

Ref#	Ongoing State Funds	One-time State Funds	Total Funds ¹	Budget Reduction Options ² - Chair Proposal	Requires Other Changes?
<u>Underline</u> represents something new and cross-out represents deletions since the 1/22/2016 version.					
D	\$ -	\$ <u>(748,000)</u>	\$ <u>(748,000)</u>	<p>DHS - DSPD - Estimated unused FY 2016 Funds Due to Delays in Client Placements - Thus far, providers are indicating that the Direct Care Salary rate increase has only stabilized turnover but not improved it. High turnover rates result in a longer time to place new clients into services. This is a one-time savings since additional funding will be required on an ongoing basis once clients are entering services in a timely manner. DSPD was appropriated \$248.5 million for FY 2015 but the agency ended up spending \$4.7 less than appropriated (\$243.8 million). DSPD diverted \$2.7 million of that savings for one-time capital improvements in FY 2015 at the Utah State Developmental Center (USDC). By comparison, the USDC FY 2017 requested capital budget amount is only \$200,000. The state fund savings was calculated by applying the state match rate of 29.68%. DHS agreed to a FY 2016 reduction of \$1,097,300 during the 2015 General Session. DHS/DSPD state: "The \$297,700 has been included on the consensus funding reduction items list. To make this reduction would be to cut the savings from delays in receiving services twice." <u>The reduction was changed from \$2.7 million.</u></p>	No
H	\$ (386,200)	\$ -	\$ <u>(809,900)</u>	<p>DHS - ORS - Reduce medical collection staff due to changes with Accountable Care Organizations - the Department of Health states, "The Accountable Care Organizations (ACOs) being used by the majority of the state for Medicaid purposes do not fall within the third-party recoveries handled by ORS. Those have been in place for nearly three years now, which is the statute of limitations for the collections that ORS does in third-party liability. Once we pass that three year mark, and ORS is no longer collecting on claims that pre-dated the ACO implementation, we expect that the opportunities for collection within the largest of the three major subcategories of this total handled by ORS will decrease." It's estimated that ACOs are covering about 50% of all Medicaid expenditures and are now supposed to do the duties the ORS Medical collections unit did before. This reduction reduces the ORS Medical Collection unit by 50% or 20 FTE with associated costs. DHS/ORS state: "DOH and ORS do not agree with this proposal . . . A significant reduction in ORS staff will cause Utah's Medicaid program to be out of compliance with federal regulation and will likely result in a deficit in the Medicaid budget." <u>Total funds have been updated to reflect federal funds.</u></p>	No
N	\$ (174,000)	\$ -	\$ (174,000)	<p>DHS - USH - Remove funding associated with HB. 14, Civil Commitment Amendments (2012 GS) - There has only been one civil commitment to the State Hospital since enactment of the bill due to the changes in H.B. 14. The initial estimate at the time of the bill's passage anticipated 6 individuals civilly committed to the State Hospital through FY 2016. This proposal would remove the additional funding associated with HB 14 and instead require the State Hospital to handle any minimal caseload increase through its existing budget without regard to funding for HB 14. DHS/USH state: "USH is expected to be prepared to treat this population regardless of numbers committed . . . Without this funding, these psychologist and social worker positions would be eliminated and treatment of patients with sexual reactive issues would be significantly less effective."</p>	Maybe

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R	\$ (39,200)	\$ -	\$ (39,200)	DHS - DCFS - Reduce state General Fund due to increased federal Child Abuse Discretionary Activities allotment - federal Child Abuse Discretionary Activities funding was increased by \$4.256 million in the Omnibus Budget bill (FFIS Issue Brief 15-10, December 31, 2015). Utah is anticipated to receive \$39,200 (.00922 X \$4.256 million) more in its allotment in federal FY 2017 than it will in federal FY 2016. These funds can be used to fund qualified expenditures in lieu of state General Fund and thereby reduce the amount of General Fund going for these efforts. DHS/DCFS states: "DCFS has not received this award and we have been unable to find information about it."	No
W	\$ (1,225,900)	\$ 503,000	\$ (4,130,400)	DOH - Autism Program Attrition - There are new federal guidelines that require all medically necessary autism services to be provided to clients up to age 21. The State is no longer accepting clients on its autism waiver and the ongoing savings listed represent attrition savings beginning in FY 2018 from children turning seven from a \$1.8M General Fund original appropriation. There are also savings of \$722,900 in FY 2017.	Yes - statutory change
X	\$ -	\$ (3,975,900)	\$ -	DOH - Medicaid Restricted Account (Sweep Balance) - The fund balance is not used unless the Legislature appropriates money out of it. As per UCA 26-18-402, the account receives all the unspent monies in the Medicaid program. This reduction leaves enough money in the account to provide a \$4.6 million buffer in case the Medicaid consensus forecast underestimates costs (see motion #6W in "Motions for Subcommittee Consideration").	No
Z	\$ (100,000)	\$ (83,300)	\$ (200,000)	DOH - End Nurse Case Management Medicaid Pilot - Health received \$100,000 ongoing General Fund beginning in FY 2013 from its service funding to run a cost savings pilot project. Health contracted for half of the money with Bear River Health Department for two nurses to manage 52 children with special health care needs on Medicaid in coordination with physician offices. This would end the pilot program effective March 1, 2015. Health: "As of July 1, 2015, [accountable care organizations] are operating in the same geographical service area of this pilot program. Any savings from continuing this program would accrue to the [accountable care organizations] rather than back to the state."	No
AB	\$ (35,000)	\$ -	\$ (70,000)	DOH - Telehealth Staff - Removes funding for staff provided in FY 2015 beginning in FY 2017. If the Utah Telehealth Network wanted to continue to receive this administrative help, then it could pay for it.	No
AF	\$ -	\$ (7,000)	\$ -	DOH - Autism Treatment Account - This account ended FY 2015 with a \$7,000 balance. The program using this account has ended. This would use the money in this account in exchange for General Fund in Medicaid for autism services.	No

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AG	\$ (2,400)	\$ (800)	\$ (4,800)	DOH - Savings From Ending Building Leases - the Department of Health is ending two building leases (see http://le.utah.gov/interim/2015/pdf/00005627.pdf): (1) \$2,500 total funds (\$1,200 General Fund) for part of the Weber Human Services Building in Ogden effective November 1, 2015 and (2) \$2,300 total funds (\$2,200 General Fund) for an office in Logan effective June 30, 2016. The savings assumes the 3 FTEs in these buildings can be housed in existing building resources and no increase in associated risk management payments. The one-time savings can be taken in FY 2016.	No
AH	\$ (2,000,000)	\$ (670,000)	\$ (6,700,000)	DWS - Reduce Match for Child Care Development Fund - Monthly caseloads for child care subsidies have dropped 20% from 7,411 to 5,900 from FY 2011 to FY 2015. Federal funds for the program during the same period have increased 16% from \$57,307,500 to \$66,674,000. At least 70% of the funds must go for child care subsidies. In FY 2014 the agency opted to spend \$5.9 million above the federally-required minimum on quality improvement efforts. In FY 2015 that figure was \$10.7 million and the agency projects using a total of \$ 12.6 million on quality improvement in both FY 2016 and FY 2017. This reduction removes the state funding effective April 1, 2016 associated with \$6.7 million in quality improvement spending above FY 2014 levels. See the brief available at http://le.utah.gov/interim/2015/pdf/00004112.pdf for more information.	No
AI	\$ -	\$ (3,000,000)	\$ (3,000,000)	DWS - for Special Administrative Expense Account (SAEA) (fund 1281) divert funding one-time from job-related projects to other Legislatively-determined purposes. DWS estimates SAEA realistic collections (available for use) at between \$5 and \$6 million for FY 2016.	No
AJ	\$ (2,939,700)	\$ -	\$ (2,939,700)	DWS - Reduction of Workforce Development staff resulting from a 24% drop in case counts - the number of "unique customers" being served by Workforce Development decreased 24% (from 49,883 to 37,895) from FY 2014 and FY 2015. Workforce Development has a staff of 688 FTE. A 24% reduction in staff would equate to a reduction of 165 FTE. A 24% reduction of all staff and staff-related categories is (\$19,598,100). General Fund makes up 15% of the funding, or \$2,939,700. A significant caseload decrease reduces the workload and manner of work for Workforce Development staff. A shift in the use of the savings is similar to a request for additional funding. In this instance, the source of the funding is internal. The Legislature may want to ask the department to present the purposes it suggests for the use of the savings along with its rationale for using the funding in a new way.	Maybe
AN	\$ -	\$ (347,600)	\$ (347,600)	DWS - Replace General Fund With Beginning Nonlapsing Carryover (FY 2016) - The General Assistance program carried over \$347,600 from FY 2015 into FY 2016. This would reduce one-time General Fund in FY 2016 equal to the beginning nonlapsing available. The committee may want to use these funds for other purposes. If you approve motion #6B on "Motions for Subcommittee Consideration," this money would not be available.	No

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AO	\$ (300,000)	\$ 150,000	\$ (300,000)	DWS - Recommendations from Audit on Food Stamp/SNAP Fraud - The Utah State Auditor provided via its "A Performance Audit of Data Analytics Techniques to Detect Supplemental Nutrition Assistance Program (SNAP) Abuse" 18 recommendations to potentially improve fraud prevention and collections. This reduction assumes that the Department of Workforce Services can double its current fraud collection efforts starting in FY 2018 with a 50% increase in collections in FY 2017. Current efforts from 2010 to 2014 have ranged from collections of a low of \$1.2 million total funds (\$0.2 million General Fund) in 2010 to a high of \$2.0 million total funds (\$0.3 million General Fund). Benefits received in 2014 were \$317 million for 90,570 households for a fraud collection rate of 0.6 (less than one) percent. Any collections higher/lower than anticipated would impact the General Fund where the collections are deposited. See http://financialreports.utah.gov/saoreports/2015/PA15-04DataAnalyticsforSNAPAbuseWorkforceServices,Departmentof.pdf for more information.	No
AU	\$ (177,300)	\$ -	\$ (177,300)	USOR - Reduce Education Fund for Indirect Cost Pool overpayments to USOE - USOR is currently part of the Utah State Office of Education (USOE). USOR pays approximately \$1.9 million annually to USOE for supportive services. This payment is made to a USOE "indirect cost pool." There is currently an outside study being performed based upon the assumption that USOR has been over charged an inaccurately high indirect cost pool rate - meaning that USOR has been paying for more services than it has received from USOE. This proposal would use any indirect cost pool over charges to cover other current USOR costs and redirect the equivalent freed-up Education Fund for other purposes. The current estimate is based upon a 37.5 percent overpayment which would save \$709,000 total funds (which could be applied dollar for dollar to some USOR increased budget requests). USOR states: "Savings would be approximately 25% [of the total], due to the heavy federal funding of USOR . . . The FY2017 budget has already been adjusted downward to reflect the lower . . . rate . . . for indirect costs."	No
16	\$ (7,379,700)	\$ (8,179,600)	\$ (19,640,900)	Grand Total - Budget Reduction Options	
		\$ (15,559,300)		Grand Total - State Funds	
(1) Where there are numbers in both ongoing and one-time state funds columns, the total funds represents ongoing funds.					
(2) (DHS = Department of Human Services, DOH = Department of Health, DWS = Department of Workforce Services, & USOR = Utah State Office of Rehabilitation)					