

Economic Services Administration
060 - M2 - 8L - LEASE RATE ADJUSTMENTS

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

Budget Period: 2017-19

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. Included in this amount is a reduction of \$607,000 (\$301,000 GF-State) in funding for the Economic Services Administration.

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:

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

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

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.

060 - M2 - 8L - Lease Rate Adjustments

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**060 - M2 - 8L - Lease Rate Adjustments**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	-180,000	-121,000	-121,000	-121,000
001-2 General Fund-Federal	-183,000	-123,000	-123,000	-123,000
Total Cost	-363,000	-244,000	-244,000	-244,000
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

Activity:	Incremental Changes			
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 060				
F120 CSD Field Support Services	0	0	0	0
No measures submitted for package				

Object Detail

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
ED Rentals and Leases – Land and Buildings	-363,000	-244,000	-244,000	-244,000
Total Objects	-363,000	-244,000	-244,000	-244,000

DSHS Source Detail**Overall Funding**

Operating Expenditures		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Fund 001-1, General Fund-State					
<u>Sources Title</u>					
0011	General Fund State	-121,000	-81,000	-81,000	-81,000
GFS2	General Fund State TANF Moe	-59,000	-40,000	-40,000	-40,000
Total for Fund 001-1		-180,000	-121,000	-121,000	-121,000
Fund 001-2, General Fund-Federal					
<u>Sources Title</u>					
E61L	Food Stamp Program (50%)	-183,000	-123,000	-123,000	-123,000
Total for Fund 001-2		-183,000	-123,000	-123,000	-123,000
Total Overall Funding		-363,000	-244,000	-244,000	-244,000

**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		