



Legislative Fiscal Bureau

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May 3, 2011

Joint Committee on Finance

Paper #382

Funding and Position Adjustments (DHS -- Departmentwide)

CURRENT LAW

During the 2009-11 biennium, the Department of Health Services (DHS) reassigned staff and funding within the agency to increase support for activities the agency considered to be priorities. However, as these transfers were not anticipated or considered by the Legislature as part of the 2009-11 biennial budget, the agency's adjusted base budget does not reflect current staff assignments and funding sources. In addition, agency reorganizations and funding adjustments enacted as part of previous budget acts resulted in some coding errors (funding and positions are budgeted in the wrong appropriations or categories of expenses), which are now part of the agency's base budget.

GOVERNOR

No provision.

DISCUSSION POINTS

1. In its 2011-13 biennial budget submission, DHS requested numerous changes to its appropriations, affecting all DHS divisions, to reflect the reallocation of funding and positions to support high priority activities and to correct errors that occurred as a result of agency organizations and other budgetary changes enacted as part of previous budgets. The net effect of these changes was to reduce funding by \$554,800 (-\$555,300 PR and \$500 FED) annually, and authorize 8.22 GPR positions, 0.18 FED positions, and delete 8.40 PR positions, beginning in 2011-12. The administration's goal was to increase staff for high-priority activities without increasing the total number of positions for the agency, and to correct funding errors in the agency's base budget.

2. As part of this item, DHS requested the reallocation of \$293,500 GPR from the Division of Long-Term Care Services' supplies and services budget to instead fund salary and fringe benefit costs for 4.0 GPR positions to support the Family Care program. The Department's request also included transferring funding and positions for the eHealth initiative from the Division of Public Health to the Division of Enterprise Services, transferring several other positions between DHS divisions, and adjusting the percentages of funding from various appropriations that support

current positions.

3. The net funding decrease in this item is largely attributable to the reduction of funding transfers between appropriations (-\$271,400 PR annually and -3.73 PR positions funded from "program revenue-service" funds) and decreases in program revenue authority for the Division of Public Health (-\$120,900 PR and -1.95 PR positions) and the Division of Health Care Access and Accountability (-\$126,900 PR and -1.20 PR positions). Support for the 8.22 GPR positions in the DHS request would be funded primarily by transferring base funding budgeted for supplies and services and aids to individuals and organizations to instead support salary and fringe benefits costs. For example, funding that is budgeted in the agency's base for contracted services for DHS mental health clients is currently supporting 2.0 PR positions in the Division of Mental Health and Substance Abuse Services. (This item was addressed in LFB paper #377, relating to contracted services for mental health clients, and is therefore not addressed in this paper.)

4. In his budget bill, the Governor did not include the funding and position changes requested by DHS. The administration indicates there was insufficient time to determine the effect of the Governor's other budget recommendations with these requested changes. However, since the Governor's budget was introduced, DHS staff have reviewed these requested transfers to ensure that they are not affected by other items recommended by the Governor, and have resubmitted a revised proposal for consideration by the Committee. The funding and position changes the agency is currently requesting are summarized in the attachment.

5. If the Committee approves these requested changes, the Department's appropriations would more closely reflect the current staffing at the agency, and the funding used to support its staff (Alternative 1). However, if the Committee has concerns regarding the growth of GPR-funded positions in state government, it could take no action on the administration's revised request. (Alternative 2).

If the Committee chooses not to make these requested changes, DHS would likely continue to transfer available funds between its appropriations, using its program revenue-service appropriations, to maintain support for its current activities and staff.

ALTERNATIVES

1. Modify funding and position authority for DHS, as described in the attachment.

ALT 1	Change to Bill	
	Funding	Positions
GPR	\$0	4.72
FED	\$192,000	1.36
PR	<u>- 795,600</u>	<u>- 6.08</u>
Total	- \$603,600	0.00

2. Take no action on this item.

Prepared by: Charles Morgan
Attachment

ATTACHMENT

Summary of Annual Funding and Position Adjustments

<u>Appropriation</u>	<u>Title</u>	<u>Funding</u>	<u>Positions</u>	<u>Note</u>
(1)(a)	Public Health -- General Program Operations	\$184,000	2.50	
(1)(a)	Public Health -- General Program Operations	-87,700	0.00	
(1)(a)	Public Health -- General Program Operations	40,000	0.00	
(1)(am)	HIV/AIDS Services	0	0.00	Line Transfer (\$178,400)
(1)(b)	Health -- General Aids and Local Assistance	-20,000	0.00	
(1)(b)	Health -- General Aids and Local Assistance	87,700	0.00	
(1)(b)	Health -- General Aids and Local Assistance	-40,000	0.00	
(1)(de)	Health -- Dental Services	20,000	0.00	
(1)(ch)	Emergency Medical Services; Aids	0	0.00	Line Transfer (\$20,000)
(2)(a)	Facilities -- Mental Health Institutes Operations	-78,300	-1.50	
(2)(a)	Facilities -- Mental Health Institutes Operations	0	0.00	Facility Transfer (\$7,000)
	Facilities -- Mental Health Institutes Operations	0	0.00	Facility Transfer (\$13,900)
(4)(a)	Health Care Access and Accountability -- General Program Operations	0	0.72	
(4)(a)	Health Care Access and Accountability -- General Program Operations	0	0.00	Line Transfer (\$21,900)
(5)(a)	Mental Health and Substance Abuse Services - General Program Operations	78,300	1.50	
(7)(a)	Long-Term Care Services -- Administration and Delivery	0	4.00	
(7)(a)	Long-Term Care Services -- Administration and Delivery	0	0.00	Line Transfer (\$293,500)
(8)(a)	General Administration	<u>-184,000</u>	<u>-2.50</u>	
	Subtotal -- GPR	\$0	4.72	
(1)(gm)	Health -- Licensing, Review and Certification Activities -- Lead Abatement Certification	-20,700	-0.30	
(1)(gm)	Health -- Licensing, Review and Certification Activities, General	-45,600	-0.75	
(1)(gm)	Health -- Licensing, Review and Certification Activities -- Vital Records	-20,700	-0.30	
(1)(gm)	Health -- Licensing, Review and Certification Activities -- Asbestos Abatement	-33,900	-0.60	
(1)(kx)	Health --Interagency and Intra-Agency Programs	-174,500	-2.20	
(2)(g)	Facilities --Alternative Services of Institutes and Centers	-69,300	-1.00	
(2)(gk)	Facilities --Institutions Operations -- DD Centers	94,100	0.70	
(2)(gk)	Facilities --Institutions Operations -- Mental Health Institutes	44,300	0.50	
(4)(jb)	Health Care Access --SeniorCare Enrollment -- Administration	-110,700	-1.00	
(4)(kx)	Health Care Access -- Interagency and Intra-Agency Programs	-59,900	-1.10	
(4)(L)	Health Care Access -- Fraud and Error Reduction	-16,200	-0.20	
(5)(kx)	Mental Health and Substance Abuse --Interagency and Intra- Agency Programs	-44,300	-0.50	
(6)(jm)	Quality Assurance --Health Facilities Review Fees	52,300	0.60	
(7)(kx)	Long-Term Care --Interagency and Intra-Agency Programs	-71,100	-0.53	
(8)(k)	Administrative and Support Services -- Administration	-194,400	-2.50	
(8)(k)	Administrative and Support Services -- Fiscal Services	-80,500	-1.00	
(8)(k)	Administrative and Support Services -- Bureau of Information Technology	<u>353,300</u>	<u>4.10</u>	
	Subtotal -- PR	-\$397,800	-6.08	

<u>Appropriation</u>	<u>Title</u>	<u>Funding</u>	<u>Positions</u>	<u>Note</u>
(1)(n)	Health -- Federal Program Operations -- MA State Administration	\$54,500	0.50	
(1)(m)	Health -- Federal Project Operations	107,800	1.50	
(1)(mc)	Health -- Federal Block Grant Operations -- Maternal and Child Health	-6,500	0.00	
(4)(n)	Health Access -- Federal Program Operations -- MA Administration	44,000	0.12	
(4)(n)	Health Access -- Federal Program Operations -- Food Stamp Administration	8,900	0.26	
(4)(n)	Health Access -- Federal Program Operations -- Disability Determinations	-22,000	-0.44	
(6)(n)	Quality Assurance -- Federal Program Operations -- Medicare State Administration	-60,500	-0.90	
(6)(n)	Quality Assurance -- Federal Program Operations -- MA Survey and Certification	8,800	0.10	
(7)(n)	Long -Term Care -- Federal Program Operations	108,100	1.49	
(7)(m)	Long-Term Care -- Federal Project Operations	-83,500	-0.67	
(8)(pz)	Administration -- Indirect Cost Reimbursement	41,600	0.50	
(8)(m)	Administration -- Federal Project Operations	-54,500	-0.50	
(8)(mc)	Administration -- Federal Block Grant Operations	<u>-50,700</u>	<u>-0.60</u>	
	Subtotal -- FED	\$96,000	1.36	
	Grand Total -- All Funds	-\$301,800	0.00	

Note: "Line Transfer" refers to a transfer of funding between budget expenditure categories, such as transfers from supplies and services to salary and fringe benefits. "Facility Transfer" refers to a transfer of funding from one facility to another, in cases where both facilities are funded from the same appropriation.