



Department of Health  
2019-21 Second Supplemental Budget Session  
Policy Level - PD - Reduce Public Health Spending

### Agency Recommendation Summary

The Department of Health (DOH) submits various budget reductions for fiscal year 2021. These reductions represent state savings the agency will achieve through the furloughs and the cancellation of general wage increases as mandated by Governor Inslee in Directive 20-08 (June 17, 2020). These reductions also include other savings the agency will be able to achieve for the remainder of this fiscal year without the need for legislative action.

### Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2020	2021	2019-21	2022	2023	2021-23
<b>Staffing</b>						
FTEs	0.0	-8.1	-4.05	0.0	0.0	0.0
<b>Operating Expenditures</b>						
Fund 001 - 1	\$0	(\$2,343)	(\$2,343)	\$0	\$0	\$0
Fund 001 - 2	\$0	(\$1,925)	(\$1,925)	\$0	\$0	\$0
Fund 001 - 7	\$0	\$135	\$135	\$0	\$0	\$0
Fund 02G - 1	\$0	(\$1,570)	(\$1,570)	\$0	\$0	\$0
Fund 03C - 1	\$0	(\$10)	(\$10)	\$0	\$0	\$0
Fund 03R - 1	\$0	(\$84)	(\$84)	\$0	\$0	\$0
Fund 04R - 2	\$0	(\$180)	(\$180)	\$0	\$0	\$0
Fund 04W - 1	\$0	(\$10)	(\$10)	\$0	\$0	\$0
Fund 05R - 1	\$0	(\$8)	(\$8)	\$0	\$0	\$0
Fund 125 - 1	\$0	(\$2)	(\$2)	\$0	\$0	\$0
Fund 15M - 1	\$0	(\$19)	(\$19)	\$0	\$0	\$0
Fund 16G - 6	\$0	(\$11)	(\$11)	\$0	\$0	\$0
Fund 19A - 1	\$0	(\$12)	(\$12)	\$0	\$0	\$0
Fund 202 - 1	\$0	(\$19)	(\$19)	\$0	\$0	\$0
Fund 23P - 1	\$0	(\$41)	(\$41)	\$0	\$0	\$0
Fund 315 - 1	\$0	(\$2,294)	(\$2,294)	\$0	\$0	\$0
Fund 319 - 7	\$0	(\$19)	(\$19)	\$0	\$0	\$0
Fund 608 - 1	\$0	(\$1)	(\$1)	\$0	\$0	\$0
Total Expenditures	\$0	(\$8,413)	(\$8,413)	\$0	\$0	\$0
<b>Revenue</b>						
001 - 0393	\$0	(\$1,925)	(\$1,925)	\$0	\$0	\$0
001 - 0541	\$0	\$135	\$135	\$0	\$0	\$0
02G - 0299	\$0	(\$1,570)	(\$1,570)	\$0	\$0	\$0
03C - 9999	\$0	(\$10)	(\$10)	\$0	\$0	\$0
03R - 9999	\$0	(\$84)	(\$84)	\$0	\$0	\$0
04R - 0366	\$0	(\$180)	(\$180)	\$0	\$0	\$0
04W - 9999	\$0	(\$10)	(\$10)	\$0	\$0	\$0
05R - 9999	\$0	(\$8)	(\$8)	\$0	\$0	\$0
125 - 9999	\$0	(\$2)	(\$2)	\$0	\$0	\$0
15M - 9999	\$0	(\$19)	(\$19)	\$0	\$0	\$0
16G - 9999	\$0	(\$11)	(\$11)	\$0	\$0	\$0
19A - 9999	\$0	(\$12)	(\$12)	\$0	\$0	\$0
202 - 9999	\$0	(\$19)	(\$19)	\$0	\$0	\$0
23P - 9999	\$0	(\$41)	(\$41)	\$0	\$0	\$0
319 - 9999	\$0	(\$19)	(\$19)	\$0	\$0	\$0
608 - 9999	\$0	(\$1)	(\$1)	\$0	\$0	\$0
Total Revenue	\$0	(\$3,776)	(\$3,776)	\$0	\$0	\$0

## Decision Package Description

### Problem

The ongoing COVID-19 pandemic induced one of the more severe economic downturns since the Great Depression. As a result, state revenue collections have dropped and the state is projected to face a multi-billion dollar shortfall in fiscal year 2021 and the 2021-23 biennium. In response, Governor Inslee issued Directive 20-08 on June 17, 2020, instructing state agencies to implement cost-savings measures through furloughs and the cancellation of a general wage increase that was to start on July 1, 2020. Further guidance was also provided for agencies to find methods to reduce its costs for the remainder of fiscal year 2021.

The reductions included in this submittal represent the state savings DOH will be able to achieve through fiscal year 2021. These amounts have already been removed and set aside from the remainder of the department's fiscal year 2021 allotments.

## Assumptions and Calculations

### Expansion or alteration of a current program or service:

This submittal identifies achievable budget reductions, in compliance with the Governor's directive and guidance from the Office of Financial Management.

### Detailed assumptions and calculations:

The list of reduction items includes:

Description of Reductions	\$ in thousands		FTE
	Fiscal Year 2021		
	Reduction		
	Dollars		
	Near GF-State	Other Funds	
Agency furloughs	(\$808)	(\$4,085)	0.0
Cancellation of general wage increases	(\$166)	(\$557)	0.0
Air ambulance funding not needed (EHB 2755)	(\$16)	\$0	0.0
Reduce marijuana prevention & education media campaign (Dedicated Marijuana Account)	(\$1,311)	\$0	0.0
Use local funding in lieu of state funding for HIV prevention and other client services	(\$870)	\$870	0.0
Eliminate lead testing in schools	(\$500)	\$0	(3.1)
Merge tobacco-vape and marijuana prevention units	(\$966)	\$0	(5.0)
<b>Total Proposed Reduction Options</b>	<b>(\$4,637)</b>	<b>(\$3,772)</b>	<b>(8.1)</b>

Since the majority of DOH's budget consists of fund sources other than General Fund-State, the majority of the savings achieved due to furloughs and the cancellation of the wage increase are in those other fund sources.

More details regarding how these reductions are to be achieved can be found in the supporting document titled, "2021 Suppl PL-PD Reduce Public Hlth Spending - Reduction Items".

### Workforce Assumptions:

The sum of the staff reduced in this submittal is 8.1 FTE.

## Strategic and Performance Outcomes

### Strategic framework:

Some of these reductions actually impede the agency's ability to meet strategic and performance outcomes.

### Performance outcomes:

This submittal will not improve the performance outcomes of the agency.

## Other Collateral Connections

**Puget Sound recovery:**

Not applicable

**Legal or administrative mandates:**

Not applicable

**Intergovernmental:**

Reductions to public health spending will have negative impacts to tribal, regional, county or city governments due to less healthy communities.

**Stakeholder response:**

A few of the reductions taken in fiscal year 2021 are proposed to extend into future years. DOH already presented those reduction options to stakeholders in an external stakeholder webinar on August 26, 2020. This webinar involved state, local and tribal governmental entities, contractual partners, and other community public health leaders. DOH expects stakeholders to advocate against these options.

**Changes from current law:**

Not applicable

**State facilities impacts:**

Not applicable

**State workforce impacts:**

Not applicable

## IT Addendum

**Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?**

No

## Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2020	2021	2019-21	2022	2023	2021-23
Obj. A	\$0	(\$5,262)	(\$5,262)	\$0	\$0	\$0
Obj. B	\$0	(\$1,840)	(\$1,840)	\$0	\$0	\$0
Obj. E	\$0	(\$1,311)	(\$1,311)	\$0	\$0	\$0

## Agency Contact Information

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