

Significant Program Funding Changes

A. Substance Abuse Treatment Utilization fully funded \$4.8 million GC up (State share \$2.1 mil.)

The proposed budget funds all estimated Medicaid costs for substance abuse treatment. Residential demand is forecast to be stable; outpatient and hub demand is forecast to grow significantly.

B. Coordinated Healthy Activity, Motivation & Prevention Programs (CHAMPPS) community grants eliminated \$300,000 GC (State share \$135,000)

The objective of these grants is to achieve long term, sustainable changes in communities that will increase physical activity, improve nutrition and reduce the incidence of chronic disease. The current grantees are in the first year of a two year funding cycle, so program elimination could leave some projects uncompleted.

C. Educational Loan Repayment (ELR) with AHEC eliminated - \$700,000 GC (State Share \$315,000)

The ELR program is administered by the University of Vermont College of Medicine Area Health Education Centers (AHEC) Program. The goal of this program is to ensure a stable and adequate supply of primary care practitioners, dentists, nurses and nurse educators to meet the health care needs of Vermonters. This funding provides between 35-50 grants to health professionals annually.

The impact of this cut will be substantially offset in FY16 by a separate federal grant that provides similar loan repayment grants. The new federal grant is funded in FY16 at \$500,000 (50% Fed/50% GF).

The department's ongoing program support grant of \$500,000/yr. to AHEC is unchanged.

D. Personal Service Cuts \$380,000 (State share \$305,000)

This is equal to about a 1% cut in employee personnel costs. The cuts will be accomplished through a combination of vacancy savings and/or staff reassignments. A cut of this magnitude would not require reductions in force, but may result in position reductions through attrition in the absence of alternative funding.

E. Fee Increases – Food & Lodging and X-ray inspection \$610,000 GF

These two regulatory programs in the environmental health division have statutory license fees intended to offset the cost of regulation. Fee revenue is currently insufficient to cover program costs, with the shortfall requiring general fund support. The 2015 fee bill includes proposals to increase fees for these programs to fully cover the cost of regulation and eliminate the GF subsidy in the FY16 budget.

F. Offender re-entry programs for substance abuse providers \$200,000 GF

This program was initiated in 2010 as a collaboration between the Vermont Department of Health, Division for Alcohol and Drug Abuse Programs (ADAP) and the Vermont Department of Corrections (DOC). Since that time offender reentry service have been developed by DOC in many communities; DOC has recently developed separate internal reentry coordinator positions, assigned to specific facilities, to ensure seamless transitions for offenders back into the community. Also underway is the new Pretrial Service Program, a program involving the identification of defendants with a substance abuse problem, using a risk/needs assessment to determine service needs and offering treatment as an opportunity for defendants to reduce or eliminate criminal charges. ADAP and DOC leadership concur that this pilot program should not be continued because of the systemic changes that DOC has developed.

G. Reduced funding for AIDS Service Organizations and Community Based Organizations \$135,000 GF

The department provides grants to five AIDS service and peer-support organizations for client-based support services. The proposed budget reduces total funding from \$475,000 to \$340,000 and eliminates the general fund portion of the total award. In prior years, this general fund appropriation has helped our partners to meet administrative costs such as director salaries, lodging for retreats, and other supportive services that are not allowable expenses through federal grants.

We remain committed to meeting the needs of individuals living with HIV by supporting:

- a robust medication formulary,
- statewide HIV specialty care,
- HIV medical case management,
- nutrition services, dental and mental health services, and
- housing needs.

We appreciate that this cut will affect the ASOs and community organizations. However, we are confident that the cuts will not have an adverse impact on people living with HIV and AIDS in Vermont.

H. Tobacco Control Program Reduction \$45,000 GC (State Share \$20,000)

The overall tobacco control program budget is about \$3.9 million. The current year budget includes \$2.4 million in tobacco master settlement agreement (MSA) funding; \$1.2 million in federal grants; and \$300,000 in global commitment. The proposed budget cuts global commitment funding by \$45,000. The result of this cut will be a slight reduction in funding available for youth tobacco use prevention.

I. Reduced Recruitment Grant to Vermont State Dental Society \$20,000 GC (State Share \$9,000)

The Health Department currently provides grant support of \$60,000 annually to the Vermont State Dental Society to support their efforts to recruit and retain an adequate supply of dentists. The proposed budget cuts this grant by one-third. In FY16 the impact of this cut may be offset by the use of unexpended funds from FY15.