

# **HOUSE BILL ANALYSIS**

## **HB 1071**

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***Background:*** *The Department of Social and Health Services (DSHS) was established in 1970. It was created by merging the former Department of Health, Department of Public Assistance, Department of Institutions, the Veterans' Rehabilitation Council, and the division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. The DSHS was designed to "integrate and coordinate all those activities involving provision of care for individuals who, as a result of their economic, social or health condition, require financial assistance, institutional care, rehabilitation, or other social and health services."*

*Since its creation, several functions have been removed from the DSHS. In 1976, the Department of Veteran's affairs was created and the functions relating to veterans transferred. In 1981, the responsibilities of the DSHS for adult correctional programs and institutions were transferred to the newly created Department of Corrections. (Juvenile corrections remain within the DSHS.) The Department of Services for the Blind was established in 1983, and in 1985, all the State School for the Blind and the State School for the Deaf were transferred out of the DSHS. In 1989, the Department of Health was established. The responsibilities of the DSHS for programs relating to public health, personal health, environmental health, parent and child health, and other health services were transferred to the Department of Health. Many other proposals have been made to transfer functions or otherwise reorganize the DSHS.*

*In the 1995-97 biennium, the DSHS programs accounted for approximately 25.9 percent of the \$17.2 billion dollar state general fund operating budget. The total operating budget of the DSHS in the 1995-97 biennium, including federal and other funds, was \$9.9 billion. The DSHS currently has approximately 16,700 full-time employees.*

*The Employment Security Department administers programs that provide unemployment insurance, job placement, and employment and training services.*

*The Department of Labor and Industries manages a diverse set of programs involving employers and employees. The department manages claims and provides services to injured workers. Vocational rehabilitation is one of the services that can be provided to an injured worker.*

**Summary:**

**Overview:** *The Department of Social and Health Services is reorganized by dividing its functions among four newly created agencies and the Department of Corrections. Functions of other existing agencies are also transferred to the new agencies. The creation of the new agencies and the transfer of functions occurs on a staggered timetable, following development of reorganization plans.*

**New Department of Medical Assistance.** *All functions of the DSHS relating to medical assistance are transferred to the newly created Department of Medical Assistance. This transfer takes effect July 1, 2000.*

**New Department of Long-Term Care and Health.** *All functions of the DSHS relating to long-term care and health are transferred to the newly created Department of Long-Term Care and Health. Functions transferred include the aging and adult services administration and the health and rehabilitative services administration, except vocational rehabilitation and the functions of the mental health, developmental disabilities and alcohol and substance abuse divisions which pertain to children. This transfer takes effect July 1, 2000.*

**New Department of Transitional Services.** *All functions of the DSHS relating to economic services (except child support), vocational rehabilitation, and special investigations are transferred to the newly created Department of Transitional Services. Also transferred are all functions of the Department of Labor and Industries relating to vocational rehabilitation and all functions of the Employment Security Department. This transfer takes effect July 1, 2000.*

**New Department of Children and Family Services.** *All functions of the DSHS relating to children and family services are transferred to the new Department of Children and Family Services. This includes all functions performed by the children's administration, child support, and the functions of the divisions of mental health, developmental disabilities, and alcohol and substance abuse pertaining to children. This transfer takes effect July 1, 1998.*

**Transfer of Juvenile Rehabilitation to the Department of Corrections.** *All functions of the DSHS relating to juvenile rehabilitation and the juvenile justice system are transferred to the Department of Corrections. This transfer takes effect July 1, 1998.*

**Reorganization Plans.** *The affected agencies are to develop reorganization implementation plans and any proposed legislation and submit them to the Governor and the appropriate standing committees. The plans shall include recommendations for restructuring other functions of the DSHS, including the family policy council;*

*community and legislative relations; and the divisions of administrative services, information services, finance, budget, employee services, and land and buildings.*