

Recommendation Summary

Budget Period: 2015-17

Version: D2 - 040 2015-17 Final 2016 Sup

Budget Level Criteria: ALL

Dollars in Thousands		Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
CB - Current Biennium						
00	Current Biennium Base	0	3,363.7	1,259,757	1,275,970	2,535,727
SubTotal CB			3,363.7	1,259,757	1,275,970	2,535,727
Cumulative Total Thru CB			3,363.7	1,259,757	1,275,970	2,535,727
M1 - Mandatory Caseload and Enrollment Changes						
0U	Forecast Cost/Utilization	0	0.0	452	23	475
93	Mandatory Caseload Adjustments	0	0.0	3,078	3,842	6,920
94	Mandatory Workload Adjustments	0	31.2	3,544	2,363	5,907
SubTotal M1			31.2	7,074	6,228	13,302
Cumulative Total Thru M1			3,394.9	1,266,831	1,282,198	2,549,029
M2 - Inflation and Other Rate Changes						
8L	Lease Rate Adjustments	0	0.0	(82)	(57)	(139)
8T	Telephony System Replacement	0	0.0	53	37	90
8W	Institution Vehicle Replacement	0	0.0	89	62	151
8X	Facility Maintenance Costs	0	0.0	84	56	140
9S	Equipment Replacement Costs	0	0.0	1,575	1,094	2,669
9T	Transfers	0	(17.1)	(3,319)	(2,410)	(5,729)
DA	Utilization of Residential Services	0	0.0	6	8	14
DQ	IP Overtime	0	6.4	11,628	14,161	25,789
DS	MSA Rate Increase	0	0.0	276	283	559
DT	Interagency Transfer	0	0.0	(23)	(23)	(46)
DU	Supported Living - Minimum Wage	0	0.0	5,750	5,749	11,499
WC	Building Access Control System	0	0.0	17	12	29
WK	IT Systems Infrastructure	0	0.0	868	570	1,438
WM	Technical Corrections	0	3.3	875	924	1,799
WN	State Data Center Adjustments	0	0.0	18	12	30
WP	MS Office 365	0	0.0	333	231	564
WQ	Food and Medical Adjustments	0	0.0	297	207	504
SubTotal M2			(7.5)	18,445	20,916	39,361
Cumulative Total Thru M2			3,387.4	1,285,276	1,303,114	2,588,390
PL - Performance Level						
WR	After Action Reviews	0	1.0	137	91	228
SubTotal PL			1.0	137	91	228
Cumulative Total Thru PL			3,388.4	1,285,413	1,303,205	2,588,618
Total Proposed Budget			3,388.4	1,285,413	1,303,205	2,588,618

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$475,000 Total Funds and \$452,000 GF State in the 2016 Supplemental to reflect changes in the utilization of personal care services.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	188,000	264,000	452,000
001-C General Fund - Basic Account-Medicaid Federal	2,000	21,000	23,000
Total Cost	190,000	285,000	475,000

Staffing

Package Description:

DDA requests \$475,000 Total Funds and \$452,000 GF State to reflect changes in the utilization of personal care services within DDA. This request utilizes the Summer 2015 Forecast, reflecting increased costs for Adult Family Homes (AFH), Individual Providers (IP) and Agency Provider (AP) services.

Agency Contact: Ken Brown (360) 902 7583
 Program Contact: Eric Mandt (360) 725 2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Forecast driven caseload changes reflect the agency's goals, including:

- Ensuring a safety net is in place for people of need;
- Clients maintain maximum independence;
- Services are of high quality;
- People participate in choices about their services; and
- Clients experience stability.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

Outcome Measures

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
001603	Monthly Average Cost per DDD Waiver Client.	0.00	0.00
001925	DDD Total Clients Receiving Personal Care to Remain in the Own Homes or in their Community	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing DDA's Strategic Objective.

1.1: Identify individual health and welfare needs in a timely manner in order to support individuals to have healthy and

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

active lives.

2.1: Increase access to home and community-based services.

2.2: Increase opportunities for individuals who are institutionalized to have the option to move into the community and be supported as needed.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington goals to:

Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

What are the other important connections or impacts related to this proposal?

Funding this decision package will ensure that providers of services will see little change in their method of conducting business.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources since funding levels are driven entirely by forecast changes.

What are the consequences of adopting or not adopting this package?

This request addresses the forecasted growth of per capita costs for Medicaid clients in DDA. Increased cost for these clients must be recognized. It is possible that reductions in non-mandatory activities may become necessary (to cover the cost of growth within mandatory activities).

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: M1-0U DDA Forecast Cost - Utilization.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	190,000	285,000	475,000

Department of Social and Health Services

DP Code/Title: M1-0U Forecast Cost/Utilization
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	188,000	264,000	452,000
<i>Total for Fund 001-1</i>		188,000	264,000	452,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	2,000	21,000	23,000
<i>Total for Fund 001-C</i>		2,000	21,000	23,000
Total Overall Funding		190,000	285,000	475,000

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Developmental Disabilities Administration (DDA), requests \$6,920,000 Total Funds and \$3,078,000 GF State, in the 2016 Supplemental adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	1,493,000	1,585,000	3,078,000
001-C General Fund - Basic Account-Medicaid Federal	1,867,000	1,975,000	3,842,000
Total Cost	3,360,000	3,560,000	6,920,000

Staffing

Package Description:

DSHS, DDA, requests \$6,920,000 Total Funds and \$3,078,000 GF State, in the 2016 Supplemental to adjust funding for personal care. Personal care services help people with developmental disabilities live in community settings, and whenever possible, to remain in a family environment. Personal care refers to assistance with activities of daily living (bathing, eating, toileting, etc.), and is considered an entitlement. Funding has been adjusted based on the Summer 2015 forecasts by the Caseload Forecast Council (CFC) and the Aging and Disability Services Administration (ADSA).

Program Contact: Eric Mandt (360) 725-2579
 Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This and other forecast driven caseload changes reflect several agency goals, including:

- A safety net is in place for people of need,
- Clients maintain maximum independence,
- Services are of high quality,
- People participate in choices about their services, and
- Clients experience stability.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

Output Measures

		<u>Incremental Changes</u>	
		<u>FY 1</u>	<u>FY 2</u>
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001128	Percent of clients with developmental disabilities served in home and community-based settings	0.00%	0.00%
001603	Monthly Average Cost per DDD Waiver Client.	0.00	0.00

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

001925	DDD Total Clients Receiving Personal Care to Remain in the Own Homes or in their Community	0.00	0.00
--------	--	------	------

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing Package's Strategic Objective.

- 1.1: Identify individual health and welfare needs in a timely manner in order to support individuals to have healthy and active lives.
- 2.1: Increase access to home and community-based services.
- 2.2: Increase opportunities for individuals who are institutionalized to have the option to move into the community and be supported as needed.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington goals to:

- Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.
- Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.
- Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

What are the other important connections or impacts related to this proposal?

Clients will continue to receive benefits and assistance.

What alternatives were explored by the agency, and why was this alternative chosen?

The Summer 2015 forecast necessitates a change in the funding provided for the forecast programs.

What are the consequences of adopting or not adopting this package?

Funding would remain at the February 2015 forecasted level.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M1-93 Mandatory Caseload Adjustments.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing and will be carried forward into future biennia based on future caseload forecasts.

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	3,360,000	3,560,000	6,920,000
<u>DSHS Source Code Detail</u>			
Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	1,493,000	1,585,000	3,078,000
<i>Total for Fund 001-1</i>	1,493,000	1,585,000	3,078,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	1,867,000	1,975,000	3,842,000
<i>Total for Fund 001-C</i>	1,867,000	1,975,000	3,842,000
Total Overall Funding	3,360,000	3,560,000	6,920,000

**2016 Supplemental Budget
M1-93 Mandatory Caseload Adjustments**

Change in:

<u>Caseload</u>	<u>Expenditures</u>		<u>Per Capitas</u>		<u>Caseload</u>	<u>Due to Caseload</u>		
	<u>Total</u>	<u>State</u>	<u>Total</u>	<u>State</u>		<u>Total</u>	<u>State</u>	<u>Federal</u>

2015-17 Biennium

Funding Available

FY15 - Through Policy Level (includes 2014 Supplemental Budget)										
H52 Personal Care	12,767	\$ 299,851,000	\$ 150,449,500	\$	1,957	\$	982			
FY16 -Through Policy Level										
H52 Personal Care	13,089	\$ 346,307,000	\$ 153,907,000	\$	2,205	\$	980			
FY17 - Through Policy Level										
H52 Personal Care	13,670	\$ 382,803,000	\$ 170,380,000	\$	2,334	\$	1,039			

Funding Needed

FY15 - Feb 2015 Update

H52 Personal Care	12,806	\$ 300,921,000	\$ 150,956,000	\$	1,958	\$	982	39	\$ 926,000	\$ 464,000	\$ 462,000
-------------------	--------	----------------	----------------	----	-------	----	-----	----	------------	------------	------------

FY16 - Summer 2015 Update

H52 Personal Care	13,216	\$ 349,857,000	\$ 155,588,000	\$	2,206	\$	981	127	\$ 3,360,000	\$ 1,493,000	\$ 1,867,000
-------------------	--------	----------------	----------------	----	-------	----	-----	-----	--------------	--------------	--------------

FY17 - Summer 2015 Update

H52 Personal Care	13,797	\$ 386,648,000	\$ 172,229,000	\$	2,335	\$	1,040	127	\$ 3,560,000	\$ 1,585,000	\$ 1,975,000
-------------------	--------	----------------	----------------	----	-------	----	-------	-----	--------------	--------------	--------------

2015-17 Biennial Budget Step

									\$ 6,920,000	\$ 3,078,000	\$ 3,842,000
--	--	--	--	--	--	--	--	--	--------------	--------------	--------------

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Developmental Administration (DDA), requests 31.2 FTEs and \$5,907,000 Total Funds, \$3,544,000 GF State, in the 2016 Supplemental to maintain established Case Resource Manager (CRM) to client caseload ratios required to manage the DDA caseload.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	1,334,000	2,210,000	3,544,000
001-C General Fund - Basic Account-Medicaid Federal	889,000	1,474,000	2,363,000
Total Cost	2,223,000	3,684,000	5,907,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	23.1	39.2	31.2

Package Description:

DSHS, DDA requests 31.2 FTEs and \$5,907,000 Total Funds, \$3,544,000 GF State, in the 2016 Supplemental to maintain established CRM to client caseload ratios required to manage the DDA caseload. The FTEs for the biennium will be phased in.

Established ratios were used to calculate the CRM and associated support staff required to manage the DDA caseload. The CRM staff will be utilized to complete mandated assessments, service plans, and monitoring of individual support plans for clients of DDA.

Agency Contact: Ken Brown (360) 902-7583
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

1. Per Washington State WAC, annual assessments will be completed for everyone receiving a DDA paid service. DSHS has seen a reduction in the percentage of waiver assessments that are completed within the waiver year (Centers for Medicare and Medicaid Services (CMS) requires 100 percent). As of March 31, 2014, 4 percent of Waiver clients had assessments with plan effective dates that were overdue.
2. DDA is significantly behind on assessments for other non waiver paid services clients. 6.5 percent of Individual and Family Services Clients and 4.3 percent of Medicaid Personal Care Clients have assessments with plan effective dates that were overdue as of March 31, 2014. Medicaid requires an annual assessment to maintain federal matching funds.
3. Maintaining established ratios will prevent non waiver, paid services assessments from falling further behind.

Performance Measure Detail

Agency Level

Activity: D036 Field Services

Efficiency Measures

001935 Percent of Total Budget Devoted to Field Support

Incremental Changes

FY 1 FY 2

0.00% 0.00%

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing Package's Strategic Objective.

- 1.1: Identify individual health and welfare needs in a timely manner in order to support individuals to have healthy and active lives.
- 2.1: Increase access to home and community-based services.
- 2.2: Increase opportunities for individuals who are institutionalized to have the option to move into the community and be supported as needed.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington goals to:

- Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.
- Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.
- Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

What are the other important connections or impacts related to this proposal?

CMS requires 100 percent annual completion of waiver and MPC assessments and plans. By focusing all available resources, DDD is achieving 94 percent of this goal for Waiver clients and 87 percent for Medicaid Personal Care clients, which does not meet CMS requirements.

What alternatives were explored by the agency, and why was this alternative chosen?

1. DDD considered not requiring the case manager to do the assessment in the home, face to face. This was not chosen because the case manager could have people come to a central location and do the assessments there a few days each month. It is often difficult for some of our clients to make appointments outside of their homes, many of the questions asked on the assessment are of a highly personal nature and you would not want unrelated people to inadvertently overhear the process. The extra time in-home assessments takes is worth the extra health and safety benefit that comes with a trained case manager being able to see the living situation of vulnerable clients once each year.
2. DDD considered assigning specialized "assessment" staff to perform assessments statewide. There is value in the case managers developing a relationship and a level of trust with the people on their caseload. When someone applies for DDD services they turn in an application at a local office which someone helps them with. Clients are then assigned to an intake and eligibility worker. When deemed eligible they are assigned to a case manager who does their assessment and will remain their case manager. Having a specialized assessment staff would add another individual into the people the client is working with. The case manager gains valuable information about the individual and their situation during the assessment process. Specific assessment staff would take the same amount of time to complete the assessment so there is no savings of hours.
3. DDD also considered changing the assessment to reduce time. The MPC assessment is a major part of the DDD Comprehensive Assessment and changing it would affect approximately 45,000 elders and people with physical disabilities. CMS would not accept the MPC assessment as the only assessment for people with developmental disabilities. CMS requires an assessment of the "unique needs" of persons with developmental disabilities and the DDD Comprehensive Assessment currently performed meets those CMS demands.

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

What are the consequences of adopting or not adopting this package?

1. DDA will be in the position of having a significant workload increase along with an increase of the CRM ratios in the no paid services and non-waiver paid services.
2. DDA will fall farther behind on completing assessments for non-waiver paid services clients.
3. DDA will not be able to base paid services upon a consistent assessment tool.
4. DDA will not be able to collect full data on the number of people that have requested services and use it for forecasting future needs.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M1-94 Mandatory Workload Adjustments June 2015.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	1,251,000	2,169,000	3,420,000
B Employee Benefits	438,000	746,000	1,184,000
E Goods\Other Services	283,000	480,000	763,000
G Travel	83,000	141,000	224,000
J Capital Outlays	145,000	109,000	254,000
T Intra-Agency Reimbursements	23,000	39,000	62,000
Total Objects	2,223,000	3,684,000	5,907,000

Department of Social and Health Services

DP Code/Title: M1-94 Mandatory Workload Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	1,334,000	2,210,000	3,544,000
<i>Total for Fund 001-1</i>		1,334,000	2,210,000	3,544,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	889,000	1,474,000	2,363,000
<i>Total for Fund 001-C</i>		889,000	1,474,000	2,363,000
Total Overall Funding		2,223,000	3,684,000	5,907,000

M1-94 Mandatory Workload

FY16	FY17	Job Class Title	Range	\$/mo	Salary	35% Benefits	FY16 Salary	FY17 Salary*	FY16 Benefits	FY17 Benefits
15.3	26.6	Case Resource Manger (CRM)	51	\$ 4,678	\$ 56,136	\$ 19,648	\$ 860,640	\$ 1,522,676	\$ 301,230	\$ 523,524
0.9	1.6	CRM Supervisor	53	\$ 4,913	\$ 58,956	\$ 20,635	\$ 54,615	\$ 96,626	\$ 19,116	\$ 33,222
0.7	1.2	Resource Program Mgr	51	\$ 4,678	\$ 56,136	\$ 19,648	\$ 38,353	\$ 67,855	\$ 13,424	\$ 23,330
1.1	1.8	Intake & Eligibility	51	\$ 4,678	\$ 56,136	\$ 19,648	\$ 59,354	\$ 105,012	\$ 20,774	\$ 36,105
1.9	3.3	Secretary Senior	33	\$ 3,008	\$ 36,096	\$ 12,634	\$ 69,175	\$ 122,387	\$ 24,212	\$ 42,079
0.5	0.8	Dev Dis Administrator	57	\$ 5,424	\$ 65,088	\$ 22,781	\$ 30,554	\$ 54,057	\$ 10,694	\$ 18,586
0.8	1.3	Management Services	52	\$ 4,793	\$ 57,516	\$ 20,131	\$ 44,090	\$ 78,005	\$ 15,432	\$ 26,820
1.6	2.1	Financial Services Specialist 4	47	\$ 4,237	\$ 50,844	\$ 17,795	\$ 81,350	\$ 108,694	\$ 28,472	\$ 37,370
0.1	0.1	Financial Services Specialist 5	50	\$ 4,562	\$ 54,744	\$ 19,160	\$ 5,474	\$ 5,573	\$ 1,916	\$ 1,916
0.0	0.0	Financial (WMS)	52	\$ 6,215	\$ 74,580	\$ 26,103	\$ -	\$ -	\$ -	\$ -
0.2	0.2	Financial Clerical	35	\$ 3,155	\$ 37,860	\$ 13,251	\$ 7,572	\$ 7,708	\$ 2,650	\$ 2,650
23.1	39.2				\$ 604,092	\$ 211,434	\$ 1,251,177	\$ 2,168,593	\$ 437,920	\$ 745,602

		FY16	FY17
SALARIES (A)		\$ 1,251,000	\$ 2,169,000
BENEFITS (B)		\$ 438,000	\$ 746,000
GOODS/SUPPLIES (E)	\$ 5,604	\$ 129,000	\$ 219,000
LEASE/ENERGY COSTS (ED)	\$ 6,288	\$ 145,000	\$ 246,000
PERSONNEL COSTS (EN)	0.70%	\$ 9,000	\$ 15,000
TRAVEL COST (G)	\$ 3,600	\$ 83,000	\$ 141,000
EQUIPMENT COSTS (JA - One Time)	\$ 6,000	\$ 138,000	\$ 97,000
EQUIPMENT COSTS (On-Going)	\$ 300	\$ 7,000	\$ 12,000
ISSD (TZ)	\$ 996	\$ 23,000	\$ 39,000
TOTAL		\$ 2,223,000	\$ 3,684,000
STATE	60.00%	\$ 1,334,000	\$ 2,210,000
FEDERAL	40.00%	\$ 889,000	\$ 1,474,000
TOTAL		\$ 2,223,000	\$ 3,684,000

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests lease rate adjustments to correct funding discrepancies between programs and to fully support lease obligations.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	165,000	(247,000)	(82,000)
001-C General Fund - Basic Account-Medicaid Federal	115,000	(172,000)	(57,000)
Total Cost	280,000	(419,000)	(139,000)

Staffing

Package Description:

Problem Statement

DSHS' 2015-17 agency-wide lease budget requires the following adjustments to eliminate funding discrepancies and shortfalls:

Everett - OFM Facility Oversight redistributed funds between programs to account for square footage changes that will occur in Fiscal Year 2017 between programs. This duplicated an adjustment that DSHS had already made.

Tacoma - OFM Facility Oversight removed funding for Fiscal Year 2017 related to an outdated plan to reduce space at the Centennial Complex. The leased space will continue to be needed to house DSHS programs for the foreseeable future.

The Developmental Disabilities Administration expedited three expansion projects that were scheduled for completion during Fiscal Year 2017. These projects will now be completed in Fiscal Year 2016 to make additional space available for new hires anticipated in Fiscal Year 2017. An exchange of funds between fiscal years will be necessary to meet program need. These projects and the expedited timing were approved by OFM Facility Oversight via the Modified Predesign process.

Proposed Solution

Everett - Reverse the program redistribution between programs. The net change is an addition of \$24,074 because the Department of Early Learning (DEL), who is also a tenant in this building, was inadvertently included in OFM's calculation.

Tacoma - Second year funding for the Centennial II facility must be added. The net increase is \$762,892.71. Please see the Lease Rate Adjustment worksheet for amounts by program.

Developmental Disabilities Administration (DDA) redistribution of funds between fiscal years adds \$280,000 to Fiscal Year 2016 and reduces Fiscal Year 2017 by the same amount.

Agency Contact: Denise Kopel (360)902-7707

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will enable DSHS programs to continue serving clients in these existing facilities with adequate lease funding.

Performance Measure Detail

Agency Level

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Activity: D036 Field Services	Incremental Changes	
	FY 1	FY 2
No measures linked to package	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Safety - Each individual and each community will be safe.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This Decision package supports the Result Washington:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

What are the other important connections or impacts related to this proposal?

This request supports nearly all DSHS programs. Lack of funding will cause programs to overspend their budgets which will negatively impact the clients they serve.

What alternatives were explored by the agency, and why was this alternative chosen?

No alternatives were explored as the lease space is necessary to house increased staffing with in DSHS.

What are the consequences of not funding this package?

DSHS will be forced to cover these costs as the space is needed. Without additional funding, cuts in service will negatively impact the clients they serve.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8L Lease Adjustment Costs.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: M2-8L Lease Rate Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	280,000	(419,000)	(139,000)

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	165,000	(247,000)	(82,000)
<i>Total for Fund 001-1</i>		165,000	(247,000)	(82,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	115,000	(172,000)	(57,000)
<i>Total for Fund 001-C</i>		115,000	(172,000)	(57,000)
Total Overall Funding		280,000	(419,000)	(139,000)

**2016 Supplemental Budget
M2-8L Lease Adjustments**

Department of Social & Health Services

Program	State			Other			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
010 - CA	\$0	\$672,000	\$672,000	\$0	\$70,000	\$70,000	\$0	\$742,000	\$742,000
020 - JRA	\$0	(\$115,000)	(\$115,000)	\$0	\$0	\$0	\$0	(\$115,000)	(\$115,000)
040 - DDD	\$165,000	(\$247,000)	(\$82,000)	\$115,000	(\$172,000)	(\$57,000)	\$280,000	(\$419,000)	(\$139,000)
050 - LTC	\$46,000	(\$22,000)	\$24,000	(\$46,000)	(\$109,000)	(\$155,000)	\$0	(\$131,000)	(\$131,000)
060 - ESA	\$0	\$276,000	\$276,000	\$0	\$166,000	\$166,000	\$0	\$442,000	\$442,000
100 - DVR	\$0	(\$18,000)	(\$18,000)	\$0	\$0	\$0	\$0	(\$18,000)	(\$18,000)
110 - ADMIN	\$0	\$5,000	\$5,000	\$0	\$1,000	\$1,000	\$0	\$6,000	\$6,000
Total	\$211,000	\$551,000	\$762,000	\$69,000	(\$44,000)	\$25,000	\$280,000	\$507,000	\$787,000

Total Request			
2015-17 Biennium Request (Incremental)			
Program	FY 2016	FY 2017	Total
010 - CA	\$ -	\$ 742,000	\$ 742,000
020 - JRA	\$ -	\$ (115,000)	\$ (115,000)
040 - DDD	\$ 280,000	\$ (419,000)	\$ (139,000)
050 - LTC	\$ -	\$ (131,000)	\$ (131,000)
060 - ESA	\$ -	\$ 442,000	\$ 442,000
100 - DVR	\$ -	\$ (18,000)	\$ (18,000)
110 - ADMIN	\$ -	\$ 6,000	\$ 6,000
Total	\$280,000	\$507,000	\$787,000

2016 Supplemental Budget M2-8L Lease Adjustments

City	Bldg_Address	Use_Primary	Program	Total FY2016	Total FY2017
Everett	840 N Broadway	Office	010	-	457,013.00
Tacoma	2121 S State St	Office	010	-	254,043.27
Tacoma	2121 S State St	Office	010	-	31,327.43
010 Total				-	742,383.70
Everett	840 N Broadway	Office	020	-	(117,757.00)
Tacoma	2121 S State St	Office	020	-	1,061.95
Tacoma	2121 S State St	Office	020	-	1,238.94
020 Total				-	(115,456.12)
Everett	840 N Broadway	Office	040	-	(146,247.00)
Tacoma	2121 S State St	Office	040	-	7,256.64
	See DDA Redistribution	Office	050	280,000.00	(280,000.00)
040 Total				280,000.00	(418,990.36)
Everett	840 N Broadway	Office	050	-	(144,307.00)
Tacoma	2121 S State St	Office	050	-	12,920.35
050 Total				-	(131,386.65)
Everett	840 N Broadway	Office	060	-	42,960.00
Tacoma	2121 S State St	Office	060	-	364,662.72
Tacoma	2121 S State St	Office	060	-	34,690.26
060 Total				-	442,312.97
Everett	840 N Broadway	Office	100	-	(18,279.00)
100 Total				-	(18,279.00)
Everett	840 N Broadway	Office	110	-	(49,309.00)
Tacoma	2121 S State St	Office	110	-	3,814.46
Tacoma	2121 S State St	Office	110	-	51,876.70
110 Total				-	6,382.17
Grand Total				280,000.00	506,966.71

Department of Social and Health Services

DP Code/Title: M2-8T Telephony System Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding to procure and implement shared telephony systems in order to replace or upgrade failing legacy telephony systems that provide voice and fax services for several of the agency sites. By funding this request, clients will have more consistent access to services, and the Department will be more efficient and effective in its use of shared data and voice networks, reducing operational costs and extended outages while retaining the ability to effectively budget for this service. DSHS Capital Programs will request \$1.2 million in a separate Telecommunications decision package for the 2015 17 Capital Budget.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	21,000	32,000	53,000
001-C General Fund - Basic Account-Medicaid Federal	15,000	22,000	37,000
Total Cost	36,000	54,000	90,000

Staffing

Package Description:

Problem:

The programs have a variety of dissimilar systems used to deliver telephone services to agency staff. The systems range from large Private Branch exchange (PBX) telephone systems owned and operated by Washington Technology Solutions (WTS), to small hybrid telephone systems owned by the local office or administration. There is no overall governance for acquisition, operation, or maintenance for these various systems. Many of the small hybrid systems have reached the end of their useful or supportable life, and have no maintenance contracts or replacement plans in place, resulting in emergency corrective maintenance being the norm. This impacts not only agency staff but the department's business partners, clients, and the public when contacting the agency for services. As a result of the agency administrations "owning" their telephony systems, many systems reach end of life or end of support without lifecycle replacement strategies. The consequence is that many of these systems are no longer sustainable. At times, a system has failed with no chance of repair because it is so old that parts are no longer manufactured (often even trying to find a "spare" part here and there fails) and vendors won't touch it because of lack of knowledge and/or fear of responsibilities. End of life telephony equipment is inefficient due to costly repairs and staff downtime. Many end of life systems are no longer supported by vendors or providers and are extremely difficult (and costly) to find technicians who know how to repair an outdated system.

Solution:

The proposed solution is to upgrade or repair outdated telephony systems by contracting with WTS or other vendors. The funding will provide the ability to implement several efficiencies, including expanded local dialing (minimal long distance charges between offices); shared data and voice networks (reducing circuit and equipment costs); consistent system maintenance (decreasing repair costs); standardized systems throughout the agency; consistent security updates, etc. This proposed solution will reduce ongoing operational costs for repairs and hardware/software upgrades.

Working with WTS and other contractors, the upgrades will be designed, procured, and implemented throughout the 2015 17 biennium. The programs goal is to establish a new model of telephony management. The program and/or WTS would own and manage the telephony systems and procure new systems as existing systems enter end of life or end of support. This promotes standardization, consolidation, and maintenance agreement, which avoids future problems and unexpected costs.

Department of Social and Health Services

DP Code/Title: M2-8T Telephony System Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Agency Contact: Don Petrich 360 902 7831
Program Contact: Carlyle Ludwig, SESA, 360.902 7615

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The budget request supports DSHS Goal 5: Public Trust - Strong management practices will be used to ensure quality and efficiency. The decision package is essential to implementing the Services and Enterprise Support Administration Strategic Objective 5.10: Pursue excellence in the technology services we offer.

This request supports the Results Washington goal to provide effective, efficient, and accountable government:

- By reducing future ongoing costs while improving services.
- By supporting a more productive workforce.
- By keeping the telephony service an efficient, nimble, and frugal resource.
- By improving service and providing increased options to partners and clients.

The upgraded telephony systems support the Results Washington goal to provide effective, efficient, and accountable government by providing the agency with updated, consistent, reliable, easier telephone systems. WTS manages all of the DSHS Call Center applications. DSHS has many stand-alone telephony systems that are not networked with WTS telephony systems. This results in an average of 7,000 abandoned calls per month throughout the agency. The goal is to replace these stand-alone systems with standard WTS managed systems. The various agency Call Centers will then be in a shared data and voice environment and be able to take advantage of upgraded, networked systems. This will allow Call Center staff to be more efficient and effective, responding to and serving clients more quickly.

Performance Measure Detail

Agency Level

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential in implementing strategic objects:

- 5.1: Build work environments that provide equity for all employees and the most competent, effective and culturally responsive services in the state.
- 5.3: Establish and maintain metrics that allow the public and the agency to assess progress in key areas of performance.
- 5.10: Pursue excellence in the technology services we offer.
- 5.11: Establish and provide easy access for the public and staff to information about DSHS.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports Results Washington Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

Department of Social and Health Services

DP Code/Title: M2-8T Telephony System Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

What are the other important connections or impacts related to this proposal?

Upgrades or replacement of systems that are managed to minimize the impact on stakeholders by performing the work during non-business hours, or through planned outages coordinated with the business owners. Stakeholders will benefit from consistent, more reliable, maintainable systems and the benefits it will create to assist clients more efficiently.

What alternatives were explored by the agency, and why was this alternative chosen?

Continue to let individual sites purchase their own telephony systems and not use WaTech's telephony service. This alternative was not chosen because this leads to no telephony standards, not being able to maintain telephony systems when End of Life/End of Support occurs for these systems, along with not being able to utilize of the numerous telephony features offered by WaTech. An additional reason was the lower cost of WaTech's telephony service.

What are the consequences of adopting or not adopting this package?

Programs will experience extended telephony outages affect mission critical services that rely on telephony/voice services.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Please see attachment M2-8T Telephony System Replacement workbook.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs are one-time; however, DSHS will request funding in the future to upgrade other DSHS facilities.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	36,000	54,000	90,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	21,000	32,000	53,000
<i>Total for Fund 001-1</i>	21,000	32,000	53,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	15,000	22,000	37,000
<i>Total for Fund 001-C</i>	15,000	22,000	37,000
Total Overall Funding	36,000	54,000	90,000

Department of Social and Health Service
M2-8T Telephony System Replacement

Program	FY2016	FY2017	Total
010	313,000	477,000	790,000
040	36,000	54,000	90,000
060	70,000	107,000	177,000
Total	419,000	638,000	1,057,000

Program	FY2016 - GFS	FY2016 - FED	FY2016 Total	FY2017 - GFS	FY2017 - FED	FY2017 Total	FY2015-17 GFS	FY2015-17 FED	FY2015-17 Total
010	305,000	8,000	313,000	465,000	12,000	477,000	770,000	20,000	790,000
040	21,000	15,000	36,000	32,000	22,000	54,000	53,000	37,000	90,000
060	44,000	26,000	70,000	67,000	40,000	107,000	111,000	66,000	177,000
Total	370,000	49,000	419,000	564,000	74,000	638,000	934,000	123,000	1,057,000

Information Technology Addendum

Recsum Code and Title: M2-8T Telephony System Replacement

Brief Description: The Department of Social and Health Services requests funding to procure and implement shared telephony systems in order to replace or upgrade failing legacy telephony systems that provide legacy voice and fax services to 5 of 68 agency sites. By funding this request, clients will have more consistent access to services, and the Department will be more efficient and effective in its use of shared data and voice networks, reducing extended outages while retaining the ability to effectively budget for this service.

If this investment includes the use of servers, do you plan to use the state data center?

Yes No, waiver received No, waiver not received Does not apply

Business Transformation – This set of criteria will be used to assess IT proposals supporting business changes to improve services or access to information for agency customers or citizens.

Business process improvement: Primary goal of the proposal is to transform an agency business process. This criterion will be used to assess the transformative nature of the project.

(INTENT: Incent agencies to take transformative projects that may include risk.)

DSHS's goal is to establish a new model of telephony management. The current model, site by site procurement process, has led to highly problematic solutions being left in place past their end of life. The agency and/or WaTech would own and WaTech would manage the telephony systems and procure new systems as existing systems enter end of life or end of support. This promotes standardization, consolidation, and maintenance best practice, which minimizes future problems and unexpected costs.

Risk mitigation: Primary goal is to mitigate risks associated with transformative initiatives. This criterion will be used to determine if the initiative provides adequate resources to mitigate risks associated with a transformative initiative. Risk planning may include budgeting for independent quality assurance, organizational change management, training, staffing, etc.

(INTENT: Drive business value by encouraging risk taking that is well managed.)

Using WaTech's telephony services will reduce the risk with this transformation as WaTech has experience managing this service, and uses current telephony standards for the State of Washington.

M2-8T Telephony Systems Replacement

2016 Supplemental Budget Department of Social and Health Services

Customer-facing value: Add value in short increments. This criterion will be used to determine if the initiative provides “customer-facing value” in small increments quickly to drive agile strategy.

(INTENT: Drive agencies to producing value more quickly and incrementally.)

The various DSHS Call Centers will be in a shared data and voice environment and be able to take advantage of upgraded, networked systems. This will allow Call Center staff to be more efficient and effective, responding to and serving clients more quickly.

Open data: New datasets exposed. This criterion will be used to assess if the initiative will increase public access to searchable, consumable machine-readable data from agencies.

(INTENT: Drive agencies to make more data available to citizens. We also value making data available internally for better decision making.)

N/A

Transparency/accountability: Project is clear, measurable, and immediate. This criterion will be used to assess if the initiative specifies the following: (1) Are the goals articulated? (2) Are performance outcomes identified, quantified and measurable?

(INTENT: Award more points for better project and outcome performance measures.)

N/A

Technology Strategy Alignment – This set of criteria will be used to assess the alignment of the request to the larger technology strategy of the state.

Security: Improve agency security. This criterion will be used to assess the improvements to the overall security posture for an agency.

(INTENT: Award additional points to projects where intent is to improve the security across an agency.)

Continuing the current legacy systems frequency of failure (20,000 incidents in a 24 month period) potentially jeopardizes staff and client safety, due to lack of communications at the impacted site during certain incidents. This investment will stabilize and improve communication at these sites, increasing security and life safety at the impacted sites.

Modernization of state government: Cloud first. This criterion will be used to assess if the initiative will result in replacing legacy systems with contemporary solutions that drive our cloud-first strategy.

(INTENT: Drive agencies to look more intently at leveraging cloud-based solutions.)

N/A

Mobility: New mobile services for citizens. This criterion will be used to assess the contribution of the initiative to support mobile government services for citizens and a mobile workforce.

M2-8T Telephony Systems Replacement

2016 Supplemental Budget Department of Social and Health Services

(**INTENT:** Drive agencies to look for ways to deliver results and services that are accessible to citizens from mobile devices. While we also value mobility for employees, we place greater value on mobility for citizens.)

N/A

Interoperability: Adds value in six months. This criterion will be used to determine if the initiative provides a technology system or software application that distributes, consumes or exchanges data.

(**INTENT:** Drive agencies to acquiring and/or developing systems that are interoperable across the state enterprise.)

N/A

Financial – This set of criteria will be used to assess the initiative’s financial contribution, including the extent the initiative uses other fund sources, reduces cost for the state, or captures new or unrealized revenue.

Captures new or unrealized revenue: This criterion is calculated based on the amount of new or unrealized revenue captured by the end of the 2017-19 biennium as a proportion of total investment. To get the full points in this category, projects must capture at least five times the amount of the investment by the end of the 2017-19 biennium.

N/A

Reduces costs: This criterion is calculated based on the amount of cost reduction by the end of the 2017-19 biennium as a proportion of total investment. To get the full points for this criterion, projects must reduce costs by at least two times the amount of the investment by the end of the 2017-19 biennium.

The shift to a newer, managed telephony service is cost neutral as compared to continuing our current practice of purchasing telephony systems on a site by site basis. This will provide for updated technology that is supported and maintained by WaTech and their business partners, and eliminate program tendency to discontinue maintenance to save money.

Leverages federal/grant funding: This criterion is to calculate the degree in which projects are funded by federal or grant dollars. Projects that are fully funded by federal or grant sources receive full points.

This project is funded based on individual program area match rates. As an agency, this is approximately a 50% federal match.

M2-8T Telephony Systems Replacement

Department of Social and Health Services

DP Code/Title: M2-8W Institution Vehicle Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding in the 2016 Supplemental Budget for the replacement of vehicles through lease-purchase that are critical in the support of the health, safety, and security of residents and staff for the department's institutional programs.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	89,000	89,000
001-C General Fund - Basic Account-Medicaid Federal	0	62,000	62,000
Total Cost	0	151,000	151,000

Staffing

Package Description:

The department requires the replacement of necessary vehicles to meet the day-to-day needs of the clients in five institutions and maintenance operations. This includes vehicles for client transport and for the support of base operations and maintenance of these facilities. Most of these vehicles have a usable life span of five years but have been in operation from ten to 20 years, are difficult and expensive to maintain, and have become unreliable. Equipment beyond its useful life has been shown to become dangerous and is costly to repair. This request is to support the lease-purchase of vehicles through a certificate of participation (COP).

Juvenile Rehabilitation (JR)

This request funds the replacement of necessary vehicles to meet the day-to-day health and security needs of the youth placed into JR custody including replacement of vehicles used to transport youth work details in the forestry program and firefighting teams. The JR institutions have a very large base operations requirement including a fleet of about 70 vehicles on their campus. Requested equipment items are critical to ensure the health, safety and security of clients, public safety, and staff productivity.

Special Commitment Center (SCC)

SCC provides a specialized mental health treatment program on McNeil Island for civilly committed sex offenders who have completed their prison sentences. The majority of 67 SCC vehicles for the Total Confinement Facility (TCF) and Secure Community Transition Facilities (SCTF) are at least ten years old. Vehicles obtained since 2004 are primarily surplus vehicles handed down from other programs with many years of service already. It is no longer cost effective to repair these vehicles and in some cases their safety is in question. The SCTF program requires long distance travel with residents and these vehicles cannot be used for this purpose when there is a risk of breakdown. SCC cannot meet statutory community safety/security obligations with the current number of serviceable SCC fleet vehicles. SCC is obligated to provide transportation to medical and court-ordered treatment for residents while residing at the TCF and SCTF. Other vehicles in the SCC fleet or state service cannot be utilized as there is a requirement to have a Washington State Patrol (WSP) radio in each vehicle. This request includes a 1984 fire truck with tanker which has over 211,000 miles on it, has become unreliable, and is the only form of fire suppression on McNeil Island for both structural and wild fires.

Mental Health

This request funds the replacement of necessary vehicles to meet the day-to-day health and security needs of the state hospitals. These vehicles will serve a variety of campus needs for up to 1,100 residents and over 2,600 staff, including providing flexible transportation for client recreation and appointments and increase transportation availability to staff for groups or individuals for training classes and travel. The state hospitals have a very large base operations requirement including 96 buildings and a fleet of about 220 vehicles at Western State Hospital and Consolidated Support Services (CSS). The equipment to be replaced includes vehicles that far exceed reasonable life spans and are necessary for the safe, secure, and effective operation of these inpatient

Department of Social and Health Services

DP Code/Title: M2-8W Institution Vehicle Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

facilities. Some of the most behaviorally complex people in Washington State receive inpatient treatment at the state hospitals.

Developmental Disabilities Administration (DDA)

This request funds the replacement of necessary vehicles to meet the day-to-day health and security needs of Residential Habilitation Centers (RHC) clients residing in the nursing facility and/or an Intermediate Care Facility for the Intellectually Disabled (ICF/ID). The RHCs have a very large base operations requirement including a fleet of about 250 vehicles on their campus'. These vehicles will serve a variety of campus needs for 900 residents and over 2,200 staff, including providing flexible transportation for client recreation and appointments and increase transportation availability to staff for groups or individuals for training classes and travel. The current vehicle options on campus are limited because of the higher level of use of this type of vehicle (as opposed to the larger capacity vans).

Consolidated Maintenance and Operations (CMO)

CMO and CSS provide services to institutions in JR, Mental Health (MH), Developmental Disabilities (DD), and SCC. Funding is requested for vehicles for maintenance and base support operations critical to the mission of each institution to support the health, safety, and security of clients and staff.

Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will strengthen the foundation for the current continuum of care and access to client services at the department's institutions. Appropriate safe, up to date, and functional transport and maintenance vehicles helps provide for healthy, safe, and secure facilities and campuses.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

Outcome Measures

001605 Monthly Average RHC Client Cost

Incremental Changes

FY 1

FY 2

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing program Strategic Objectives.

7.1: Maintain a productive, effective organization and maximize the ability to deliver services within available resources.

1.3: Fiscal stewardship of programs and activities.

4.5: To ensure clients residing in the Residential Habilitation Centers (RHCs) and Nursing Facilities are being supported to attain the highest possible quality of life.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

Goal 4: Healthy & Safe Communities - Safe People - Worker Safety - 2.5 Decrease workplace injury rates that result in missing three or more days from work.

Department of Social and Health Services

DP Code/Title: M2-8W Institution Vehicle Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

What are the other important connections or impacts related to this proposal?

With some institutions operating at a deficit and other facilities marginally meeting their budget, the Department has been unable to purchase needed equipment. Maintenance of this equipment is expensive and over time has become a maintenance challenge often resulting in higher costs for rentals and contracting with outside vendors. It is essential that safe, functional equipment be provided to the department employees for use in accomplishing assigned tasks.

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources. Repairing vehicles, when practical, is an option, but is not always feasible or cost effective. This alternative was chosen because it provides funding for immediate replacement of necessary vehicles to maintain safety and security for clients and staff.

What are the consequences of not funding this package?

Failure to provide funding for the replacement vehicles presents a risk to program operations. Insufficient funding for safe and reliable vehicles exposes clients and staff to roadside mishaps and expensive facility repairs.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8W Institution Vehicles Replacment.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and continue into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
P Debt Service	0	151,000	151,000

Department of Social and Health Services

DP Code/Title: M2-8W Institution Vehicle Replacement
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	89,000	89,000
<i>Total for Fund 001-1</i>		0	89,000	89,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	62,000	62,000
<i>Total for Fund 001-C</i>		0	62,000	62,000
Total Overall Funding		0	151,000	151,000

**FY2016 Supplemental Budget
AW M2-8W Institution Vehicles Replacement**

Department of Social & Health Services

Program	Year			ISSD - TZ			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
020	0	44,000	44,000	0	0	0	0	44,000	44,000
030	0	230,000	230,000	0	0	0	0	230,000	230,000
040	0	151,000	151,000	0	0	0	0	151,000	151,000
135	0	153,000	153,000	0	0	0	0	153,000	153,000
160	0	0	0	0	0	0	0	0	0
Total	0	578,000	578,000	0	0	0	0	578,000	578,000

State/Other Split

Program	State			Federal			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
020	0	44,000	44,000	0	0	0	0	44,000	44,000
030	0	230,000	230,000	0	0	0	0	230,000	230,000
040	0	89,000	89,000	0	62,000	62,000	0	151,000	151,000
135	0	153,000	153,000	0	0	0	0	153,000	153,000
160	0	0	0	0	0	0	0	0	0
Total	0	516,000	516,000	0	62,000	62,000	0	578,000	578,000

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

Consolidated Maintenance and Operations (CMO), in support of department institutions, requests funding for equipment and goods and services in order to resolve building component, steam plant, wastewater treatment, and grounds deficiencies that are smaller in scope than capital projects, but beyond the scope of ordinary maintenance. By funding this request, the safety, security, and environmental conditions for residents and staff will be improved to meet minimum facility standards.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	30,000	54,000	84,000
001-C General Fund - Basic Account-Medicaid Federal	20,000	36,000	56,000
Total Cost	50,000	90,000	140,000

Staffing

Package Description:

Problem Statement:

Current maintenance funding does not allow CMO to keep pace with increasing corrective work request demands due primarily to the advanced age of institution facilities and a shortage of staffing and funding to complete ongoing preventive maintenance. Inability to adequately maintain the facilities or replace components has resulted in decreased safety and security levels and created potential regulatory concerns. This continued deterioration of buildings and grounds results in premature system failure and the need for larger scale capital replacement.

The request includes the following types of work:

- Replacement and extended repair of failed ventilation components serving staff and client areas.
- Corrections to electrical wiring and panels.
- Installation of fall protection anchor points on roofs.
- Roofing repairs to reduce water intrusion and the chance of mold infestations in buildings.
- Interior and exterior door replacement/repair and associated security hardware to lower the risk of breaches in security.
- Upgrade and expansion of fire sprinkler systems to meet fire code.

Failure to maintain DSHS facilities will result in further deterioration of building and grounds assets and result in even greater cost to the state in the form of larger capital budget requests. With current funding levels, CMO activities are focused on reactive repair activities to emergent problems. Failing components are only repaired to maintain fundamental operation. Some components that cannot be repaired are left in a failed state. The state and facility occupants then accept the increased risk of a safety or security incident.

Proposed Solution:

Request funding to allow CMO to properly support the maintenance of department institutions and keep pace with increasing corrective work request demands. Labor will be performed using the existing CMO staffing allotment. All of these projects are expected to be completed in the 2015 17 Biennium. Individual project costs were estimated by DSHS Capital Programs and Maintenance staff.

Agency Contact: Ken Brown (360) 902 7583
Program Contact: Thomas Blume (360) 664 6028

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request will support the base operations of department institutions to help in preventing further deterioration of buildings and grounds.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

Incremental Changes

FY 1

FY 2

Outcome Measures

001605 Monthly Average RHC Client Cost

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing program Strategic Objectives.

7.1: Maintain a productive, effective organization and maximize the ability to deliver services within available resources.

4.5: To ensure clients residing in the Residential Habilitation Centers (RHCs) and Nursing Facilities are being supported to attain the highest possible quality of life.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

Goal 5: Efficient, Effective & Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Goal 4: Healthy & Safe Communities - Safe People - Worker Safety - 2.5 Decrease workplace injury rates that result in missing three or more days from work.

What are the other important connections or impacts related to this proposal?

No stakeholder concerns are expected. It is expected all stakeholders would support improved facilities to conduct rehabilitation efforts.

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources for the following reasons: maintenance funding has not kept pace with the institution needs due to a shortage of staffing and funding. This request funds projects smaller in scope than capital projects but beyond the capability and capacity of institution maintenance departments. This alternative was chosen because it provides funding for immediate repairs to facilities which will provide improved safety and security for clients and staff and prevent higher downstream costs.

What are the consequences of not funding this package?

Failure to provide funding for maintenance repairs presents a risk to program operations and client and staff safety.

Department of Social and Health Services

DP Code/Title: M2-8X Facility Maintenance Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-8X Facility Maintenance Costs.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	50,000	90,000	140,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	30,000	54,000	84,000
<i>Total for Fund 001-1</i>		30,000	54,000	84,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	20,000	36,000	56,000
<i>Total for Fund 001-C</i>		20,000	36,000	56,000
Total Overall Funding		50,000	90,000	140,000

**FY16 Supplemental Budget
AW M2-8X Facility Maintenance Costs**

Department of Social & Health Services

Program	Year				ISSD - TZ				Total		
	2016	2017	Total		2016	2017	Total		2016	2017	Total
020	\$ 79,000	\$ 511,000	\$ 590,000		\$ -	\$ -	\$ -		\$ 79,000	\$ 511,000	\$ 590,000
030	\$ -	\$ 243,000	\$ 243,000		\$ -	\$ -	\$ -		\$ -	\$ 243,000	\$ 243,000
040	\$ 50,000	\$ 90,000	\$ 140,000		\$ -	\$ -	\$ -		\$ 50,000	\$ 90,000	\$ 140,000
135	\$ -	\$ 60,000	\$ 60,000		\$ -	\$ -	\$ -		\$ -	\$ 60,000	\$ 60,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 129,000	\$ 904,000	\$ 1,033,000		\$ -	\$ -	\$ -		\$ 129,000	\$ 904,000	\$ 1,033,000

State/Other Split

Program	State				Federal				Total		
	\$ 2,016	\$ 2,017	Total		\$ 2,016	\$ 2,017	Total		\$ 2,016	\$ 2,017	Total
020	\$ 79,000	\$ 511,000	\$ 590,000		\$ -	\$ -	\$ -		\$ 79,000	\$ 511,000	\$ 590,000
030	\$ -	\$ 243,000	\$ 243,000		\$ -	\$ -	\$ -		\$ -	\$ 243,000	\$ 243,000
040	\$ 30,000	\$ 54,000	\$ 84,000		\$ 20,000	\$ 36,000	\$ 56,000		\$ 50,000	\$ 90,000	\$ 140,000
135	\$ -	\$ 60,000	\$ 60,000		\$ -	\$ -	\$ -		\$ -	\$ 60,000	\$ 60,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 109,000	\$ 868,000	\$ 977,000		\$ 20,000	\$ 36,000	\$ 56,000		\$ 129,000	\$ 904,000	\$ 1,033,000

FY16 Supplemental Budget
AW M2-8X Facility Maintenance Costs

Program	Facility	Description	Unit Cost	Quantity	FY2016	FY2017		Total	Justification
RA					Cost	FTE	Cost		
020	EGCC	Door Replacement	\$ 8,400	1			\$ 8,400	\$ 8,400	Entry Man door replacement X7. These doors are rusting away and allowing rodents access into building
020	EGCC	Rollup Door Replacement	\$ 15,000	1	\$ 15,000			\$ 15,000	Service Bay Rollup door replacement X6. These service doors are non functional and past serviceable life.
020	EGCC	Roof Replacement	\$ 10,000	2	\$ 10,000		\$ 10,000	\$ 20,000	Both well house pump buildings are in need a new pitched and metal roof replacement. They are currently 50 years old, with a pea gravel roof coating and flat. There is not a lot of continued strength capability for snow loads that have been received here in the past.
020	EGCC	DDC Controls for Activities	\$ 18,600	1	\$ 18,600			\$ 18,600	DDC system are pneumatic controls that have all deteriorated. These were not replaced within the current ESCO project on campus. Currently we are controlling these manually based on customer complaints, and current temperatures outside. This was funded for FY15 but was unable to get purchased by the end of the fiscal year. Currently have the Sole Source paperwork filled out ready to go for this year.
020	EGCC	Lock Key update for all service buildings	\$ 65,000	2	\$ 35,000		\$ 30,000	\$ 65,000	The existing system is 47 years old and has had several lost keys over the years. This would offer a better and new security system along with providing the facility units with several key watcher systems so that keys have to be checked in and out daily through electronic key boxes. This would offer better security and accountability.
020	GHS	Carpet Replacement - multiple areas	\$ 10,000	1			\$ 10,000	\$ 10,000	Worn and torn with thread bare areas and wrinkles causing tripping hazard. Safety Concern in work areas include torn spots, snags, seams coming apart, worn areas.
020	GHS	Life safety fire system recertification	\$ 18,000	1			\$ 18,000	\$ 18,000	Required testing and expected repair of fire detection and suppression systems. Budget for future testing will be requested in regular budget cycle.
020	NYC	Replace two enclosures at wastewater plant.	\$ 6,000	1			\$ 6,000	\$ 6,000	Current enclosures are rusting and moisture is getting into electrical controls.
020	NYC	Replace cooling tower	\$ 10,000	1			\$ 10,000	\$ 10,000	Fiberglass cooling tower is 20 years old and disintegrating. Provides water for food supply refrigeration.
020	NYC	Install energy saving LED fixtures	\$ 18,000	1			\$ 18,000	\$ 18,000	Replace campus lights with LED.
020	Canyon View CF	Provide tightlines for roof drains	\$ 37,500	1			\$ 37,500	\$ 37,500	Many downspouts are missing tail pipes and all drain directly to the base of the building causing moisture damage and intrusion issues. Water must be redirected away from the facility to avoid entry into the building causing decay and mold.
020	Parke Creek CF	Provide tightlines for roof drains	\$ 43,500	1			\$ 43,500	\$ 43,500	Many downspouts are missing tail pipes and all drain directly to the base of the building causing moisture damage to siding and flooding of crawl space.
020	Parke Creek CF	Clean up and re-insulate attic	\$ 31,250	1			\$ 31,250	\$ 31,250	Insulation has been installed in an ineffective manner, and there is material left over from previous work.
020	Parke Creek CF	Replace Vocational Building Siding and attic ventilation	\$ 29,000	1			\$ 29,000	\$ 29,000	The siding at the gable ends above the CMU perimeter walls is T1-11 and is failing, the attic ventilation louvers are severely damaged
020	Parke Creek CF	Clean Crawl space	\$ 31,250	1			\$ 31,250	\$ 31,250	Remove plumbing and other debris from past projects, re-insulate, pipes have frozen and broken in the past
020	Ridgeview CF	Provide tightlines for roof drains	\$ 37,500	1			\$ 37,500	\$ 37,500	Some downspouts are missing tail pipes and all drain directly to the base of the building causing moisture damage and intrusion issues
020	Ridgeview CF	Clean Crawl space	\$ 6,250	1			\$ 6,250	\$ 6,250	Remove plumbing and other debris from past projects
020	Ridgeview CF	Replace Paving	\$ 45,000	1			\$ 45,000	\$ 45,000	The paving leading to the loading entrance is severely cracking and rutted. The majority of the paving associated with parking is maintained by the adjacent city Juvenile Justice Center, this section is directly related to deliveries for the facility

FY16 Supplemental Budget

AW M2-8X Facility Maintenance Costs

020	Ridgeview CF	Fire Sprinkler System Upgrade/Expansion	\$ 50,000	1			\$ 50,000	\$ 50,000	Any R2, R3 or I1 (new or significantly remodeled) must have full sprinkler systems per 2012 IBC 402 & 903. Entire system needs to be upgraded to current standards, and would need to be expanded with Kitchen project
020	Ridgeview CF	Fire Sprinkler Head Replacement	\$ 6,000	1			\$ 6,000	\$ 6,000	Fire Marshal identified that heads on current system need to be replaced,.
020	Ridgeview CF	Install fall protection anchor points on roofs	\$ 21,750	1			\$ 21,750	\$ 21,750	Roofs and gutters cannot be cleaned and roof top equipment cannot be maintained due to height limitations. This is necessary for maintenance of the facility and for service providers to access roof mounted equipment.
020	Ridgeview CF	Revise Laundry Venting	\$ 7,250	1			\$ 7,250	\$ 7,250	Lint commonly gets stuck in the vent ducts requiring maintenance to clean reducing the effectiveness of the dryers, creating a moisture and potential fire hazard
020	Twin Rivers CF	Install fall protection anchor points on roofs	\$ 21,750	1			\$ 21,750	\$ 21,750	Roofs and gutters cannot be cleaned and roof top equipment cannot be maintained due to height limitations. Necessary for maintaining roofs and roof mounted equipment
020	Twin Rivers CF	Parking Lot Asphalt Repair	\$ 33,000	1			\$ 33,000	\$ 33,000	The paving is severely cracking and rutted
BHSIA									
030	CSTC	Carpet Replacement - Admin Offices	\$ 6,000	1			\$ 6,000	\$ 6,000	Carpet is 20 plus years old. Worn and torn with threadbare areas and wrinkles causing a tripping hazard. Safety concern in work areas include torn areas, snags, the seams coming apart, and worn out.
030	ESH	Install fall protection anchor points on roofs	\$ 40,000	1			\$ 40,000	\$ 40,000	There is a minimum of twenty buildings spread throughout BHSIA that require fall protection. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at height above 10 feet.
030	WSH	Update electrical panel legends	\$ 75,000	1		1.0	\$ 77,000	\$ 77,000	One Non-perm FTE for one year. These are required to be updated on an annual basis. Most of ours through out WSH have never been updated.
030	WSH	Re-carpet of F1 patient Rooms	\$ 40,000	1			\$ 40,000	\$ 40,000	Ward F-1, Center for Forensic Services, Admission Ward, is in need of flooring replacement in every bedroom. These patient bedrooms are all wet cells where the water and urine has infiltrated the VCT curling and popping the tiles.
030	WSH	Install crane to lower chemicals into powerhouse.	\$ 20,000	1			\$ 20,000	\$ 20,000	Powerhouse staff are lifting caustic chemicals with a sling on a forklift and lowering into a landing at the bottom of a stairwell. This is an unsafe process with risk casing a chemical spill or running the forklift into the stairwell.
030	WSH	Install fall protection anchor points on roofs	\$ 40,000	1			\$ 40,000	\$ 40,000	There is a minimum of twenty buildings spread throughout BHSIA that require fall protection. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at height above 10 feet.
030	WSH	Storm System catch basins are in need of preventative maintenance and pumping out	\$ 20,000	1			\$ 20,000	\$ 20,000	We are out of compliance with the Clean Water Act and could face DOE citations
DDA									
040	FS	Install fall protection anchor points on roofs	\$ 30,000	1			\$ 30,000	\$ 30,000	There is a minimum of 35 buildings spread throughout DDA that require fall protection for CMO staff. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at a height above 10 feet.

FY16 Supplemental Budget

AW M2-8X Facility Maintenance Costs

040	FS	Generator Repair (Duplex's 44-52, Dietary and Laundry Electrical Backup)	\$ 50,000	1	\$ 50,000		\$ 50,000	\$ 50,000	The generator supplies backup power for Duplex's 44-52, Dietary, Laundry and part of the 200 building. The part of the 200 bldg. that it supplies is the communications room. It has a UPS backup but that would not last long and communications would go down campus wide. Dietary could shift their menu's for a short period of time and the laundry would be shut down, the duplex's would go dark. This generator is a little unique as it supplies 4160 to the different transformers for the units. So we would need to find a portable generator with those spec's and tie it into the steam plant. In short if this generator went down we would be in a world of hurt until we could find and tie in another generator.
040	LV	Install fall protection anchor points on roofs	\$ 30,000	1			\$ 30,000	\$ 30,000	There is a minimum of 35 buildings spread throughout DDA that require fall protection for CMO staff. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at a height above 10 feet.
040	RS	Install fall protection anchor points on roofs	\$ 30,000	1			\$ 30,000	\$ 30,000	There is a minimum of 35 buildings spread throughout DDA that require fall protection for CMO staff. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at a height above 10 feet.
SCC									
135	SCC	Install fall protection anchor points on roofs	\$ 5,000	12			\$ 60,000	\$ 60,000	There is a minimum of twelve buildings at SCC that require fall protection. This is a life-safety issue for CMO staff that need to access the roofs of these building to perform maintenance operations. We are currently out of compliance with current WACs regarding fall protection for employees working at height above 10 feet.
Totals			\$ 129,000			1.0	\$ 904,000	\$ 1,033,000	

	FY2016		FY2017		2015-17
	State	Federal	State	Federal	Total
020					
EGCC-G99	\$ 79,000		\$ 48,000	\$ -	\$ 127,000
GHS-G99			\$ 28,000	\$ -	\$ 28,000
NYC-G99			\$ 34,000	\$ -	\$ 34,000
Community Facilities			\$ 401,000	\$ -	\$ 401,000
TOTAL	\$ 79,000	\$ -	\$ 511,000	\$ -	\$ 590,000
030					
CSTC-G99			\$ 6,000	\$ -	\$ 6,000
ESH-G99			\$ 40,000	\$ -	\$ 40,000
WSH-G99			\$ 197,000	\$ -	\$ 197,000
TOTAL	\$ -	\$ -	\$ 243,000	\$ -	\$ 243,000
040					
FS-G99	\$ 30,000	\$ 20,000	\$ 18,000	\$ 12,000	\$ 80,000
LV-G99			\$ 18,000	\$ 12,000	\$ 30,000
RS-G99			\$ 18,000	\$ 12,000	\$ 30,000
TOTAL	\$ 30,000	\$ 20,000	\$ 54,000	\$ 36,000	\$ 140,000
135					
SCC-G99	\$ -	\$ -	\$ 60,000	\$ -	\$ 60,000
TOTAL	\$ 109,000	\$ 20,000	\$ 868,000	\$ 36,000	\$ 1,033,000

Department of Social and Health Services

DP Code/Title: M2-9S Equipment Replacement Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding in the 2016 Supplemental Budget for the replacement of equipment that is critical in the support of the health, safety, and security of residents and staff for the department's institutional programs.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	340,000	1,235,000	1,575,000
001-C General Fund - Basic Account-Medicaid Federal	235,000	859,000	1,094,000
Total Cost	575,000	2,094,000	2,669,000

Staffing

Package Description:

The Department requires the replacement of necessary equipment to meet the day-to-day needs of the clients served in the 13 institutions and community facilities. This includes medical and diagnostic equipment that serves clients directly and the support structure housing clients and staff comprising approximately 5 million square feet and 500 buildings.

Juvenile Rehabilitation

This request funds the replacement of necessary equipment to meet the day-to-day needs of the youth placed into Juvenile Rehabilitation custody. Requested equipment items are critical to ensure the health, safety and security of clients, public safety, and staff productivity.

When youth are committed, it is the Department's responsibility to operate a secure 24-hour facility in which youth sleep, eat, continue education, receive mental health and behavioral therapy, and have access to health care. This round the clock care supervision results in extensive use of institutional equipment-furniture, bedding, security, laundry, janitorial, office, and communication equipment. Equipment beyond its useful life has been shown to become dangerous and is costly to repair.

Mental Health

This request funds the replacement of necessary equipment to meet the day-to-day health and security needs of the state hospitals. This equipment supports campus needs for up to 1,100 residents and over 2,600 staff. The equipment to be replaced includes items that far exceed reasonable life spans and are necessary for the safe, secure, and effective operation of these inpatient facilities. Some of the most behaviorally complex people in Washington State receive inpatient treatment at the state hospitals. The state hospitals and Child Study & Treatment Center (CSTC) provides patient evaluation, mental health therapy, medical treatment (including radiology, dental, pharmacy, and laboratory), physical, speech and occupational therapies, and appropriate levels of supportive physical care. The facility operates 24 hours a day, seven days a week. Typically, the facility operates at capacity most of the year.

Developmental Disabilities Administration

Residential Habilitation Centers (RHC) may be certified as a nursing facility and/or an Intermediate Care Facility for the Intellectually Disabled (ICF/ID). Nursing services are provided to all residents, many of whom have substantial physical disabilities. ICF/ID services include health care, dental care, vocational training, therapy (physical, speech, occupational, psychiatric, psychological/behavioral), and limited recreational activities. Respite and crisis services are offered on a short term basis. Each RHC operates in a unique environment and are subject to federal regulations. Equipment requirements vary based on resident census and individual needs, staff employed, campus size, services offered and regulatory demand. Nurse call systems and key control systems are requested to be upgraded as cited by Centers for Medicare & Medicaid and to meet federal requirements

Department of Social and Health Services

DP Code/Title: M2-9S Equipment Replacement Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Special Commitment Center (SCC)

The Special Commitment Center Program (SCC), operated by the Department of Social and Health Services (DSHS), provides a specialized mental health treatment program on McNeil Island for civilly committed sex offenders who have completed their prison sentences. The majority of equipment used at the Total Confinement Facility (TCF) and Secure Community Transition Facilities (SCTF) is at least ten years old. Since the program is maintained on McNeil Island, the program has additional equipment needs related to island maintenance. It is no longer cost effective to repair some equipment items and in some cases the safety of residents and staff is in question.

Consolidated Maintenance and Operations (CMO)

The CMO provides maintenance and operations services to institutions in Juvenile Rehabilitation, Mental Health, Developmental Disabilities, and the Special Commitment Program. Funding is requested for equipment to support the individual needs of the critical mission of each institution and the needs of the CMO to support the health, safety, and security of clients and staff.

Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will strengthen the foundation for the current continuum of care and access to client services at the department's institutions. Appropriate safe, up to date, and functional equipment supports, and provides for healthy, safe, and secure facilities and campuses.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

Outcome Measures

001605 Monthly Average RHC Client Cost

Incremental Changes

FY 1 FY 2

0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing program Strategic Objectives.

- 7.1: Maintain a productive, effective organization and maximize the ability to deliver services within available resources.
- 1.3: Fiscal stewardship of programs and activities.
- 4.5: To ensure clients residing in the Residential Habilitation Centers (RHCs) and Nursing Facilities are being supported to attain the highest possible quality of life.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

Goal 4: Healthy & Safe Communities - Safe People - Worker Safety - 2.5 Decrease workplace injury rates that result in missing three or more days from work.

Department of Social and Health Services

DP Code/Title: M2-9S Equipment Replacement Costs
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

What are the other important connections or impacts related to this proposal?

With some institutions operating at a deficit and other facilities marginally meeting their budget, the Department has been unable to purchase needed equipment. Maintenance of this equipment is expensive and over time has become a maintenance challenge often resulting in higher costs for rentals and contracting with outside vendors. It is essential that safe, functional equipment be provided to the department employees for use in accomplishing assigned tasks.

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources for the following reasons. Repairing equipment, when practical, is an option, but is not always feasible or cost effective. This alternative was chosen because it provides funding for immediate replacement of necessary equipment to maintain safety and security for clients and staff.

What are the consequences of not funding this package?

Failure to provide funding for the replacement of medical, information technology, and safety equipment necessary to sustain the health and safety of clients and staff presents a risk to program operations. Insufficient funding for essential equipment exposes clients and staff to roadside mishaps and expensive facility repairs.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-9S - Equipment Replacement Costs.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and continue into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
J Capital Outlays	575,000	2,094,000	2,669,000

Department of Social and Health Services

DP Code/Title: **M2-9S Equipment Replacement Costs**

Program Level - **040 Developmental Disabilities Admin**

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	340,000	1,235,000	1,575,000
<i>Total for Fund 001-1</i>		340,000	1,235,000	1,575,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	235,000	859,000	1,094,000
<i>Total for Fund 001-C</i>		235,000	859,000	1,094,000
Total Overall Funding		575,000	2,094,000	2,669,000

**FY2016 Supplemental Budget
AW M2-9S - Essential Equipment**

Department of Social & Health Services

Program	Year			ISSD - TZ			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
020	76,000	234,000	310,000	0	0	0	76,000	234,000	310,000
030	287,000	757,000	1,044,000	0	0	0	287,000	757,000	1,044,000
040	575,000	2,094,000	2,669,000	0	0	0	575,000	2,094,000	2,669,000
135	146,000	536,000	682,000	0	0	0	146,000	536,000	682,000
160	0	0	0	0	0	0	0	0	0
Total	1,084,000	3,621,000	4,705,000	0	0	0	1,084,000	3,621,000	4,705,000

State/Other Split

Program	State			Federal			Total		
	2016	2017	Total	2016	2017	Total	2016	2017	Total
020	76,000	234,000	310,000	0	0	0	76,000	234,000	310,000
030	287,000	757,000	1,044,000	0	0	0	287,000	757,000	1,044,000
040	339,000	1,236,000	1,575,000	236,000	858,000	1,094,000	575,000	2,094,000	2,669,000
135	146,000	536,000	682,000	0	0	0	146,000	536,000	682,000
160	0	0	0	0	0	0	0	0	0
Total	848,000	2,763,000	3,611,000	236,000	858,000	1,094,000	1,084,000	3,621,000	4,705,000

**FY2016 Supplemental Budget
AW M2-9S - Essential Equipment**

Agency Overview

Program	Program Request		Total
	FY 2016	FY 2017	
Juvenile Rehabilitation			
Echo Glen	\$ -	\$ 38,000	\$ 38,000
Green Hill	\$ -	\$ 40,000	\$ 40,000
Naselle	\$ -	\$ 48,000	\$ 48,000
CMO G99	\$ 5,000	\$ 11,000	\$ 16,000
Community Residential Facilities	\$ 63,000	\$ 85,000	\$ 148,000
JR Regions	\$ 8,000	\$ 12,000	\$ 20,000
Request for JR	\$ 76,000	\$ 234,000	\$ 310,000
Special Commitment Center	\$ 91,000	\$ 536,000	\$ 627,000
CMO G99	\$ 55,000	\$ -	\$ 55,000
Request for SCC	\$ 146,000	\$ 536,000	\$ 682,000
Request for RA	\$ 222,000	\$ 770,000	\$ 992,000
Mental Health			
Eastern State	\$ 282,000	\$ 528,000	\$ 810,000
Western State	\$ -	\$ -	\$ -
CSTC	\$ 5,000	\$ 19,000	\$ 24,000
CMO/CSS G99	\$ -	\$ 210,000	\$ 210,000
Request for BHSIA-MH	\$ 287,000	\$ 757,000	\$ 1,044,000
Development Disabilities			
Fircrest	\$ 120,000	\$ 500,000	\$ 620,000
Rainier School	\$ 200,000	\$ 94,000	\$ 294,000
Lakeland Village	\$ -	\$ 1,500,000	\$ 1,500,000
Yakima Valley	\$ 250,000	\$ -	\$ 250,000
CMO/CSS G99	\$ 5,000	\$ -	\$ 5,000
Request For DDA	\$ 575,000	\$ 2,094,000	\$ 2,669,000
Biennium Totals	\$ 1,084,000	\$ 3,621,000	\$ 4,705,000

Note: Program numbers include CMO/CSS.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests the shift of FTEs and funding among programs in the 2015 17 Biennial Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The net impact is zero.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	(1,668,000)	(1,651,000)	(3,319,000)
001-C General Fund - Basic Account-Medicaid Federal	(1,152,000)	(1,258,000)	(2,410,000)
Total Cost	(2,820,000)	(2,909,000)	(5,729,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	(15.9)	(18.3)	(17.1)

Package Description:

DSHS requests internal transfers among several program budgets resulting in a net zero funding change for the department. This request aligns program appropriations with planned expenditures. DSHS requests the following adjustments for the 2015 17 Biennial Budget:

Information System Services Division (ISSD) Compensation Adjustment
(Program 110 to Programs 010, 020, 030, 040, 050, 060, 070, 100, 135):

Program 110 Administration and Supporting Services (ADMIN) will transfer compensation adjustments for staff in the Information Systems Services Division (Program 150) to other DSHS programs. ISSD is a chargeback program where the funding resides in program's Sub Object TZ budget. ADMIN will transfer GF State in the amount of \$468,000 for Fiscal Year 16 (FY16) and \$1,005,000 for FY17 to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by ISSD.

Communications Manager
(Program 010 to Program 110):

Program 010 Children's Administration will transfer 0.40 of an FTE and \$70,000 in GF State Funding (\$86,000 total) to administration Program 110. This transfer will result in the communications position being funded all from one program.

Consolidated Support Services (CSS) Funding
(Program 030 to Program 040):

When the Compensation Impact Model was developed the staff from CSS were included in the Mental Health Division Program 030. The CSS staff support both Eastern State Hospital and Lakeland Village. Transfer \$381,000 GF State / \$459,000 total funds for the staff providing services to Lakeland Village to the Developmental Disabilities Administration (DDA) Program 040.

DDA to Aging and Long Term Support Administration (AL TSA) Transfer
(Program 040 to Program 050):

Transfer of 17.1 FTEs and \$1,943,000 GF State / \$3,784,000 Total funds from DDA to AL TSA for Individual & Family Services (IFS) / Basic Plus / Community First Choice Option (CFCO) / Mandatory Workload Step as well as IT and Program staff.

DDA Category 2000 to Category 1000 Transfer
(Program 040):

Within DDA transfer three (3) Nursing Care Consultants from Category 2000 to Category 1000 and one (1) training position from

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Category 1000 to Category 2000. Net transfer between categories is 2.0 FTEs, \$320,000 GF State / \$534,000 total in funding.

ALTSA to ADMIN Board of Appeals
(Program 050 to Program 110):

When the Health Care Authority (HCA) was created a number of positions were transferred from DSHS to HCA. There were two (2) Review Judges that were transferred from ADMIN, with a Review Judge and Paralegal 2 (50%) remaining that are charged to ALTSA. The work being done by these positions is for all DSHS programs. Transfer 1.5 FTEs and \$177,000 GF State / \$339,000 Total funds from ALTSA to ADMIN for the work that is being performed that benefits all programs within DSHS.

Fleet Rate Reduction

(Program 145 to Programs 010, 020, 030, 040, 050, 060, 070, 100 and 110):

The 2015 17 Biennial Budget included a reduction in funding for Fleet Services. This reduction was placed in the PTOA (Program 145) budget. Fleet Costs are charged to each program using the Fleet Services. The reduction needs to be transferred from PTOA to the affected programs.

Office of the Chief Information Officer (OCIO)

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110 and 135 to Program 145):

OCIO monthly costs are currently being distributed to all the programs. The 2015 17 Biennial Budget included a reduction for the OCIO costs that was placed in the PTOA budget. When reviewing the reduction and process for the monthly payment, it was determined that the funding should be transferred from all programs to PTOA (Program 145). This is a payment to another state agency so it should reside in the PTOA budget and expenditures.

WaTech

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110 and 135 to Program 145):

WaTech monthly costs are currently being distributed to all the programs. The 2015 17 Biennial Budget included some adjustments to the WaTech funding that was placed in the PTOA budget. When reviewing the adjustments, as well a change in the monthly invoice process from WaTech, it was determined that the funding should be transferred from all programs to PTOA (Program 145) for Security Gateway, Enterprise Security, Secure File & State Data Network, and HRMS Production Support. This is a payment to another state agency so it should reside in the PTOA budget and expenditures.

ISSD Reorganization

(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, 135 and 150):

ISSD has reorganized resulting in a transfer of FTEs from ISSD to Admin for the Technology Services Division. This transfer results in a change in the amount of TZ that should be allocated in each program. TZ and other objects are adjusted in Admin and ISSD to reflect this change in ISSD.

These transfers will realign the funding with the DSHS programs to be charged.

Agency Contact: Bill Jordan (360) 902 8183

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These transfers will realign the funding with the DSHS programs that are charged for the services.

Performance Measure Detail

Agency Level

Activity: D036 Field Services

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
Activity: D079 Program Support for Developmental Disabilities			
	No measures linked to package	0.00	0.00
		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
Activity: D086 Residential Habilitation Facilities			
	No measures linked to package	0.00	0.00
		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
Activity: D095 State Operated Living Alternatives			
	No measures linked to package	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports DSHS Goals: Health - Each individual and each community will be healthy, and Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goals to: Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly, and Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request transfers funding between programs so that the needs can be met within existing resources.

What are the consequences of not funding this package?

These transfers will realign the funding with the DSHS programs that are charged for the services.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment AW M2 9T Transfers.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The transfer is one-time, and then all costs associated with it will be ongoing and will carry-forward into future biennia.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	(1,041,000)	(1,104,000)	(2,145,000)
B Employee Benefits	(305,000)	(341,000)	(646,000)
E Goods\Other Services	(1,041,000)	(1,073,000)	(2,114,000)
G Travel	(25,000)	(31,000)	(56,000)
J Capital Outlays	(12,000)	(13,000)	(25,000)
P Debt Service	(5,000)	(5,000)	(10,000)
T Intra-Agency Reimbursements	(391,000)	(342,000)	(733,000)
Total Objects	(2,820,000)	(2,909,000)	(5,729,000)

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	(1,668,000)	(1,651,000)	(3,319,000)
<i>Total for Fund 001-1</i>	(1,668,000)	(1,651,000)	(3,319,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	(1,152,000)	(1,258,000)	(2,410,000)
<i>Total for Fund 001-C</i>	(1,152,000)	(1,258,000)	(2,410,000)
Total Overall Funding	(2,820,000)	(2,909,000)	(5,729,000)

2016 Supplemental Budget
AW M2-9T Transfers

Program	FTEs			FY 2016										FY 2017										2015-17 Biennium															
	FY16	FY17	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total									
010 Children's Administration																																							
1. ISSD Compensation Adjustments			0.0								83,000	83,000										174,000	174,000	0	0	0	0	0	0	0	0	0	0	0	0	257,000	257,000		
2. Communications Manager	(0.4)	(0.4)	(0.4)	(32,000)	(10,000)							(42,000)	(33,000)	(11,000)																									
7. Fleet Program Rate Reduction			0.0					(58,000)				(58,000)					(58,000)																						
8. OCIO Funding Transfer			0.0			(44,000)					(44,000)	(44,000)				(44,000)																							
9. WaTech Funding Transfer			0.0			(1,057,000)					38,000	(1,019,000)				(1,057,000)																							
10. ISSD Reorganization			0.0								(448,000)	(448,000)																											
010 Total	(0.4)	(0.4)	(0.4)	(32,000)	(10,000)	(1,101,000)	0	(58,000)	0	0	0	(327,000)	(1,528,000)	(33,000)	(11,000)	(1,101,000)	0	(58,000)	0	0	0	0	0	(233,000)	(1,436,000)	(65,000)	(21,000)	(2,202,000)	0	(116,000)	0	0	0	(560,000)	(2,964,000)				
020 Rehabilitation Administration																																							
1. ISSD Compensation Adjustments			0.0								13,000	13,000																											
7. Fleet Program Rate Reduction			0.0					(16,000)				(16,000)					(16,000)																						
8. OCIO Funding Transfer			0.0			(7,000)					(7,000)	(7,000)				(7,000)																							
9. WaTech Funding Transfer			0.0			(425,000)					7,000	(418,000)				(425,000)																							
10. ISSD Reorganization			0.0								(70,000)	(70,000)																											
020 Total	0.0	0.0	0.0	0	0	(432,000)	0	(16,000)	0	0	0	(50,000)	(498,000)	0	0	(432,000)	0	(16,000)	0	0	0	0	0	(41,000)	(489,000)	0	0	(864,000)	0	(32,000)	0	0	0	(91,000)	(987,000)				
030 Mental Health																																							
1. ISSD Compensation Adjustments			0.0								44,000	44,000																											
3. CSS Compensation funding			0.0	(110,000)	(89,000)							(199,000)	(162,000)	(98,000)																									
8. OCIO Funding Transfer			0.0			(11,000)					(11,000)	(11,000)				(11,000)																							
9. WaTech Funding Transfer			0.0			(607,000)					26,000	(581,000)				(607,000)																							
10. ISSD Reorganization			0.0								(197,000)	(197,000)																											
030 Total	0.0	0.0	0.0	(110,000)	(89,000)	(618,000)	0	0	0	0	0	(944,000)	(162,000)	(98,000)	(618,000)	0	0	0	0	0	0	0	0	(86,000)	(964,000)	(272,000)	(187,000)	(1,236,000)	0	0	0	0	(213,000)	(1,908,000)					
040 Developmental Disabilities Administration																																							
1. ISSD Compensation Adjustments			0.0								55,000	55,000																											
3. CSS Compensation funding			0.0	110,000	89,000						199,000	199,000	162,000	98,000																									
4. DDA to ALTA Staff Adjustments	(15.9)	(18.3)	(17.1)	(1,151,000)	(394,000)	(103,000)	(99,000)	(11,000)	(12,000)	(5,000)	(16,000)	(1,791,000)	(1,266,000)	(439,000)	(119,000)	(115,000)	(17,000)	(13,000)	(5,000)	(19,000)	(1,993,000)	(2,417,000)	(833,000)	(222,000)	(214,000)	(28,000)	(25,000)	(10,000)	(35,000)	(3,784,000)									
7. Fleet Program Rate Reduction			0.0					(14,000)			(14,000)	(14,000)				(14,000)																							
8. OCIO Funding Transfer			0.0			(16,000)					(16,000)	(16,000)				(16,000)																							
9. WaTech Funding Transfer			0.0			(823,000)					21,000	(802,000)				(823,000)																							
10. ISSD Reorganization			0.0								(451,000)	(451,000)																											
Category 1000			0.0								0	0																											
5. DDA Category Transfer	2.0	2.0	2.0	185,000	60,000	13,000	13,000	(3,000)	(6,000)		2,000	264,000	184,000	61,000	13,000	13,000	(3,000)			2,000	270,000	369,000	121,000	26,000	26,000	(6,000)	(6,000)	0	4,000	534,000									
Category 2000			0.0								0	0																											
5. DDA Category Transfer	(2.0)	(2.0)	(2.0)	(185,000)	(60,000)	(13,000)	(13,000)	3,000	6,000		(2,000)	(264,000)	(184,000)	(61,000)	(13,000)	(13,000)	3,000			(2,000)	(270,000)	(369,000)	(121,000)	(26,000)	(26,000)	6,000	6,000	0	(4,000)	(534,000)									
040 Total	(15.9)	(18.3)	(17.1)	(1,041,000)	(305,000)	(942,000)	(99,000)	(25,000)	(12,000)	(5,000)	(391,000)	(2,820,000)	(1,104,000)	(341,000)	(958,000)	(115,000)	(31,000)	(13,000)	(5,000)	(342,000)	(2,909,000)	(2,145,000)	(646,000)	(1,900,000)	(214,000)	(56,000)	(25,000)	(10,000)	(733,000)	(5,729,000)									
050 Aging & Long-Term Support Admin																																							
1. ISSD Compensation Adjustments			0.0								57,000	57,000																											
4. DDA to ALTA Staff Adjustments	15.9	18.3	17.1	1,151,000	394,000	103,000	99,000	11,000	12,000	5,000	16,000	1,791,000	1,266,000	439,000	119,000	115,000	17,000	13,000	5,000	19,000	1,993,000	2,417,000	833,000	222,000	214,000	28,000	25,000	10,000	35,000	3,784,000									
6. ALTA to ADMIN - Board of Appeals	(1.5)	(1.5)	(1.5)	(116,000)	(43,000)	(8,000)					(2,000)	(169,000)	(116,000)	(44,000)						(2,000)	(170,000)	(232,000)	(87,000)	(16,000)	0	0	0	0	0	0	0	0	0	0	0	0			
7. Fleet Program Rate Reduction			0.0					(18,000)			(18,000)	(18,000)				(18,000)																							
8. OCIO Funding Transfer			0.0			(28,000)					(28,000)	(28,000)				(28,000)																							
9. WaTech Funding Transfer			0.0			(780,000)					28,000	(752,000)				(780,000)																							
10. ISSD Reorganization			0.0								(508,000)	(508,000)																											
050 Total	14.4	16.8	15.6	1,035,000	351,000	(713,000)	99,000	(7,000)	12,000	5,000	(409,000)	373,000	1,150,000	395,000	(697,000)	115,000	(1,000)	13,000	5,000	(350,000)	630,000	2,185,000	746,000	(1,410,000)	214,000	(8,000)	25,000	10,000	(759,000)	1,003,000									
060 Economic Services Administration																		</																					

**2016 Supplemental Budget
AW M2-9T Transfers**

Program	FTEs			FY 2016										FY 2017										2015-17 Biennium									
	FY16	FY17	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total	A	B	E	ED	G	J	P	TZ	Total			
110 Administration & Supporting Services																																	
1. ISSD Compensation Adjustments			0.0		(236,000)						(232,000)	(468,000)		(524,000)							(481,000)	(1,005,000)	0	(760,000)	0	0	0	0	0	(713,000)	(1,473,000)		
2. Communications Manager	0.4	0.4	0.4	32,000	10,000						42,000	42,000	33,000	11,000							44,000	44,000	65,000	21,000	0	0	0	0	0	0	86,000		
6. ALTA to ADMIN - Board of Appeals	1.5	1.5	1.5	116,000	43,000	8,000					2,000	169,000	116,000	44,000	8,000						2,000	170,000	232,000	87,000	16,000	0	0	0	0	4,000	339,000		
7. Fleet Program Rate Reduction			0.0					(6,000)			(6,000)	(6,000)					(6,000)				(6,000)	(6,000)	0	0	0	0	(12,000)	0	0	0	(12,000)		
8. OCIO Funding Transfer			0.0			(33,000)					(33,000)	(33,000)			(33,000)						(33,000)	(33,000)	0	0	(66,000)	0	0	0	0	0	(66,000)		
9. WaTech Funding Transfer			0.0			(161,000)					(156,000)	(156,000)			(161,000)						(156,000)	(156,000)	0	0	(322,000)	0	0	0	0	0	(312,000)		
10. ISSD Reorganization	55.8	55.8	55.8	4,142,000	1,324,000	1,070,000			310,000		(3,244,000)	3,602,000	4,509,000	1,516,000	759,000			310,000			(3,380,000)	3,714,000	8,651,000	2,840,000	1,829,000	0	0	620,000	0	(6,624,000)	7,316,000		
110 Total	57.7	57.7	57.7	4,290,000	1,141,000	884,000	0	(6,000)	310,000	0	(3,469,000)	3,150,000	4,658,000	1,047,000	573,000	0	(6,000)	310,000	0	(3,854,000)	2,728,000	8,948,000	2,188,000	1,457,000	0	(12,000)	620,000	0	(7,323,000)	5,878,000			
135 Special Commitment Center																																	
1. ISSD Compensation Adjustments			0.0								7,000	7,000									15,000	15,000	0	0	0	0	0	0	0	22,000	22,000		
8. OCIO Funding Transfer			0.0			(2,000)					(2,000)	(2,000)			(2,000)						(2,000)	(2,000)	0	0	(4,000)	0	0	0	0	0	(4,000)		
9. WaTech Funding Transfer			0.0			(104,000)					3,000	(101,000)			(104,000)						3,000	(101,000)	0	0	(208,000)	0	0	0	0	6,000	(202,000)		
10. ISSD Reorganization			0.0								(73,000)	(73,000)									(73,000)	(73,000)	0	0	0	0	0	0	0	(146,000)	(146,000)		
135 Total	0.0	0.0	0.0	0	0	(106,000)	0	0	0	0	(63,000)	(169,000)	0	0	(106,000)	0	0	0	0	(55,000)	(161,000)	0	0	(212,000)	0	0	0	0	(118,000)	(330,000)			
145 Payments to Other Agencies																																	
7. Fleet Program Rate Reduction			0.0			133,000			0			133,000			133,000			0				133,000	0	0	266,000	0	0	0	0	0	266,000		
8. OCIO Funding Transfer			0.0			327,000						327,000			327,000							327,000	0	0	654,000	0	0	0	0	0	654,000		
9. WaTech Funding Transfer			0.0			6,960,000						6,960,000			6,960,000							6,960,000	0	0	13,920,000	0	0	0	0	0	13,920,000		
145 Total	0.0	0.0	0.0	0	0	7,420,000	0	0	0	0	0	7,420,000	0	0	7,420,000	0	0	0	0	0	0	7,420,000	0	0	14,840,000	0	0	0	0	0	14,840,000		
150 Information System Services Division																																	
1. ISSD Compensation Adjustments			0.0		236,000						(236,000)	0		524,000							(524,000)	0	0	760,000	0	0	0	0	0	(760,000)	0		
9. WaTech Funding Transfer			0.0			232,000					(232,000)	0			232,000						(232,000)	0	0	0	464,000	0	0	0	0	(464,000)	0		
10. ISSD Reorganization	(55.8)	(55.8)	(55.8)	(4,142,000)	(1,324,000)	(1,070,000)	0	0	(310,000)	0	6,846,000	0	(4,509,000)	(1,516,000)	(759,000)	0	0	(310,000)	0	0	7,094,000	0	(8,651,000)	(2,840,000)	(1,829,000)	0	0	(620,000)	0	13,940,000	0		
150 Total	(55.8)	(55.8)	(55.8)	(4,142,000)	(1,088,000)	(838,000)	0	0	(310,000)	0	6,378,000	0	(4,509,000)	(992,000)	(527,000)	0	0	(310,000)	0	0	6,338,000	0	(8,651,000)	(2,080,000)	(1,365,000)	0	0	(620,000)	0	12,716,000	0		
160 Consolidated Field Services																																	
160 Total	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Agency-Wide Total:	0	0	0.0	0	0	266,000	0	(266,000)	0	0	0	0	0	0	266,000	0	(266,000)	0	0	0	0	0	0	0	532,000	0	(532,000)	0	0	0	0		

NOTES:

- Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object TZ costs. No Carry Forward Level (CFL) adjustment needed for the 2017-19 Biennial budget.
- Children's Administration transfer of Communications Manager funding (40%) to Administration and Supporting Services.
- Transfer Compensation Impact Model (CIM) funding from Mental Health Division to Developmental Disabilities Administration for Consolidated Support Services (CSS). All CSS positions were included in the Mental Health Division when the CIM file was created.
- Transfer FTEs and Funding from Developmental Disability Administration (DDA) to Aging and Long-Term Support Administration (ALTA) for IFS / Basic+ / CFCC / Mandatory Workload Step / IT staff and Program Staff.
- Transfer FTEs and Funding from Category 2000 to Category 1000 within the Developmental Disabilities Administration (DDA). Three (3) Nursing Care Consultants from Category 2000 to Category 1000 and One (1) Training position from Category 1000 to Category 2000.
- Transfer FTEs and Funding from Aging and Long-Term Support Administration (ALTA) to Administration and Supporting Services (ADMIN) for the Board of Appeals. This adjustment is needed because of a previous transfer to the Health Care Authority that should have come out of ALTA instead of ADMIN. No CFL Adjustment needed for the 2017-19 Biennial budget.
- Transfer the Fleet Program Rate Reduction from Payments to Other Agencies (PTOA) to all other DSHS Programs.
- Transfer the costs of the Office of the Chief Information Officer (OCIO) from the DSHS Programs to PTOA.
- Transfer the costs for WaTech from DSHS Programs to PTOA.
- ISSD has been reorganized, with a portion of the staff being transferred to Admin. This results in a change of TZ funding at the program level.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

Developmental Disabilities Administration (DDA) requests \$14,000 Total Funds, \$6,000 GF State in the 2016 Supplemental related to utilization of community residential services. Residential services provide instruction and support to people with developmental disabilities in a safe community setting.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	3,000	3,000	6,000
001-C General Fund - Basic Account-Medicaid Federal	4,000	4,000	8,000
Total Cost	7,000	7,000	14,000

Staffing

Package Description:

DDA requests \$14,000 Total Funds, \$6,000 GF State in the 2016 Supplemental related to utilization of community residential services. "Utilization" in this decision package refers to changes in both caseload and per capita costs.

Agency Contact: Ken Brown (360) 902-7583
 Program Contact: Eric Mandt (360) 725-2579

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The DDA Comprehensive Assessment has established a consistent way to determine how much service a person needs and the Administration has implemented a standardized rate setting structure for residential services based upon the assessed needs of the individual with a developmental disability. The residential rates calculator also includes an "economies of scale" calculation so when clients live together or near each other they can share staffing hours.

Performance Measure Detail

Agency Level

Activity: D087 Residential Program

Output Measures

	Incremental Changes	
	<u>FY 1</u>	<u>FY 2</u>
001128 Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001128 Percent of clients with developmental disabilities served in home and community-based settings	0.00%	0.00%

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing Package's Strategic Objective.

- 1.1: Identify individual health and welfare needs in a timely manner in order to support individuals to have healthy and active lives.
- 2.1: Increase access to home and community-based services.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

2.2: Increase opportunities for individuals who are institutionalized to have the option to move into the community and be supported as needed.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy & Safe Communities - Support People - Help the most vulnerable people become independent and self-sufficient.

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

What are the other important connections or impacts related to this proposal?

Funding this decision package will ensure that providers of DDA services will see little change in their method of conducting business with ADSA.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources since funding levels are driven entirely by forecast changes.

What are the consequences of not funding this package?

Most of the clients in community residential programs are on a Centers for Medicare and Medicaid Services (CMS) Home and Community Based Service Waiver that enables the state to capture federal matching dollars, maximizing our state funding. CMS requires an annual assessment for all waiver clients and DDA must meet any assessed increases or decreases to the level of service. If the funding is not adjusted, the budget will appropriate funds in excess of or short of the forecasted assessed need of the clients and therefore should not be spent on these services.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M2-DA Utilization of Residential Services.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs would be ongoing. Future biennia costs will be adjusted by future caseload and per capita estimates.

Department of Social and Health Services

DP Code/Title: M2-DA Utilization of Residential Services
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	7,000	7,000	14,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	3,000	3,000	6,000
<i>Total for Fund 001-1</i>	3,000	3,000	6,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19TA Title XIX Assistance (FMAP)	4,000	4,000	8,000
<i>Total for Fund 001-C</i>	4,000	4,000	8,000
Total Overall Funding	7,000	7,000	14,000

2016 Supplemental Budget

M2-DA Utilization of Residential Services

Change in:

<u>Caseload</u>	<u>Expenditures</u>		<u>Per Capitas</u>		<u>Caseload</u>	<u>Expenditures</u>		
	<u>Total</u>	<u>State</u>	<u>Total</u>	<u>State</u>		<u>Total Change</u>	<u>State</u>	<u>Federal</u>

2015-17 Biennial Budget - PL

FY16 - Biennial initial budget

H51	Residential Services	4,559	\$ 451,389,000	\$ 227,577,000	\$ 7,459	\$ 3,762
-----	----------------------	-------	----------------	----------------	----------	----------

FY17 - Biennial initial budget

H51	Residential Services	4,586	\$ 485,003,000	\$ 244,447,000	\$ 7,459	\$ 3,762
-----	----------------------	-------	----------------	----------------	----------	----------

Funding Needed - Feb FC

FY16 - Summer 2015 Update

H51	Residential Services	4,559	\$ 451,396,000	\$ 227,631,000	\$ 8,251	\$ 4,161	0	\$ 7,000	\$ 3,000	\$ 4,000
	vs. CFL	0	0.0%		10.6%					
	vs. prev year	79	9.3%		7.4%					

FY17 - Summer 2015 Update

H51	Residential Services	4,586	\$ 485,010,000	\$ 244,421,000	\$ 8,813	\$ 4,442	0	\$ 7,000	\$ 3,000	\$ 4,000
	vs. CFL	0	0.0%		18.2%					
	vs. prev year	27	7.4%		6.8%					

2015-17 Biennium Budget Step

\$ 14,000	\$ 6,000	\$ 8,000
-----------	----------	----------

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$25,789,000 Total Funds, \$11,628,000 GF-State in the 2016 Supplemental to pay Individual Provider (IP) homecare worker overtime in accordance with the Department of Labor (DOL) rule requiring overtime to be paid to homecare workers that was recently upheld by the US Federal Court of Appeals and will be in effect October 2015, with enforcement beginning January 1, 2016. This also includes funding for Agency Provider parity costs resulting from IPs receiving additional overtime pay.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	4,829,000	6,799,000	11,628,000
001-C General Fund - Basic Account-Medicaid Federal	5,801,000	8,360,000	14,161,000
Total Cost	10,630,000	15,159,000	25,789,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	5.5	7.2	6.4

Package Description:

Problem Statement:

Currently, Washington State is only the employer of Individual Providers (IP) for the purposes of collective bargaining. They are employed by the aged and disabled clients who receive personal care services in their homes. Last year the Department of Labor modified a "Domestic Service Rule" that requires third party employers to pay overtime when homecare workers such as IPs provide over 40 hours a week of authorized care. Additional appropriation will be necessary to pay the overtime. There is an accompanying request for IP overtime costs from the Aging and Long Term Support Administration (AL TSA).

As a result of legal challenges, implementation of the rule DOL rule has been delayed for approximately a year. On August 21, 2015 the federal Court of Appeals upheld the DOL rule decision, and it will likely be made effective October, following an automatic stay after the decision to allow for appeals. If there is not an appeal to the US Supreme Court or the entire District of Columbia Circuit (beyond the three-judge panel that upheld the rule), overtime must be paid, by third party employers.

Proposed Solution:

Beginning January 1, 2016, the department will pay overtime hours for IPs and agency providers for all authorized hours over 40 hours per week. In the 2015 session, the legislature considered House Bill 1725 (RCW 74.39A.270), which would give the department the ability to control overtime by creating and enforcing rules to limit "windshield" time and require pre-approval for hours over 45 hours per week. However, that bill did not pass.

In response to the DOL rule being upheld, AL TSA will adjust care plan authorizations, changing from monthly to weekly authorization of personal care hours and managing overtime exceptions on a case by case basis. This will reduce the cost of overtime hours to approximately \$52 million per year by taking away the option of front-loading hours. This requires additional staff time to manage the exceptions on a case-by-case basis. The state fiscal year 2016 cost estimate includes an assumption that 15 percent of the overtime costs that should not be paid will be paid in the first four months of implementation as a result of errors (see backup for calculation detail). The department does not believe it has the legal authority to deny the overtime. The only recourse for enforcement is to terminate the IP's contract if they claim over 40 hours per week a second time after a warning.

If legislative authority (such as HB 1725 introduced in the 2015 session) is granted, the department can further control the level of

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

overtime by requiring pre-authorization for any hours above 45 hours per week, reducing the cost of overtime hours to approximately \$26 million per year. However, it will take approximately 18 months and an investment of approximately \$10 million to make the information technology system changes in CARE, ProviderOne, and Individual ProviderOne to achieve the additional savings. The work has to occur in the current biennium to be able to control overtime in the 2017-19 biennium.

Once that is done, case managers may arrange personal care hours beyond 40 hours per week to be worked by another provider. The pre-authorization for overtime above 45 hours per week would be granted only if there is not another provider available to provide personal care. This will be a staff-intensive effort, requiring an ongoing 25.5 FTE between ALTSA and DDA combined when fully implemented.

Agency Contact: Ken Brown 360-902-7583
Program Contact: Assistant Secretary Bill Moss 360-725-2311

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The department will pay overtime to IPs and Agency Providers (AP) beginning January, 2016 with only a change to client care plans to 40 hours of personal care per week, but no underlying statutory authority to further restrict overtime. In the meantime, work on the technology to be able to implement pre-authorization is under way.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

Output Measures

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001128	Percent of clients with developmental disabilities served in home and community-based settings	0.00%	0.00%
001603	Monthly Average Cost per DDD Waiver Client.	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing DDA's Strategic Objective:
1.3: Fiscal stewardship of programs and activities.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

What are the other important connections or impacts related to this proposal?

In addition to discussions with IPs and APs on the mechanics of paying overtime, the state will need to demonstrate to DOL that we are in compliance with the new rule.

What alternatives were explored by the agency, and why was this alternative chosen?

We have received strong indication from the U.S. Department of Labor that the overtime rule would apply to the State. Failure to follow this rule by paying overtime to IPs would likely result in litigation and there is a risk of an adverse finding.

What are the consequences of adopting or not adopting this package?

The state will have to pay IP overtime if federal rules apply to the state. If this occurs without an appropriation, ALTSA

Department of Social and Health Services

DP Code/Title: M2-DQ IP Overtime

Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

will either have to overspend its appropriation or drastically reduce services.

What is the relationship, if any, to the state's capital budget?

This request has no relationship to the state's capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

The department previously requested HB 1725 (RCW 74.39A.270) in the 2015 Legislative Session to allow the authority to limit overtime above 45 hours per week to only pre-authorized hours where there is not another provider available to provide care.

Expenditure and revenue calculations and assumptions

Please see attachment M2 DQ IP Overtime for calculations and assumptions.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	327,000	454,000	781,000
B Employee Benefits	125,000	171,000	296,000
C Professional Svc Contracts	1,184,000	1,332,000	2,516,000
E Goods\Other Services	34,000	44,000	78,000
G Travel	2,000	4,000	6,000
J Capital Outlays	33,000	0	33,000
N Grants, Benefits & Client Services	8,917,000	13,145,000	22,062,000
P Debt Service	2,000	2,000	4,000
T Intra-Agency Reimbursements	6,000	7,000	13,000
Total Objects	10,630,000	15,159,000	25,789,000

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	4,829,000	6,799,000	11,628,000
<i>Total for Fund 001-1</i>	4,829,000	6,799,000	11,628,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	5,801,000	8,360,000	14,161,000
<i>Total for Fund 001-C</i>	5,801,000	8,360,000	14,161,000
Total Overall Funding	10,630,000	15,159,000	25,789,000

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$559,000 Total Funds (\$276,000 GF-State) in order to adjust Medicaid rates for residential services in areas that have transitioned to Metropolitan Statistical Areas (MSA) because of population increases based on federal census data.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	276,000	276,000
001-C General Fund - Basic Account-Medicaid Federal	0	283,000	283,000
Total Cost	0	559,000	559,000

Staffing

Package Description:

Problem Statement:

Census data confirms that population increases in the state have moved nineteen counties from Non-Metropolitan Statistical Areas (NMSA) to Metropolitan Statistical Areas (MSA). Medicaid rates for community residential providers are higher for providers located in an MSA to recognize the higher business operational costs. The federal Office of Management and Budget also recognizes Micropolitan Statistical Areas, which are most often located between two MSAs. The Aging and Long Term Support Administration (AL TSA) and DDA have also been using slightly different designations of statistical areas in their rate structures due to differences in when they were each last updated. When rates do not match the statistical area it results in access issues for Medicaid residents. Only nine counties are left in the Non-MSA classification.

Proposed Solution:

Nineteen counties change from NMSA to MSA or Micropolitan. Changing the associated rates more accurately reflects underlying assumptions of the rate structure, and aligns the county statistical area designations between AL TSA and DDA. For an additional \$46,000 per year, the other nine Non-MSA counties can also be brought up to the MSA rate, thus mitigating potential access issues and simplifying the rate structure by only having King and MSA rates across the state.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Department will be able to retain access for Medicaid clients by retaining a viable number of service providers throughout the state.

Performance Measure Detail

Agency Level

Activity: D087 Residential Program

Output Measures

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001128	Percent of clients with developmental disabilities served in home and community-based settings	0.00%	0.00%

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing DDA's Strategic Objectives:

- 1.3: Fiscal stewardship of programs and activities.
- 2.1: Increase access to home and community-based services.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal:

Goal 4: Healthy & Safe Communities - Supported People - 3.2.b Increase percentage of clients with developmental disabilities served in home and community-based settings.

What are the other important connections or impacts related to this proposal?

All of the provider associations and advocate groups are expected to support this change, including Leading Age, Washington Health Care Association, Providence, Washington Residential Care Council, the ARC of Washington, the Developmental Disabilities Council, and the Eldercare Alliance.

What alternatives were explored by the agency, and why was this alternative chosen?

The option of increasing rates of only the nineteen counties that have transitioned to MSA status was considered, leaving a three-tier system (King, MSA, Non-MSA). However, an additional \$46,000 per year in DDA (and \$76,000 per year in AL TSA) will alleviate access issues in the remaining nine counties, simplify the rate system, and avoid complaints from the nine providers in those counties that do not receive the rate increase.

What are the consequences of not funding this package?

The Department risks loss of access to necessary Medicaid providers.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: M2-DS DDA - MSA Rate Increase.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

All costs are ongoing into future biennia.

Object Detail	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	559,000	559,000

Department of Social and Health Services

DP Code/Title: M2-DS MSA Rate Increase
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	276,000	276,000
<i>Total for Fund 001-1</i>		0	276,000	276,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	283,000	283,000
<i>Total for Fund 001-C</i>		0	283,000	283,000
Total Overall Funding		0	559,000	559,000

2016 Supplemental Budget

M2-DS MSA Rate Increase

FY17 Rate Increase for MSA

Setting	AL TSA	DDA	Total
Nursing Homes	37,000	-	37,000
AFH/AL/ARC	1,727,000	70,000	1,797,000
Community Residential	-	489,000	489,000
Total Request	1,764,000	559,000	2,323,000

State	779,000	276,000	1,055,000
Federal	985,000	283,000	1,268,000
Total	1,764,000	559,000	2,323,000

Match Rate	State
Nursing Homes	50%
AFH/AL/ARC	44%
Community Residential	50%

Department of Social and Health Services

DP Code/Title: M2-DT Interagency Transfer
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests a transfer of (\$46,000) Total Funds in the 2016 Supplemental Budget to the Health Care Authority (HCA) for costs associated with client physician visit services for DDA clients, including those services received in Federally Qualified Health Centers (FQHC).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(23,000)	(23,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(23,000)	(23,000)
Total Cost	0	(46,000)	(46,000)

Staffing

Package Description:

Problem Statement:

DDA clients receive a variety of physician services, including services received at an FQHC. These are the only medical services paid by DDA for these clients; all other medical services paid under Medicaid are paid by HCA. ProviderOne is the payment system for these services. In some cases the payer is DDA and others the payer is HCA. This creates errors in payments processed by ProviderOne because the system is not able to pay for services that are provided by different agencies. In cases where the client went to an FQHC, for example, the client may get a physician's visit, a flu shot, and immunizations. Because the provider is a participating FQHC, DDA pays one amount (an encounter rate) for everything provided at that visit, regardless of the cost of the individual services. However, the system cannot pay both HCA and DDA services on the same claim. If the claim is split and providers have to bill on two claims, ProviderOne will pay the provider for two encounters resulting in an automatic overpayment. These overpayments cost excessive agency staff time, create interagency transfers, and result in inefficiencies that can be avoided.

Proposed Solution:

The only solution currently available in this case is to transfer funding and the responsibility to pay the medical service claims to HCA who would pay FQHC claims for DDA clients, eliminating the overpayments.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Transferring this funding will eliminate overpayments to FQHCs and other medical providers, freeing up staff to perform their primary roles and lessening the impact of overpayments on providers.

Performance Measure Detail

Agency Level

Activity:	D070 Other Community Programs	Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
Output Measures			
001128	Monthly Percentage of Total Paid Services Caseload Living in the Community	0.00%	0.00%
001128	Percent of clients with developmental disabilities served in home and community-based settings	0.00%	0.00%

Department of Social and Health Services

DP Code/Title: M2-DT Interagency Transfer
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports the DSHS goal:

1.3: Fiscal stewardship of programs and activities.

Does this decision package provide essential support to one of the Governor's priorities?

This request supports the Results Washington Goal 5:

Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

What are the other important connections or impacts related to this proposal?

This transfer request is supported by HCA to increase program efficiencies and lessen the impact of overpayments on providers.

What alternatives were explored by the agency, and why was this alternative chosen?

This alternative was chosen because it provides a workable solution to the problem. One alternative is to make the appropriate changes in ProviderOne to allow two agencies to bill for the same service. This change is cost prohibitive. Another alternative is to continue the current process of overpayment corrections and the impact on agency staff and providers.

What are the consequences of not funding this package?

There are no consequences to either agency other than continuing the ongoing overpayments and subsequent correction process, which is wasteful in terms of staff time and frustrating for providers.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

This transfer is based on the average annual expenditures during the 2013-15 biennium.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

This transfer of funding to HCA is ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(46,000)	(46,000)

Department of Social and Health Services

DP Code/Title: M2-DT Interagency Transfer
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	(23,000)	(23,000)
<i>Total for Fund 001-1</i>		0	(23,000)	(23,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	0	(23,000)	(23,000)
<i>Total for Fund 001-C</i>		0	(23,000)	(23,000)
Total Overall Funding		0	(46,000)	(46,000)

Department of Social and Health Services

DP Code/Title: M2-DU Supported Living - Minimum Wage
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Developmental Disabilities Administration (DDA) requests \$11,499,000 Total Funds, \$5,750,000 GF-State in the 2016 Supplemental to increase the rate for Supported Living (SL) providers in the City of Seattle to meet the new minimum wage law requirements - a \$13 per hour wage effective January 1, 2016 and a \$15 per hour wage effective January 1, 2017. The Supported Living Rate component will not allow providers in the City of Seattle to be in compliance with the new law without a rate increase.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	1,639,000	4,111,000	5,750,000
001-C General Fund - Basic Account-Medicaid Federal	1,639,000	4,110,000	5,749,000
Total Cost	3,278,000	8,221,000	11,499,000

Staffing

Package Description:

Problem Statement:

Supported Living services offer instruction and support to persons who live in their own homes in the community. Supports may vary from a few hours per month up to 24 hours per day of one-on-one support. Clients pay their own rent, food, and other personal expenses. DDA contracts with private agencies to provide Supported Living services. Without these services many, if not most, SL clients would live in a Residential Habilitation Center. There is already a problem recruiting SL employees, especially when Individual Providers start out at a higher wage for very similar work. This is particularly true in Seattle, which has the most employment opportunities in the state.

Currently, the formula for the DDA SL providers assumes a starting wage of \$11.42 in FY2016 and \$11.67 in FY2017. Despite recruitment and retention issues, the true need for the additional funding is that the providers will not be able to offer employment at a legal wage as of January 2016 without a rate increase.

Proposed Solution:

The SL rate for those providing services in the City of Seattle needs to increase by \$2.28 as of January 2016, increasing the wage for new employees to \$13 per hour, and providing an incremental increase for experienced workers and supervisors to avoid compression issues. As of January 2017, the rate increases \$3.43 from the current level. The wage for new workers increases to \$15 per hour with an incremental increase for more experience workers and supervisors.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The increased wage portion of the rate will allow SL providers to continue providing services for people with developmental disabilities in a community setting without violating the law.

Performance Measure Detail

Agency Level

Activity: D074 Personal Care

Outcome Measures

001603 Monthly Average Cost per DDD Waiver Client.

Incremental Changes

FY 1 FY 2

0.00 0.00

Department of Social and Health Services

DP Code/Title: M2-DU Supported Living - Minimum Wage
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing DDA's Strategic Objective.

- 2.1: Increase access to home and community-based services.
- 2.2: Increase opportunities for individuals who are institutionalized to have the option to move into the community and be supported as needed.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy & Safe Communities - Supported People - 3.2.b Increase percentage of clients with developmental disabilities served in home and community-based settings.

What are the other important connections or impacts related to this proposal?

The SL providers and advocates for people with developmental disabilities, including the ARC of Washington and the Developmental Disabilities Council will all support the rate increase. No opposition expected.

What alternatives were explored by the agency, and why was this alternative chosen?

The other option explored was increasing the rate for all of King County, since there is a great deal of overlap between Seattle and King County in terms of both SL providers and employees and the current rate structure is based on King County having a separate rate as a whole. However, that request would be a policy decision beyond the scope of this Maintenance Level request because it would not be required by law.

What are the consequences of not funding this package?

SL providers in Seattle will be in violation of labor law while the department is still required by federal Medicaid rules to provide the service throughout the state.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: DDA M2-DU Supported Living - Minimum Wage.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: M2-DU Supported Living - Minimum Wage
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding				
N	Grants, Benefits & Client Services	3,278,000	8,221,000	11,499,000
<u>DSHS Source Code Detail</u>				
Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	1,639,000	4,111,000	5,750,000
<i>Total for Fund 001-1</i>		1,639,000	4,111,000	5,750,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	1,639,000	4,110,000	5,749,000
<i>Total for Fund 001-C</i>		1,639,000	4,110,000	5,749,000
Total Overall Funding		3,278,000	8,221,000	11,499,000

**2016 Supplemental Budget
M2-DU Supported Living - Minimum Wage**

DDA Rates Minimum Wage Estimate 8/10/15

Annual Seattle Hours-assume 50% although percent of King Co. population is only 32%

2014		2,882,051			
Entry	10.83			KING Benchmark	\$ 16.68
Two Year	11.63				
Average/with Turnover	10.83				
7/1/2015 Benchmark Increase \$0.60 factoring Benefits	0.42		7/1/2016 Benchmark Increase \$0.60 factoring Benefits	0.42	
	11.25			11.67	

		<u>FY16</u>	
		Hours @ 6 months	
1/1/2016	\$ 13.00	1,441,026	
Difference plus Benefits	\$ 2.28		
		Total Funds	\$ 3,278,000
		GF-State	\$ 1,639,000

		<u>FY17</u>	
		Hours @ 6 months	
1/1/2017	\$ 15.00	1,441,026	
Difference plus Benefits	\$ 3.43		
		Total Funds	\$ 8,221,000
		GF-State	\$ 4,111,000

		<u>2015-17 Biennium</u>	
		Total Funds	\$ 11,499,000
		GF-State	\$ 5,750,000

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding to support the upgrade of access control systems, panic alarms and intrusion alarms for multiple leased facilities statewide. DSHS is currently in the process of upgrading 32 sites whose access control systems had been running on the Windows XP operating system. While upgrading these sites with a Windows 7 compliant enterprise wide access control system, it became apparent that wiring needed to also be replaced. Another significant issue that has arisen is the incompatibility of existing panic and intrusion alarms that tie into the access control system. Most of these systems are obsolete and must be replaced.

Funding will be used to pay for two contracts; one for the additional wiring costs for the access control system, and one for the panic and intrusion alarm upgrades. The expected result is optimal security for staff and clients at 32 DSHS leased sites.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	33,000	0	33,000
001-C General Fund - Basic Account-Medicaid Federal	31,000	0	31,000
Total Cost	64,000	0	64,000

Staffing

Package Description:

Problem:

By State policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>), all systems running Windows XP must be removed from State offices and from the State network. All remaining Windows XP devices must be removed and replaced with current Windows 7 or later systems.

Existing systems are obsolete and not compatible with Windows 7. Current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard.

Solution:

Procurement of modern security systems will produce continued security even when the network connection is lost as well as mitigate the potential fire hazard; provide management of badges from any of the sites, improving options for support; provide a single, but distributed database, reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once).

Agency Contact: Charles Wang (360) 902-8154

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement of modern security systems will:

Produce continued security even when the network connection is lost;

Mitigate the potential fire hazard;

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Provide management of badges from any of the sites, improving options for support;

Provide a single, but distributed database, reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once);

Addresses DSHS' non compliance with state policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>) by replacing Windows XP devices with Windows 7 or later systems.

Performance Measure Detail

Agency Level

Activity: E051 Program Support for Long Term Care

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Safety - Each individual and each community will be safe.

Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This Decision package supports the Result Washington:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

What are the other important connections or impacts related to this proposal?

All DSHS programs and management are in support of these upgrades to ensure security for staff and the clients they serve.

What alternatives were explored by the agency, and why was this alternative chosen?

Existing funding is not available to cover these one-time costs.

What are the consequences of adopting or not adopting this package?

Existing systems are obsolete and not compatible with Windows 7. Current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WC Building Access Controls.xlsx

Department of Social and Health Services

DP Code/Title: M2-WC Building Access Control System
Program Level - 050 Aging and Long-Term Support Admin

Budget Period: 2015-17 Version: E2 050 2015-17 Final 2016 Sup

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	64,000	0	64,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011 General Fund State	33,000	0	33,000
<i>Total for Fund 001-1</i>	33,000	0	33,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	31,000	0	31,000
<i>Total for Fund 001-C</i>	31,000	0	31,000
Total Overall Funding	64,000	0	64,000

**2016 Supplemental Budget
M2-WC Building Access Controls**

Program	FY 2016			FY 2017			2015-17 Biennium		
	State	Other	Total	State	Other	Total	State	Other	Total
010	\$ 200,000	\$ 20,000	\$ 220,000	\$ -	\$ -	\$ -	\$ 200,000	\$ 20,000	\$ 220,000
020	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000
040	\$ 17,000	\$ 12,000	\$ 29,000	\$ -	\$ -	\$ -	\$ 17,000	\$ 12,000	\$ 29,000
050	\$ 33,000	\$ 31,000	\$ 64,000	\$ -	\$ -	\$ -	\$ 33,000	\$ 31,000	\$ 64,000
060	\$ 265,000	\$ 155,000	\$ 420,000	\$ -	\$ -	\$ -	\$ 265,000	\$ 155,000	\$ 420,000
070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
100	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -	\$ 75,000
110	\$ 2,000	\$ 1,000	\$ 3,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 1,000	\$ 3,000
Total	\$ 593,000	\$ 219,000	\$ 812,000	\$ -	\$ -	\$ -	\$ 593,000	\$ 219,000	\$ 812,000

Program	FY 2016	FY 2017	2015-17	State %
010	\$ 220,000	\$ -	\$ 220,000	91%
020	\$ 1,000	\$ -	\$ 1,000	100%
040	\$ 29,000	\$ -	\$ 29,000	59%
050	\$ 64,000	\$ -	\$ 64,000	52%
060	\$ 420,000	\$ -	\$ 420,000	63%
070	\$ -	\$ -	\$ -	81%
100	\$ 75,000	\$ -	\$ 75,000	100%
110	\$ 3,000	\$ -	\$ 3,000	82%
Total	\$ 812,000	\$ -	\$ 812,000	

2016 Supplemental Budget
M2-WC Building Access Controls

City	Bldg_Address	Program	Division	Cost
Forks	421 5TH Ave	010	DCFS	\$ 9,655.50
Seattle	3600 S Graham ST	010	DCFS	\$ 21,960.00
Walla Walla	206 -208 W Poplar St	010	DCFS	\$ 15,600.00
Omak	S 126 Main St	010	DCFS	\$ 6,320.00
Kent	1313 W Meeker ST	010	DCFS	\$ 20,328.00
Shelton	2505 Olympic Hwy N Ste 440	010	DCFS	\$ 10,675.00
Mount Vernon	900 E College Way Ste 100	010	DCFS	\$ 4,837.50
South Bend	307 Robert Bush Dr W	010	DCFS	\$ 8,190.00
Port Angeles	201-5 W 1St	010	DCFS	\$ 13,130.00
Arlington	3906 172ND ST NE	010	DCFS	\$ 22,800.00
Tumwater	6840 & 6860 Capitol Blvd Se Bld 2 & 3	010	DCFS	\$ 27,500.00
Long Beach	2601 Pacific Ave NW	010	DCFS	\$ 4,650.00
Monroe	953 Village Way Ste 25	010	DCFS	\$ 25,000.00
Port Townsend	915 Sheridan Ave	010	DCFS	\$ 9,300.00
Bellevue	805 156Th Ave Ne	010	DCFS	\$ 20,304.00
		010 Total		\$ 220,250.00
Bellingham	4101 Meridian St	020	JRA	\$ 881.50
Mount Vernon	900 E College Way Ste 100	020	JRA	\$ 87.50
		020 Total		\$ 969.00
Omak	S 126 Main St	040	DDA	\$ 700.00
Kent	1313 W Meeker ST	040	DDA	\$ 4,116.00
Walla Walla	416 E Main St	040	DDA	\$ 1,988.00
Shelton	2505 Olympic Hwy N Ste 440	040	DDA	\$ 1,775.00
Mount Vernon	900 E College Way Ste 100	040	DDA	\$ 725.00
South Bend	307 Robert Bush Dr W	040	DDA	\$ 330.00
Port Angeles	201-5 W 1St	040	DDA	\$ 2,990.00
Long Beach	2601 Pacific Ave NW	040	DDA	\$ 112.50
Port Townsend	915 Sheridan Ave	040	DDA	\$ 3,075.00
Kennewick	500 N Morain St	040	DDA	\$ 11,275.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	040	DDA	\$ 1,650.00
		040 Total		\$ 28,736.50
Tumwater	6639 Capitol Blvd	050	HCS	\$ 5,840.00
Tumwater	6639 Capitol Blvd	050	RCS	\$ 2,220.00
Walla Walla	206 -208 W Poplar St	050	HCS	\$ 4,400.00
Omak	S 126 Main St	050	HCS	\$ 1,260.00
Bremerton	4710 Auto Center Blvd	050	HCS	\$ 9,320.00
Spokane	1313 N Maple St	050	RCS	\$ 225.00
Shelton	2505 Olympic Hwy N Ste 440	050	HCS	\$ 1,775.00
Mount Vernon	900 E College Way Ste 100	050	HCS	\$ 1,612.50
Mount Vernon	900 E College Way Ste 100	050	RCS	\$ 37.50
South Bend	307 Robert Bush Dr W	050	HCS	\$ 330.00
Arlington	3906 172ND ST NE	050	HCS	\$ 8,400.00
Arlington	3906 172ND ST NE	050	RCS	\$ 8,800.00
Long Beach	2601 Pacific Ave NW	050	HCS	\$ 325.00
Port Townsend	915 Sheridan Ave	050	HCS	\$ 1,000.00
Kennewick	500 N Morain St	050	HCS	\$ 13,725.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	050	HCS	\$ 4,600.00
		050 Total		\$ 63,870.00
Bellingham	4101 Meridian St	060	CSD	\$ 14,247.50
Bellingham	4101 Meridian St	060	DCS	\$ 1,045.50
Bellingham	4101 Meridian St	060	DEL	\$ 1,148.00
Forks	421 5TH Ave	060	CSO	\$ 10,844.50
Seattle	3600 S Graham ST	060	CSO	\$ 17,680.00
Seattle	2106 Second Ave	060	CSO	\$ 23,000.00
Omak	S 126 Main St	060	CSO	\$ 11,380.00
Bremerton	4710 Auto Center Blvd	060	CSD	\$ 29,440.00

2016 Supplemental Budget
M2-WC Building Access Controls

City	Bldg_Address	Program	Division	Cost
Bremerton	4710 Auto Center Blvd	060	ESA	\$ 1,000.00
Kent	1313 W Meeker ST	060	CSO	\$ 14,070.00
Kent	1313 W Meeker ST	060	DCS	\$ 210.00
Spokane	1313 N Maple St	060	CSO	\$ 22,275.00
Walla Walla	416 E Main St	060	CSO	\$ 10,024.00
Shelton	2505 Olympic Hwy N Ste 440	060	CSO	\$ 9,075.00
Mount Vernon	900 E College Way Ste 100	060	CSO	\$ 4,025.00
Mount Vernon	900 E College Way Ste 100	060	DCS	\$ 225.00
Mount Vernon	900 E College Way Ste 100	060	DEL	\$ 212.50
South Bend	307 Robert Bush Dr W	060	CSO	\$ 5,865.00
Port Angeles	201-5 W 1St	060	CSD	\$ 10,952.50
Port Angeles	201-5 W 1St	060	DEL	\$ 585.00
Renton	500 SW 7th St	060	CSO	\$ 30,177.00
Federal Way	616 S 348Th St	060	CSO	\$ 25,500.00
Tumwater	6840 & 6860 Capitol Blvd Se Bld 2 & 3	060	CSO	\$ 22,500.00
Long Beach	2601 Pacific Ave NW	060	CSO	\$ 7,300.00
Port Townsend	915 Sheridan Ave	060	CSO	\$ 8,625.00
Chehalis	151 NE Hampe Way Ste 151	060	CSO	\$ 10,000.00
Puyallup	201 W Main St	060	CSO	\$ 25,000.00
Seattle	9650 15Th Ave SW	060	CSO	\$ 40,000.00
Bellevue	805 156Th Ave Ne	060	CSO	\$ 19,536.00
Bellevue	805 156Th Ave Ne	060	DEL	\$ 3,744.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	060	CSO	\$ 17,650.00
Lakewood	5712 Main St SW	060	CSO	\$ 23,000.00
		060 Total		\$ 420,336.50
Bellingham	4101 Meridian St	100	DVR	\$ 3,177.50
Tumwater	6639 Capitol Blvd	100	DVR	\$ 1,940.00
Kent	1313 W Meeker ST	100	DVR	\$ 3,276.00
Walla Walla	416 E Main St	100	DVR	\$ 1,988.00
Shelton	2505 Olympic Hwy N Ste 440	100	DVR	\$ 1,325.00
Mount Vernon	900 E College Way Ste 100	100	DVR	\$ 650.00
South Bend	307 Robert Bush Dr W	100	DVR	\$ 165.00
Port Angeles	201-5 W 1St	100	DVR	\$ 4,290.00
Long Beach	2601 Pacific Ave NW	100	DVR	\$ 112.50
Port Townsend	915 Sheridan Ave	100	DVR	\$ 3,000.00
Seattle	400 Mercer St STE 508	100	DVR	\$ 12,500.00
Lacey	4565 7Th Ave SE	100	DVR	\$ 23,511.00
Lacey	4565 7Th Ave SE	100	DVR	\$ 994.50
Lacey	4565 7Th Ave SE	100	DVR	\$ 994.50
Silverdale	3888 Randall Way Stes 101 201	100	DVR	\$ 11,500.00
Bellevue	805 156Th Ave Ne	100	DVR	\$ 4,416.00
Oak Harbor	275 Pioneer Way Se Ste 101, 201,202 &	100	DVR	\$ 1,100.00
		100 Total		\$ 74,940.00
Seattle	3600 S Graham ST	110	EM	\$ 360.00
Omak	S 126 Main St	110	OFA	\$ 340.00
Bremerton	4710 Auto Center Blvd	110	OFA	\$ 240.00
Shelton	2505 Olympic Hwy N Ste 440	110	OFA	\$ 375.00
Mount Vernon	900 E College Way Ste 100	110	OFA	\$ 87.50
South Bend	307 Robert Bush Dr W	110	OFA	\$ 120.00
Port Angeles	201-5 W 1St	110	OIP	\$ 552.50
Renton	500 SW 7th St	110	OFA	\$ 1,323.00
		110 Total		\$ 3,398.00
		Grand Total		\$ 812,500.00

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding in the 2016 Supplemental Budget for the replacement of information technology (IT) equipment that has passed end of useable life and provides critical support data network infrastructure needed to maintain data transport across the agency and business partners in the support of the DSHS clients. This request is to support the lease-purchase of IT equipment through a certificate of participation (COP).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	282,000	586,000	868,000
001-C General Fund - Basic Account-Medicaid Federal	188,000	382,000	570,000
Total Cost	470,000	968,000	1,438,000

Staffing

Package Description:

Problem Statement:

The Department requires the replacement of necessary IT infrastructure equipment to meet the day-to-day operational needs of the department. These needs exceed the department's base equipment funding levels. Not replacing this end of life equipment greatly increases risk to the agency in both loss of vendor support for critical IT infrastructure resulting in increased outages and the loss of security updates which provides protection for confidential and sensitive client data. These risks put the agency in jeopardy of failed federal compliance audits and/or lawsuits if confidential client data is compromised. Factors that motivate this project include federal and state laws, statutes and policies such as the following:

- o Federal requirements mandate protection of Federal Tax Information (FTI) under IRS 1075
- o Internal Revenue Code (IRC) 6103 - Confidentiality and disclosure of returns and return information
- o State law (Chapter 19.255 RCW PERSONAL INFORMATION - NOTICE OF SECURITY BREACHES
- o OCIO Policy 141- Securing Information Technology Assets

Proposed Solution:

Services and Enterprise Support Administration (SESA)

SESA staff and IT systems supports mission critical network services of DSHS. SESA requests funding to procure replacement of end of life equipment that supports mission critical network services of DSHS; consisting of the border firewall, servers, routers and switches. This funding request will support data network infrastructure needed to maintain data transport across the agency and business partners supporting and serving citizens of Washington State. This funding request represents DSHS infrastructure needed to integrate with WaTech statewide network shared services, which is used for data transport. One of the components of this request refers to procuring the DSHS enterprise perimeter firewall. This equipment acts as a gatekeeper to control access between the internal DSHS network and the WaTech-managed networks including the SGN (State Government Network) and IGN (Inter-government network) as well as the public Internet. Equipment included in this funding request is: DSHS agency border firewall, statewide routing and switching equipment, and equipment supporting agency wide security authentication. Any disruption in infrastructure services impacts agency staff, business partners, clients, and the public when contacting the agency for services. DSHS will not be able to retire existing end of life systems which are now at high risk of failure and prevents the department from transforming its service delivery model to one that can improve its service capabilities without continued increases in the cost of providing those services. The result will be compromises and heightened risk to client safety and wellbeing along with case workers diminished ability to serve them as the population at risk increases.

Juvenile Rehabilitation

This request funds the replacement of necessary IT systems equipment to meet the day-to-day needs of the youth placed into

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Juvenile Rehabilitation custody. Requested equipment items are critical to ensure operation of the program case management. Equipment beyond its useful life has been shown to become a risk to client confidentiality. Recovery software is currently used for backup and recovery of two of our virtual hosts which support the operations and maintenance of our Automated Client Tracking (ACT) system which supports operations in 24/7 direct care facilities. Renewing these licenses ensures the ability to continue to be able to successfully exercise the disaster recovery plan. Failure to renew these licenses would seriously degrade our ability to exercise our disaster recovery plan, resulting in the long term outage of the ACT system in the event of a disaster.

The Dell EqualLogic SAN addresses two problems. JR currently has a slower SAN which is causing a performance bottleneck which causes database "timeouts" due to deadlocks between transactions. Because the current SAN has limited storage due to increased utilization, the ACT system transferred to the requested faster SAN which would avoid the errors associated with the performance bottleneck of the current SAN, and free up space on the current slower SAN. The additional space is needed to accommodate the ever-increasing size of the application, database and file server backups.

Aging and Long Term Services Administration (AL TSA) and Developmental Disabilities Administration (DDA)
AL TSA and DDA currently have inadequate server capacity to support SharePoint. Currently, ADSA uses SharePoint 2007 in our production environment which is running at near capacity in terms of CPU, Memory and Storage. If we migrated to SharePoint 2013 without any server/memory/storage increases we will run into performance issues which will affect applications such as the Comprehensive Assessment Reporting Evaluation (CARE) and (Tracking Incidents of Vulnerable Adults) TIVA and we are trying to avoid this by isolating SharePoint 2013 into its own environment. The migration to SharePoint 2013 will start in September 2016.

CARE is the main case management tool which is used by 4,500+ case managers to intake, assess and authorize services for 60,000+ clients. Performance degradation in CARE could potentially mean clients not getting the services in a timely manner. TIVA is the main Incident Reporting tool which contains Residential Complaints as well as Adult Protective Services Incidents. Performance degradation in TIVA could potentially mean not being able to get the investigations taken care of in a timely manner.

This request includes personal computers at end of usable life for DDA which would put the program on the same funding stream for personal computers as in AL TSA.

Special Commitment Center (SCC)

The Special Commitment Center Program (SCC) provides a specialized mental health treatment program on McNeil Island for civilly committed sex offenders who have completed their prison sentences. The majority of equipment used at the Total Confinement Facility (TCF) and Secure Community Transition Facilities (SCTF) has exceeded its useful life. The IT infrastructure supports institution and island security such as the ILON server replacement of NCB parts that control communications. This system allows communication between staff through intercom buttons throughout the facility and between residents (in their rooms) to staff in case of personal medical emergency or lockdown. The network switches, laptops and desktops are eight years old and used to document security, clinical, resident treatment and progress notes as well as administrative tasks.

Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement will involve tracking all levels of this project; deployment schedules, Quality Assurance reviews and post-performance service metric analysis. Funding this request will strengthen the foundation for the current continuum of care and access to client services. Client support systems will continue to operate as designed.

Performance Measure Detail

Agency Level

Activity: D036 Field Services

Incremental Changes

FY 1

FY 2

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Efficiency Measures

001935 Percent of Total Budget Devoted to Field Support 0.00% 0.00%

Incremental Changes

Activity: D086 Residential Habilitation Facilities

FY 1

FY 2

Outcome Measures

001605 Monthly Average RHC Client Cost 0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing Package's Strategic Objective.

1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.

1.3: Fiscal stewardship of programs and activities.

1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

What are the other important connections or impacts related to this proposal?

This funding request supports the agency and Washington State citizens it serves with updated, consistent and reliable network infrastructure and systems.

What alternatives were explored by the agency, and why was this alternative chosen?

One alternative is to continue to use systems infrastructure equipment well beyond the end of its usable life. This alternative would greatly increase the risk to the department of system failure and possible breaches in client confidentiality. Repairing equipment, when practical, is an option, but is not always feasible. This alternative was chosen because it provides funding for immediate replacement of necessary equipment to maintain safety and security for clients and staff.

What are the consequences of not funding this package?

Failure to provide funding for the replacement of information technology equipment presents a risk to program operations. Programs have already exceeded their base equipment budgets and do not have the capacity to support this need. Insufficient funding for essential equipment exposes clients, staff, and the department to excessive risk.

What is the relationship, if any, to the state's capital budget?

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WK IT Systems Infrastructure.xlsx

Department of Social and Health Services

DP Code/Title: M2-WK IT Systems Infrastructure
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
P Debt Service	470,000	968,000	1,438,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	282,000	586,000	868,000
<i>Total for Fund 001-1</i>		282,000	586,000	868,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	188,000	382,000	570,000
<i>Total for Fund 001-C</i>		188,000	382,000	570,000
Total Overall Funding		470,000	968,000	1,438,000

2016 Supplemental Budget
AW M2-WK IT Systems Infrastructure

Department of Social & Health Services

Program	Year				ISSD - TZ				Total		
	2016	2017	Total		2016	2017	Total		2016	2017	Total
010	\$ -	\$ 55,000	\$ 55,000		\$ -	\$ -	\$ -		\$ -	\$ 55,000	\$ 55,000
020	\$ -	\$ 21,000	\$ 21,000		\$ -	\$ -	\$ -		\$ -	\$ 21,000	\$ 21,000
030	\$ -	\$ 39,000	\$ 39,000		\$ -	\$ -	\$ -		\$ -	\$ 39,000	\$ 39,000
040	\$ 470,000	\$ 968,000	\$ 1,438,000		\$ -	\$ -	\$ -		\$ 470,000	\$ 968,000	\$ 1,438,000
050	\$ -	\$ 100,000	\$ 100,000		\$ -	\$ -	\$ -		\$ -	\$ 100,000	\$ 100,000
060	\$ -	\$ 191,000	\$ 191,000		\$ -	\$ -	\$ -		\$ -	\$ 191,000	\$ 191,000
070	\$ -	\$ 1,000	\$ 1,000		\$ -	\$ -	\$ -		\$ -	\$ 1,000	\$ 1,000
100	\$ -	\$ 12,000	\$ 12,000		\$ -	\$ -	\$ -		\$ -	\$ 12,000	\$ 12,000
110	\$ -	\$ 70,000	\$ 70,000		\$ -	\$ -	\$ -		\$ -	\$ 70,000	\$ 70,000
135	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ -	\$ -		\$ -	\$ 52,000	\$ 52,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 470,000	\$ 1,509,000	\$ 1,979,000		\$ -	\$ -	\$ -		\$ 470,000	\$ 1,509,000	\$ 1,979,000

State/Other Split

Program	State				Federal				Total		
	2016	2017	Total		2016	2017	Total		2016	2017	Total
010	\$ -	\$ 50,000	\$ 50,000		\$ -	\$ 5,000	\$ 5,000		\$ -	\$ 55,000	\$ 55,000
020	\$ -	\$ 21,000	\$ 21,000		\$ -	\$ -	\$ -		\$ -	\$ 21,000	\$ 21,000
030	\$ -	\$ 35,000	\$ 35,000		\$ -	\$ 4,000	\$ 4,000		\$ -	\$ 39,000	\$ 39,000
040	\$ 282,000	\$ 586,000	\$ 868,000		\$ 188,000	\$ 382,000	\$ 570,000		\$ 470,000	\$ 968,000	\$ 1,438,000
050	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ 48,000	\$ 48,000		\$ -	\$ 100,000	\$ 100,000
060	\$ -	\$ 113,000	\$ 113,000		\$ -	\$ 78,000	\$ 78,000		\$ -	\$ 191,000	\$ 191,000
070	\$ -	\$ 1,000	\$ 1,000		\$ -	\$ -	\$ -		\$ -	\$ 1,000	\$ 1,000
100	\$ -	\$ -	\$ -		\$ -	\$ 12,000	\$ 12,000		\$ -	\$ 12,000	\$ 12,000
110	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ 18,000	\$ 18,000		\$ -	\$ 70,000	\$ 70,000
135	\$ -	\$ 52,000	\$ 52,000		\$ -	\$ -	\$ -		\$ -	\$ 52,000	\$ 52,000
160	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Total	\$ 282,000	\$ 962,000	\$ 1,244,000		\$ 188,000	\$ 547,000	\$ 735,000		\$ 470,000	\$ 1,509,000	\$ 1,979,000

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests technical corrections in the 2016 Supplemental Budget for the Children's Administration (CA), Rehabilitation Administration (RA), Behavioral Health and Service Integration Administration (BHSIA) Mental Health Division (MHD), Developmental Disability Administration (DDA), Aging & Long Term Support Administration (AL TSA), Economic Services Administration (ESA), Division of Vocational Rehabilitation (DVR), Administration & Supporting Services (Admin), Special Commitment Center (SCC), and Consolidated Field Services (CFS).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	275,000	600,000	875,000
001-C General Fund - Basic Account-Medicaid Federal	304,000	620,000	924,000
Total Cost	579,000	1,220,000	1,799,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	2.2	4.3	3.3

Package Description:

Research and Data Analysis (RDA) FTEs only
(Program 110):

RDA provides support to DSHS programs as well as other state agencies for special projects needing data and analytical skills. There are Memorandums of Understanding with the programs or other state agencies for the special projects. Funding for the projects is provided by the programs and other state agencies. The costs for projects within DSHS are charged to the program providing the funding. For other state agencies reimbursement is based on monthly invoices sent to the benefiting agency. In either case, the FTE expenditures are not recovered. This request would provide for 16.0 FTEs for the Special Projects.

Admin Special Projects FTEs only
(Program 110):

Funding was provided for Improving Service Delivery. During the Carry Forward Level process the FTEs related to the funding were removed. The funding allows RDA to design, test, implement, maintain and enhance highly complex programming processes integrating disparate data sources into analytical processes that meet legislatively required health care quality and outcome metric reporting requirements. This request would restore the 2.0 FTEs for the program.

Consolidated Field Services (CFS) Regional Business Centers (RBCs) FTE only
(Program 160):

When the CFS budget was determined for the RBCs it was based on funding for 22 FTEs. Only 21 FTEs were transferred from the programs to CFS. This request is for 1.0 FTE to align the number of FTEs with the funding for the RBCs.

DDA Specialized Services
(Program 040):

The 2015 17 Biennial Budget placed all of the funding for Specialized Services in Category 2000. Some of the services are provided by professional services, Budget Unit H54, Category 1000. This request moves the funding between Categories within DDA the net impact is zero.

Reconciliation of Lease Facilities
(Program 010, 060, 100 and 110):

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

The Total Need for Leases for the 2015 17 Biennium is \$122,180,000. The amount provided in the 2015 17 Biennial Budget was \$87,000. This leaves a Carry Forward Level (CFL) of \$122,093,000. The DSHS Agency Request CFL was \$122,040,000. This request is for \$53,000 to bring the funding for Lease Facilities into line with the Total Need for Leases. GF State \$84,000 / GF Federal (\$21,000)

Compensation for New FTEs
(Programs 010, 020, 030, 040, 050, 060 and 135)

There were several steps in the 2015 17 Biennial Budget that either added or removed FTEs and related salaries and benefits to the DSHS programs. These FTE changes are not reflected in the Compensation Impact Model file so any increases in compensation (3% + 1.8%, Health Insurance Premium and Pension Rates) would not have been included in the funding provided to the agency for the FTEs. This request is for \$3,670,000 GF State, \$4,865,000 Total funds.

Compensation Impact Model Correction
(Programs 020, 160):

When reconciling the funding provided to the agency for the various compensation steps (WFSE, Coalition, SEIU, Non Rep, etc.) it was determined that the amount of funding in two programs was incorrect. Working with the Office of Financial Management compensation staff, the following was determined: For JRA there was a reallocation of the Juvenile Rehabilitation classifications. OFM calculated the increase on 572 affected positions. The actual number of positions affected was 649. The JRA request is for \$263,000 for the biennium. In the Admin budget, the amount of funding provided should have been the amount needed for Admin, Information Support Services Division, and CFS. The CFS information was not included in the output that was used to enter the funding into the DSHS budget. The Admin request is for \$764,000 for the biennium. The CFS funding is distributed out to the programs based on the chargeback methodology for CFS. The total request is for \$881,000 GF State, \$1,027,000 Total Funds.

DDA Financial Eligibility
(Program 040):

DDA requests 3.3 FTE and \$571,000 Total Funds, \$144,000 GF State, for financial eligibility workers for new workload due to the caseload increase resulting from implementing the Community First Choice (CFC) Medicaid state plan option. These positions were inadvertently left out of the budget appropriation for DDA to implement the CFC initiative.

MHD Category Correction
(Program 030):

MHD requests the transfer of \$2,000 in FY18 and \$5,000 in FY19, General Fund State funding from Category 1000 to Category 9000. This transfer will correct the category for the Carry Forward Level G05 Biennialize Employee PEBB Rate.

These technical corrections will bring the funding into line with anticipated expenditures throughout the agency.

Agency contact: Bill Jordan 360 902 8183.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Funding this request will prevent any negative impact on client services.

Performance Measure Detail

Agency Level

Activity: D036 Field Services
No measures linked to package

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Activity: D070 Other Community Programs

Incremental Changes	
<u>FY 1</u>	<u>FY 2</u>

Department of Social and Health Services

DP Code/Title: M2-WM Technical Corrections
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

No measures linked to package

0.00 0.00

Incremental Changes

Activity: D086 Residential Habilitation Facilities

FY 1 FY 2

No measures linked to package

0.00 0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports DSHS Goals: Health - Each individual and each community will be healthy, and Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goals to: Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly, and Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

What are the other important connections or impacts related to this proposal?

None

What alternatives were explored by the agency, and why was this alternative chosen?

The request cannot be absorbed within existing resources without reducing the funding for services to clients.

What are the consequences of not funding this package?

Funding this request will prevent any negative impact on client services.

What is the relationship, if any, to the state's capital budget?

This request has no impact on the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment AW M2 WM Technical Corrections.xlsx.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These technical corrections are one time, and then all costs associated with it will be ongoing and will carry forward into future biennia.

Department of Social and Health Services

DP Code/Title: **M2-WM Technical Corrections**

Program Level - **040 Developmental Disabilities Admin**

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	379,000	769,000	1,148,000
B Employee Benefits	166,000	397,000	563,000
E Goods\Other Services	16,000	32,000	48,000
G Travel	1,000	2,000	3,000
J Capital Outlays	13,000	13,000	26,000
P Debt Service	1,000	1,000	2,000
T Intra-Agency Reimbursements	3,000	6,000	9,000
Total Objects	579,000	1,220,000	1,799,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	275,000	600,000	875,000
<i>Total for Fund 001-1</i>		275,000	600,000	875,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	304,000	620,000	924,000
<i>Total for Fund 001-C</i>		304,000	620,000	924,000
Total Overall Funding		579,000	1,220,000	1,799,000

2016 Supplemental Budget
M2-WM Technical Corrections
COMPENSATION FOR NEW FTEs

FY 2016	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	58,000	2,000	343,000	216,000	148,000	196,000	(2,000)	961,000
BENEFITS	32,000	-	194,000	108,000	87,000	105,000	-	526,000
TOTAL	90,000	2,000	537,000	324,000	235,000	301,000	(2,000)	1,487,000
STATE	88,000	2,000	500,000	191,000	122,000	223,000	(2,000)	1,124,000
FEDERAL	2,000	-	37,000	133,000	113,000	78,000	-	363,000
TOTAL	90,000	2,000	537,000	324,000	235,000	301,000	(2,000)	1,487,000

FY 2017	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	118,000	(5,000)	788,000	442,000	369,000	318,000	(9,000)	2,021,000
BENEFITS	78,000	(4,000)	527,000	303,000	245,000	215,000	(7,000)	1,357,000
TOTAL	196,000	(9,000)	1,315,000	745,000	614,000	533,000	(16,000)	3,378,000
STATE	191,000	(9,000)	1,225,000	440,000	320,000	395,000	(16,000)	2,546,000
FEDERAL	5,000	-	90,000	305,000	294,000	138,000	-	832,000
TOTAL	196,000	(9,000)	1,315,000	745,000	614,000	533,000	(16,000)	3,378,000

BIENNIAL TOTAL	PROGRAM							TOTAL
	010 CA	020 RA	030 MHD	040 DDA	050 ALTSA	060 ESA	135 SCC	
SALARY	206,000	(3,000)	1,288,000	633,000	491,000	541,000	(11,000)	3,145,000
BENEFITS	80,000	(4,000)	564,000	436,000	358,000	293,000	(7,000)	1,720,000
TOTAL	286,000	(7,000)	1,852,000	1,069,000	849,000	834,000	(18,000)	4,865,000
STATE	279,000	(7,000)	1,725,000	631,000	442,000	618,000	(18,000)	3,670,000
FEDERAL	7,000	-	127,000	438,000	407,000	216,000	-	1,195,000
TOTAL	286,000	(7,000)	1,852,000	1,069,000	849,000	834,000	(18,000)	4,865,000

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding in the 2016 Supplemental Budget for the increase in facility charges by WaTech for information technology (IT) equipment enclosures in the new State Data Center. Revised Code of Washington (RCW) 43.41A.150 states, "state agencies shall locate all existing and new servers in the State Data Center". The equipment located in the State Data Center provides critical IT infrastructure needed to support and serve DSHS clients.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	9,000	9,000	18,000
001-C General Fund - Basic Account-Medicaid Federal	6,000	6,000	12,000
Total Cost	15,000	15,000	30,000

Staffing

Package Description:

Problem:

RCW 43.41A.150 requires all state agencies to locate all existing and new IT equipment into the new State Data Center. The facility costs for locating this equipment in the new State Data Center has significantly increased for DSHS. These increased costs exceed the agency's current funding levels for this service due to this required change. The IT equipment moved into the new State Data Center supports IT infrastructure needed to provide critical support to serve the citizens of Washington State.

Solution:

DSHS recently completed the required migration of moving existing and new Information Technology equipment from the OB2 Data Center to the new State Data Center by the June 30, 2015 deadline to comply with RCW 43.41A.150. The facility costs have increased from \$53,000 for FY15 using the OB2 Data Center to \$511,200 for FY16 and future years (based on current usage) using the new State Data Center.

The new State Data Center rates are based on both enclosure space and electrical usage. The new rate formula is:

- \$1000 per 42 RU enclosures per month @5KW and \$500 per 2.5KW increase up to a maximum of 12.5 KW or
- \$650 per 21 RU maximum per month @2.5KW for a partially filled enclosure.

DSHS has 4 enclosures costing \$650, 20 enclosures costing \$1000, 8 enclosures costing \$1500, and 4 enclosures costing \$2000 per month.

Agency Contact: Don Petrich 360-902-7831

Program Contact: Pat Marsh 360-902-7721

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS is utilizing the new State Data Center in compliance with RCW 43.41A.150. The new State Data Center reduces security risks for state agencies and provides a robust and reliable facility environment for IT equipment providing critical client services. Funding this request will strengthen the foundation for delivering these critical services to citizens in need.

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Performance Measure Detail

Agency Level

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

<u>FY 1</u>	<u>FY 2</u>
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential in supporting strategic objects:

- 1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.
- 1.3: Fiscal stewardship of programs and activities.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package support Results Washington Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

What are the other important connections or impacts related to this proposal?

This funding request supports the agency and Washington State citizens it serves with updated, consistent and reliable information technology infrastructure and systems.

What alternatives were explored by the agency, and why was this alternative chosen?

DSHS consolidated and virtualized as much of the DSHS information technology equipment as possible prior to the migration from the OB2 Data Center to the new State Data Center to reduce the total costs and footprint at the new State Data Center.

No other alternatives were available as this migration was required by law (RCW 43.41A.150).

What are the consequences of not funding this package?

Failure to provide funding for the increased mandatory costs presents a risk to program operations. Programs have already exceeded their base information technology budgets and do not have the capacity to support this need. Insufficient funding for essential information technology services exposes clients, staff, and the department to excessive risk.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request allows DSHS to comply with RCW 43.41A.150 without negatively impacting funding for direct client services.

Expenditure and revenue calculations and assumptions

Please see attached M2-WN State Data Center Adjustment workbook.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Department of Social and Health Services

DP Code/Title: M2-WN State Data Center Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

All costs are one-time; however, if there are adjustments in rates, DSHS will ask for an adjustment to compensate for that future rate adjustment.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
T Intra-Agency Reimbursements	15,000	15,000	30,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	9,000	9,000	18,000
<i>Total for Fund 001-1</i>		9,000	9,000	18,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	6,000	6,000	12,000
<i>Total for Fund 001-C</i>		6,000	6,000	12,000
Total Overall Funding		15,000	15,000	30,000

Department of Social and Health Services
M2-WN State Data Center Adjustment Workbook

Program	FY2016	FY2017	Total
010	71,000	71,000	142,000
020	13,000	13,000	26,000
030	11,000	11,000	22,000
040	15,000	15,000	30,000
050	50,000	50,000	100,000
060	276,000	276,000	552,000
070	2,000	2,000	4,000
100	5,000	5,000	10,000
110	12,000	12,000	24,000
135	3,000	3,000	6,000
150	0	0	0
Total	458,000	458,000	916,000

Program	FY2016 EL	FY2016 TZ	FY2017 EL	FY2017 TZ
010	38,000	33,000	38,000	33,000
020	6,000	7,000	6,000	7,000
030	0	11,000	0	11,000
040	0	15,000	0	15,000
050	33,000	17,000	33,000	17,000
060	173,000	103,000	173,000	103,000
070	0	2,000	0	2,000
100	0	5,000	0	5,000
110	0	12,000	0	12,000
135	0	3,000	0	3,000
150	208,000	(208,000)	208,000	(208,000)
Total	458,000	0	458,000	0

Program	FY2016 GFS	FY2016 FED	FY2016 Total	FY2017 GFS	FY2017 FED	FY2017 Total	2015-17 GFS	2015-17 FED	2015-17 Total
010	69,000	2,000	71,000	69,000	2,000	71,000	138,000	4,000	142,000
020	13,000	0	13,000	13,000	0	13,000	26,000	0	26,000
030	10,000	1,000	11,000	10,000	1,000	11,000	20,000	2,000	22,000
040	9,000	6,000	15,000	9,000	6,000	15,000	18,000	12,000	30,000
050	26,000	24,000	50,000	26,000	24,000	50,000	52,000	48,000	100,000
060	172,000	104,000	276,000	172,000	104,000	276,000	344,000	208,000	552,000
070	2,000	0	2,000	2,000	0	2,000	4,000	0	4,000
100	5,000	0	5,000	5,000	0	5,000	10,000	0	10,000
110	10,000	2,000	12,000	10,000	2,000	12,000	20,000	4,000	24,000
135	3,000	0	3,000	3,000	0	3,000	6,000	0	6,000
150	0	0	0	0	0	0	0	0	0
Total	319,000	139,000	458,000	319,000	139,000	458,000	638,000	278,000	916,000

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding in the 2016 Supplemental Budget for the purchase of Microsoft Office 365 and Enterprise CAL Suite software license for the department. By funding this request, the department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with federal Health Insurance Portability and Accountability Act (HIPAA) and Internal Revenue Service (IRS) 1075 Category 3 and Category 4 data requirements.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	198,000	135,000	333,000
001-C General Fund - Basic Account-Medicaid Federal	138,000	93,000	231,000
Total Cost	336,000	228,000	564,000

Staffing

Package Description:

Problem:

DSHS currently operates using minimal basic licenses for the primary business tools used across the Department. Without this critical upgrade, the Department continues to fall further behind in IT advancements which limits capabilities in developing an enterprise cloud strategy to enable the Department to remain in alignment with the broader overall state strategy and direction for information technology. Without needed upgrades to key business tools utilized enterprise-wide, the Department is at risk for federal audit findings in relation to HIPPA and IRS 1075 laws, which could result in significant monetary penalties for crucial federal funding streams. The Department is further at risk to legal exposure around license tracking, legal discovery and public disclosure requests.

The Department currently is unable to utilize such features as delivering key performance indicators on SharePoint dashboards, enhanced search of documents, and automated document routing and approvals, which could reduce time to delivery of services. Currently there is no ability to integrate Office documents and Business Analytics Reporting. This prevents the use of intelligent dashboards for making better business decisions and tracking performance indicators. In addition, the Department will incur additional licensing and other fees for the use of Skype for Business conferencing.

With the upgrade to Microsoft Office 365 and the Enterprise CAL Suite, DSHS Programs can realize the full business productivity features of SharePoint, Office, Skype for Business conferencing and applications developed using the Microsoft environment. This software will always operate on the latest release giving users immediate access to ever-changing technological advancements. Office 365 and the Enterprise CAL Suite moves DSHS from a per device licensing to a per user licensing method for some products. In field offices, this means that fewer licenses are likely to be required. This will position DSHS stakeholders to access critical e-mails, schedules, tasks, etc. from anywhere, thereby increasing productivity from the latest workflow and collaboration based office tools. Platform enhancements will result in zero productivity loss and reduced time to value realization. The Department can save key resources by significantly reducing capital investments and increasing transparency in terms of service cost and improved billing processes.

Solution:

DSHS would upgrade 19,181 user licenses from the current basic license of the Microsoft Enterprise Agreement to the Microsoft Office 365 and Enterprise CAL Suite. This upgrade requires no organizational change management requirements, is technically

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

simple, will not require any change in business operations, and will not introduce any new technical complexity into the environment. This will provide new capabilities to improve security across the Department's enterprise, and is designed to significantly modernize a core part of state IT infrastructure using a cloud-based approach with primary goals and outcomes well defined, and results that can be measured immediately upon completion.

Agency Contact: Don Petrich 360-902-7831
 Program Contact: Kristine Marree Williams 360-902-8040

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide the ability to implement improvements such as management dashboards tied to key indicators (providing real time decision data), search for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

Performance Measure Detail

Agency Level

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
Activity:	D074 Personal Care		
	No measures linked to package	0.00	0.00
Activity:	D079 Program Support for Developmental Disabilities		
	No measures linked to package	0.00	0.00
Activity:	D086 Residential Habilitation Facilities		
	No measures linked to package	0.00	0.00
Activity:	D095 State Operated Living Alternatives		
	No measures linked to package	0.00	0.00
Activity:	D107 Community Crisis Stabilization Services		
	No measures linked to package	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implement the following strategic objectives:

- 1.1 Provide data, analyses, and information to support innovations that improve the effectiveness of services to clients.
- 5.14 Ensure technology investments meet current and emerging business needs.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the following Result Washington Goals:

Goal 5: Efficient, Effective & Accountable Government - by reducing future ongoing costs while continuously improving services; supporting a more productive workforce and increasing/maintaining the timely delivery of state services; ensuring funding is used responsibly by increasing the percentage of projects with measured improvements in cost, quality, time and customer and employee satisfaction; keeping the Microsoft service platform efficient, nimble, and cost-effective; improving service, and providing increased options to partners and clients.

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365**Program Level - 040 Developmental Disabilities Admin**

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Goal 5: Efficient, Effective & Accountable Government - Resource Stewardship - Ensure that funding is used responsibly.

Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

What are the other important connections or impacts related to this proposal?

The stakeholders are the DSHS users who will benefit from Microsoft Office 365 and Enterprise CAL Suite. Some of the agencies that DSHS interacts/partners with have developed applications that require Office 365 and the Enterprise CAL Suite to be able to connect and use. WaTech is implementing some communication services that require users to have Office 365. This Office 365 and Enterprise CAL Suite procurement will enhance the work efficiency of our internal stakeholders by providing the ability to use document workflow for initiating, tracking, document review and approval, issue tracking, and signature collection. DSHS stakeholders will also have access to Systems Center data protection manager to secure their desktops.

What alternatives were explored by the agency, and why was this alternative chosen?

The Department considered the alternative of continuing with minimal basic licenses through the Microsoft Enterprise Agreement and not upgrading to the Microsoft Office 365 and Enterprise CAL Suite software license. However, minimal basic licenses for the primary business tools used across the Department impede productivity, expose the agency to legal and financial risks around license tracking, legal discovery and public disclosure requests, and limit the Department's abilities to move to a shared service cloud model, improve communications and support workflow automation.

By funding this request, the Department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with a strategic stance for federal HIPAA and IRS 1075 Category 3 and Category 4 data requirements.

What are the consequences of not funding this package?

Consequences of not funding this package include reduced productivity and increased legal and financial risk around license tracking, legal discovery and public disclosure requests.

Not upgrading the primary business tools used enterprise-wide limits the department's abilities to move to a shared service cloud model, improve communications and support workflow automation.

Without upgrades to the key business tools utilized enterprise-wide, the department is also at risk for federal audit findings in relation to HIPAA and IRS 1075 Category 3 and 4 data requirements, which could result in significant monetary penalties and loss of crucial federal funding streams.

Without this upgrade, the department is also unable to utilize such features as:

- Automated document routing and approval workflows, which could reduce time for delivering services.
- Improved communications between staff and across programs through tools such as Skype for Business conferencing

Department of Social and Health Services

DP Code/Title: M2-WP MS Office 365
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

service (without incurring additional licensing and other fees).

- Collaboration between SharePoint and other applications such as Microsoft Dynamics CRM.
- Intelligent dashboards for making better business decisions and tracking performance indicators.
- Enhanced search and electronic discovery of documents for improved efficiencies in work processes and in response to public disclosure and investigative requests.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

Please see attached M2-WP MS Office 365 workbook.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Costs are one-time but need to continue forward in the 2017-19 Carry Forward Level.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	336,000	228,000	564,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	198,000	135,000	333,000
<i>Total for Fund 001-1</i>		198,000	135,000	333,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	138,000	93,000	231,000
<i>Total for Fund 001-C</i>		138,000	93,000	231,000
Total Overall Funding		336,000	228,000	564,000

Department of Social and Health Services

M2-WP MS Office 365 Workbook

Program	FY2016	FY2017	Total
010	250,000	250,000	500,000
020	99,000	69,000	168,000
030	256,000	184,000	440,000
040	336,000	228,000	564,000
050	125,000	125,000	250,000
060	533,000	533,000	1,066,000
070	7,000	7,000	14,000
100	37,000	37,000	74,000
110	93,000	93,000	186,000
135	62,000	40,000	102,000
Total	1,798,000	1,566,000	3,364,000

Program	FY2016 GFS	FY2016 FED	FY2016 Total	FY2017 GFS	FY2017 FED	FY2017 Total	2015-17 GFS	2015-17 FED	2015-17 Total
010	244,000	6,000	250,000	244,000	6,000	250,000	488,000	12,000	500,000
020	99,000	0	99,000	69,000	0	69,000	168,000	0	168,000
030	239,000	17,000	256,000	171,000	13,000	184,000	410,000	30,000	440,000
040	198,000	138,000	336,000	135,000	93,000	228,000	333,000	231,000	564,000
050	66,000	59,000	125,000	66,000	59,000	125,000	132,000	118,000	250,000
060	333,000	200,000	533,000	333,000	200,000	533,000	666,000	400,000	1,066,000
070	6,000	1,000	7,000	6,000	1,000	7,000	12,000	2,000	14,000
100	37,000	0	37,000	37,000	0	37,000	74,000	0	74,000
110	76,000	17,000	93,000	76,000	17,000	93,000	152,000	34,000	186,000
135	62,000	0	62,000	40,000	0	40,000	102,000	0	102,000
Total	1,360,000	438,000	1,798,000	1,177,000	389,000	1,566,000	2,537,000	827,000	3,364,000

Information Technology Addendum

Recsum Code and Title **Agency Wide – DSHS M2-WP MS Office 365**

Brief Description: The Services and Enterprise Support Administration (SESA) requests funding in the 2016 Supplemental Budget for the purchase of Microsoft Office 365 and Enterprise CAL Suite software license for the Department. By funding this request, the Department will be able to improve productivity, reduce legal exposure regarding license tracking, provide enhanced abilities for legal discovery and public disclosure requests, and remain in compliance with federal HIPAA and IRS 1075 Category 3 and Category 4 data requirements.

If this investment includes the use of servers, do you plan to use the state data center?

- Yes No, waiver received No, waiver not received Does not apply

Business Transformation - This criteria is used to assess the IT proposals supporting business changes made to improve service or access to information for agency customers or citizens.

Business Process Improvement: Primary goal of the proposal is to transform an agency business process -- This criterion will be used to assess the transformative nature of the project (INTENT: to incent agencies to take transformative projects that may include risk).

By moving to the Microsoft Office 365 and Enterprise CAL Suite software license for the Department, we will obtain additional features that will allow us to transform our business processes and enhance our services through the use of enhanced desktop productivity tools across the agency.

- There is an increasing need for the SharePoint ECAL as part of the SharePoint 2013 Project. These features include:
 - Business Intelligence to allow for enterprise wide use of scorecards and trending analysis, using real time data.
 - Enterprise Search features to allow for more efficient response to discovery requests.
 - Could be cost offsets from current BI expenditures.
- As we move towards an Enterprise System Center Configuration Manager solution we will require the System Center Suite CAL, included with the ECAL, which will allow us to better manage workstations and better align with recent OCIO policy and standards for products reaching end of life.
- Exchange Enterprise benefits:
 - Help support the mobility initiative by giving us the ability to apply advanced ActiveSync policies, which will give a higher level of management of mobile devices.

**2016 Supplemental Budget
Department of Social and Health Services**

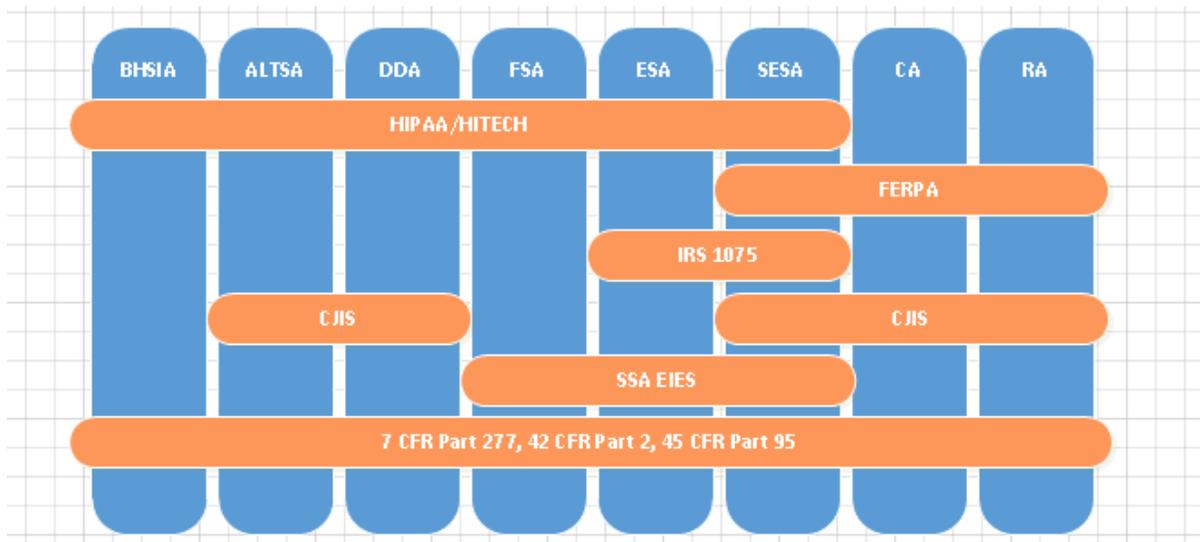
- Data Loss Prevention will provide the Department with the ability to control the release of sensitive data, such as PII, credit cards, or any data determined to be sensitive.

Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide the ability to transform business processes by implementing improvements such as management dashboards tied to key indicators (providing real time decision data), searching for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

Risk Mitigation: Primary goal is to mitigate risks associated with transformative initiatives. This criterion will be used to determine if the initiative provides adequate resources to mitigate risks associated with a transformative initiative. Risk planning may include budgeting for independent Quality Assurance, organizational change management, training, staffing, etc. (INTENT: Drive business value by encouraging risk taking that is well managed.)

Without upgrades to the key business tools utilized enterprise-wide, the Department is at risk for federal audit findings in relation to HIPAA and IRS 1075 category 3 and 4 data requirements, which could result in significant monetary penalties and loss of crucial federal funding streams.

DSHS Federal Privacy and Information Security Compliance Requirements



Customer Facing Value: Add value in short increments -- This criterion will be used to determine if the initiative provides “customer-facing value” in small increments, quickly to drive our agile strategy. (INTENT: drive agencies to producing value more quickly and incrementally).

The customers immediately receiving value from this investment are the DSHS users who will quickly benefit from Microsoft Office 365 and Enterprise CAL Suite.

2016 Supplemental Budget Department of Social and Health Services

Procurement of the Microsoft Office 365 and Enterprise CAL Suite license offers upgrades to SharePoint, Skype for Business conferencing and other features that provide customers the ability to implement improvements such as management dashboards tied to key indicators (providing real time decision data), search for documents across all DSHS SharePoint sites (improving ability to locate documents for public disclosure and the like), direct editing of files from SharePoint web pages (improving productivity and reducing duplication of files), and conferencing features (reducing the need for travel costs and time), among many other features.

This Office 365 and Enterprise CAL Suite procurement will enhance the work efficiency of our internal customers by providing the ability to use document workflow for initiating, tracking, document review and approval, issue tracking, and signature collection. DSHS customers will also have access to Systems Center data protection manager to secure their desktops.

As some of the agencies that DSHS interacts/partners with have developed applications that require Office 365 and the Enterprise CAL Suite to be able to connect and use, customers will quickly receive value by being able to use these partners' applications.

Customers will also see value through reduced future ongoing costs and continuously improving services; supporting a more productive workforce and increasing/maintaining the timely delivery of state services; ensuring funding is used responsibly by increasing the percentage of projects with measured improvements in cost, quality, time and customer and employee satisfaction; keeping the Microsoft service platform efficient, nimble, and cost-effective; improving service, and providing increased options to partners and clients

Open Data: New datasets exposed -- This criterion will be used to assess if the initiative will increase public access to searchable, consumable machine readable data from state agencies. (INTENT: to drive agencies to make more data available to citizens. We also value make data available internally for better decision making).

This Office 365 and Enterprise CAL Suite procurement will make data available internally for better decision making.

The Department will be able to take advantage of features such as SharePoint dashboards to speed and improve decision making through delivery of key performance indicators and integration of Office documents and Business Analytics Reporting; enhanced document searches, which would assist in timelier response to legal discovery and public disclosure requests; as well as automated workflows for document routing and approvals, which could speed and improve decisions as well as reduce time to delivery of services.

Transparency/Accountability: Project is clear, measurable, and immediate -- This criterion will be used to assess if the initiative specifies the following: 1. Are the goals articulated? 2. Are performance outcomes identified, quantified and measurable? (INTENT: agency with better project and outcome performance measure get more points).

The investment's goals for procuring Microsoft Office 365 and Enterprise CAL Suite include:

2016 Supplemental Budget Department of Social and Health Services

- reducing future ongoing costs while improving services
- supporting a more productive workforce
- providing enhanced abilities for legal discovery and public disclosure requests
- strengthening compliance with federal HIPAA and IRS 1075 Category 3 and Category 4 data security requirements
- reducing legal exposure regarding license tracking, legal discovery and public disclosure requests
- keeping the Microsoft service platform efficient, nimble, and cost-effective
- improving service and providing increased options to partners and clients

The functionality resulting from productivity software licensing at the Office 365 and Enterprise CAL Suite level includes improved communication, collaboration, presence, synchronous communications (instant messaging), enterprise content management, information rights management, client workstation security, server and Web security, client and server real-time monitoring and updates, conferencing, Web-based forms solutions, and business data connectors, among many other features.

Sample performance outcomes include:

- Time/productivity gains through improved ability to locate documents across current information boundaries and overcome lack of search features across sister organizations (without which documents are unnecessarily duplicated and cause increased IT storage requirements and costs)
- Reduced travel time and associated costs by using multi-point group video conferencing through Skype for Business conferencing, and eliminating the need to pay for additional licenses for WebEx, GoToMeeting, or other conferencing services currently used in the Department
- Better/faster decision-making as a result of access to real-time decision support through key performance indicators highlighted in management dashboards posted on SharePoint webpages or sent via e-mails directly to management wherever they can access Outlook
- Improved collaboration and productivity, and reduced duplication of files, through direct editing of files from SharePoint webpages

Sample performance measures include:

- Improved response times for public disclosure requests as a result of better document search capabilities
- Reduction in IT storage costs for documents as a result of reduced duplication of files
- Reduction in license costs for WebEx, GoToMeeting and other conferencing services as a result of using Skype for Business conferencing included in the Microsoft Enterprise CAL Suite of products.

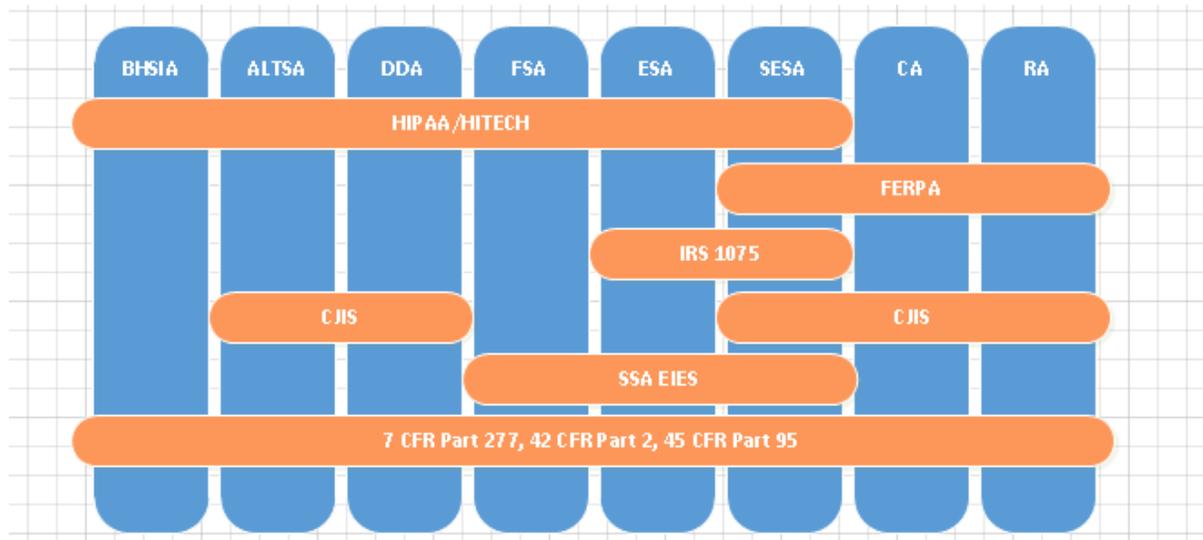
Technology Strategy Alignment – This criteria is used to assess the alignment of the request to the larger technology strategy of the state.

Security: Improve agency security - This criterion will be used to assess the improvements to the overall security posture for an agency. (INTENT: to award additional points to projects where intent is to improve the security across an agency).

2016 Supplemental Budget Department of Social and Health Services

The investment enhances the overall security posture for DSHS through the use of key business tools across the enterprise that allow for better protection of Category 3 and Category 4 data covered by regulations such as HIPAA, IRS 1075 and others pictured below. The Department's data is at risk without the improved infrastructure security provided by these software products.

DSHS Federal Privacy and Information Security Compliance Requirements



Modernization of state government: Cloud first -- This criterion will be used to assess if the initiative will result in replacing legacy systems with contemporary solutions that drive our cloud-first strategy. (INTENT: to drive agencies to look more intently at leveraging cloud based solutions).

This will be a key step for DSHS to develop an enterprise cloud strategy in alignment with broader state strategy; to identify and move key workloads to the cloud; to always be on the latest software release, and to allow seamless upgrades as part of service.

This investment allows the Department to move forward in adoption of Cloud services. This Microsoft Office 365 software license helps position the Department to take advantage of Cloud-based business tools and processes, promotes innovative delivery of services by allowing for more Cloud adoption to increase agility and pace of government, and improves security by allowing integration of Cloud technology with the Department's infrastructure.

This investment will reduce our dependency on legacy systems. It will also enhance and modernize our current desktop productivity tools, allowing for a more efficient and secure computing environment. These enhanced toolsets will increase the availability of business analytical tools to all staff for improved decision making.

Mobility: New mobile services for citizens -- This criterion will be used to assess the contribution of the initiative to support mobile government services for citizens and a mobile workforce. (INTENT: to drive agencies to look for ways to deliver results and

2016 Supplemental Budget Department of Social and Health Services

services that are accessible to citizen from mobile devices. We value mobility for employees as well but value mobility for citizens more).

This investment does not directly improve mobile access to services for customers.

Interoperability: Adds value in 6 months -- This criterion will be used to determine if the initiative provides a technology system or software application that distributes, consumes, or exchanges data. (INTENT: drive agencies to acquiring and/or developing systems that are interoperable across the state enterprise).

This investment provides a suite of Microsoft software applications that are interoperable across the state enterprise and promote improved communication, collaboration, presence, synchronous communications (instant messaging), enterprise content management, information rights management, client security, server and Web security, client and server real-time monitoring and updates, conferencing, Web-based forms solutions, and business data connectors, among many other features.

The shared Microsoft platform also enables development of more interoperable applications across the state enterprise.

Financial - This criterion will be used to assess the initiatives financial contribution. The extent the initiative uses other fund sources, reduces cost for the state, or captures new or unrealized revenue.

Captures new or unrealized revenue: This criteria is calculated based on the amount of new or unrealized revenue captured by the end of biennium 17-19 as a proportion of total investment. To get the full points in this criteria projects must capture at least 5x the amount of the investment by the end of biennium 17-19.

This investment does not generate new revenue or capture additional revenue left “on the table” by current solutions.

Reduces Costs: This criteria is calculated based on the amount of cost reduction by the end of biennium 17-19 as a proportion of total investment. To get the full points in this criteria projects must reduce costs by at least 2x the amount of the investment by the end of biennium 17-19.

This investment could eliminate the need for additional agreements with other software vendors (McAfee; WebEx) which could result in a cost savings of over \$150,000 per year. This will also reduce the number of CRM licenses required as the Enterprise CAL would allow reports to be generated from CRM data and viewed in SharePoint. Users could view these reports via the SharePoint site, eliminating the need of an explicit CRM license.

Leverages Federal/Grant Funding: This criteria is to calculate the degree in which projects are funded by federal or grant dollars. Projects that are fully funded by federal or grant sources receive full points.

2016 Supplemental Budget Department of Social and Health Services

Many program areas in DSHS receive federal or grant dollars and have requested the expansion of the licensing agreement to support management of documents within their workflow processes, and other features that the Office 365 and Enterprise CAL Suite provide to meet their business needs. We estimate approximately 30% of the cost is expected to be federally funded.

The following chart shows the federal/state funding splits for these licensing costs.

Program	Number of Users based on Jan 2015 Renewal Counts	PROJECTED COSTS TO MOVE TO O365			FY16 State	FY16 Federal	FY17 State	FY17 Federal	FY16 State Rounded	FY16 Federal Rounded	FY17 State Rounded	FY17 Federal Rounded
		Year 1 True Up Payment - Feb 2016 (FY16) One Time Payment - to bring remaining 259 Users to ECAL Suite and readiness for O365 Add On - Covers thru end of term	O365 Increase for Year 2 (March 2016)	O365 Increase for Year 3 (March 2017)								
TOTALS	19181	\$233,080.87	\$1,565,896.48	\$1,565,896.48	1,360,814	438,164	1,176,973	388,923	1,360,000	438,000	1,177,000	389,000
010 CA	2878	\$0.00	\$250,558.39	\$250,558.39	244,294	6,264	244,294	6,264	244,000	6,000	244,000	6,000
020 JRA	1108	\$29,697.69	\$69,361.24	\$69,361.24	99,059	0	69,361	0	99,000	0	69,000	0
030 MH HQ	60	\$0.00	\$5,986.20	\$5,986.20	5,577	409	5,577	409	6,000	0	6,000	0
030 MH CSTC	153	\$5,399.58	\$8,897.79	\$8,897.79	13,319	978	8,289	609	13,000	1,000	8,000	1,000
030 MH ESH	706	\$19,798.46	\$43,934.68	\$43,934.68	59,374	4,359	40,930	3,005	59,000	4,000	41,000	3,000
030 MH WSH	1958	\$47,696.29	\$124,917.79	\$124,917.79	160,807	11,807	116,373	8,544	161,000	12,000	116,000	9,000
040 DDA	3749	\$107,990.60	\$227,727.82	\$227,727.82	198,141	137,577	134,405	93,323	198,000	138,000	135,000	93,000
050 AAS	1502	\$0.00	\$123,509.46	\$123,509.46	64,324	59,186	64,324	59,186	64,000	59,000	64,000	59,000
060 ESA	4974	\$0.00	\$533,151.37	\$533,151.37	333,380	199,772	333,380	199,772	333,000	200,000	333,000	200,000
070 DASA	55	\$0.00	\$6,846.70	\$6,846.70	5,548	1,299	5,548	1,299	6,000	1,000	6,000	1,000
100 DVR	321	\$0.00	\$37,051.38	\$37,051.38	37,051	0	37,051	0	37,000	0	37,000	0
050 ODDH	13	\$0.00	\$1,595.19	\$1,595.19	1,595	0	1,595	0	2,000	0	2,000	0
110 /150	1024	\$0.00	\$92,403.47	\$92,403.47	75,891	16,513	75,891	16,513	76,000	17,000	76,000	17,000
135 SCC	680	\$22,498.25	\$39,955.00	\$39,955.00	62,453	0	39,955	0	62,000	0	40,000	0

Department of Social and Health Services

DP Code/Title: M2-WQ Food and Medical Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests funding in the 2016 Supplemental Budget for increased food and medical costs that is critical to the support of the health, safety, and security of residents and staff in the department's institutional programs.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	146,000	151,000	297,000
001-C General Fund - Basic Account-Medicaid Federal	102,000	105,000	207,000
Total Cost	248,000	256,000	504,000

Staffing

Package Description:

Problem Statement:

Inflation of food and medical services impact department institutions by reducing their purchasing power for services that must be provided to agency clients. These program costs are not forecasted and programs have no other way to cover the inflationary increases of client services.

Proposed Solution:

DSHS requests funding to cover inflation related cost increases of food in institutions and non-forecasted professional medical services and supplies. DSHS institutions operate very close to appropriated funding levels. Without the funding to meet inflationary costs client services will be negatively impacted.

Many clients served in DSHS institutions have special dietary needs and require a variety of specialized diets to keep meals in compliance with patient care regulations and meet standards of care. Other client meals must meet US Department of Agriculture nutritional guidelines. These requirements and others normally result in higher raw food and labor costs. According to data produced by the US Department of Labor, Bureau of Labor Statistics (BLS), the Puget Sound region has experienced an annual average food inflation rate of 2.0 percent over the last five years for the cost of raw foodstuffs used in institutional programs (Rehabilitation Administration, Developmental Disabilities Administration, and Behavioral Health and Service Integration Administration). In a typical day, DSHS feeds as many as 2,600 institutionalized clients in these three programs three times a day, as well as the attendant direct care staff. This request includes only those institutions whose average cost increases since 2010 exceed the 2.0 percent BLS reported rate.

According to data produced by the BLS, the western states have experienced an annual average increase in non-forecasted medical costs of 2.8 percent over the last five years. This includes the cost of pharmaceuticals, medical supplies, and off-campus medical services. DSHS institutions transitioned to use of generic drugs, when available, several years ago. Costs for some programs have risen despite the use of generics. This request includes only those institutions whose average cost increases since 2010 exceed the 2.8 percent BLS reported rate.

Agency Contact: Ken Brown (360) 902-7583

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Department of Social and Health Services

DP Code/Title: M2-WQ Food and Medical Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

DSHS expects this funding to protect services to clients by counteracting, to at least some degree, rising inflation related costs. Nutritious and high quality food and the appropriate medical supplies and services will be provided and contribute to healthy, safe, and secure facilities and campuses.

Performance Measure Detail

Agency Level

Activity: D086 Residential Habilitation Facilities

Incremental Changes

FY 1

FY 2

Outcome Measures

001605 Monthly Average RHC Client Cost

0.00

0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This decision package is essential to implementing program Strategic Objectives.

1.1: Youth in JR will have increased access to a coordinated delivery of medical, behavioral health and long-term services and supports to improve their health status.

4.1: Improve health care outcomes for individuals with high medical risk factors by implementing Medicaid Health Home benefits.

4.5: To ensure clients residing in the Residential Habilitation Centers (RHCs) and Nursing Facilities are being supported to attain the highest possible quality of life.

Does this decision package provide essential support to one of the Governor's priorities?

This decision package supports the Results Washington goal(s) to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians for a healthy start to a safe and supported future.

Goal 4: Healthy & Safe Communities - Healthy People - Provide access to good medical care to improve people's lives.

What are the other important connections or impacts related to this proposal?

It is expected that stakeholders will support this proposal. With some institutions operating at a deficit and other facilities marginally meeting their budget, the Department has very limited options other than to pay the higher costs. Institutions constantly strive to maintain the lowest per meal cost possible while at the same time meeting nutritional requirements of special diets and USDA requirements for juvenile offenders.

What alternatives were explored by the agency, and why was this alternative chosen?

This request cannot be absorbed within existing resources. DSHS programs operate very close to appropriated funding levels. These program costs are not forecasted and have no other way to cover increasing costs to serve clients.

What are the consequences of not funding this package?

DSHS will not be able to absorb this cost increase without an offsetting reduction in client service programs.

What is the relationship, if any, to the state's capital budget?

Department of Social and Health Services

DP Code/Title: M2-WQ Food and Medical Adjustments
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

None

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request has no impact to existing statutes, rules or contracts.

Expenditure and revenue calculations and assumptions

See attachment: AW M2-WQ Food and Medical Adjustments.xlsx

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and continue into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods\Other Services	74,000	76,000	150,000
N Grants, Benefits & Client Services	174,000	180,000	354,000
Total Objects	248,000	256,000	504,000

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	146,000	151,000	297,000
<i>Total for Fund 001-1</i>		146,000	151,000	297,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19TA	Title XIX Assistance (FMAP)	102,000	105,000	207,000
<i>Total for Fund 001-C</i>		102,000	105,000	207,000
Total Overall Funding		248,000	256,000	504,000

**FY 2016 Supplemental Budget
AW M2-WQ Food and Medical Adjustments**

Fiscal Year	Fiscal Year			Fiscal Year			Total
	2016			2017			2015-17
	GF-State	Federal	Total	GF-State	Federal	Total	
JRA							
G20 Community Residential Services			0				
G42 Echo Glen Children's Center	47,000		47,000	50,000		50,000	97,000
G44 Green Hill School	134,000		134,000	154,000		154,000	288,000
G45 Naselle Youth Camp							
Total Program	181,000		181,000	204,000		204,000	385,000
MH							
G91 Eastern State Hospital							
G92 Western State Hospital	113,000		113,000	117,000		117,000	230,000
G94 Child Study and Treatment Center							
Total Program	113,000		113,000	117,000		117,000	230,000
DDA							
H31 Fircrest	15,000	10,000	25,000	15,000	10,000	25,000	50,000
H33 Rainier	57,000	40,000	97,000	59,000	41,000	100,000	197,000
H34 Lakeland Village	65,000	45,000	110,000	68,000	47,000	115,000	225,000
H35 Yakima Valley Nursing Facility	9,000	7,000	16,000	9,000	7,000	16,000	32,000
Total Program	146,000	102,000	248,000	151,000	105,000	256,000	504,000
SCC							
G73 SCTF - Pierce County	0		0	0		0	0
G74 SCTF - King County	0		0	0		0	0
G90 Special Commitment Center	0		0	0		0	0
Total Program	0		0	0		0	0
Total Request	440,000	102,000	542,000	472,000	105,000	577,000	1,119,000

**FY 2016 Supplemental Budget
M2-WQ Food Cost Inflation**

Fiscal Year	2010	2011	2012	2013	2014	2015	Average %	Average Expend FY's	Fiscal Year		Total		
							Change	2013-15	2016	2017	2015-17		
JRA													
G20 Community Residential Services	216,312	261,426	337,776	331,377	343,857	380,157	12.5%		351,797				Received funding for USDA requirements in 2013-15 budget, \$240,000 in FY14 and \$230,000 in FY15.
G42 Echo Glen Children's Center	268,323	301,887	341,134	415,951	452,300	440,923	10.7%		436,391				
G43 Maple Lane School													
G44 Green Hill School	451,992	448,448	513,321	568,126	568,802	545,951	4.1%		560,959				
G45 Naselle Youth Camp	214,839	205,885	213,183	245,691	233,482	207,774	-0.3%		228,982				
Total Program	1,151,465	1,217,647	1,405,415	1,561,145	1,598,440	1,574,804	6.6%		1,578,129				Supplemental not warranted.
MH													
G91 Eastern State Hospital	879,938	863,769	861,252	870,215	922,314	899,925	0.5%		897,485				Consider Supplemental for WSH
G92 Western State Hospital	2,737,862	2,692,234	2,776,591	3,086,589	3,211,208	3,245,273	3.5%		3,181,023	113,000	117,000	230,000	
G94 Child Study and Treatment Center	174,984	138,840	137,104	134,830	138,060	138,968	-4.1%		137,286				
Total Program	3,792,785	3,694,843	3,774,947	4,091,633	4,271,582	4,284,166	2.5%		4,215,794	113,000	117,000	230,000	
DDA													
H31 Fircrest	688,500	509,356	598,625	613,487	656,425	615,040	-1.1%		628,317				Consider Supplemental for Rainier Consider Supplemental for LV
H33 Rainier	814,026	804,834	944,464	903,378	962,836	968,752	3.8%		944,988	36,000	37,000	73,000	
H34 Lakeland Village	704,112	728,053	778,709	801,982	825,173	877,034	4.5%		834,729	38,000	39,000	77,000	
H35 Yakima Valley Nursing Facility	244,969	275,102	239,525	212,029	180,004	219,016	-1.1%		203,683				
H36 Frances Haddon Morgan						732							
H59 State Operated Living Alternative					8,640	8,248			6,438				
H60 Community Crisis Stabilization Services				2,426									
Total Program	2,451,607	2,317,344	2,561,323	2,533,301	2,633,809	2,688,089	2.0%		2,618,400	74,000	76,000	150,000	
SCC													
G72 Community Services													Food and Medical costs are forecasted.
G72 Special Comm-Community Services													
G73 SCTF - Pierce County	14,457	20,402	16,557	20,079	22,121	26,856	15.0%		23,019			0	
G74 SCTF - King County	4,077	7,449	11,355	9,897	8,282	9,461	24.0%		9,214			0	
G90 Special Commitment Center	579,829	734,922	624,338	660,026	715,265	730,921	5.6%		702,071			0	
Total Program	598,362	762,773	652,250	690,002	745,669	767,238	5.9%		734,303	0	0	0	
Total Food Request									187,000	193,000	380,000		

Recommendation: Submit Supplemental for WSH, Rainier, and Lakeland Village. Facilities have exceeded the CPI average of 2% increase from 2010 - 2014.

2010 Base Year - Percentage Change	2010	2011	2012	2013	2014	2015	Average % Change
JRA							
G20 Community Residential Services		21%	29%	-2%	4%	11%	12.5%
G42 Echo Glen Children's Center		13%	13%	22%	9%	-3%	10.7%
G43 Maple Lane School							
G44 Green Hill School		-1%	14%	11%	0%	-4%	4.1%
G45 Naselle Youth Camp		-4%	4%	15%	-5%	-11%	-0.3%
Total Program		6%	15%	11%	2%	-1%	6.6%
MH							
G91 Eastern State Hospital		-2%	0%	1%	6%	-2%	0.5%
G92 Western State Hospital		-2%	3%	11%	4%	1%	3.5%
G94 Child Study and Treatment Center		-21%	-1%	-2%	2%	1%	-4.1%
Total Program		-3%	2%	8%	4%	0%	2.5%
DDA							
H31 Fircrest		-26%	18%	2%	7%	-6%	-1.1%
H33 Rainier		-1%	17%	-4%	7%	1%	3.8%
H34 Lakeland Village		3%	7%	3%	3%	6%	4.5%
H35 Yakima Valley Nursing Facility		12%	-13%	-11%	-15%	22%	-1.1%
H36 Frances Haddon Morgan							
H59 State Operated Living Alternative							
H60 Community Crisis Stabilization Services							
Total Program		-5%	11%	-1%	4%	2%	2.0%
SCC							
G72 Community Services							
G72 Special Comm-Community Services							
G73 SCTF - Pierce County		41%	-19%	21%	10%	21%	15.0%
G74 SCTF - King County		83%	52%	-13%	-16%	14%	24.0%
G90 Special Commitment Center		27%	-15%	6%	8%	2%	5.6%
Total Program		27%	-14%	6%	8%	3%	5.9%

**FY 2016 Supplemental Budget
MJ2-WQ Medical Cost Inflation**

	2010	2011	2012	2013	2014	2015	Average %	Average Expend	Fiscal Year		Total		
							Change	FY's 2013-15	2016	2017	2015-17		
JRA													
G20 Community Residential Services	6,067	4,936	5,133	4,273	3,937	6,507	5.2%	4,906	0	0	0		
G42 - Echo Glen Children's Center	855,277	799,831	936,071	1,050,120	962,726	1,047,698	4.6%	1,020,181	47,000	50,000	97,000		
G43 Maple Lane School											0		
G44 Green Hill School	469,008	501,664	840,115	960,595	953,379	816,540	14.7%	910,171	134,000	154,000	288,000		
G45 Naselle Youth Camp	450,047	441,465	259,351	389,984	396,934	328,109	-1.7%	371,676					
Total Program	1,780,399	1,747,896	2,040,670	2,404,971	2,316,976	2,198,854	4.8%	2,306,934	181,000	204,000	385,000	Decreasing Trend	
MH													
G91 Eastern State Hospital	3,316,443	3,420,495	3,206,650	2,500,127	2,752,131	2,800,162	-2.7%	2,684,140					
G92 Western State Hospital	5,841,094	6,154,643	5,470,783	3,554,245	4,396,923	4,684,352	-2.1%	4,211,840					
G94 CSTC	1,421,841	1,199,724	1,294,172	1,165,377	1,340,631	1,112,965	-3.9%	1,206,324					
Total Program	10,579,377	10,774,862	9,971,605	7,219,749	8,489,685	8,597,479	-2.9%	8,102,304				Decreasing Trend	
DDA													
H31 Fircrest	1,613,525	1,450,889	1,286,212	749,346	987,599	1,413,421	2.3%	1,050,122	25,000	25,000	50,000		
H33 Rainier	2,014,417	2,023,960	2,019,006	1,603,617	1,933,213	2,235,925	3.2%	1,924,252	61,000	63,000	124,000		
H34 Lakeland Village	1,128,406	1,137,298	1,244,505	1,187,675	1,288,622	1,460,903	5.5%	1,312,400	72,000	76,000	148,000		
H35 Yakima Valley Nursing Facility	604,313	672,890	648,065	650,643	590,933	671,036	2.5%	637,537	16,000	16,000	32,000		
H36 Frances Haddon Morgan													
Total Program	5,360,660	5,285,037	5,197,789	4,191,281	4,800,367	5,781,285	2.5%	4,924,311	174,000	180,000	354,000		
SCC													
G73 SCTF - Pierce County	89,096	33,927	39,786	241,512	64,118	32,009	67.8%	112,546					
G74 SCTF - King County	71,379	140,468	70,504	259,943	73,537	35,250	38.4%	122,910					
G90 Special Commitment Center	1,554,096	1,073,676	957,514	1,283,404	1,512,685	1,258,189	-1.3%	1,351,426					
Total Program	1,714,571	1,248,071	1,067,805	1,784,859	1,650,340	1,325,447	-0.3%	1,586,882				Food and Medical costs are forecasted.	
Total Medical Request									355,000	384,000	739,000		

Recommendation: Submit Supplemental for Echo Glen, Green Hill, Fircrest, Rainier, Lakeland Village, and Yakima Valley only. Facilities have exceeded the CPI average of 2.8% increase from 2010 - 2014.

2010 Base Year - Percentage Change	2010	2011	2012	2013	2014	2015	Average % Change
JRA							
G20 Community Residential Services		-19%	4%	-17%	-8%	65%	5.2%
G42 Echo Glen Children's Center		-6%	17%	12%	-8%	9%	4.6%
G43 Maple Lane School							
G44 Green Hill School		7%	67%	14%	-1%	-14%	14.7%
G45 Naselle Youth Camp		-2%	-41%	50%	2%	-17%	-1.7%
Total Program		-2%	17%	18%	-4%	-5%	4.8%
MH							
G91 Eastern State Hospital		3%	-6%	-22%	10%	2%	-2.7%
G92 Western State Hospital		5%	-11%	-35%	24%	7%	-2.1%
G94 Child Study and Treatment Center		-16%	8%	-10%	15%	-17%	-3.9%
Total Program		2%	-7%	-28%	18%	1%	-2.9%
DDA							
H31 Fircrest		-10%	-11%	-42%	32%	43%	2.3%
H33 Rainier		0%	0%	-21%	21%	16%	3.2%
H34 Lakeland Village		1%	9%	-5%	8%	13%	5.5%
H35 Yakima Valley Nursing Facility		11%	-4%	0%	-9%	14%	2.5%
H36 Frances Haddon Morgan							
Total Program		-1%	-2%	-19%	15%	20%	2.5%
SCC							
G72 Community Services							
G72 Special Comm-Community Services							
G73 SCTF - Pierce County		-62%	17%	507%	-73%	-50%	67.8%
G74 SCTF - King County		97%	-50%	269%	-72%	-52%	38.4%
G90 Special Commitment Center		-31%	-11%	34%	18%	-17%	-1.3%
Total Program		-27%	-14%	67%	-8%	-20%	-0.3%

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Recommendation Summary Text:

DSHS requests funding and FTEs to support legislation calling for a uniform process for conducting After Action Reviews (AAR) for fatalities, near-fatalities, and other specific instances for children or vulnerable adults in the care of, or receiving services, by the department. The AAR will provide a comprehensive, objective system review, including whether abuse, neglect or other factors contributed to the client's death or near-fatality. The Assistant Secretary will be provided a case report of the lessons learned, findings and recommendations related to changes in policies or procedures, laws, or service delivery. The AAR evaluation also includes identifying triggers for when an employee investigation must be conducted.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	137,000	137,000
001-C General Fund - Basic Account-Medicaid Federal	0	91,000	91,000
Total Cost	0	228,000	228,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	2.0	1.0

Package Description:

Problem Statement

2SSB 5888, known as Aiden's Act, establishes key requirements for review of near-fatality incidents involving a child in the care of or receiving services from the department or a supervising agency or who has previously been in the care of or received such services. While this act establishes some key requirements pertinent to CA, a consistent approach can be applied to other areas of service within the department. In order to develop an enterprise system approach to reviews for these cases, further work needs to be done to:

- Define clear violations-develop a "Bright line" list of what violations are to be included
- Establish a consistent process for establishing disciplinary action

Consequently, request legislation is being introduced to require a uniform, consistent process by which after action reviews are conducted that identifies lessons learned from the case review and integrates an employee performance component into the process.

Proposed Solution

Funding is requested to provide staffing necessary to facilitate the reviews, draft reports, change service delivery or practice requirements, and conduct employee investigations as necessary.

DSHS administrations have been queried to estimate the workload impact of conducting these reviews under the proposed policy, preparing after action individual case reports, revising policies and practices, and investigating employees when the department suspects that the employee has violated policy, practice, codes of conduct, or law.

Agency Contact: Bryan Way 360-902-7769
Program Contact: Eric Mandt 360-725-2579

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

DSHS anticipates changing policies, procedures and accountability following after action reviews, will improve safety and service delivery for our clients. DSHS anticipates fewer client fatality and near fatalities and, as a result, fewer tort claims and settlements/judgment payouts. DSHS expects that these reviews will demonstrate greater accountability to our clients and taxpayers alike.

Performance Measure Detail

Agency Level

Activity: D079 Program Support for Developmental Disabilities

No measures linked to package

Incremental Changes

FY 1	FY 2
0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

The budget request supports DSHS Goals:

- Safety - Each individual and each community will be safe.
- Protection - Each individual who is vulnerable will be protected.
- Health - Each individual and each community will be healthy.
- Public Trust - Strong management practices will be used to ensure quality and efficiency.

Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?

This decision package supports the Results Washington goals to:

Goal 4: Healthy & Safe Communities - Safe People - Help keep people safe in their homes, on their jobs, and in their communities.

Goal 5: Efficient, Effective & Accountable Government - Transparency and Accountability - Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

What are the other important connections or impacts related to this proposal?

Not applicable

What alternatives were explored by the agency, and why was this alternative chosen?

None

What are the consequences of adopting or not adopting this package?

DSHS will not be able to conduct complete structure after action reviews without incurring high levels of liability risk.

What is the relationship, if any, to the state's capital budget?

This request has no relationship to the capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

This request supports agency request legislation that would modify RCWs 74.34.300, 71A.12, in addition to others.

Department of Social and Health Services

DP Code/Title: PL-WR After Action Reviews
Program Level - 040 Developmental Disabilities Admin

Budget Period: 2015-17 Version: D2 040 2015-17 Final 2016 Sup

Expenditure and revenue calculations and assumptions

See attachment PL WR After Action Reviews for calculations and assumptions.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	146,000	146,000
B Employee Benefits	0	53,000	53,000
E Goods\Other Services	0	12,000	12,000
G Travel	0	1,000	1,000
J Capital Outlays	0	12,000	12,000
P Debt Service	0	1,000	1,000
T Intra-Agency Reimbursements	0	3,000	3,000
Total Objects	0	228,000	228,000

DSHS Source Code Detail

Overall Funding	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	137,000	137,000
<i>Total for Fund 001-1</i>	0	137,000	137,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	91,000	91,000
<i>Total for Fund 001-C</i>	0	91,000	91,000
Total Overall Funding	0	228,000	228,000

**2016 Supplemental Budget
PL WR After Action Reviews**

STAFFING	FY 2017 & Ongoing		
	FTE	GF-STATE	TOTAL
Children's Administration	1.8	186,000	190,000
Rehabilitation Admin	0.5	52,000	52,000
Behavioral Health and Service Integration	2.0	153,000	255,000
Aging and Long-Term Support Admin	3.0	\$ 168,000	\$ 335,000
Developmental Disabilities Admin	2.0	137,000	228,000
110/Human Resources Division	1.0	89,000	108,000
TOTAL	10.3	\$ 785,000	\$ 1,168,000