

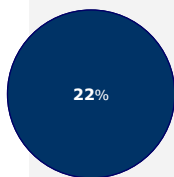
Chapter 6 • Internal Capacity Assessment

Workforce Diversity Profile

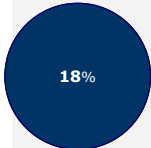
	Agency	State
Female	65.5%	51.7%
Disabled	5.6%	4.5%
Vietnam Vet	5.4%	6.1%
Disabled Vet	0.9%	2.1%
People of color	17.9%	13.5%
Persons over 40	77.0%	75.4%

Staff Distribution

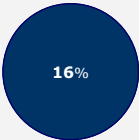
DSHS
TOTAL FTEs = 18,960
2007-09 Budget Level



Economic Services Administration
4,244 FTEs



ADSA | Developmental Disabilities
3,367 FTEs



HRSA | Mental Health Division
3,110 FTEs



Children's Administration
2,840 FTEs



ADSA | Aging and Adult Services
1,221 FTEs



HRSA | Medical Assistance
1,197 FTEs



Juvenile Rehabilitation Administration
1,151 FTEs



Central Administration
905 FTEs



Special Commitment Cntr
485 FTEs



Vocational Rehabilitation
344 FTEs



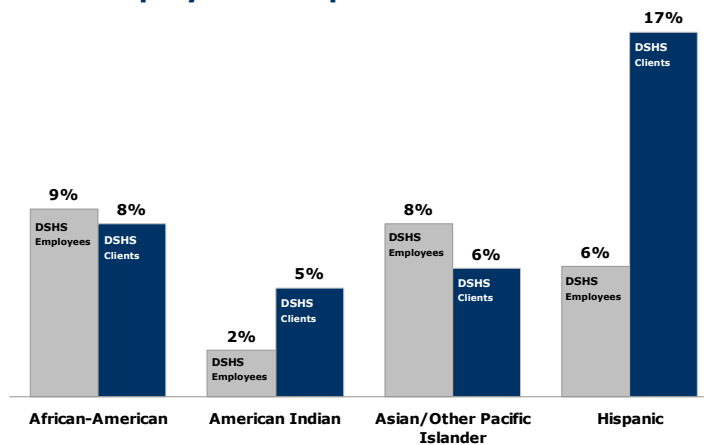
HRSA | Alcohol and Substance Abuse
95 FTEs

WORKFORCE AND ORGANIZATIONAL CAPACITY

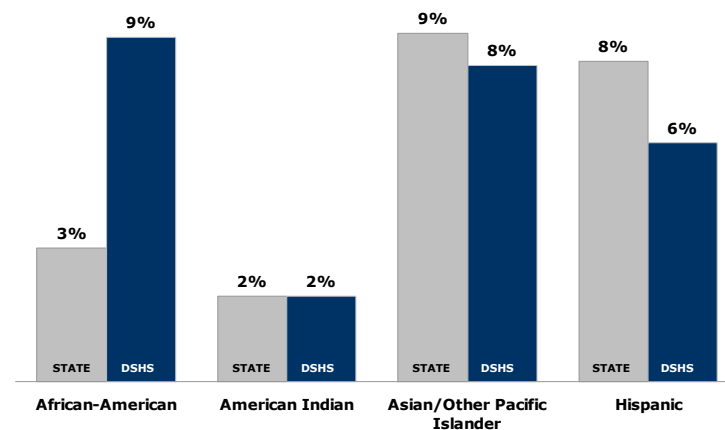
Workforce Diversity

DSHS is committed to having a workforce that responds to the state's unique and **increasingly diverse population**, because the work it does matters to regular people with critical needs. DSHS continues to use its research and data analysis to identify any disparities in employment and client services.

DSHS Employees Compared to DSHS Clients



Washington's Employed Persons Compared to DSHS Employees



Source: DSHS Client Services Database

Source: Washington State Legislative Evaluation and Accountability Program Committee, March 2008

Workforce Planning and Development

The **right people with the right competencies** must be in place to effectively achieve strategic goals and objectives and improve outcomes over the long term.

Each program within DSHS has **unique business needs**. Much of the workforce planning is carried out at the program level where the effects will have the most impact on the front line.

Across DSHS, improvement is needed in areas with **high caseload staffing ratios** that limit the ability to minimize risk, conduct timely investigations, and provide services at the earliest opportunity. Workload studies are often used to develop staffing models which continuously reassess workload and staff deployment. A recent workload study was conducted for the DSHS child welfare system.

Many programs identify as **workforce barriers** the small pool of available employee candidates (nurses, social workers, physicians, vocational rehabilitation counselors) and challenges in competing successfully with other employers for quality employees.

The escalating numbers of employees entering retirement years makes **succession planning and staff recruitment** a high priority.

Changes in **human resource systems** and support over the past few years create both challenges and opportunities. The new Human Resources Management System (HRMS) alters processes for hiring, promoting, and filling vacancies quickly. The collective bargaining agreement creates new parameters to work within.

Within DSHS and community agencies, the growing and widespread adoption of evidence-based programs and practices creates the need for costly training to **improve the skill set** of the workforce.

Civil service reform and changes in federal law increase demand for **staff training** in high risk areas such as fair compensation and the Fair Labor Standard Act, the grievance process, Just Cause, and the Family Medical Leave Act. In addition, the rapid pace of technology change also requires considerable staff training time.

Employee Survey Quick Facts

13,715 employees completed the 2007 employee survey. They addressed communication, supervisor/manager support, fairness and diversity, job satisfaction, and business practices.

Marked increases from 2006 scores were reported in the areas of general satisfaction, supervisor recognition and support, and communication.

The 2007 survey showed a **general upward trend** in most areas, although sources of dissatisfaction remain.

Many employees **suggested improvements** in work processes, personnel practices and policies, and resource availability. Some employees expressed concerns about fairness and diversity.

- ▲ **Learning and growth:** 9 percent more employees said they have learning and growth opportunities.
- ▲ **Time and talents:** 9 percent more employees said their time and talents are used well.
- ▲ **Comments on morale and satisfaction:** 36 percent increase in positive comments; 17 percent decrease in negative comments.
- ▲ **General job satisfaction:** In answer to a new question, 66 percent of employees said they are generally satisfied with their jobs.

DSHS programs prepared **action plans** in response to issues that surfaced in the employee survey, and are updating them regularly.

The employee survey results and action plans are posted on the **DSHS Internet** at <http://www.dshs.wa.gov/rda/>.

Internal Capacity Assessment – Technology

Quick Facts



Photo courtesy of Microsoft (free domain)

- ▲ Twenty-two mission critical systems support the vital services in DSHS programs.
- ▲ DSHS is implementing seven major technology systems costing an estimated \$195 million in the next three years.
 - ProviderOne (Phase I)
 - FamLink
 - Provider Payroll (RFP)
 - DDD CMIS (Phase V)
 - SSPS Union Benefits
 - Online Services Application
 - Fraud & Abuse Detection System
- ▲ Some 700 technology employees serve the needs of more than 18,000 DSHS employees and multiple business partners.
- ▲ About 2 percent of the DSHS budget is spent on information technology.
- ▲ DSHS receives and blocks about 22 million spam emails each month, more than 80 percent of all email coming into DSHS.
- ▲ DSHS actively supports technology initiatives that improve its stewardship of natural resources and reduce its carbon footprint.
- ▲ DSHS is committed to user centered design principles to make the right information easily accessible on the DSHS Internet.

TECHNOLOGY CAPACITY

In the past few years, DSHS experienced **fundamental shifts** in how services are accessed and delivered.

- ▲ Employees and their workstations are becoming more mobile and less tied to worksites
- ▲ Call centers and interactive voice response systems are more commonplace
- ▲ Technology is providing more opportunities to reduce the use of paper files and move to digital storage
- ▲ The volume of virulent cyber attacks is increasing, creating heightened vigilance in information technology security

DSHS is adapting to the **rapid rate of emerging technology** to better meet business requirements and serve customers.

The state is making investments to **improve the technology infrastructure** so data can be shared more easily between systems and agencies.

Many DSHS programs are evaluating and implementing technology solutions to **improve service delivery and case management**, relying heavily on the Internet.

The state legislature and Information Services Board expect state agencies to **use common information technology** services and solutions and to leverage the state's buying power to save money.

Automation of business processes and creating **enterprise level technology solutions** are critical in DSHS, especially when there are limited resources available.

Existing **mission-critical infrastructure** must be maintained and, in some cases, upgraded or DSHS faces the risk of significant service disruptions or inability to meet the needs of its customers.

DSHS monitors the scope, schedule, budget, and documentation management for high-visibility technology projects to **identify and mitigate problems**.

Internal Capacity Assessment – Financial

FINANCIAL CAPACITY

It is not yet clear what effect the current economic climate will hold for state revenue collections. Speculation about a national recession is filling the airwaves.

There is general consensus that the economy is trending downward. Current estimates show a **possible \$2.5 billion spending deficit** in the state general fund for the 2009-2011 biennium. The February 2008 revenue forecast compared to September 2007 reflects this trend.

State Revenue Forecasts Compared

Estimated in Millions	2007-Sep Forecast	2008-Feb Forecast	% Change	Change
Retail Sales	\$15,833.0	\$15,654.9	(1.12%)	(\$178.1)
Business & Occupation	5,564.4	5,543.7	(0.37%)	(\$20.7)
Property Tax	3,015.3	2,994.6	(0.69%)	(\$20.7)
Real Estate Excise	1,738.8	1,382.6	(20.49%)	(\$356.2)
Use	1,108.2	1,074.7	(3.02%)	(\$33.5)
All Other	2,360.2	2,368.6	1.12%	\$26.4
Total Taxes	\$29,619.9	\$29,037.1	(1.97%)	(\$582.8)

Source: Washington Economic and Revenue Forecast, February 2008
Table 3.11, February 2008 General Fund—State Forecast, 2007-09 & 2009-11 Bienna, Cash Basis
<http://www.erc.wa.gov/pubs/feb08pub.pdf>

General Fund-State Revenue Compared to Expenditures

Estimated in Millions	2007-09 State	2009-11 State
Beginning Balance	\$781.0	\$405.8
Total Revenue	\$29,462.7	\$31,577.7
Total Funds Available	\$30,243.7	\$31,983.5

Estimated Expenditures

Total Expenditures	\$29,837.9	\$34,446.8
Ending Balance	\$405.8	(\$2,463.3)

SOURCE: Six Year GF-S Outlook (April 2008 Update), Committee on Ways and Means, Washington State Senate
<http://www.leg.wa.gov/documents/Senate/SCS/WM/SwmWebsite/Balance%20Sheets/6YearGF-SOutlookApril11Update.pdf>

Some people think the February forecast is still too optimistic and the **revenue picture** could look worse in the coming years. Others believe it will look better in the next forecast.

We will know more about the status of state and DSHS finances as the biennium progresses.

How DSHS Spends Its Money

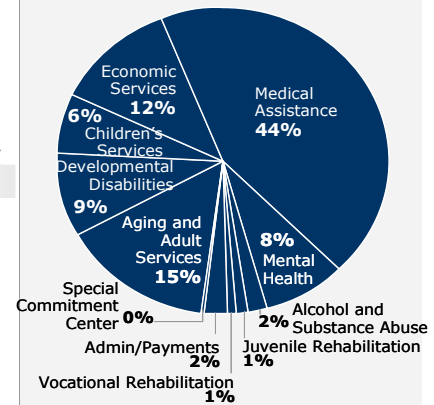
General Fund State

Sub Object	Expenditures
NB-Direct Payments to Providers	\$ 3,427,511,699
AA-State Classified	\$ 365,743,507
NA-Direct Grants to Clients	\$ 267,903,844
BD-Health, Life & Disability Insurance	\$ 107,364,019
ER-Other Purchased Services	\$ 64,511,503
ED-Rentals and Leases	\$ 36,413,694
BB-Retirement and Pensions	\$ 25,745,352
BC-Medical Aid & Industrial Insurance	\$ 21,062,661
EM-Attorney General Services	\$ 20,587,604
EA-Supplies and Materials	\$ 18,817,454
EP-Insurance	\$ 16,708,615
AU-Overtime and Call-Back	\$ 16,129,380
All Others	\$ 131,413,888
Total	\$ 4,519,913,220

Source: DSHS Budget Office

Total Funds Distribution

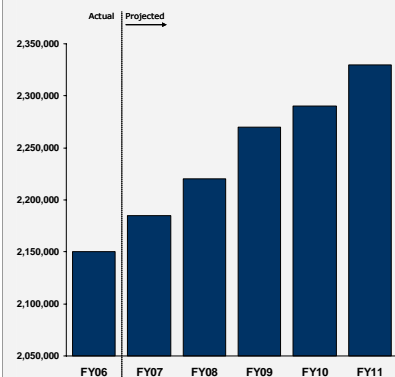
2008 Supplemental



Source: DSHS Budget Office

Cost Per Client = \$4,300 / Year

Client Numbers Trend



Source: DSHS Budget Office

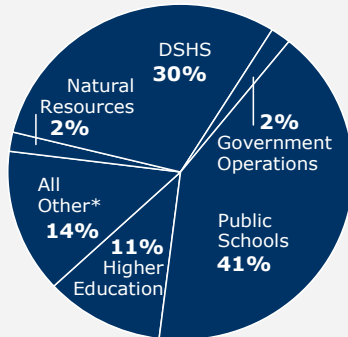
Internal Capacity Assessment – Financial

Quick Facts

- ▲ Over 80 percent of the DSHS budget is spent on vendor and client payments.
- ▲ Medical expenses consume 44 percent of the DSHS budget.
- ▲ DSHS' historical share of the state general fund budget is about 30 percent.
- ▲ A five percent efficiency savings in leases is equivalent to 23.4 employees.
- ▲ Reducing printing and production by 30 percent is equivalent to 21 employees.

State Funds Comparison

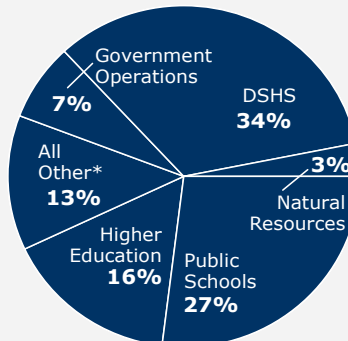
2008 Supplemental



*All Other includes Legislative, Judicial, Other Human Services, Transportation, Contributions to Retirement Systems, Other Education, and other appropriations.

Total Funds Comparison

2008 Supplemental



*All Other includes Legislative, Judicial, Other Human Services, Transportation, Contributions to Retirement Systems, Other Education, and other appropriations.

Budget Planning

DSHS **competes for state budget dollars** with large programs that have rapidly rising populations and caseloads. These include public schools, higher education, and corrections.

There are many **pressures driving the DSHS budget**. The number of clients is expected to continue its steady increase, along with the cost of serving them.

A slow-down in the state's economy creates an increase in the demand for **medical care** and other social services. Increases in the cost of **food and fuel** are affecting spending beyond budgeted levels. **Federal changes** and requirements also drive up costs.

2007-09 Biennium Federal Requirements

State Dollars

2006 Interstate Compact for the Placement of children (ICPC)	\$2,682,000
Centers for Medicare and Medicaid Services (CMS) changes	\$11,364,000
2005 Deficit Reduction Act (DRA)	\$20,212,000
Department of Justice (DOJ) investigations	\$346,000
TOTAL	\$34,604,000

Source: 2007-09 biennium DSHS budget report, data as of May 2007.

DSHS continues to **look for savings** in areas that have the least impact on services to clients, examining costs such as printing and production, fuel and utilities, leases, raw foods and dietary products, and prescription drugs.

Hiring case-carrying staff, health and safety related expenditures, direct client services and entitlement grants, and spending that produces revenue or avoids costs are **given priority** for continued expenditure.

DSHS is **building its budget** for the 2009-2011 biennium using carefully chosen criteria.

- ▲ Aligns with the Governor's priorities
- ▲ Reflects that programs are operating at peak efficiency
- ▲ Illustrates that this budget is the most effective one to accomplish DSHS goals
- ▲ Addresses critical situations like lawsuits and new federal requirements
- ▲ Enhances cross-program work and collaborations that are effective and efficient

SERVICE DELIVERY CAPACITY

Research proves that **investing in chemical dependency treatment** not only creates healthier families and safer communities, it saves tax payers thousands of dollars in medical costs. Washington began a major expansion of chemical dependency treatment in 2005 by redirecting funding for Medicaid-eligible adults and youth. Thousands of people once forced onto waiting lists can now access treatment.

Significant brain research, legislation, policy interpretation and funding patterns have dramatically impacted the **public mental health** system. Additional people will be eligible to receive Medicaid-paid mental health services in 2009 because of legislative action to increase the income eligibility ceiling.

There is growing support in the state to provide services in **home and community settings**, rather than relying on institutional care. This is true for persons needing mental health or chemical dependency treatment, long-term care or disability services, as well as those served in the child welfare, correctional, and juvenile justice systems.

In some cases institutional care remains the most appropriate setting for clients with complex needs or for individual and public safety. More often though, children, adults, elders, their family members and caretakers prefer to remain independent and have the options to **direct their own care**. While generally less costly, this presents the challenges of ensuring quality care and a range of services available statewide that reflect different needs and cultural preferences.

Ensuring adequate offender housing options for juveniles and adults is critical for providing **effective rehabilitative services**. Overcrowding and mixing incompatible populations compromise the safety of residents and staff. The juvenile residential population is decreasing, but closing a facility would present challenges. The adult residential population at the Special Commitment Center is growing, and housing residents in appropriate units is increasingly difficult.

Between now and 2012, DSHS must substantially improve the delivery of **children’s mental health services**, emphasizing prevention, early identification, and intervention. This requires coordination between categorical funding and programs.

Quick Facts

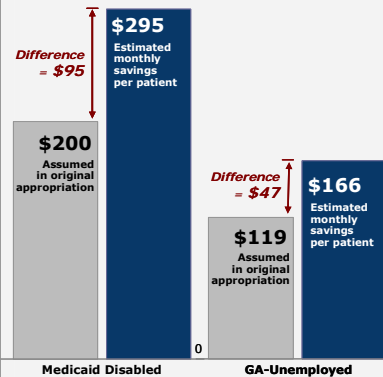
- DSHS has funding for only 16 beds for elementary school age children who need long-term inpatient psychiatric care, which means children wait for treatment.

Chemical dependency treatment means savings for state taxpayers...



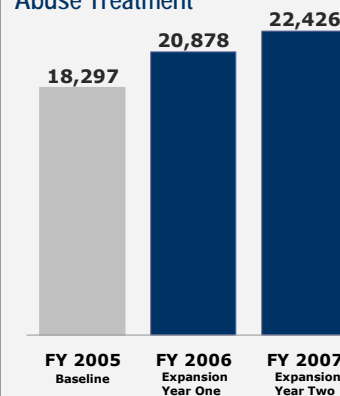
The state saves \$295 each month in medical costs for every Medicaid disabled client who receives substance abuse treatment.

Another \$166 each month is saved for every GA-U client who receives substance abuse treatment.



Source: DSHS Research and Data Analysis, April 2008

Clients Enrolled in Substance Abuse Treatment



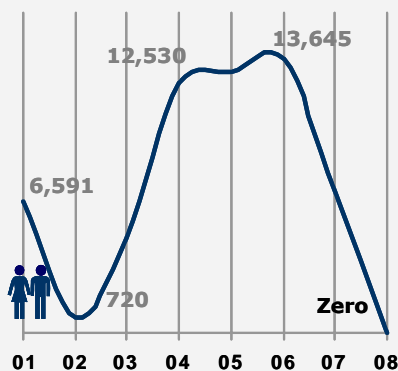
Source: DSHS Research and Data Analysis, April 2008

Internal Capacity Assessment – Service Delivery



Photo courtesy of the U.S. Census Bureau.

DSHS Ended the Waiting List for Vocational Rehabilitation Services



Quick Facts

DSHS works with 29 Federally Recognized Tribes of Washington State (Tribes) and the six Recognized American Indian Organizations (RAIOs) through the Indian Policy Advisory Committee (IPAC).

DSHS is committed to a **government-to-government** relationship with Tribes. Funding and policy development are accomplished through formal **consultation**. Recent jointly developed policies include:

- ▲ Tribal TANF negotiations
- ▲ Contract Consolidation
- ▲ Estate Recovery WAC changes
- ▲ Foster Home Licensing
- ▲ Medicaid Title XIX Billing Instructions
- ▲ Communication Protocols
- ▲ Consultation Protocols

The capacity to deliver **vocational rehabilitation** services has increased dramatically since the end of the waiting list. By changing the service delivery process and strengthening partnerships with community agencies, DSHS can reach out to underserved populations and serve more people with disabilities.

DSHS is launching innovative **patient navigator programs** for Medicaid clients. The navigators are **members of minority communities** and cultures who are knowledgeable about the health care system as well as the minority culture itself. They help patients **negotiate through the unfamiliar health care system**, coordinating services, assisting patient-to-provider communications, and resolving access issues that might otherwise delay care.

Service Delivery with Tribal Governments and Recognized American Indian Organizations

The partnership among DSHS and **tribal governments and recognized organizations** has significant impact on Tribal/State relationships, policy changes, tribal community resources, and services for clients.

DSHS representatives hold ongoing meetings with the Tribes and Recognized American Indian Organizations (RAIOs). The most significant of these **government-to-government dialogs** occurs quarterly with each DSHS Assistant Secretary presenting twice each year to the Indian Policy Advisory Committee (IPAC).

Federal appropriations for Tribes are under-funded and the trend is for more of the **funding to be passed through** the states. This is addressed through tri-level meetings with tribal, state, and federal government representatives.

Working together through IPAC, there have been **some funding increases** for service-related resources. These include services for drug, alcohol and substance abuse and Indian Child Welfare.

Resources for tribal communities can be enhanced by improving **access to state services**. Language in some legislation presents barriers for the state to directly contract with Tribes. Meaningful dialog has begun in two of these areas, Regional Support Networks and Area Agencies on Aging.

FACILITY AND INFRASTRUCTURE CAPACITY

DSHS operates 22 state-owned **institutions and community facilities** for evaluating and treating mental health patients, housing individuals with disabilities, and rehabilitating juvenile offenders and adult sex offenders. These facilities are essential in the service continuum for clients needing institutional settings, and for keeping communities safe and secure. The next few years bring a variety of challenges.

The characteristics and special needs of DSHS clients shape **space requirements**. Most institutionalized clients have complex needs or exhibit behaviors that are difficult to manage—severe mental and physical disabilities, aggressive and impulsive behaviors—and require safety and security measures.

The characteristics and needs of these clients are **changing over time**. Fluctuating **population trends** require adequate institutional capacity without over-building the system.

Many of the residential buildings, support facilities, and infrastructure systems require attention because they have **exceeded their useful lives**. Half of the 500 buildings are more than **30 years old**. Many are in desperate need of major repairs or replacement.

Changes in the delivery of mental health services and in legislation and court rulings define the population to be served in the **psychiatric hospitals**.

The facilities operated for individuals with **developmental disabilities** require preservation of living units, program support facilities, and campus infrastructure systems.

Population fluctuations and the increasing number of youth with mental illness and other special needs define the type of capital improvements needed for **juvenile rehabilitation** institutions.

The growing adult residential population is putting pressure on the **Special Commitment Center**. Temporary units are being constructed to address the immediate need for appropriate housing.

DSHS uses a regional approach in managing and planning for **leased facilities** to support agency goals. Nearly 5.7 million square feet of space is leased, with annual operating costs of approximately \$74 million.



Photo: DSHS Special Commitment Center Total Confinement Facility

Quick Facts

DSHS operates state-owned facilities and institutions on 22 campuses...

- ▲ More than 500 buildings.
- ▲ Almost 5.5 million square feet of space.
- ▲ \$62,269,000 capital budget in the 2007-2009 bienium.

DSHS Facilities and Institutions

- ▲ Mental Health
 - Child Study and Treatment Center
 - Eastern State Hospital
 - Western State Hospital
- ▲ Developmental Disabilities
 - Frances Haddon Morgan Center
 - Fircrest School
 - Lakeland Village
 - Rainier School
 - Yakima Valley School
- ▲ Juvenile Rehabilitation
 - Echo Glen Children's Center
 - Green Hill School
 - Maple Lane School
 - Naselle Youth Camp
 - Six community facilities
- ▲ Special Commitment Center
 - Total Confinement Facility on McNeil Island
 - Pierce County Secure Community Transition Facility
 - King County Secure Community Transition Facility