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Decision Packages

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Recommendation Summary

Budget Period: 2011-13
Budget Level Criteria: ALL

Version: F3 - 060 - 2011-13 Final 2013 Sup

Dollars in Thousands		Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
Program 060 - Economic Services Admin						
M1 - Mandatory Caseload and Enrollment Changes						
93	Mandatory Caseload Adjustments	0	0.0	(21,920)	861	(21,059)
SubTotal M1			<u>0.0</u>	<u>(21,920)</u>	<u>861</u>	<u>(21,059)</u>
Cumulative Total Thru M1			<u>0.0</u>	<u>(21,920)</u>	<u>861</u>	<u>(21,059)</u>
M2 - Inflation and Other Rate Changes						
8P	Postage Rate Adjustments	0	0.0	112	100	212
9T	Transfers	0	(19.3)	(2,979)	(1,704)	(4,683)
UN	Increase Authority-Federal Grants	0	0.0	0	4,317	4,317
XK	Tribal TANF - Muckleshoot Tribe	0	0.0	0	0	0
XL	DEL EBT Warrant Costs	0	0.0	1,150	0	1,150
XM	ACA - Health Benefit Exchange	0	2.3	1,565	10,469	12,034
XN	Client Hub	0	2.7	261	814	1,075
XP	DDDS Federal Workload Increase	0	0.0	0	3,831	3,831
SubTotal M2			<u>(14.3)</u>	<u>109</u>	<u>17,827</u>	<u>17,936</u>
Cumulative Total Thru M2			<u>(14.3)</u>	<u>(21,811)</u>	<u>18,688</u>	<u>(3,123)</u>
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			<u>(14.3)</u>	<u>(21,811)</u>	<u>18,688</u>	<u>(3,123)</u>
Total Proposed Budget for Program 060 - Economic Services Admin			<u>(14.3)</u>	<u>(21,811)</u>	<u>18,688</u>	<u>(3,123)</u>

Recommendation Summary Text

8P - Postage Rate Adjustments

(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.

93 - Mandatory Caseload Adjustments

(M1) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), reduces (\$21,059,000) Total Funds, (\$21,920,000) GF-State, in the 2013 Supplemental Budget for costs associated with caseload changes projected in the June 2012 forecast.

9T - Transfers

(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.

UN - Increase Authority-Federal Grants

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA) requests \$4,317,000 GF-Federal in the 2013 Supplemental Budget to account for increases in federal grants.

Recommendation Summary

Budget Period: 2011-13
Budget Level Criteria: ALL

Version: F3 - 060 - 2011-13 Final 2013 Sup

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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XD - Federal Sequester

(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.

XK - Tribal TANF - Muckleshoot Tribe

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests an adjustment to GF-State and GF-Federal funding in the 2013 Supplemental Budget for costs associated with the Muckleshoot Tribe's Temporary Assistance for Needy Families (TANF) program.

XL - DEL EBT Warrant Costs

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests \$1,150,000 GF-State in the 2013 Supplemental Budget for the costs of processing warrants for child care subsidy payments.

XM - ACA - Health Benefit Exchange

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests 4.5 FTEs and \$12,034,000 Total Funds, \$1,565,000 GF-State, in the 2013 Supplemental Budget for the Phase 1 design, development, and implementation of the Eligibility Service for the Health Benefit Exchange (HBE) and to modify the Automated Client Eligibility System (ACES) to support and maintain other existing program eligibility rules.

XN - Client Hub

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests 5.4 FTEs and \$1,075,000 Total Funds, \$261,000 GF-State, in the 2013 Supplemental Budget to support the Client Identification Management Hub (Client Hub).

XP - DDDS Federal Workload Increase

(M2) The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests \$3,831,000 GF-Federal in the 2013 Supplemental Budget to fund caseload increases referred to the Division of Disability Determination Services (DDDS) by the Social Security Administration (SSA).

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), reduces (\$21,059,000) Total Funds, (\$21,920,000) GF-State, in the 2013 Supplemental Budget for costs associated with caseload changes projected in the June 2012 forecast.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	(21,920,000)	(21,920,000)
001-2 General Fund - Basic Account-Federal	0	215,000	215,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	646,000	646,000
Total Cost	0	(21,059,000)	(21,059,000)

Staffing

Package Description:

In June 2012, the DSHS Central Budget Office and the Caseload Forecast Council prepared updated forecasts of the caseloads anticipated in certain ESA programs. These updated forecasts include Refugee Cash Assistance (RCA), Aged, Blind, or Disabled (ABD), Pregnant Women Assistance (PWA), Retained Child Support, Food Assistance Program for Legal Immigrants (FAP), Temporary Assistance for Needy Families (TANF), and Working Connections Child Care (WCCC).

RCA provides cash grants to needy refugees who have settled in Washington State. The refugee population served by this benefit is authorized by the United States State Department to immigrate to this country. Refugees are granted permanent residence authorization. The goal of this program is to help refugees attain self-sufficiency. The funding needed to support this program is increased by \$215,000 in Fiscal Year 2013 due to increased caseload.

The ABD program provides cash assistance to low-income adults who are age 65 or older, blind, or likely to meet Supplemental Security Income (SSI) disability criteria. The PWA program provides cash assistance to eligible women who are pregnant and ineligible for TANF and State Family Assistance (SFA) for reasons other than a refusal to cooperate with TANF/SFA requirements. Increased funding of \$6,191,000 in Fiscal Year 2013 is needed to support forecasted changes in the ABD and PWA caseloads. Additionally, decreased funding in the amount of (\$4,272,000) in Fiscal Year 2013 is needed for forecasted changes in the amount of ABD expenditures that will be recovered from the Social Security Administration as ABD clients are determined to be eligible for SSI benefits.

The Division of Child Support (DCS) provides support and collection services to custodial parents. Collections for families on public assistance are retained by the state and shared with the federal government. Increased funding in the amount of \$1,292,000 in Fiscal Year 2013 is needed to support decreases in forecasted collections.

FAP for Legal Immigrants provides state Basic Food benefits for legal immigrants who are not eligible for federal food benefits due to their immigration status. Decreased funding in the amount of (\$646,000) in Fiscal Year 2013 is needed to support the forecasted changes in this caseload.

TANF provides cash assistance to low-income families. Decreased funding in the amount of (\$5,083,000) in Fiscal Year 2013 is needed to support the forecasted changes in this caseload.

WCCC helps families with low incomes pay for child care while they work or meet WorkFirst participation requirements. Decreased funding in the amount of (\$18,756,000) in Fiscal Year 2013 is needed to support the forecasted changes in this caseload.

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Agency Contact: Ginger Stewart (360) 902-7769
Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

These vital assistance programs will be funded at the anticipated level of need.

Performance Measure Detail

Agency Level

Activity: F011 Child Support Recoveries

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: F039 General Assistance - Interim SSI (GA-U/X)

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: F042 Immigrant State Food Assistance

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: F083 Refugee Assistance Income

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: F100 Temporary Assistance to Needy Families (TANF)

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: F109 Working Connections Child Care Program

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 goal identified in the DSHS 2011-2013 Strategic Plan:

--Goal 2 Improve economic stability, employment and self-sufficiency

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 strategy:

Provide for the safety of Washington's vulnerable children and adults

--Provide emergency cash, food, and shelter assistance

--Provide support services to families

Department of Social and Health Services

DP Code/Title: M1-93 Mandatory Caseload Adjustments

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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

The lower level of GF-State spending associated with lower caseloads for TANF grants and WCCC will result in lower amounts of TANF Maintenance of Effort (MOE) spending. Decreased MOE expenditures will make it more difficult for the state to meet the federally required level of state spending in the TANF program. Under federal law, failure to meet the required level of MOE results in penalties to the state. Additionally, lower MOE spending will result in higher required work participation rates. Failure to meet the required participation rates results in federal penalties to the state.

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

None

What are the consequences of not funding this package?

The appropriation authority for these programs will not coincide with the most recent forecast.

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: ESA M1-93 Mandatory Caseload Adjustments - June 2012 Forecast.xlsx.

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

All costs are ongoing and will be carried forward into future biennia based on future caseload forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	(21,059,000)	(21,059,000)

Department of Social and Health Services

DP Code/Title: **M1-93 Mandatory Caseload Adjustments**

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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	1,919,000	1,919,000
GFS2	General Fund State TANF Moe	0	(23,839,000)	(23,839,000)
<i>Total for Fund 001-1</i>		<u>0</u>	<u>(21,920,000)</u>	<u>(21,920,000)</u>
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	215,000	215,000
<i>Total for Fund 001-2</i>		<u>0</u>	<u>215,000</u>	<u>215,000</u>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563A	Title IV-D Child Support Enforcement (A) (FMAP)	0	646,000	646,000
<i>Total for Fund 001-A</i>		<u>0</u>	<u>646,000</u>	<u>646,000</u>
Total Overall Funding		<u>0</u>	<u>(21,059,000)</u>	<u>(21,059,000)</u>

2013 Supplemental Budget
M1-93 Mandatory Caseload Adjustments

		SFY 2012	SFY 2013
REFUGEE CASH ASSISTANCE			
Carry Forward Level			1,162,000
June 2012 Forecast			1,377,000
	001-2 (566B)	-	215,000
AGED, BLIND, DISABLED/PREGNANT WOMENS ASSISTANCE			
Carry Forward Level			39,456,000
June 2012 Forecast			45,647,000
	001-1	-	6,191,000
AGED, BLIND, DISABLED RECOVERIES			
Carry Forward Level			(17,497,000)
June 2012 Forecast			(21,769,000)
	001-1	-	(4,272,000)
RETAINED CHILD SUPPORT			
Carry Forward Level			(61,548,000)
June 2012 Forecast			(60,256,000)
		-	1,292,000
	001-1	-	646,000
	001-A (563A)	-	646,000
FOOD ASSISTANCE PROGRAM			
Carry Forward Level			12,123,000
June 2012 Forecast			11,477,000
	001-1	-	(646,000)
TANF CASH ASSISTANCE			
2013 Spending Plan			238,640,000
June 2012 Forecast			233,557,000
	001-1	-	(5,083,000)
WORKING CONNECTIONS CHILD CARE			
2013 Spending Plan			252,374,000
Less: Funded by Department of Early Learning ESA - 2013 WCCC Spending Plan			(76,207,000)
		-	176,167,000
June 2012 Forecast			233,618,000
Less: Funded by Department of Early Learning ESA - 2013 WCCC Spending Plan			(76,207,000)
		-	157,411,000
	001-1	-	(18,756,000)
TOTAL ML ADJUSTMENT		-	(21,059,000)
001-1 GF-State		-	(21,920,000)
001-2 (566B) Refugee (100%)		-	215,000
001-A (563A) Title IV-D Child Support Enforcement		-	646,000
TOTAL ML ADJUSTMENT		-	(21,059,000)

ESA M1-93 Mandatory Caseload Adjustments - June 2012 Forecast

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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			
001-1 General Fund - Basic Account-State	0	112,000	112,000
001-2 General Fund - Basic Account-Federal	0	30,000	30,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	44,000	44,000
001-C General Fund - Basic Account-Medicaid Federal	0	26,000	26,000
Total Cost	0	212,000	212,000

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: F078 Program Support

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?

Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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

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.

Object Detail	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	0	201,000	201,000
T Intra-Agency Reimbursements	0	11,000	11,000
Total Objects	0	212,000	212,000

State of Washington
Decision Package
Department of Social and Health Services

DP Code/Title: M2-8P Postage Rate Adjustments
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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	112,000	112,000
<i>Total for Fund 001-1</i>	0	112,000	112,000
 Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources</u> <u>Title</u>			
E61L Food Stamp Program (50%)	0	30,000	30,000
<i>Total for Fund 001-2</i>	0	30,000	30,000
 Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi			
<u>Sources</u> <u>Title</u>			
563I Title IV-D Child Support Enforcement (A) (66%)	0	44,000	44,000
<i>Total for Fund 001-A</i>	0	44,000	44,000
 Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	0	26,000	26,000
<i>Total for Fund 001-C</i>	0	26,000	26,000
Total Overall Funding	0	212,000	212,000

**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 - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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	(2,979,000)	(2,979,000)
001-2 General Fund - Basic Account-Federal	0	(622,000)	(622,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	(481,000)	(481,000)
001-C General Fund - Basic Account-Medicaid Federal	0	(601,000)	(601,000)
Total Cost	0	(4,683,000)	(4,683,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	(38.5)	(19.3)

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.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Evidence-Based Funding Transfer-

(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

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 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?

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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			
A Salaries And Wages	0	(1,695,000)	(1,695,000)
B Employee Benefits	0	(678,000)	(678,000)
E Goods And Services	0	(2,108,000)	(2,108,000)
T Intra-Agency Reimbursements	0	(202,000)	(202,000)
Total Objects	0	(4,683,000)	(4,683,000)

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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	(2,979,000)	(2,979,000)
<i>Total for Fund 001-1</i>		0	(2,979,000)	(2,979,000)
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	0	(2,000)	(2,000)
566B	Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	(2,000)	(2,000)
E61L	Food Stamp Program (50%)	0	(618,000)	(618,000)
<i>Total for Fund 001-2</i>		0	(622,000)	(622,000)
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources</u>	<u>Title</u>			
563I	Title IV-D Child Support Enforcement (A) (66%)	0	(481,000)	(481,000)
<i>Total for Fund 001-A</i>		0	(481,000)	(481,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	(601,000)	(601,000)
<i>Total for Fund 001-C</i>		0	(601,000)	(601,000)
Total Overall Funding		0	(4,683,000)	(4,683,000)

**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	0	0
1. ISSD Compensation Adjustments			0.0			0	(20,000)		(20,000)	(20,000)	0	(20,000)
2. Central Service Reforms Redistribution			0.0			0	(593,000)	(185,000)	(778,000)	(593,000)	(185,000)	(778,000)
3. Auditor & Cell Phone Funding			0.0			0	(12,000)	(12,000)	(24,000)	(12,000)	(12,000)	(24,000)
4. Human Resource Consolidation		(13.0)	(6.5)			0	(462,000)	(410,000)	(872,000)	(462,000)	(410,000)	(872,000)
5. Evidence Based Funding Transfer		1.0	0.5			0	57,000	53,000	110,000	57,000	53,000	110,000
			0.0			0			0	0	0	0
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)	0	(3,000)
2. Central Service Reforms Redistribution			0.0			0	(20,000)		(20,000)	(20,000)	0	(20,000)
3. Auditor & Cell Phone Funding			0.0			0	(7,000)		(7,000)	(7,000)	0	(7,000)
4. Human Resource Consolidation			0.0			0	(3,000)		(3,000)	(3,000)	0	(3,000)
			0.0			0			0	0	0	0
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)	0	(4,000)
2. Central Service Reforms Redistribution			0.0			0	(72,000)	(21,000)	(93,000)	(72,000)	(21,000)	(93,000)
3. Auditor & Cell Phone Funding			0.0			0	(13,000)	(13,000)	(26,000)	(13,000)	(13,000)	(26,000)
4. Human Resource Consolidation		(5.0)	(2.5)			0	(242,000)	(128,000)	(370,000)	(242,000)	(128,000)	(370,000)
5. Evidence Based Funding Transfer		1.0	0.5			0	56,000	52,000	108,000	56,000	52,000	108,000
			0.0			0			0	0	0	0
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)	0	(7,000)
2. Central Service Reforms Redistribution			0.0			0	(133,000)	(40,000)	(173,000)	(133,000)	(40,000)	(173,000)
3. Auditor & Cell Phone Funding			0.0			0	(15,000)	(15,000)	(30,000)	(15,000)	(15,000)	(30,000)
4. Human Resource Consolidation		(6.0)	(3.0)			0	(234,000)	(143,000)	(377,000)	(234,000)	(143,000)	(377,000)
8. Fair Hearing Coordinator		3.0	1.5			0			0	0	0	0
			0.0			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)	0	(13,000)
2. Central Service Reforms Redistribution			0.0			0	(201,000)	(60,000)	(261,000)	(201,000)	(60,000)	(261,000)
3. Auditor & Cell Phone Funding			0.0			0	(6,000)	(8,000)	(14,000)	(6,000)	(8,000)	(14,000)
4. Human Resource Consolidation		(6.0)	(3.0)			0	(214,000)	(207,000)	(421,000)	(214,000)	(207,000)	(421,000)
8. Fair Hearing Coordinator		(3.0)	(1.5)			0			0	0	0	0
			0.0			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)	0	(80,000)
2. Central Service Reforms Redistribution			0.0			0	(1,579,000)	(500,000)	(2,079,000)	(1,579,000)	(500,000)	(2,079,000)
3. Auditor & Cell Phone Funding			0.0			0	(17,000)	(25,000)	(42,000)	(17,000)	(25,000)	(42,000)
4. Human Resource Consolidation		(38.5)	(19.3)			0	(1,303,000)	(1,179,000)	(2,482,000)	(1,303,000)	(1,179,000)	(2,482,000)
			0.0			0			0	0	0	0
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	0
2. Central Service Reforms Redistribution			0.0			0	(20,000)	(6,000)	(26,000)	(20,000)	(6,000)	(26,000)
3. Auditor & Cell Phone Funding			0.0			0	(1,000)		(1,000)	(1,000)	0	(1,000)
			0.0			0			0	0	0	0
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)	0	(2,000)
2. Central Service Reforms Redistribution			0.0			0	(45,000)	(14,000)	(59,000)	(45,000)	(14,000)	(59,000)
3. Auditor & Cell Phone Funding			0.0			0	(1,000)	(2,000)	(3,000)	(1,000)	(2,000)	(3,000)
4. Human Resource Consolidation		(2.0)	(1.0)			0		(122,000)	(122,000)	0	(122,000)	(122,000)
			0.0			0			0	0	0	0
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	0	130,000
2. Central Service Reforms Redistribution			0.0			0	(96,000)	(34,000)	(130,000)	(96,000)	(34,000)	(130,000)
3. Auditor & Cell Phone Funding			0.0			0	76,000	75,000	151,000	76,000	75,000	151,000
4. Human Resource Consolidation		71.5	35.8			0	2,458,000	2,189,000	4,647,000	2,458,000	2,189,000	4,647,000
5. Evidence Based Funding Transfer		(2.0)	(1.0)			0	(113,000)	(105,000)	(218,000)	(113,000)	(105,000)	(218,000)
7. Cost Allocation Funding Adjustment			0.0			0	(500,000)	500,000	0	(500,000)	500,000	0
			0.0			0			0	0	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)	0	(1,000)
2. Central Service Reforms Redistribution			0.0			0	(22,000)		(22,000)	(22,000)	0	(22,000)
3. Auditor & Cell Phone Funding			0.0			0	(4,000)		(4,000)	(4,000)	0	(4,000)
7. SCC and CFS FTE Transfer		(3.7)	(1.9)			0			0	0	0	0
			0.0			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	2,781,000	860,000	3,641,000
7. Cost Allocation Funding Adjustment			0.0			0	500,000	(500,000)	0	500,000	(500,000)	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
	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
	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: M2-UN Increase Authority - Federal Grants
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA) requests \$4,317,000 GF-Federal in the 2013 Supplemental Budget to account for increases in federal grants.

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	4,317,000	4,317,000
Total Cost	0	4,317,000	4,317,000

Staffing

Package Description:

ESA requests an increase of \$4,317,000 in federal appropriation for ongoing increases in the Supplemental Nutrition Assistance Program (SNAP) Operational Grants (Operations, Employment and Training, and Outreach) and SNAP Nutrition Education Grants.

Agency Contact: Ginger Stewart (360) 902-7769
Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request will allow ESA to quickly connect individuals and families to the benefits and services they need.

Performance Measure Detail

Agency Level

Activity: **F038 Food Stamp 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 goals identified in the DSHS 2011-2013 Strategic Plan:

- Goal 1 Improve the health status of vulnerable populations
- Goal 2 Improve economic stability, employment and self-sufficiency
- 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 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?

Department of Social and Health Services

DP Code/Title: M2-UN Increase Authority - Federal Grants
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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

- Provide for the safety of Washington's vulnerable children and adults
- Provide emergency cash, food, and shelter assistance
- Provide support services to families
- Prepare and support youth and adults for employment
- Ensure efficiency, performance, and accountability to clients and the public

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

SNAP Employment and Training, Outreach, and Nutrition Education services are provided through contracts with Community Based Organizations and the State Board of Community and Technical Colleges.

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

Additional federal authority could be requested through the Unanticipated Receipt process.

What are the consequences of not funding this package?

The department will have insufficient federal authority to spend available federal revenue. The department will not be able to provide the services made available through the use of these federal grants.

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: ESA M2-UN Increase Authority - Federal Grants

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

All costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	0	4,317,000	4,317,000

Department of Social and Health Services

DP Code/Title: M2-UN Increase Authority - Federal Grants

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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>			
E61B	Food Stamp Program (100%)	0	4,317,000	4,317,000
<i>Total for Fund 001-2</i>		0	4,317,000	4,317,000
Total Overall Funding		0	4,317,000	4,317,000

2013 Supplemental Budget M2-UN Increase Authority Federal Grants

SNAP Employment and Training (E&T)		
FFY 2012 Award	\$11,304,214	
FFY 2013 Award	\$13,196,861	
E&T Increase	<u>\$1,892,647</u>	
Estimated to Spend in SFY 2013		\$1,419,000
SNAP Outreach		
FFY 2012 Award	\$3,665,306	
FFY 2013 Award	\$3,971,331	
Outreach Increase	<u>\$306,025</u>	
Estimated to Spend in SFY 2013		\$230,000
SNAP E&T Mid Year FFY 2012 Increase		\$1,531,000
Anticipated SNAP E&T Mid Year FFY 2013 Increase ⁽¹⁾		\$469,000
FFY 2012 Award		
SNAP Underserved	\$151,039	
SNAP Medicare	<u>\$517,117</u>	
Total Carry In		\$668,000
Total Request		\$4,317,000

NOTE: (1) The estimate assumes approximately the same amount of mid year award increase and spending approximately 30% of the increase in SFY 2013.

Department of Social and Health Services

DP Code/Title: M2-XK Tribal TANF - Muckleshoot Tribe
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests an adjustment to GF-State and GF-Federal funding in the 2013 Supplemental Budget for costs associated with the Muckleshoot Tribe's Temporary Assistance for Needy Families (TANF) program.

Fiscal Detail:

Operating Expenditures

FY 1

FY 2

Total

Overall Funding

Program Cost

Total Cost

Staffing

Package Description:

On May 16, 2012, the Muckleshoot Indian Tribe submitted a letter of intent to the U.S. Department of Health and Human Services Administration for Children and Families (ACF) for operation of its own tribal TANF program. The Muckleshoot Tribe intends to begin operation of its TANF program on January 1, 2013, or the first working day of the month following completion of state negotiations. The tribe anticipates serving all Native American families that live on the reservation and all Muckleshoot tribal member families that live in the specified area in and around King County.

Federal law specifies that tribes have the authority to operate their own TANF programs. Currently, there are 11 tribal TANF programs that provide services to 13 tribes in Washington. When a tribe opts to provide its own TANF program, ACF and the state transfer to the tribe federal TANF and state maintenance of effort (MOE) funds. As required under federal law (45 CFR 286.20), the amount of the federal TANF Block Grant that is permanently transferred to the tribe must be "equal to the dollar amount of the federal funds that the state spent for AFDC and related programs for the tribe's designated service population in the services area in Fiscal Year 1994". The amount of state MOE that is transferred is required by state law (RCW 74.08A.040) to be a "fair and equitable amount". This RCW also requires that the amount of state MOE funds to be transferred be specified in the biennial appropriations act.

This funding request is for the net difference between ESA's spending associated with Muckleshoot tribal members and the amount necessary for the tribe to operate a fully functioning TANF grant and services program. This request results in a net increase of costs for several reasons:

- 1) The federal amount to be transferred to the tribe is based on a caseload level in 1994. Current caseloads are significantly lower.
- 2) Citizens have the right to choose where they receive services. ESA's experience with existing agreements has been that some tribal members elect to stay in the state program. If this occurs, then it will result in a shortfall to the state program because the calculations assume all those eligible to receive services through the Muckleshoot Tribe will do so.
- 3) The average cost per unduplicated assistance unit for the Muckleshoot Tribe is higher than it is for ESA. Average costs are higher due to the longer length-of-stay of tribal families on the grant, the higher per capita administrative costs due to a lack of economies of scale, and the service package that the tribe will provide.

Agency Contact: Ginger Stewart (360) 902-7769
Program Contact: Judy Fitzgerald (360) 725-4642

Department of Social and Health Services

DP Code/Title: M2-XK Tribal TANF - Muckleshoot Tribe

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The outcome of this decision package will be to provide the Muckleshoot Tribe with the state and federal resources to operate a TANF program and to provide sufficient funding to maintain the state TANF program at its current level.

Performance Measure Detail

Agency Level

Activity: F100 Temporary Assistance to Needy Families (TANF)

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 goal identified in the DSHS 2011-2013 Strategic Plan:

--Goal 2 Improve economic stability, employment and self-sufficiency

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

This package supports the Governor's priority of enhancing the economic vitality of businesses and people.

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:

Provide for the safety of Washington's vulnerable children and adults

--Provide emergency cash, food, and shelter assistance

--Provide support services to families

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?

The state and tribal TANF programs will not be funded at a level sufficient to maintain current programs and policies if this request is not funded.

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?

Department of Social and Health Services

DP Code/Title: M2-XL DEL EBT Warrant Costs
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests \$1,150,000 GF-State in the 2013 Supplemental Budget for the costs of processing warrants for child care subsidy payments.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060			
001-1 General Fund - Basic Account-State	0	1,150,000	1,150,000
Total Cost	0	1,150,000	1,150,000

Staffing

Package Description:

DSHS, ESA, requests \$1,150,000 GF-State in the 2013 Supplemental Budget for the costs of processing warrants for child care subsidy payments.

The 2011-13 Biennium Budget included \$6,564,000 GF-State funding in the WorkFirst program "provided solely for the implementation and administration of the electronic benefits transfer (EBT) system under section 12 of Engrossed Substitute Senate Bill No. 5921(social services programs)." The 2011-13 Biennium and 2012 Supplemental Budgets for the WorkFirst program also included an assumption that implementation of the EBT system would result in a savings of \$1,150,000 in Fiscal Year 2013 from no longer needing to process warrants to pay child care subsidies. The EBT system will not be in place for Fiscal Year 2013 and the assumed warrant processing savings will not be realized. This request is for the restoration of the GF-State savings, which will not be realized.

Agency Contact: Mickie Coates (360) 902-8077
Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Sufficient resources to process warrants for child care subsidy payments.

Performance Measure Detail

Program: 060

Activity: F078 Program Support

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 2 Improving economic stability, employment and self-sufficiency
- 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?

Department of Social and Health Services

DP Code/Title: M2-XL DEL EBT Warrant Costs
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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 strategy:

- Provide for the safety of Washington's vulnerable children and adults
- Provide support services to families
- Prepare and support youth and adults for employment
- Ensure efficiency, performance, and accountability to clients and 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?

Programs or services within the WorkFirst program may need to be reduced to fund these ongoing operating 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

Amount requested equals savings assumed in the 2011-13 Biennium and 2012 Supplemental Budgets that will not be realized.

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

Costs will be ongoing until a child care EBT system is operational.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060 Objects			
E Goods And Services	0	1,150,000	1,150,000

Department of Social and Health Services

DP Code/Title: M2-XL DEL EBT Warrant Costs

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

DSHS Source Code Detail

Program 060		<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>			
GFS2	General Fund State TANF Moe	0	1,150,000	1,150,000
<i>Total for Fund 001-1</i>		0	1,150,000	1,150,000
Total Program 060		0	1,150,000	1,150,000

Department of Social and Health Services

DP Code/Title: M2-XM ACA - Health Benefit Exchange

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests 4.5 FTEs and \$12,034,000 Total Funds, \$1,565,000 GF-State, in the 2013 Supplemental Budget for the Phase 1 design, development, and implementation of the Eligibility Service for the Health Benefit Exchange (HBE) and to modify the Automated Client Eligibility System (ACES) to support and maintain other existing program eligibility rules.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	0	1,565,000	1,565,000
001-2 General Fund - Basic Account-Federal	0	546,000	546,000
001-C General Fund - Basic Account-Medicaid Federal	0	9,923,000	9,923,000
Total Cost	0	12,034,000	12,034,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Agency FTEs	0.0	4.5	2.3

Package Description:

The HBE was authorized by the federal Patient Protection and Affordable Care Act (ACA) in March 2010 and established in state law under RCW 43.71 as amended by ESSHB 2319 in 2012. The HBE is a key provision of national health reform that creates an easily accessible, central marketplace for individuals, families, and small businesses to buy health insurance.

The ACA introduces a new income definition-Modified Adjusted Gross Income (MAGI)-for determining Medicaid income eligibility across the country. Currently, rules for counting income for Medicaid vary from state to state, with some states allowing disregards and deductions that are not allowed in others. The adoption of MAGI, which is defined in a new section of the Internal Revenue Code, will standardize the calculation of income across the nation. Additionally, since income will be based on an income tax definition, family size and household income will be based on the tax filing unit, which is a change from the current Medicaid methodology.

The ACES is the current legacy system used by the state to determine eligibility for a large number of programs including cash, medical, and food assistance. An independent assessment of ACES capabilities was completed by Cambria Solutions, under a grant to the Washington Health Care Authority (HCA), and it was determined that modification and modernization of ACES would be the best solution for an Eligibility Service that meets U.S. Department of Health and Human Services requirements. ACES will be the state's information technology engine for determining health benefit eligibility under the new MAGI rules.

The HCA and the DSHS are proposing a phased solution to build the Eligibility Service within the schedule constraints of the HBE; open enrollment by October 2013 and full implementation by January 2014. The phased solution approach is proposed as follows:

Phase 1: Build the Eligibility Service with MAGI-only rules, including Family Medical, Pregnant Women, Children's Health Insurance Program, and Medicaid newly eligible adults by October 1, 2013, with end-to-end testing completed no later than July 1, 2013.

Phase 2: Add non-MAGI eligibility rules, "classic Medicaid", to the Eligibility Service as the next modularized, modernized component of the business rules engine as early as January 1, 2014.

Phase 3: Add remaining Human Service rules into a modernized, modularized business rules engine as part of the state's Integrated Medicaid eligibility determination system, the Eligibility Service, built in previous phases no later than December 1, 2015.

Department of Social and Health Services

DP Code/Title: M2-XM ACA - Health Benefit Exchange

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

This decision package covers ESA's request for enhanced federal funds and the state match for the Phase 1 design, development, and implementation necessary to build the Eligibility Service to support the HBE within the required schedule. The amounts in this request are also for transforming ACES to remove current Medicaid eligibility determination logic that is no longer valid under the new MAGI-based rules. This will allow the state to maintain the non-MAGI and health and human service program eligibility rules within ACES. Interim modification will be made to sustain the legacy system to continue performing eligibility determinations for non-MAGI Medicaid and human services programs until the next phases are implemented, while MAGI rules are created, converted, and transferred into the HBE.

Agency Contact: Ginger Stewart (360) 902-7769

Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Eligibility Service will leverage existing elements and expertise associated with ACES. In Phase 1, the Eligibility Service will be established as a new module of the ACES infrastructure applying new MAGI-based eligibility logic using a service oriented architecture business rules engine. This phased approach will allow for an operational and fully tested Eligibility Service that meets the needs of the HBE with end-to-end testing completed no later than July 1, 2013. Phase 1 will result in the new Eligibility Service containing all MAGI eligibility rules required by the HBE for open enrollment to begin by October 1, 2013. Phase 1 also includes modifications to ACES to maintain the eligibility function for non-MAGI and human services programs until the next phases are implemented.

Performance Measure Detail

Agency Level

Activity: F061 Medical Eligibility Determination 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 goal identified in the DSHS 2011-2013 Strategic Plan:

--Goal 1 Improve the health status of vulnerable populations

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

This package supports the Governor's priority of improving the health of Washingtonians.

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:

- Improve the health of Washingtonians
- Provide access to quality health care
- Ensure efficiency, performance, and accountability to clients and the public

Department of Social and Health Services

DP Code/Title: M2-XM ACA - Health Benefit Exchange

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

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?

An independent assessment performed by Cambria Solutions under a grant to the HCA determined that ACES architecture should be used to host the new eligibility rules. Once this assessment was made, no further alternatives were considered. The HBE is established in state law and the ACA is federal law. This request supports the implementation of these two statutory requirements.

What are the consequences of not funding this package?

If this request is not funded, then the state would lose approximately \$18.8 million in federal revenue available from the Establishment Grant and Medicaid through Fiscal Year 2014 and implementation of a HBE in Washington State would be delayed.

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

Expenditure and revenue calculations are from information provided to and approved by the Centers for Medicare and Medicaid Services in the state's Implementation - Advance Planning Document.

See attachment: ESA M2-XM Health Benefit Exchange

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

Costs are one-time in Fiscal Year 2013.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
A Salaries And Wages	0	342,000	342,000
B Employee Benefits	0	97,000	97,000
E Goods And Services	0	11,591,000	11,591,000
T Intra-Agency Reimbursements	0	4,000	4,000
Total Objects	0	12,034,000	12,034,000

Department of Social and Health Services

DP Code/Title: M2-XM ACA - Health Benefit Exchange

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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	1,565,000	1,565,000
<i>Total for Fund 001-1</i>		0	1,565,000	1,565,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
767H	Children's Health Ins Prog (CHIP)	0	546,000	546,000
<i>Total for Fund 001-2</i>		0	546,000	546,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UD	Title XIX Admin (90%)	0	9,833,000	9,833,000
19UL	Title XIX Admin (50%)	0	90,000	90,000
<i>Total for Fund 001-C</i>		0	9,923,000	9,923,000
Total Overall Funding		0	12,034,000	12,034,000

**2013 Supplemental Budget
M2-XM ACA- Health Benefit Exchange**

One-Time Costs (Phase One)			
Eligibility Service	FY12	FY13	Total
GF-State		215,000	215,000
Establishment Grant (GF-F)		3,672,000	3,672,000
Title XIX & XXI (GF-F)		1,513,000	1,513,000
Subtotal	-	5,400,000	5,400,000
ACES Remediation	FY12	FY13	Total
GF-State		1,350,000	1,350,000
Federal (TXIX & TXXI)		8,956,000	8,956,000
Subtotal	-	10,306,000	10,306,000
Total One-Time Costs	FY12	FY13	Total
GF-State	-	1,565,000	1,565,000
Establishment Grant *	-	3,672,000	3,672,000
Title XIX & XXI	-	10,469,000	10,469,000
Total	-	15,706,000	15,706,000
<i>* DSHS does not need federal authority for the Establishment Grant. ESA will bill HCA and be reimbursed.</i>			
Total Request (Phase One)			
	FY12	FY13	Total
001-1		1,565,000	1,565,000
001-C		10,469,000	10,469,000
Total	-	12,034,000	12,034,000

Department of Social and Health Services

DP Code/Title: M2-XN Client Hub
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests 5.4 FTEs and \$1,075,000 Total Funds, \$261,000 GF-State, in the 2013 Supplemental Budget to support the Client Identification Management Hub (Client Hub).

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060			
001-1 General Fund - Basic Account-State	0	261,000	261,000
001-C General Fund - Basic Account-Medicaid Federal	0	814,000	814,000
Total Cost	0	1,075,000	1,075,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 060 FTEs	0.0	5.4	2.7

Package Description:

The Client Hub will uniquely identify clients across all DSHS program areas and assign a unique identifier to each client. This will lead to improved ability to coordinate services across agency programs and individuals will be known by the same client identifier in the eligibility system, the case management system, and the payment system. Improved coordination should lead to more efficient use of program budgets and improved client outcomes.

DSHS provides services to 2.2 million clients each year. These services cover a wide range such as: placement of children with Foster Parents, investigation of suspected elder abuse, care and treatment of patients within agency-run institutions, collection of child support and helping people with basic needs such as cash, food and medical assistance. Many of these clients receive services from more than one program area within DSHS, resulting in redundant client identifiers and related data being created and managed in various DSHS operational, client management systems. This makes it difficult to provide an integrated view of the services a DSHS client receives.

DSHS is addressing the need for coordinated services to clients through commonly defined shared data, reusable interfaces, and reusable applications. One example is moving provider payments from the DSHS Social Service Payment System (SSPS) into ProviderOne, the State's Medicaid Management Information System. The next step for DSHS is to implement the Client Hub.

Agency Contact: Ginger Stewart (360) 902-7769
Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The goal of the Client Hub is to uniquely identify clients so the department can move towards integrated service delivery. Integrated service delivery results in better outcomes for clients through uniform case management, fewer points of entry for clients, fewer barriers to care, slower disability progression, less emergency and crisis care, reduced inpatient care, and lowered costs.

Performance Measure Detail

Program: 060

Department of Social and Health Services

DP Code/Title: M2-XN Client Hub
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Activity: **F006 Automated Client Eligibility Systems (ACES)**

No measures linked to package

Incremental Changes

FY 1

0.00

FY 2

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 1 Improving the health status of vulnerable populations
- Goal 2 Improving economic stability, employment and self-sufficiency
- 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 strengthening Washington families by protecting and providing for those who can't care for themselves.

This package supports the Governor's priority of access to high-quality, affordable health care for all Washingtonians.

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 strategies:

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

State government must achieve results through efficient and effective performance
--Deliver the efficient use of financial resources to provide public services
--Provide objective data and information for the public and elected decision makers
--Provide efficient and effective logistical support to deliver services
--Ensure efficiency, performance, and accountability to the public

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

The Client Hub project scope includes the following interfacing systems:

- Automated Client Eligibility System (ACES), DSHS Economic Services Administration
- BarCode, DSHS Economic Services Administration
- ProviderOne, Health Care Authority
- Comprehensive Assessment Reporting and Evaluation (CARE), DSHS Aging and Disability Services Administration
- Treatment Assessment and Reports Generation Tool (TARGET), DSHS Aging and Disability Services Administration
- Automated Client Tracking, DSHS Juvenile Rehabilitation Administration

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

None

Department of Social and Health Services

DP Code/Title: M2-XN Client Hub
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

What are the consequences of not funding this package?

If this package is not funded, the department's information technology system will not support an integrated case management and service delivery system.

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: ESA M2-XN Client Hub

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

All costs are one-time.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060 Objects			
A Salaries And Wages	0	419,000	419,000
B Employee Benefits	0	199,000	199,000
E Goods And Services	0	452,000	452,000
T Intra-Agency Reimbursements	0	5,000	5,000
Total Objects	0	1,075,000	1,075,000

DSHS Source Code Detail

<u>Program 060</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	261,000	261,000
<i>Total for Fund 001-1</i>	0	261,000	261,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UD Title XIX Admin (90%)	0	654,000	654,000
19UL Title XIX Admin (50%)	0	160,000	160,000
<i>Total for Fund 001-C</i>	0	814,000	814,000
Total Program 060	0	1,075,000	1,075,000

**2013 Supplemental Budget
M2-XN Client Hub**

	FY13		FY14	
	GF-S	Other	GF-S	Other
	Total		Total	
Phase 1 - 06/15/12 to 11/07/12				
Staffing Costs	\$18,000	\$165,000		\$0
IBM Contract Costs	\$46,000	\$224,000		\$0
Subtotal	\$64,000	\$389,000		\$0
Phase 2 - 10/15/12 to 04/01/13				
Staffing Costs	\$113,000	\$112,000		\$0
IBM Contract Costs	\$47,000	\$48,000		\$0
Subtotal	\$160,000	\$160,000		\$0
Phase 3 - 03/15/13 to 08/31/13				
Staffing Costs	\$22,000	\$193,000	\$30,000	\$144,000
IBM Contract Costs	\$15,000	\$72,000	\$17,000	\$155,000
Subtotal	\$37,000	\$265,000	\$47,000	\$299,000
Total Project				
Staffing Costs	\$153,000	\$470,000	\$30,000	\$144,000
IBM Contract Costs	\$108,000	\$344,000	\$17,000	\$155,000
Total	\$261,000	\$814,000	\$47,000	\$299,000

Department of Social and Health Services

DP Code/Title: M2-XP DDDS Federal Workload Increase
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Economic Services Administration (ESA), requests \$3,831,000 GF-Federal in the 2013 Supplemental Budget to fund caseload increases referred to the Division of Disability Determination Services (DDDS) by the Social Security Administration (SSA).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060			
001-2 General Fund - Basic Account-Federal	0	3,831,000	3,831,000
Total Cost	0	3,831,000	3,831,000

Staffing

Package Description:

DDDS contracts directly with the SSA to determine eligibility for Supplemental Security Income (SSI). The SSA establishes Federal Fiscal Year productivity goals related to the number of claims received and the number of claims cleared from the caseload by approving or denying the claim. From Federal Fiscal Year 2009 to Federal Fiscal Year 2012, the goal established by SSA for clearances increased from 70,192 to 95,130, resulting in an overall SSA caseload increase of 35.5 percent.

Medical evidence is required to successfully determine eligibility and complete the adjudication process for SSA cases. If medical evidence already exists, DDDS requests existing medical records for review and consideration. If the medical evidence is insufficient to determine eligibility, DDDS refers clients to private sector medical professionals contracted with DDDS to conduct consultative exams.

Costs associated with processing SSA claims are fully funded by GF-Federal dollars. These costs have increased significantly since State Fiscal Year 2009, causing DDDS to overspend its federal appropriation in State Fiscal Year 2010 through State Fiscal Year 2012. DDDS is requesting the federal authority necessary to operate at the State Fiscal Year 2012 expenditure level.

Agency Contact: Ginger Stewart (360) 902-7769
Program Contact: Judy Fitzgerald (360) 725-4642

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This decision package will result in alignment of federal appropriation authority, federal costs incurred, and the amount of federal funds earned by DDDS.

Performance Measure Detail

Program: 060

Activity: H001 Administrative Costs

No measures linked to package

<u>Incremental Changes</u>	
<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:

Department of Social and Health Services

DP Code/Title: M2-XP DDDS Federal Workload Increase
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

--Goal 2 Improve economic stability, employment and self-sufficiency

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

This package supports the Governor's priority of enhancing the economic vitality of businesses and people.

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:

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?

None

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

None

What are the consequences of not funding this package?

Failure to fund this request will result in an inequity between DDDS's federal appropriation authority and the federal revenue earned from adjudicating more SSA cases.

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: ESA M2-XP DDDS Federal Workload Increase

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

All costs are ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 060 Objects			
N Grants, Benefits & Client Services	0	3,831,000	3,831,000

Department of Social and Health Services

DP Code/Title: M2-XP DDDS Federal Workload Increase

Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

DSHS Source Code Detail

Program 060		<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>			
001B	Social Security Disability Ins (100%)	0	3,831,000	3,831,000
<i>Total for Fund 001-2</i>		0	3,831,000	3,831,000
Total Program 060		0	3,831,000	3,831,000

2013 Supplemental Budget
M2-XP DDDS Federal Workload Increase

<u>SSA Established Goals</u>	FFY12	FFY11	FFY10	FFY09
Total Clearances Goal	95,130	88,111	84,260	70,192
Actual Clearances		91,910	83,333	74,631
<u>Cumulative Changes</u>				
Increase	24,938	17,919	14,068	-
% of Increase	35.5%	25.5%	20.0%	

<u>Fiscal Year End Balance (Rounded)</u>	SFY12	SFY11	SFY10	SFY09
FA2 - Economic Services GF-State	\$ 166,000	\$ (249,000)	\$ 60,000	\$ 267,000
VM2 - Economic Services GF-Federal	\$ (3,831,000)	\$ (4,334,000)	\$ (1,780,000)	\$ 2,689,000
Total	\$ (3,665,000)	\$ (4,583,000)	\$ (1,720,000)	\$ 2,956,000

ESA M2-XP DDDS Federal Workload Increase

Department of Social and Health Services

DP Code/Title: PL-XD Federal Sequester
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 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**

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

Program: 060

Activity: F029 Employment Support Services: Refugees

No measures linked to package

Incremental Changes

FY 1 **FY 2**

0.00 0.00

Activity: F083 Refugee Assistance Income

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:

- Goal 1 Improving the health status of vulnerable populations
- Goal 2 Improving economic stability, employment and self-sufficiency

Department of Social and Health Services

DP Code/Title: PL-XD Federal Sequester
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

--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?

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.

Department of Social and Health Services

DP Code/Title: PL-XD Federal Sequester
Program Level - 060 Economic Services Admin

Budget Period: 2011-13 Version: F3 060 - 2011-13 Final 2013 Sup

Object Detail

FY 1

FY 2

Total

Program Totals

DSHS Source Code Detail

FY 1

FY 2

Total

Fund ,
Sources Title

Total for Fund

Total

Totals for all funds

