommended positions	1,593.00	2,077.00	3,670.00	1,593.00	2,077.00	3,670.00
DEPARTMENT OF HEALTH PROFESSIONS						
2004 legislative appropriation	0	16,609,415	16,609,415	0	16,609,415	16,609,415
Adjustments to legislative appropriation	0	310,729	310,729	0	310,729	310,729
2004-2006 base budget	0	16,920,144	16,920,144	0	16,920,144	16,920,144
Recommended budget actions:						
▶ Provide appropriation for increased investigation and adjudication costs	0	2,208,740	2,208,740	0	2,252,370	2,252,370
Total recommended budget actions	0	2,208,740	2,208,740	0	2,252,370	2,252,370
Total recommended funding	0	19,128,884	19,128,884	0	19,172,514	19,172,514
Percent change over base budget	N/A	13.05%	13.05%	N/A	13.31%	13.31%
Position level:						
2004 legislative appropriation	0.00	144.00	144.00	0.00	144.00	144.00
Recommended position level changes	0.00	29.00	29.00	0.00	29.00	29.00
Total recommended positions	0.00	173.00	173.00	0.00	173.00	173.00
DEPARTMENT OF MEDICAL ASSISTANCE SERVICES						
2004 legislative appropriation	1,839,080,544	1,913,883,556	3,752,964,100	1,839,080,544	1,913,883,556	3,752,964,100
Adjustments to legislative appropriation	3,610,606	(3,360,790)	249,816	3,610,606	(3,360,790)	249,816
2004-2006 base budget	1,842,691,150	1,910,522,766	3,753,213,916	1,842,691,150	1,910,522,766	3,753,213,916

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Recommended budget actions:						
▶ Fund Medicaid utilization and inflation	(38,694,037)	555,221,553	516,527,516	159,512,588	684,063,573	843,576,161
▶ Fund Family Access to Medical Insurance Security Plan utilization and inflation	6,174,670	10,120,249	16,294,919	8,630,123	16,027,371	24,657,494
▶ Fund medical assistance services for low-income children utilization and inflation	8,114,909	14,213,403	22,328,312	8,425,188	15,646,778	24,071,966
▶ Reflect actual results of revenue maximization efforts	6,900,000	(6,900,000)	0	6,900,000	(6,900,000)	0
▶ Fund medical services for involuntary mental commitments	1,063,936	0	1,063,936	1,989,777	0	1,989,777
▶ Adjust indigent health care funding	(15,645,526)	2,251,286	(13,394,240)	(12,383,733)	5,513,078	(6,870,655)
▶ Provide funding for risk management premiums	0	0	0	169	0	169
▶ Adjust funding for state employee workers' compensation premiums	(354)	0	(354)	(566)	0	(566)
▶ Restore funding for in-house information technology activities	788,899	0	788,899	788,899	0	788,899
▶ Increase Individual and Family Developmental Disabilities Support Waiver slots	344,756	344,756	689,512	459,675	459,675	919,350
▶ Increase the inpatient hospital adjustment factor	0	0	0	9,125,000	9,125,000	18,250,000
▶ Increase payments to nursing facilities	0	0	0	9,740,987	9,740,987	19,481,974
▶ Incorporate the AIDS Waiver into the Elderly and Disabled Waiver	(1,170,868)	(1,170,868)	(2,341,736)	(1,170,868)	(1,170,868)	(2,341,736)
▶ Reduce rates for durable medical equipment	(200,000)	(201,043)	(401,043)	(200,000)	(201,043)	(401,043)
▶ Remove administrative funding associated with the disease state management program	(700,000)	(700,000)	(1,400,000)	(700,000)	(700,000)	(1,400,000)
▶ Implement a state maximum allowable cost program	(5,150,000)	(5,150,000)	(10,300,000)	(5,150,000)	(5,150,000)	(10,300,000)
▶ Implement a test phase of disease state management	(1,000,000)	(1,000,000)	(2,000,000)	(1,000,000)	(1,000,000)	(2,000,000)
▶ Implement VITA savings strategy	(7,478)	0	(7,478)	(7,478)	0	(7,478)
Total recommended budget actions	(39,181,093)	567,029,336	527,848,243	184,959,761	725,454,551	910,414,312
Total recommended funding	1,803,510,057	2,477,552,102	4,281,062,159	2,027,650,911	2,635,977,317	4,663,628,228
Percent change over base budget	(2.13%)	29.68%	14.06%	10.04%	37.97%	24.26%
Position level:						
2004 legislative appropriation	146.67	176.33	323.00	146.67	176.33	323.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	146.67	176.33	323.00	146.67	176.33	323.00
DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES						
2004 legislative appropriation	395,005,957	332,158,151	727,164,108	395,005,957	332,158,151	727,164,108
Adjustments to legislative appropriation	16,654,283	7,800,795	24,455,078	16,654,283	7,800,795	24,455,078
2004-2006 base budget	411,660,240	339,958,946	751,619,186	411,660,240	339,958,946	751,619,186
Recommended budget actions:						
▶ Address facility revenue shortfall	14,800,000	(14,800,000)	0	14,800,000	(14,800,000)	0
▶ Provide staffing for the operation of the Virginia Center for Behavioral Rehabilitation	3,575,000	0	3,575,000	5,566,000	0	5,566,000
▶ Fund additional Mental Retardation Waiver slots	2,666,667	0	2,666,667	4,000,000	0	4,000,000

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Fund individualized mental health discharge assistance plans	3,593,333	0	3,593,333	5,390,000	0	5,390,000
▶ Increase community mental health services for non-mandated children and adolescents	2,000,000	0	2,000,000	2,000,000	0	2,000,000
▶ Provide services and monitoring for conditionally released sexually violent predators	325,000	0	325,000	534,000	0	534,000
▶ Implement Programs of Assertive Community Treatment (PACT)	1,968,750	0	1,968,750	2,625,000	0	2,625,000
▶ Increase inpatient treatment purchased in community hospitals	1,000,000	0	1,000,000	1,000,000	0	1,000,000
▶ Provide funding for risk management premiums	8,475	0	8,475	37,407	0	37,407
▶ Adjust funding for rental charges	52,349	0	52,349	74,736	0	74,736
▶ Adjust funding for state employee workers' compensation premiums	140,825	0	140,825	(11,218)	0	(11,218)
▶ Restore funding for in-house information technology activities	475,882	0	475,882	475,882	0	475,882
▶ Replace obsolete computer hardware	400,000	0	400,000	175,000	0	175,000
▶ Implement VITA savings strategy	(70,504)	0	(70,504)	(70,504)	0	(70,504)
▶ Reduce nongeneral fund appropriation to reflect 15 percent reduction	0	(1,948,227)	(1,948,227)	0	(1,948,227)	(1,948,227)
▶ Transfer funding for day support services from community services boards to mental retardation training centers	0	189,284	189,284	0	189,284	189,284
▶ Adjust nongeneral funds to reflect decrease	0	(34,000)	(34,000)	0	(34,000)	(34,000)
▶ Increase federal appropriation to reflect increased grant awards	0	9,400,000	9,400,000	0	9,400,000	9,400,000
▶ Transfer funds and positions between mental health treatment centers, central office, and community services boards	0	(5,500)	(5,500)	0	(5,500)	(5,500)
▶ Adjust nongeneral funds to reflect grant increases	0	2,599,898	2,599,898	0	2,599,898	2,599,898
▶ Increase nongeneral fund appropriation for mental retardation/mental illness unit to reflect Medicaid revenue	0	344,080	344,080	0	344,080	344,080
▶ Adjust nongeneral funds to reflect grant increases in administrative and support services	0	389,797	389,797	0	389,797	389,797
▶ Adjust nongeneral funds to reflect additional grant	0	300,000	300,000	0	300,000	300,000
Total recommended budget actions	30,935,777	(3,564,668)	27,371,109	36,596,303	(3,564,668)	33,031,635
Total recommended funding	442,596,017	336,394,278	778,990,295	448,256,543	336,394,278	784,650,821
Percent change over base budget	7.51%	(1.05%)	3.64%	8.89%	(1.05%)	4.39%
Position level:						
2004 legislative appropriation	6,670.13	3,197.62	9,867.75	6,670.13	3,197.62	9,867.75
Recommended position level changes	507.14	(433.89)	73.25	548.14	(433.89)	114.25
Total recommended positions	7,177.27	2,763.73	9,941.00	7,218.27	2,763.73	9,982.00
DEPARTMENT OF REHABILITATIVE SERVICES						
2004 legislative appropriation	23,793,034	99,574,596	123,367,630	23,793,034	99,574,596	123,367,630
Adjustments to legislative appropriation	319,771	1,352,946	1,672,717	319,771	1,352,946	1,672,717
2004-2006 base budget	24,112,805	100,927,542	125,040,347	24,112,805	100,927,542	125,040,347

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Recommended budget actions:						
▶ Fund mandated eligibility activities of Medicaid Disability Unit	250,000	250,000	500,000	256,250	256,250	512,500
▶ Expand services for brain injured individuals in southwestern Virginia	75,000	0	75,000	75,000	0	75,000
▶ Adjust funding for state employee workers' compensation premiums	(4,374)	0	(4,374)	(6,157)	0	(6,157)
▶ Implement VITA savings strategy	(793)	0	(793)	(793)	0	(793)
▶ Transfer and increase appropriation for the Commonwealth Neurotrauma Initiative	0	1,170,280	1,170,280	0	1,170,280	1,170,280
▶ Accept transfer of funds to support the Post-secondary Education/Rehabilitation Transition (PERT) program	864,911	0	864,911	864,911	0	864,911
Total recommended budget actions	1,184,744	1,420,280	2,605,024	1,189,211	1,426,530	2,615,741
Total recommended funding	25,297,549	102,347,822	127,645,371	25,302,016	102,354,072	127,656,088
Percent change over base budget	4.91%	1.41%	2.08%	4.93%	1.41%	2.09%
Position level:						
2004 legislative appropriation	113.25	593.75	707.00	113.25	593.75	707.00
Recommended position level changes	1.00	1.00	2.00	1.00	1.00	2.00
Total recommended positions	114.25	594.75	709.00	114.25	594.75	709.00
WOODROW WILSON REHABILITATION CENTER						
2004 legislative appropriation	5,094,126	19,389,583	24,483,709	5,094,126	19,389,583	24,483,709
Adjustments to legislative appropriation	258,874	476,204	735,078	258,874	476,204	735,078
2004-2006 base budget	5,353,000	19,865,787	25,218,787	5,353,000	19,865,787	25,218,787
Recommended budget actions:						
▶ Provide funding for risk management premiums	178	0	178	1,088	0	1,088
▶ Generate savings by replacing contractors with classified positions	(75,000)	0	(75,000)	(75,000)	0	(75,000)
▶ Implement VITA savings strategy	(32)	0	(32)	(32)	0	(32)
Total recommended budget actions	(74,854)	0	(74,854)	(73,944)	0	(73,944)
Total recommended funding	5,278,146	19,865,787	25,143,933	5,279,056	19,865,787	25,144,843
Percent change over base budget	(1.40%)	0.00%	(.30%)	(1.38%)	0.00%	(.29%)
Position level:						
2004 legislative appropriation	118.67	244.33	363.00	118.67	244.33	363.00
Recommended position level changes	0.00	0.00	0.00	0.00	0.00	0.00
Total recommended positions	118.67	244.33	363.00	118.67	244.33	363.00
DEPARTMENT OF SOCIAL SERVICES						
2004 legislative appropriation	273,098,432	1,212,573,224	1,485,671,656	273,098,432	1,212,573,224	1,485,671,656
Adjustments to legislative appropriation	2,461,397	1,512,535	3,973,932	2,461,397	1,512,535	3,973,932
2004-2006 base budget	275,559,829	1,214,085,759	1,489,645,588	275,559,829	1,214,085,759	1,489,645,588
Recommended budget actions:						
▶ Fund adoption subsidy obligations	5,480,596	690,344	6,170,940	8,625,722	1,935,310	10,561,032
▶ Fund Title IV-E foster care maintenance payments	3,921,175	3,921,175	7,842,350	7,446,619	7,446,619	14,893,238

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Fund cost increase for the Electronic Benefits Transfer (EBT) system for the distribution of food stamps	1,420,940	1,420,940	2,841,880	400,000	400,000	800,000
▶ Provide funding for risk management premiums	0	0	0	118	0	118
▶ Adjust funding for state employee workers' compensation premiums	4,687	0	4,687	9,453	0	9,453
▶ Restore funding for in-house information technology activities	2,448,316	0	2,448,316	2,448,316	0	2,448,316
▶ Address shortfalls in Temporary Assistance for Needy Families (TANF) benefits and maintenance of effort (MOE)	10,349,238	0	10,349,238	10,349,238	0	10,349,238
▶ Provide funding for Healthy Families Virginia	459,980	0	459,980	459,980	0	459,980
▶ Provide child care services to at-risk, low-income families	3,277,278	0	3,277,278	3,277,278	0	3,277,278
▶ Generate savings by replacing wage with classified positions	(67,057)	(81,958)	(149,015)	(67,057)	(81,958)	(149,015)
▶ Capture savings from renegotiated contract for data line services	(205,990)	0	(205,990)	(205,990)	0	(205,990)
▶ Implement VITA savings strategy	(301,690)	0	(301,690)	(301,690)	0	(301,690)
▶ Adjust nongeneral fund appropriation to reflect increased revenue	0	94,658,909	94,658,909	0	114,658,909	114,658,909
Total recommended budget actions	26,787,473	100,609,410	127,396,883	32,441,987	124,358,880	156,800,867
Total recommended funding	302,347,302	1,314,695,169	1,617,042,471	308,001,816	1,338,444,639	1,646,446,455
Percent change over base budget	9.72%	8.29%	8.55%	11.77%	10.24%	10.53%
Position level:						
2004 legislative appropriation	260.26	1,387.24	1,647.50	260.26	1,387.24	1,647.50
Recommended position level changes	1.35	13.65	15.00	1.35	13.65	15.00
Total recommended positions	261.61	1,400.89	1,662.50	261.61	1,400.89	1,662.50
VIRGINIA BOARD FOR PEOPLE WITH DISABILITIES						
2004 legislative appropriation	118,575	1,537,827	1,656,402	118,575	1,537,827	1,656,402
Adjustments to legislative appropriation	3,741	16,168	19,909	3,741	16,168	19,909
2004-2006 base budget	122,316	1,553,995	1,676,311	122,316	1,553,995	1,676,311
Recommended budget actions:						
▶ Adjust funding for rental charges	2,131	0	2,131	3,044	0	3,044
▶ Restore funding for in-house information technology activities	2,592	0	2,592	2,592	0	2,592
Total recommended budget actions	4,723	0	4,723	5,636	0	5,636
Total recommended funding	127,039	1,553,995	1,681,034	127,952	1,553,995	1,681,947
Percent change over base budget	3.86%	0.00%	.28%	4.61%	0.00%	.34%
Position level:						
2004 legislative appropriation	2.00	6.00	8.00	2.00	6.00	8.00
Recommended position level changes	(1.25)	1.25	0.00	(1.25)	1.25	0.00
Total recommended positions	.75	7.25	8.00	.75	7.25	8.00

	Fiscal Year 2005			Fiscal Year 2006		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
DEPARTMENT FOR THE BLIND AND VISION IMPAIRED						
2004 legislative appropriation	5,759,359	21,800,580	27,559,939	5,759,359	21,800,580	27,559,939
Adjustments to legislative appropriation	188,259	1,593,658	1,781,917	188,259	1,593,658	1,781,917
2004-2006 base budget	5,947,618	23,394,238	29,341,856	5,947,618	23,394,238	29,341,856
Recommended budget actions:						
▶ Provide funding for risk management premiums	0	0	0	285	0	285
▶ Adjust funding for state employee workers' compensation premiums	(257)	0	(257)	(628)	0	(628)
▶ Restore funding for in-house information technology activities	31,984	0	31,984	31,984	0	31,984
▶ Implement VITA savings strategy	(3,775)	0	(3,775)	(3,775)	0	(3,775)
▶ Adjust enterprise appropriation	0	6,000,000	6,000,000	0	6,500,000	6,500,000
Total recommended budget actions	27,952	6,000,000	6,027,952	27,866	6,500,000	6,527,866
Total recommended funding	5,975,570	29,394,238	35,369,808	5,975,484	29,894,238	35,869,722
Percent change over base budget	.47%	25.65%	20.54%	.47%	27.78%	22.25%
Position level:						
2004 legislative appropriation	98.40	64.60	163.00	98.40	64.60	163.00
Recommended position level changes	2.00	(2.00)	0.00	2.00	(2.00)	0.00
Total recommended positions	100.40	62.60	163.00	100.40	62.60	163.00
VIRGINIA REHABILITATION CENTER FOR THE BLIND AND VISION IMPAIRED						
2004 legislative appropriation	191,465	1,726,699	1,918,164	191,465	1,726,699	1,918,164
Adjustments to legislative appropriation	237	27,004	27,241	237	27,004	27,241
2004-2006 base budget	191,702	1,753,703	1,945,405	191,702	1,753,703	1,945,405
Recommended budget actions:						
▶ Implement VITA savings strategy	(61)	0	(61)	(61)	0	(61)
▶ Adjust federal appropriation for vocational rehabilitation services	0	40,000	40,000	0	40,000	40,000
Total recommended budget actions	(61)	40,000	39,939	(61)	40,000	39,939
Total recommended funding	191,641	1,793,703	1,985,344	191,641	1,793,703	1,985,344
Percent change over base budget	(.03%)	2.28%	2.05%	(.03%)	2.28%	2.05%
Position level:						
2004 legislative appropriation	.25	25.75	26.00	.25	25.75	26.00
Recommended position level changes	(.25)	.25	0.00	(.25)	.25	0.00
Total recommended positions	0.00	26.00	26.00	0.00	26.00	26.00
TOTAL FOR HEALTH & HUMAN RESOURCES						
Grand total recommended funds	2,927,729,005	4,725,544,185	7,653,273,190	3,172,292,675	4,914,833,612	8,087,126,287
Grand total recommended positions	9,540.62	7,544.88	17,085.50	9,581.62	7,544.88	17,126.50