

**Economic Services Administration
060 - M2 - FP - CBA BUDGET TRANSFER**

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

Budget Period: 2017-19

SUMMARY

The Child Care Collective Bargaining Agreement (CBA) with the Service Employees Union 925 has funding in both the Department of Early Learning (DEL) and the Department of Social and Health Services (DSHS) Economic Services Administration (ESA) budgets. ESA requests \$1,086,000 GF-State for provider training and incentives be transferred to DEL for the 2017-19 Biennium and for the budget to reside in DEL going forward to streamline budgeting procedures for both agencies.

PROBLEM STATEMENT

DEL was established on July 1, 2006 by Second Substitute House Bill 2964 in the 2006 Legislative Session, effectively transferring from DSHS to the new agency the responsibility to manage effective high-quality learning opportunities, as well as provide access to dependable child care. Though this separation has been implemented since State Fiscal Year Fiscal Year 2007 (FY07), some funding, including funding for training of licensed family home (LFH) child care providers and Family Friend and Neighbor (FFN) child care providers, Working Connections Child Care (WCCC) subsidy payments, and CBA negotiated health care payments for providers has remained with DSHS.

With the training budget split between the two agencies, the result has been a reoccurring, inefficient, cumbersome expenditure payment and budget monitoring arrangement. This has resulted in billing, monitoring and payment issues for both agencies and has caused unnecessary work in the process.

The total biennial budget for the items to be transferred is \$1,086,000 GF-State. Specifically the funding to be transferred includes training, licensing and scholarship expenditures for licensed family home and FFN providers covered by the CBA. It does not include Health Insurance payments or WCCC subsidy payments. The net impact to the two agencies budgets is zero. ESA requests the training related funding be permanently transferred to DEL beginning in the 2017-19 Biennium.

PROPOSED SOLUTION

Transfer the training budgets for non-healthcare CBA items to DEL, \$1,086,000 for the biennium, \$543,000 per fiscal year. This will align budget and expenditures to streamline processes and allow for more efficient monitoring.

EXPECTED RESULTS

ESA and DEL expect this transfer of funds to create a more effective CBA billing and monitoring process between the two agencies.



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

STAKEHOLDER IMPACT

There is no known opposition.

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Program Contact: Edd Giger, (360) 725-4515

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:

5.3: The quality of and access to accurate, timely, and reliable fiscal data for ESA customers will improve.

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? DEL will request the addition of \$1,086,000 to match ESAs reduction of the same amount, resulting in a net zero impact.

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? No

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.

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There are no other connections or impacts.

Alternatives/Consequences/Other

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

None as this request has a net zero impact.

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

Not applicable as this request has a net zero impact.

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 - FP - CBA Budget Transfer**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	-543,000	-543,000	0	0
Total Cost	-543,000	-543,000	0	0

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				
F109 Child Care Subsidy Program	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>
E Goods and Other Services	-496,000	-496,000	0	0
N Grants, Benefits, and Client Services	-47,000	-47,000	0	0
Total Objects	-543,000	-543,000	0	0

DSHS Source Detail**Overall Funding**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
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Fund 001-1, General Fund-State**Sources Title**

GFS2 General Fund State TANF Moe	-543,000	-543,000	0	0
Total for Fund 001-1	-543,000	-543,000	0	0
Total Overall Funding	-543,000	-543,000	0	0

2017 - 19 Biennial Budget
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CBA Items to Transfer from ESA to DEL						
Item	Section	Annual Amount	Biennial Amount	Agreement to Transfer	Object	
FFN State Training Fund	13.2B	(45,000)	(90,000)	Yes	N	
FFN Child Care Training Incentive Fund	13.2C	(119,000)	(238,000)	Yes	E	
Subsidy Billing Training Contractor	13.3	(204,000)	(408,000)	Yes	E	
Licensing Incentive	13.2A	(2,000)	(4,000)	Yes	N	
Scholarship GED	13.1B	(173,000)	(346,000)	Yes	E	
Total Transfer		(543,000)	(1,086,000)			

Data Sources:

Local 925 SEIU 2015-17 Collective Bargaining Agreement
 2015-17 Biennial Budget