



**Agency Wide**

**000 - M2 - 8L - LEASE RATE ADJUSTMENTS**

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

Program(s) 010 020 030 040 050 060 070 100 110 135

**SUMMARY**

The Department of Social and Health Services (DSHS) requests \$1,198,000 (\$492,000 GF-State) for the incremental cost of lease changes for a total of 142 offices and client service centers statewide.

**PROBLEM STATEMENT**

DSHS leased facilities house over 11,000 staff and community partners who provide mission-critical services and administrative support to an estimated 2.5 million DSHS clients annually. Currently, DSHS leases close to three million square feet of space in 142 facilities statewide.

**PROPOSED SOLUTION**

Provide \$1,198,000 (\$492,000 GF-State) to fund the rate changes associated with a total of 148 leases and sub-leases. Not funding this request will decrease the agency's ability to serve our clients' needs. Funding would need to be diverted from other client services in order to support this expenditure.

**EXPECTED RESULTS**

DSHS is legally obligated to provide services to its estimated 2.5 million clients across the state. To accomplish this mission, DSHS must have accessible American Disability Act (ADA) compliant office locations across the state which allow staff to meet with clients and provide them services. This request maximizes office space usage and service delivery to clients.

**STAKEHOLDER IMPACT**

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

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Program Contact: Denise Kopel (360) 902-7707



**DSHS VISION**

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

**DSHS MISSION**

To transform lives

**DSHS VALUES**

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

OTHER CONNECTIONS

Performance Outcomes/Important Connections

**1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?**

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

**2. The decision package meets the following DSHS' strategic objectives:**

[010] 4.4: CA will retain a skilled and ready workforce.

[020] 7.3: Recruit, develop and retain an informed, diverse and engaged workforce.

[030] 1.3: Increase staff competency in principles of safe, high-quality patient care.

[040] 1.1: Identify individual health and welfare needs in a timely manner in order to support individuals to have healthy and active lives.

[050] 1.1: Protect adults who are vulnerable who live in their own homes and in facilities through timely responses to allegations of abuse and neglect.

[060] 5.1: The percentage of Community Service Division (CSD) clients receiving timely service will increase.

[070] 1.3: Increase staff competency in principles of safe, high-quality patient care.

[100] 7.3: Recruit, develop and retain an informed, diverse and engaged workforce.

[110] HRD & OCI 5.1: Attract, develop, and retain a highly engaged, productive, and purpose-driven workforce.

[135] 7.3: Recruit, develop and retain an informed, diverse and engaged workforce.

**3. Identify other important connections or impacts below.** (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

a) Regional/County impacts? No

b) Other local government impacts? No

c) Tribal government impacts? No

d) Other state agency impacts? No

e) Responds to specific task force, report, mandate or executive order? No

f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No

g) Facility/workplace needs or impacts? Yes

h) Capital budget impacts? No

i) Is change required to existing statutes, rules or contracts? No

j) Is the request related to litigation? No

k) Is the request related to Puget Sound recovery? No

l) Other important connections? No

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**4. Please provide a detailed discussion of connections/impacts identified above.**

Not funding this request will decrease the agency's ability to serve our clients' needs. Funding will need to be diverted from other client services in order to support this expenditure.

**Alternatives/Consequences/Other**

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

The request cannot be absorbed within existing resources. DSHS has no alternative but to pay its legally binding lease obligations, which may range from five-year to 15-year terms. Not funding this request will decrease the agency's ability to serve our clients' needs. Funding will need to be diverted from other client services in order to support this expenditure.

**6. How has or can the agency address the issue or need within its current appropriation level?**

Current appropriation levels are not adequate to provide enough funding to support mission-critical services, administrative support, and meet our lease obligations across the state for 142 facilities.

**7. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**

No

Yes (Include an IT Addendum)

**Fiscal Detail****000 - M2 - 8L - Lease Rate Adjustments**

<b>Operating Expenditures</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
001-1 General Fund-State	278,000	214,000	214,000	214,000
001-2 General Fund-Federal	-183,000	-123,000	-123,000	-123,000
001-A General Fund-DSHS Fam	-5,000	-2,000	-2,000	-2,000
001-C General Fund-Medicaid	665,000	354,000	354,000	354,000
<b>Total Cost</b>	<b>755,000</b>	<b>443,000</b>	<b>443,000</b>	<b>443,000</b>

<b>Staffing</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
FTEs	0.0	0.0	0.0	0.0

**Performance Measure Detail**

<b>Activity:</b>	<b>Incremental Changes</b>	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
<b>Program: 000</b>					
B016 Community Facility Transitional Services for State Committe		0	0	0	0
B072 Parole Transitional Services for State Committed Juvenile O		0	0	0	0
C063 Mental Health Facilities Services		0	0	0	0
C900 Program Support for Mental Health		0	0	0	0
D036 Field Services		0	0	0	0
D095 State Operated Living Alternatives		0	0	0	0
D107 Community Crisis Stabilization Services		0	0	0	0
D086 Residential Habilitation Facilities		0	0	0	0
E051 Program Support for Long Term Care		0	0	0	0
E052 Eligibility/Case Management Services		0	0	0	0
D065 Office of Deaf and Hard of Hearing		0	0	0	0
F120 CSD Field Support Services		0	0	0	0
G022 DASA Administration		0	0	0	0
J104 Vocational Counseling and Guidance		0	0	0	0
J103 Vocational Rehabilitation Administration		0	0	0	0
K001 Administration and Supporting Services		0	0	0	0
M020 Civil Commitment Less Restrictive Alternatives		0	0	0	0
A010 Children's Administration Client Services Staff and Support		0	0	0	0

No measures submitted for package

**Object Detail**

	<b><u>FY 2018</u></b>	<b><u>FY 2019</u></b>	<b><u>FY 2020</u></b>	<b><u>FY 2021</u></b>
ED Rentals and Leases – Land and Buildings	755,000	443,000	443,000	443,000
<b>Total Objects</b>	<b>755,000</b>	<b>443,000</b>	<b>443,000</b>	<b>443,000</b>

**DSHS Source Detail****Overall Funding**

Operating Expenditures		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
<b>Fund 001-1, General Fund-State</b>					
<u>Sources Title</u>					
0011	General Fund State	337,000	254,000	254,000	254,000
GFS2	General Fund State TANF Moe	-59,000	-40,000	-40,000	-40,000
<b>Total for Fund 001-1</b>		<b>278,000</b>	<b>214,000</b>	<b>214,000</b>	<b>214,000</b>
<b>Fund 001-2, General Fund-Federal</b>					
<u>Sources Title</u>					
E61L	Food Stamp Program (50%)	-183,000	-123,000	-123,000	-123,000
<b>Total for Fund 001-2</b>		<b>-183,000</b>	<b>-123,000</b>	<b>-123,000</b>	<b>-123,000</b>
<b>Fund 001-A, General Fund-DSHS Fam</b>					
<u>Sources Title</u>					
658L	Title IV-E-Foster Care (50%)	-5,000	-2,000	-2,000	-2,000
<b>Total for Fund 001-A</b>		<b>-5,000</b>	<b>-2,000</b>	<b>-2,000</b>	<b>-2,000</b>
<b>Fund 001-C, General Fund-Medicaid</b>					
<u>Sources Title</u>					
19UL	Title XIX Admin (50%)	665,000	354,000	354,000	354,000
<b>Total for Fund 001-C</b>		<b>665,000</b>	<b>354,000</b>	<b>354,000</b>	<b>354,000</b>
<b>Total Overall Funding</b>		<b>755,000</b>	<b>443,000</b>	<b>443,000</b>	<b>443,000</b>

### FTEs Totals by Program

<u>Program</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
010	0.0	0.0	0.0	0.0
020	0.0	0.0	0.0	0.0
030	0.0	0.0	0.0	0.0
040	0.0	0.0	0.0	0.0
050	0.0	0.0	0.0	0.0
060	0.0	0.0	0.0	0.0
070	0.0	0.0	0.0	0.0
100	0.0	0.0	0.0	0.0
110	0.0	0.0	0.0	0.0
135	0.0	0.0	0.0	0.0
<b>Grand Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

### Funding Totals by Program

<u>Dollars in Thousands</u>		<u>GF-State</u>			
<u>Program</u>		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
010	Childrens Administration	-214,000	-78,000	-78,000	-78,000
020	Rehabilitation Admin. – Juvenile Rehabilitation	-208,000	-169,000	-169,000	-169,000
030	Behavioral Health Admin. – Mental Health	150,000	150,000	150,000	150,000
040	Developmental Disabilities Administration	374,000	311,000	311,000	311,000
050	Aging and Long-Term Support Administration	335,000	62,000	62,000	62,000
060	Economic Services Administration	-180,000	-121,000	-121,000	-121,000
070	Behavioral Health Admin. – Alcohol & Substance Abuse	-63,000	-56,000	-56,000	-56,000
100	Rehabilitation Admin. – Vocational Rehabilitation	66,000	93,000	93,000	93,000
110	Administrative and Supporting Services	6,000	10,000	10,000	10,000
135	Rehabilitation Admin. – Special Commitment Center	12,000	12,000	12,000	12,000
<b>GF-State Total</b>		<b>278,000</b>	<b>214,000</b>	<b>214,000</b>	<b>214,000</b>

<u>Program</u>	<u>Total Funds</u>			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
010 Childrens Administration	-219,000	-80,000	-80,000	-80,000
020 Rehabilitation Admin. – Juvenile Rehabilitation	-208,000	-169,000	-169,000	-169,000
030 Behavioral Health Admin. – Mental Health	161,000	161,000	161,000	161,000
040 Developmental Disabilities Administration	731,000	607,000	607,000	607,000
050 Aging and Long-Term Support Administration	645,000	120,000	120,000	120,000
060 Economic Services Administration	-363,000	-244,000	-244,000	-244,000
070 Behavioral Health Admin. – Alcohol & Substance Abuse	-77,000	-69,000	-69,000	-69,000
100 Rehabilitation Admin. – Vocational Rehabilitation	66,000	93,000	93,000	93,000
110 Administrative and Supporting Services	7,000	12,000	12,000	12,000
135 Rehabilitation Admin. – Special Commitment Center	12,000	12,000	12,000	12,000
<b>Grand Total</b>	<b>755,000</b>	<b>443,000</b>	<b>443,000</b>	<b>443,000</b>

**2017-19 Biennial Budget  
M2-8L Lease Rate Adjustments**

Department of Social and Health Services  
**2017-19 M2-8L- Lease Rate Adjustments**

Program	2017-19 Total Biennium Need (Lease Model)		
	FY 2018	FY 2019	Total
010 - CA	\$ 16,717,023	\$ 16,972,564	\$33,689,587
020 - JRA	\$ 807,239	\$ 823,355	\$1,630,594
030 - MHD	\$ 545,704	\$ 546,213	\$1,091,917
040 - DDD	\$ 4,545,640	\$ 4,543,461	\$9,089,101
050 - LTC	\$ 8,508,462	\$ 8,532,119	\$17,040,582
060 - ESA	\$ 27,050,672	\$ 27,207,375	\$54,258,047
070 - ASA	\$ 218,740	\$ 218,740	\$437,481
100 - DVR	\$ 2,590,372	\$ 2,616,699	\$5,207,071
110 - ADMIN	\$ 758,909	\$ 760,387	\$1,519,296
135 - SCC	\$ 318,173	\$ 318,173	\$636,347
Total	\$62,060,935	\$62,539,087	\$124,600,022

Program	2017-19 CFL		
	FY 2016	FY 2017	Total
010 - CA	\$ 16,936,000	\$ 17,053,000	\$33,989,000
020 - JRA	\$ 1,015,000	\$ 992,000	\$2,007,000
030 - MHD	\$ 385,000	\$ 385,000	\$770,000
040 - DDD	\$ 3,815,000	\$ 3,936,000	\$7,751,000
050 - LTC	\$ 7,863,000	\$ 8,412,000	\$16,275,000
060 - ESA	\$27,414,000	\$27,451,000	\$54,865,000
070 - ASA	\$ 296,000	\$ 288,000	\$584,000
100 - DVR	\$ 2,524,000	\$ 2,524,000	\$5,048,000
110 - ADMIN	\$ 752,000	\$ 748,000	\$1,500,000
135 - SCC	\$ 306,000	\$ 306,000	\$612,000
Total	\$61,306,000	\$62,095,000	\$123,401,000

Program	FY 2018 Request		
	State	Other	Total
010 - CA	(\$214,000)	(\$5,000)	\$ (219,000)
020 - JRA	(\$208,000)	\$0	\$ (208,000)
030 - MHD	\$150,000	\$11,000	\$ 161,000
040 - DDD	\$374,000	\$357,000	\$ 731,000
050 - LTC	\$335,000	\$310,000	\$ 645,000
060 - ESA	(\$180,000)	(\$183,000)	\$ (363,000)
070 - ASA	(\$63,000)	(\$14,000)	\$ (77,000)
100 - DVR	\$66,000	\$0	\$ 66,000
110 - ADMIN	\$6,000	\$1,000	\$ 7,000
135 - SCC	\$12,000	\$0	\$ 12,000
Total	\$278,000	\$477,000	\$755,000

Program	FY 2019 Request			2017-19 Biennium Request			Fund Splits	
	State	Other	Total	State	Other	Total	State %	Other %
010 - CA	(\$78,000)	(\$2,000)	\$ (80,000)	(\$292,000)	(\$7,000)	(\$299,000)	98%	2%
020 - JRA	(\$169,000)	\$0	\$ (169,000)	(\$377,000)	\$0	(\$377,000)	100%	0%
030 - MHD	\$150,000	\$11,000	\$ 161,000	\$300,000	\$22,000	\$322,000	93%	7%
040 - DDD	\$311,000	\$296,000	\$ 607,000	\$685,000	\$653,000	\$1,338,000	51%	49%
050 - LTC	\$62,000	\$58,000	\$ 120,000	\$397,000	\$368,000	\$765,000	52%	48%
060 - ESA	(\$121,000)	(\$123,000)	\$ (244,000)	(\$301,000)	(\$306,000)	(\$607,000)	50%	50%
070 - ASA	(\$56,000)	(\$13,000)	\$ (69,000)	(\$119,000)	(\$27,000)	(\$146,000)	82%	18%
100 - DVR	\$93,000	\$0	\$ 93,000	\$159,000	\$0	\$159,000	100%	0%
110 - ADMIN	\$10,000	\$2,000	\$ 12,000	\$16,000	\$3,000	\$19,000	82%	18%
135 - SCC	\$12,000	\$0	\$ 12,000	\$24,000	\$0	\$24,000	100%	0%
Total	\$214,000	\$229,000	\$443,000	\$492,000	\$706,000	\$1,198,000		