

Table of Contents ¹

¹ Table of contents introduced for ease of navigation on the web.

Budget Recommendation Summary

Maintenance Level

Decision Packages

M2-8P Postage Rate Adjustments

M2-9T Transfers

Policy Level

Decision Packages

PL-XD Federal Sequester

Recommendation Summary

Budget Period: 2011-13
Budget Level Criteria: ALL

Version: J3 - 100 - 2011-13 Final 2013 Sup

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
M2 - Inflation and Other Rate Changes					
8P Postage Rate Adjustments	0	0.0	0	2	2
9T Transfers	0	(1.0)	(48)	(138)	(186)
SubTotal M2		<u>(1.0)</u>	<u>(48)</u>	<u>(136)</u>	<u>(184)</u>
Cumulative Total Thru M2		(1.0)	(48)	(136)	(184)
PL - Performance Level					
XD Federal Sequester	0	0.0	0	0	0
SubTotal PL		<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cumulative Total Thru PL		(1.0)	(48)	(136)	(184)
Total Proposed Budget		<u>(1.0)</u>	<u>(48)</u>	<u>(136)</u>	<u>(184)</u>

Recommendation Summary Text

8P - Postage Rate Adjustments

Program: 100

(M2) The Department of Social and Health Services (DSHS) requests \$258,000 Total Funds, \$143,000 GF-State, for the 2013 Supplemental Budget for the increase in first class postage from \$0.44 to \$0.45 that took effect January 22, 2012.

9T - Transfers

Program: 100

(M2) The Department of Social and Health Services (DSHS) requests the shift of FTEs and funding among programs in the 2013 Supplemental Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The DSHS programs combined total equals a net zero impact cost.

XD - Federal Sequester

Program: 100

(PL) The Department of Social and Health Services (DSHS) requests an increase to GF-State funds and a corresponding decrease in GF-Federal appropriation in anticipation of across-the-board reductions (sequestration) to certain federal awards scheduled to take effect on January 2, 2013.

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$258,000 Total Funds, \$143,000 GF-State, for the 2013 Supplemental Budget for the increase in first class postage from \$0.44 to \$0.45 that took effect January 22, 2012.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-2 General Fund - Basic Account-Federal	0	2,000	2,000
Total Cost	0	2,000	2,000

Staffing

Package Description:

Effective January 22, 2012, the United States Postal Service (USPS) increased the rate for first class mail to \$0.45 from the former rate of \$0.44. This request is for \$258,000 (\$143,000 GF State) to fund a 2.27 percent increase in first class postage rate. The department postage costs are to meet mandatory notification requirements and for required operational needs.

Agency Contact: Jialing Huang (360) 902-7831

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Not applicable

Performance Measure Detail

Agency Level

Activity: J103 Vocational Rehabilitation Administration

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 request supports the following goal identified in the DSHS 2011-2013 Strategic Plan:

--Goal 5 Increase public trust through strong management practices that ensure quality and leverage all resources

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

This package supports the Governor's priority of holding government accountable by focusing on performance and investing our resources to get the greatest possible return.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package rates as a high priority in the Priorities of Government (POG) process for the 2011-13 Budget development under the strategy:

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

Provide for the safety of Washington's vulnerable children and adults
--Ensure efficiency, performance, and accountability to clients and the public

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

All state programs are impacted by a USPS rate increase.

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

The USPS mail service is considered accessible to all clients and is an efficient means of communication. Other forms of communication or remittance of payments, such as electronic banking and email, are not accessible to many of the department's clients or may require revisions to state laws.

What are the consequences of not funding this package?

Non funding may have negative results to the agency's ability to communicate with clients and remain responsive to constituent needs. If not approved, then funds will have to be diverted from programs or services to cover the increased costs.

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

Actual costs for Fiscal Year 2012 for specific Object E costs were used as the base for calculating Fiscal Year 2013 increases.

See attachment: AW M2 8P Postage Rate Adjustment.xlsx

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

This item is an ongoing operational cost. There are no one time-costs associated with this request. This is an increase that 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 And Services	0	2,000	2,000

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments

Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
126F	Rehabilitation Svs - Basic Supp (A) (78.7%)	0	2,000	2,000
Total for Fund 001-2		0	2,000	2,000
Total Overall Funding		0	2,000	2,000

**2013 Supplemental Budget
M2-8P Postage Rate Adjustment**

Department of Social & Health Services
2013 Supplemental Agency Request - 8P Postage Rate Adjustment

Object Split

Program	Object E			ISSD - Sub Object TZ			Total		
	2012	2013	Total	2012	2013	Total	2012	2013	Total
010	0	14,000	14,000	0	3,000	3,000	0	17,000	17,000
020	0	1,000	1,000	0	1,000	1,000	0	2,000	2,000
030	0	2,000	2,000	0	1,000	1,000	0	3,000	3,000
040	0	5,000	5,000	0	1,000	1,000	0	6,000	6,000
050	0	8,000	8,000	0	2,000	2,000	0	10,000	10,000
060	0	201,000	201,000	0	11,000	11,000	0	212,000	212,000
070	0	0	0	0	0	0	0	0	0
100	0	2,000	2,000	0	0	0	0	2,000	2,000
110	0	4,000	4,000	0	2,000	2,000	0	6,000	6,000
135	0	0	0	0	0	0	0	0	0
145	0	0	0	0	0	0	0	0	0
150	0	21,000	21,000	0	(21,000)	(21,000)	0	0	0
Total	0	258,000	258,000	0	0	0	0	258,000	258,000

State/Other Split

Program	State			Other			Total		
	2012	2013	Total	2012	2013	Total	2012	2013	Total
010	0	11,000	11,000	0	6,000	6,000	0	17,000	17,000
020	0	2,000	2,000	0	0	0	0	2,000	2,000
030	0	3,000	3,000	0	0	0	0	3,000	3,000
040	0	4,000	4,000	0	2,000	2,000	0	6,000	6,000
050	0	6,000	6,000	0	4,000	4,000	0	10,000	10,000
060	0	112,000	112,000	0	100,000	100,000	0	212,000	212,000
070	0	0	0	0	0	0	0	0	0
100	0	0	0	0	2,000	2,000	0	2,000	2,000
110	0	5,000	5,000	0	1,000	1,000	0	6,000	6,000
135	0	0	0	0	0	0	0	0	0
145	0	0	0	0	0	0	0	0	0
150	0	0	0	0	0	0	0	0	0
Total	0	143,000	143,000	0	115,000	115,000	0	258,000	258,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests the shift of FTEs and funding among programs in the 2013 Supplemental Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The DSHS programs combined total equals a net zero impact cost.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(48,000)	(48,000)
001-2 General Fund - Basic Account-Federal	0	(138,000)	(138,000)
Total Cost	0	(186,000)	(186,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	(2.0)	(1.0)

Package Description:

DSHS requests internal transfer among several program budgets resulting in a net zero funding change for the department. This aligns program appropriations with planned expenditures for the current budget. DSHS requests the following adjustments:

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

Program 110 - Administration and Supporting Services (Administration) will transfer compensation adjustments for staff in program 150 or ISSD to other DSHS programs. ISSD is a \$0 budget and chargeback program where funding resides in the program's TZ budget. Administration will transfer \$130,000 GF-State in reductions to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by ISSD.

Central Service Reforms Savings Redistribution-
(Program 145 to Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, 135, and 150):

Program 145 - Payments to Other Agencies (PTOA) received a budget reduction from the 2012 Supplemental Budget reducing costs related to cell phones, mailing, printing, and information technology. These costs are not paid by PTOA, but are paid by the other programs. PTOA will transfer \$3,641,000 Total Funds, \$2,781,000 GF-State, in reductions to the programs. This transfer will reduce funding in the programs where cost savings are incurred.

Internal Auditor and Cell Phone Funding-
(Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, and 135):

Internal funding related to auditing and monitoring the effective use of cell phones is created. The funding will monitor cell phone usage and payments and develop a department wide policy for effective use of cell phones. Programs will transfer \$151,000 Total Funds, \$76,000 GF-State, to Administration.

Human Resource Consolidation-
(Programs 010, 020, 030, 040, 050, 060, 070, 100, and 150 to 110):

The Human Resources Division (HRD) within Administration has undergone reorganization. All human resources staff in the field now report to HRD, but are funded by the various programs. This consolidation will move the budget for all human resources staff to HRD. The LEAP Committee provisionally approved this consolidation in June 2012, pending the receipt and verification of recast historical data. Programs will transfer 71.5 FTEs and \$4,647,000 Total Funds, \$2,458,000 GF-State, to Administration.

Evidence-Based Funding Transfer-

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

(Program 110 to Programs 010 and 030):

Funding from the 2012 Supplemental Budget - 2nd Special Session was provided for the implementation of E2SHB 2536 - Children Services Delivery with coordination between Children's Administration and Mental Health. The funding is intended for programs 010 and 030. Administration will transfer 2.0 FTEs and \$218,000 Total Funds, \$113,000 GF-State, to Children's and Mental Health.

Special Commitment Center (SCC) and Consolidated Field Services (CFS) FTE Transfer-
(Program 135 - SCC to Program 160 - CFS):

SCC received FTEs and funding for the maintenance operations of McNeil Island and received a reduction in resident's legal defense costs and related FTEs. Costs for these services are in SCC, but FTEs are in CFS. SCC will transfer 3.7 FTEs to CFS (6.7 FTEs provided for maintenance operations and 3.0 FTEs reduced for legal costs).

Cost Allocation Funding Adjustment-
(Program 110 and Program 145)

Actual earnings for Title 19 between Administration and PTOA need to be adjusted. Administration is earning more federal than state and the opposite is true in PTOA. Administration will transfer \$500,000 GF-State to PTOA and PTOA will transfer \$500,000 GF-Federal to Administration. The net effect is zero.

Fair Hearing Coordinator-
(Program 050 to Program 040)

Program 050 was provided 3.0 FTEs for the Fair Hearing Coordinator positions to implement I-1163. However, these positions should be in Program 040. Program 050 transfers 3.0 FTEs to Program 040.

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

Agency contact: Tula Habb (360) 902-8182

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Costs are reflected in appropriate DSHS programs and the department maintains an effective administrative operation.

Performance Measure Detail

Agency Level

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

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

Activity: J104 Vocational Rehabilitation Counseling and Guidance

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 request supports the following goals identified in the DSHS 2011-2013 Strategic Plan:

--Goal 5 Increase public trust through strong management practices that ensure quality and leverage all resources

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

This package supports the Governor's priority of holding government accountable by focusing on performance and investing

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

our resources to get the greatest possible return.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package rates as a high priority in the Priorities of Government (POG) process for the 2011-13 Budget development under the strategy:

State government must achieve results through efficient and effective performance.
--Ensure efficiency, performance, and accountability to the public

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?

None

What are the consequences of not funding this package?

If the funding authority is not transferred between programs, then DSHS would be required to develop internal mechanisms to track and transfer costs resulting in reduced efficiency.

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

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 in Fiscal Year 2013. Some items are ongoing, but have been included in the 2013-15 Biennial Budget.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	(181,000)	(181,000)
T Intra-Agency Reimbursements	0	(5,000)	(5,000)
Total Objects	0	(186,000)	(186,000)

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 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	(48,000)	(48,000)
<i>Total for Fund 001-1</i>		0	(48,000)	(48,000)
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
126F	Rehabilitation Svs - Basic Supp (A) (78.7%)	0	(138,000)	(138,000)
<i>Total for Fund 001-2</i>		0	(138,000)	(138,000)
Total Overall Funding		0	(186,000)	(186,000)

**2013 Supplemental Budget
M2-9T Transfers**

Program	FTEs			FY 2012			FY 2013			2011-13 Biennium		
	FY12	FY13	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
010 Children's Administration			0.0			0			0			0
1. ISSD Compensation Adjustments			0.0			0			(20,000)		0	(20,000)
2. Central Service Reforms Redistribution			0.0			0			(593,000)	(185,000)	(778,000)	(778,000)
3. Auditor & Cell Phone Funding			0.0			0			(12,000)	(12,000)	(24,000)	(24,000)
4. Human Resource Consolidation		(13.0)	(6.5)			0			(462,000)	(410,000)	(872,000)	(872,000)
5. Evidence Based Funding Transfer		1.0	0.5			0			57,000	53,000	110,000	110,000
010 Total	0.0	(12.0)	(6.0)	0	0	0	(1,030,000)	(554,000)	(1,584,000)	(1,030,000)	(554,000)	(1,584,000)
020 Juvenile Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0			(3,000)		(3,000)	(3,000)
2. Central Service Reforms Redistribution			0.0			0			(20,000)		(20,000)	(20,000)
3. Auditor & Cell Phone Funding			0.0			0			(7,000)		(7,000)	(7,000)
4. Human Resource Consolidation			0.0			0			(3,000)		(3,000)	(3,000)
020 Total	0.0	0.0	0.0	0	0	0	(33,000)	0	(33,000)	(33,000)	0	(33,000)
030 Mental Health												
1. ISSD Compensation Adjustments			0.0			0			(4,000)		(4,000)	(4,000)
2. Central Service Reforms Redistribution			0.0			0			(72,000)	(21,000)	(93,000)	(93,000)
3. Auditor & Cell Phone Funding			0.0			0			(13,000)	(13,000)	(26,000)	(26,000)
4. Human Resource Consolidation		(5.0)	(2.5)			0			(242,000)	(128,000)	(370,000)	(370,000)
5. Evidence Based Funding Transfer		1.0	0.5			0			56,000	52,000	108,000	108,000
030 Total	0.0	(4.0)	(2.0)	0	0	0	(275,000)	(110,000)	(385,000)	(275,000)	(110,000)	(385,000)
040 Division of Developmental Disabilities												
1. ISSD Compensation Adjustments			0.0			0			(7,000)		(7,000)	(7,000)
2. Central Service Reforms Redistribution			0.0			0			(133,000)	(40,000)	(173,000)	(173,000)
3. Auditor & Cell Phone Funding			0.0			0			(15,000)	(15,000)	(30,000)	(30,000)
4. Human Resource Consolidation		(6.0)	(3.0)			0			(234,000)	(143,000)	(377,000)	(377,000)
8. Fair Hearing Coordinator		3.0	1.5			0			0	0	0	0
040 Total	0.0	(3.0)	(1.5)	0	0	0	(389,000)	(198,000)	(587,000)	(389,000)	(198,000)	(587,000)
050 Long Term Care												
1. ISSD Compensation Adjustments			0.0			0			(13,000)		(13,000)	(13,000)
2. Central Service Reforms Redistribution			0.0			0			(201,000)	(60,000)	(261,000)	(261,000)
3. Auditor & Cell Phone Funding			0.0			0			(6,000)	(8,000)	(14,000)	(14,000)
4. Human Resource Consolidation		(6.0)	(3.0)			0			(214,000)	(207,000)	(421,000)	(421,000)
8. Fair Hearing Coordinator		(3.0)	(1.5)			0			0	0	0	0
050 Total	0.0	(9.0)	(4.5)	0	0	0	(434,000)	(275,000)	(709,000)	(434,000)	(275,000)	(709,000)
060 Economic Services Administration												
1. ISSD Compensation Adjustments			0.0			0			(80,000)		(80,000)	(80,000)
2. Central Service Reforms Redistribution			0.0			0			(1,579,000)	(500,000)	(2,079,000)	(2,079,000)
3. Auditor & Cell Phone Funding			0.0			0			(17,000)	(25,000)	(42,000)	(42,000)
4. Human Resource Consolidation		(38.5)	(19.3)			0			(1,303,000)	(1,179,000)	(2,482,000)	(2,482,000)
060 Total	0.0	(38.5)	(19.3)	0	0	0	(2,979,000)	(1,704,000)	(4,683,000)	(2,979,000)	(1,704,000)	(4,683,000)
070 Alcohol and Substance Abuse												
1. ISSD Compensation Adjustments			0.0			0			0		0	0
2. Central Service Reforms Redistribution			0.0			0			(20,000)	(6,000)	(26,000)	(26,000)
3. Auditor & Cell Phone Funding			0.0			0			(1,000)	(1,000)	(2,000)	(2,000)
070 Total	0.0	0.0	0.0	0	0	0	(21,000)	(6,000)	(27,000)	(21,000)	(6,000)	(27,000)
100 Division of Voc. Rehabilitation												
1. ISSD Compensation Adjustments			0.0			0			(2,000)		(2,000)	(2,000)
2. Central Service Reforms Redistribution			0.0			0			(45,000)	(14,000)	(59,000)	(59,000)
3. Auditor & Cell Phone Funding			0.0			0			(1,000)	(2,000)	(3,000)	(3,000)
4. Human Resource Consolidation		(2.0)	(1.0)			0			0	(122,000)	(122,000)	(122,000)
100 Total	0.0	(2.0)	(1.0)	0	0	0	(48,000)	(138,000)	(186,000)	(48,000)	(138,000)	(186,000)
110 Administration & Supporting Services												
1. ISSD Compensation Adjustments			0.0			0			130,000		130,000	130,000
2. Central Service Reforms Redistribution			0.0			0			(96,000)	(34,000)	(130,000)	(130,000)
3. Auditor & Cell Phone Funding			0.0			0			76,000	75,000	151,000	151,000
4. Human Resource Consolidation		71.5	35.8			0			2,458,000	2,189,000	4,647,000	4,647,000
5. Evidence Based Funding Transfer		(2.0)	(1.0)			0			(113,000)	(105,000)	(218,000)	(218,000)
7. Cost Allocation Funding Adjustment			0.0			0			(500,000)	500,000	0	0
110 Total	0.0	69.5	34.8	0	0	0	1,955,000	2,625,000	4,580,000	1,955,000	2,625,000	4,580,000
135 Special Commitment Center												
1. ISSD Compensation Adjustments			0.0			0			(1,000)		(1,000)	(1,000)
2. Central Service Reforms Redistribution			0.0			0			(22,000)		(22,000)	(22,000)
3. Auditor & Cell Phone Funding			0.0			0			(4,000)		(4,000)	(4,000)
7. SCC and CFS FTE Transfer		(3.7)	(1.9)			0			0	0	0	0
135 Total	0.0	(3.7)	(1.9)	0	0	0	(27,000)	0	(27,000)	(27,000)	0	(27,000)
145 Payments to Other Agencies												
2. Central Service Reforms Redistribution			0.0			0			2,781,000	860,000	3,641,000	3,641,000
7. Cost Allocation Funding Adjustment			0.0			0			500,000	(500,000)	0	0
145 Total	0.0	0.0	0.0	0	0	0	3,281,000	360,000	3,641,000	3,281,000	360,000	3,641,000

**2013 Supplemental Budget
M2-9T Transfers**

	Program	FTEs			FY 2012			FY 2013			2011-13 Biennium		
		FY12	FY13	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
150	Information System Services Division												
	4. Human Resource Consolidation		(1.0)	(0.5)			0		0	0	0	0	0
				0.0			0		0	0	0	0	0
	145 Total	0.0	(1.0)	(0.5)	0	0	0	0	0	0	0	0	0
160	Consolidated Field Services												
	7. SCC and CFS FTE Transfer		3.7	1.9			0		0	0	0	0	0
				0.0			0		0	0	0	0	0
	150 Total	0.0	3.7	1.9	0	0	0	0	0	0	0	0	0
Agency-Wide Total:		0	0	0.0	0	0	0	0	0	0	0	0	0

NOTES:

1. Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin).
2. Central Service Reforms savings distribution from Payment to Other Agencies (PTOA). Reduces objects E and G costs and includes ISSD's share, which reduces programs' TZ costs.
3. Internal Auditor & Cell Phone Funding - transfers funding for from programs to Admin. Admin's share of the funding is accounted in the transfer.
4. Human Resource Consolidation - transferring from programs to Admin.
5. Evidenced Based Funding Transfer from Admin to Children's Administration (CA) and Mental Health (MH). Funding intended for CA and MH not Admin.
6. Special Commitment Center (SCC) and Consolidated Field Services (CFS) FTE Transfer. SCC received funding for McNeil Island Maintenance Operations and resident legal services transferred to the Office of Public Defense. Dollars reside in SCC but FTE authority reside in CFS.
7. Cost Allocation Funding Adjustment between Admin and PTOA. Adjusts state and federal funding between programs to align with anticipated federal earnings.
8. Fair Hearing Coordinator - transfer FTEs from Program 050 to Program 040.

Department of Social and Health Services

DP Code/Title: PL-XD Federal Sequester
Program Level - 100 Vocational Rehabilitation

Budget Period: 2011-13 Version: J3 100 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests an increase to GF-State funds and a corresponding decrease in GF-Federal appropriation in anticipation of across-the-board reductions (sequestration) to certain federal awards scheduled to take effect on January 2, 2013.

Fiscal Detail:

Operating Expenditures

FY 1

FY 2

Total

Overall Funding

Program Cost

Total Cost

Staffing

Package Description:

DSHS requests an increase in GF-State funds and a corresponding decrease in GF-Federal appropriation in anticipation of across-the-board reductions (sequestration) to certain federal awards scheduled to take effect on January 2, 2013. The Budget Control Act of 2011 (BCA P.L. 112-25) created a Joint Select Committee on Deficit Reduction (JSC) to develop recommendations for reducing the federal budget deficit by at least \$1.2 trillion over 10 years. The work of the JSC did not result in the required deficit reduction, thereby triggering an automatic process to reduce federal spending, known as sequestration. Sequestration results in across-the-board cuts to nonexempt federal discretionary and mandatory spending. Federal awards for the following DSHS programs are expected to be reduced under this sequestration process: Children's Administration, Juvenile Rehabilitation, Mental Health, Long Term Care, Economic Services, Alcohol and Substance Abuse, Vocational Rehabilitation, and Administration.

Agency Contact: Dan Winkley (360) 902-8179

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To maintain the current level of services in programs impacted by sequestration.

Performance Measure Detail

Agency Level

Activity: J103 Vocational Rehabilitation Administration

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: J104 Vocational Rehabilitation Counseling and Guidance

No measures linked to package

Incremental Changes

FY 1

FY 2

0.00

0.00

Activity: J105 Vocational Rehabilitation Direct Client Services

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?

This request supports the following goals identified in the DSHS 2011-2013 Strategic Plan:

Department of Social and Health Services

DP Code/Title: PL-XD Federal Sequester
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- Goal 1 Improving the health status of vulnerable populations
- Goal 2 Improving economic stability, employment and self-sufficiency
- Goal 3 Improve individual and public safety

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

This package supports the Governor's priority of strengthening Washington families by protecting and providing for those who can't care for themselves.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

This decision package rates as a high priority in the Priorities of Government (POG) process for the 2011-13 Budget development under the strategies:

- Provide for the safety of Washington's vulnerable children and adults
- Provide emergency cash, food, and shelter assistance
 - Where necessary, provide institutional-based and outpatient services
 - Provide secure treatment settings
 - Provide outpatient services

- Improve the health of Washingtonians
- Provide institutional-based and outpatient mental health services
 - Provide drug and alcohol abuse prevention and treatment services
 - Provide access to quality health care

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

If this request is not funded, then any resulting decrease in DSHS services may result in increased demand for services from other entities such as city and county governments and community-based organizations.

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

None

What are the consequences of not funding this package?

If this request is not funded, then DSHS client services and/or benefits will be reduced or eliminated.

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

Until the sequestration process is complete, the exact impact to DSHS funding levels is unknown.

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

Department of Social and Health Services

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This sequestration is to generate \$1.2 trillion in savings over the period of Fiscal Year 2013 through 2021. Absent federal legislation eliminating this sequestration, these reductions in federal funding will be ongoing through Fiscal Year 2021.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
Program Totals			

DSHS Source Code Detail

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,			
<u>Sources Title</u>			

Total for Fund

Total Overall Funding

Totals for all funds