

**Department of Social and Health Services
2012 Reduction Options and Supplemental Budget Request
Alcohol and Substance Abuse**

Table of Contents

Recommendation Summary

Maintenance Level Decision Packages

M2-9T Transfers

M2-ZZ Unemployment

Policy Level Decision Packages

PL-PF State Data Center Equipment

PL-YT ASA Adult Service Reduction

Recommendation Summary

Budget Period: 2011-13
Budget Level Criteria: ALL

Version: G2 - 070 - 2012 Sup Agency Request

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds	
Program 070 - Div of Alc/Substnce Abuse						
CB - Current Biennium						
00	Current Biennium Base	0	76.3	151,709	162,798	314,507
	SubTotal CB		76.3	151,709	162,798	314,507
	Cumulative Total Thru CB		76.3	151,709	162,798	314,507
M2 - Inflation and Other Rate Changes						
9T	Transfers	0	0.0	3	(1)	2
ZZ	Unemployment	0	0.0	26	4	30
	SubTotal M2		0.0	29	3	32
	Cumulative Total Thru M2		76.3	151,738	162,801	314,539
PL - Performance Level						
PF	State Data Center Equipment	0	0.0	2	1	3
YT	ASA Adult Service Reduction	0	0.0	(72,582)	(21,215)	(93,797)
	SubTotal PL		0.0	(72,580)	(21,214)	(93,794)
	Cumulative Total Thru PL		76.3	79,158	141,587	220,745
Total Proposed Budget for Program 070 - Div of Alc/Substnce Abuse			76.3	79,158	141,587	220,745

Recommendation Summary Text

9T - Transfers

(M2) The Department of Social and Health Services (DSHS) requests to shift FTEs and funding among programs in the 2012 Supplemental Budget. This transfer will align FTEs and funds within the programs where the costs are incurred. The net impact is zero.

PF - State Data Center Equipment

(PL) The Department of Social and Health Services (DSHS), Information System Services Division (ISSD), requests \$512,000 (\$291,000 GF-State) in the 2012 Supplemental Budget for startup equipment required to migrate systems from the Office Building 2 (OB2) to the new State Data Center (SDC) located in the 1500 Jefferson Building.

YT - ASA Adult Service Reduction

(PL) The Department of Social and Health Services (DSHS), Division of Behavioral Health and Recovery, Alcohol and Substance Abuse (ASA) reduces (\$93,797,000), (\$72,582,000) GF-State, by eliminating all GF-State funded alcohol and substance abuse services for adults, excluding pregnant and parenting women.

ZZ - Unemployment

(M2) The Department of Social and Health Services (DSHS) requests \$2,893,000 (\$2,245,000 GF-State) in the 2012 Supplemental Budget to offset increased Unemployment Insurance reimbursement to the Employment Security Department (ESD).

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests to shift FTEs and funding among programs in the 2012 Supplemental Budget. This transfer will align FTEs and funds within the programs where the costs are incurred. The net impact is zero.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070			
001-1 General Fund - Basic Account-State	3,000	0	3,000
001-C General Fund - Basic Account-Medicaid Federal	0	(1,000)	(1,000)
Total Cost	3,000	(1,000)	2,000

Staffing

Package Description:

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

Information System Services Division (ISSD) Compensation Adjustment (110 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): Administration and Supporting Services (Administration) will transfer compensation costs for staff in ISSD to other DSHS programs. Compensation steps associated with staff in ISSD are routinely included within the budget steps for Administration. Administration will distribute \$383,000 (\$303,000 GF-State) of ISSD's costs to the programs. These steps include: 1) savings from ending automatic benefit increases from the Public Employees' Retirement System Plan 1; 2) health insurance decrease in Fiscal Year 2013 to reflect the expected decrease of state employees in 2011-13, (the decrease in the carry forward level has already been adjusted in Fiscal Year 2012); 3) 3 percent cost savings in employee salaries; and 4) employer contributions adjusted to levels adopted by the Pension Funding Council. ISSD's budget resides in programs' budgets at Sub-Object TZ.

Department of Information Services (DIS) Rate Reduction (145 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): Payments to Other Agencies (PTOA) will distribute \$2,130,000 (\$1,494,000 GF-State) of DIS rate adjustment costs to the various programs. DIS reduced their 2011-13 rates in technology leasing services, storage, and mainframe computing. Also, the Central Service Model reduced the department's funding for DIS services. PTOA does not pay these DIS costs for the entire department; rather, they are paid out of the programs' budgets at the Sub-Object EL levels.

Medicaid Purchasing Administration (MPA) Funding (110 to 010, 020, 030, 040, 050, 060, 070, 100, 135): Administration will distribute \$456,000 (\$296,000 GF-State) in costs to DSHS programs for the funding of positions that were transferred to the Health Care Authority (HCA). The negotiation for the DSHS and MPA transfer required DSHS to provide additional staff funding to HCA. Administration distributes this cost to the programs in this request. (Economic Services Administration (ESA) agreed to provide 3.0 FTEs, which were transferred out of the ESA 2011-13 Biennial Budget.) This distribution will give each program a share of the cost without Administration carrying the full cost as this was the original intent.

Department of Labor and Industries (L&I) Funding from PTOA to Programs (145 to 010, 020, 030, 040, 050, 060, 070, 100, 135, 150): L&I funding for the various DSHS programs was provided in PTOA's budget and will need to transfer to the respective programs. PTOA will transfer \$9,341,000 (\$6,725,000 GF-State) to the programs.

ISSD Transfer of Email and Blackberry services to DIS (All DSHS Programs): ISSD will no longer provide email and blackberry services for the department and will transfer these services to DIS. Program's

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

funding for these services are in Sub-Object TZ and will need to transfer to Sub-Object EL. The estimated transfer amount is \$624,000 total funds for Fiscal Year 2012 and \$1,208,000 total funds for Fiscal Year 2013. Amounts in the first year are estimates because the transfer timeline may change.

ISSD Staff Transfer to Administration (150 or 020, 030, 040, 050, 060, 070, 100, 135 to 110):
ISSD will transfer 1.0 FTE and \$216,000 (\$126,000 GF-State) to Administration, which fits with the current organizational reporting structure. As mentioned above, because of ISSD's budget residing in the programs' Sub-Object TZ costs, programs will transfer \$176,000 of their ISSD's costs to Administration, which will also reduce their share of ISSD's costs by \$40,000.

Mental Health Category Transfers (030 8000 to 030 9000):
DSHS, Mental Health (MH), is a categorically appropriated program. Thus, MH requests to move 8.6 FTEs and \$671,000 (\$74,000 GF-State) from Category 8000 to Category 9000 to align appropriations where costs are incurred.

Consolidated Field Services FTE Transfer (010, 020, 030, 040, 050, 060, 135 to 110 & 160):
Program 160 - Consolidated Field Services (CFS) will consolidate 343.1 FTEs in Fiscal Year 2012 and 540.2 FTEs in Fiscal Year 2013 from various DSHS Programs, which is designed to centralize services and maximize efficiencies in order to support business functions and maintenance for the regional centers and the institutions. CFS will operate as a chargeback to programs in order to maintain the maximum federal participation rate that DSHS Programs receive. Part of this consolidation is a transfer of 8.0 FTEs and \$704,000 (\$490,000 GF-State) in Fiscal Year 2012 and 13.0 FTEs and \$1,021,000 (\$714,000 GF-State) in Fiscal Year 2013 for payroll staff, Facility Planners and a Fiscal Coordinator from the various programs to Program 110. The consolidation will phase in from November 1, 2011, through March 1, 2012, and has been approved by the Legislative Evaluation and Accountability Program (LEAP) Committee.

These transfers will realign the 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?

DSHS accounts for the wise use of public dollars by maximizing federal funding sources.

Performance Measure Detail

Program: 070

Activity: G022 DASA Administration
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?

Yes. This request supports our goal to improve health care quality and access and to improve internal and external partnerships.

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

Yes. This request supports the Governor's priority associated with efficient state government services for the people of Washington State.

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 - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Yes. This request makes key contributions to the Governor's statewide results to "strengthen government's ability to achieve results efficiently and effectively."

This package will rate high in the Priorities of Government (POG) process as it will assist us in ensuring that needed support and funds are in the correct programs. In addition, it will allow DSHS to monitor costs and services efficiently and effectively.

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, 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 resulting in the funding being in the correct programs. Then, all costs associated with these transfers will be ongoing and will carry-forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070 Objects			
A Salaries And Wages	(1,000)	(1,000)	(2,000)
B Employee Benefits	7,000	3,000	10,000
E Goods And Services	5,000	10,000	15,000
T Intra-Agency Reimbursements	(8,000)	(13,000)	(21,000)
Total Objects	3,000	(1,000)	2,000

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 070		<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	3,000	0	3,000
	<i>Total for Fund 001-1</i>	3,000	0	3,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	0	(1,000)	(1,000)
	<i>Total for Fund 001-C</i>	0	(1,000)	(1,000)
	Total Program 070	3,000	(1,000)	2,000

**2012 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												
ISSD compensation adjustments from Admin			0.0	(19,000)	(9,000)	(28,000)	(23,000)	(13,000)	(36,000)	(42,000)	(22,000)	(64,000)
DIS reductions from PTOA			0.0	(103,000)	(44,000)	(147,000)	(100,000)	(43,000)	(143,000)	(203,000)	(87,000)	(290,000)
MPA costs from Admin			0.0	(24,000)	(13,000)	(37,000)	(24,000)	(13,000)	(37,000)	(48,000)	(26,000)	(74,000)
L&I Funding from PTOA			0.0	192,000	63,000	255,000	80,000	26,000	106,000	272,000	89,000	361,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(6,000)	(9,000)	(15,000)	(6,000)	(9,000)	(15,000)	(12,000)	(18,000)	(30,000)
FTE Consolidation Transfer	(10.9)	(26.2)	(18.6)	(37,000)	(41,000)	(78,000)	(52,000)	(59,000)	(111,000)	(89,000)	(100,000)	(189,000)
			0.0			0			0			0
010 Total	(10.9)	(26.2)	(18.6)	3,000	(53,000)	(50,000)	(125,000)	(111,000)	(236,000)	(122,000)	(164,000)	(286,000)
020 Juvenile Rehabilitation												
ISSD compensation adjustments from Admin			0.0	(5,000)		(5,000)	(7,000)		(7,000)	(12,000)	0	(12,000)
DIS reductions from PTOA			0.0	(8,000)		(8,000)	(8,000)		(8,000)	(16,000)	0	(16,000)
MPA costs from Admin			0.0	(8,000)	(4,000)	(12,000)	(8,000)	(4,000)	(12,000)	(16,000)	(8,000)	(24,000)
L&I Funding from PTOA			0.0	382,000		382,000	179,000		179,000	561,000	0	561,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(3,000)	0	(3,000)	(3,000)	0	(3,000)	(6,000)	0	(6,000)
FTE Consolidation Transfer	(36.0)	(55.1)	(45.6)	(11,000)	0	(11,000)	(15,000)	0	(15,000)	(26,000)	0	(26,000)
			0.0			0			0			0
020 Total	(36.0)	(55.1)	(45.6)	347,000	(4,000)	343,000	138,000	(4,000)	134,000	485,000	(8,000)	477,000
030 Mental Health												
ISSD compensation adjustments from Admin			0.0	(12,000)	1,000	(11,000)	(15,000)	1,000	(14,000)	(27,000)	2,000	(25,000)
DIS reductions from PTOA			0.0	(19,000)	4,000	(15,000)	(18,000)	4,000	(14,000)	(37,000)	8,000	(29,000)
MPA costs from Admin			0.0	(26,000)	(14,000)	(40,000)	(26,000)	(14,000)	(40,000)	(52,000)	(28,000)	(80,000)
L&I Funding from PTOA			0.0	2,011,000	249,000	2,260,000	893,000	110,000	1,003,000	2,904,000	359,000	3,263,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(6,000)	0	(6,000)	(6,000)	0	(6,000)	(12,000)	0	(12,000)
Category 8000	(8.6)	(8.6)	(8.6)	(296,000)	(38,000)	(334,000)	(301,000)	(36,000)	(337,000)	(597,000)	(74,000)	(671,000)
Category 9000	8.6	8.6	8.6	296,000	38,000	334,000	301,000	36,000	337,000	597,000	74,000	671,000
FTE Consolidation Transfer	(119.2)	(178.9)	(149.1)	(239,000)	0	(239,000)	(353,000)	0	(353,000)	(592,000)	0	(592,000)
			0.0			0			0			0
030 Total	(119.2)	(178.9)	(149.1)	1,709,000	240,000	1,949,000	475,000	101,000	576,000	2,184,000	341,000	2,525,000
040 Division of Developmental Disabilities												
ISSD compensation adjustments from Admin			0.0	(9,000)	(2,000)	(11,000)	(10,000)	(3,000)	(13,000)	(19,000)	(5,000)	(24,000)
DIS reductions from PTOA			0.0	(27,000)	(1,000)	(28,000)	(26,000)		(26,000)	(53,000)	(1,000)	(54,000)
MPA costs from Admin			0.0	(31,000)	(17,000)	(48,000)	(31,000)	(17,000)	(48,000)	(62,000)	(34,000)	(96,000)
L&I Funding from PTOA			0.0	1,366,000	1,311,000	2,677,000	670,000	644,000	1,314,000	2,036,000	1,955,000	3,991,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(5,000)	(1,000)	(6,000)	(5,000)	(1,000)	(6,000)	(10,000)	(2,000)	(12,000)
FTE Consolidation Transfer	(144.9)	(219.7)	(182.3)	(62,000)	(105,000)	(167,000)	(92,000)	(152,000)	(244,000)	(154,000)	(257,000)	(411,000)
			0.0			0			0			0
040 Total	(144.9)	(219.7)	(182.3)	1,232,000	1,185,000	2,417,000	506,000	471,000	977,000	1,738,000	1,656,000	3,394,000
050 Long Term Care												
ISSD compensation adjustments from Admin			0.0	(11,000)	(3,000)	(14,000)	(14,000)	(4,000)	(18,000)	(25,000)	(7,000)	(32,000)
DIS reductions from PTOA			0.0	(44,000)	(15,000)	(59,000)	(44,000)	(14,000)	(58,000)	(88,000)	(29,000)	(117,000)
MPA costs from Admin			0.0	(12,000)	(7,000)	(19,000)	(12,000)	(7,000)	(19,000)	(24,000)	(14,000)	(38,000)
L&I Funding from PTOA			0.0	77,000	51,000	128,000	33,000	21,000	54,000	110,000	72,000	182,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(4,000)	(3,000)	(7,000)	(4,000)	(3,000)	(7,000)	(8,000)	(6,000)	(14,000)
FTE Consolidation Transfer	(3.9)	(9.1)	(6.5)	(15,000)	(13,000)	(28,000)	(22,000)	(18,000)	(40,000)	(37,000)	(31,000)	(68,000)
			0.0			0			0			0
050 Total	(3.9)	(9.1)	(6.5)	(9,000)	10,000	1,000	(63,000)	(25,000)	(88,000)	(72,000)	(15,000)	(87,000)
060 Economic Services Administration												
ISSD compensation adjustments from Admin			0.0	(76,000)	(16,000)	(92,000)	(91,000)	(27,000)	(118,000)	(167,000)	(43,000)	(210,000)
DIS reductions from PTOA			0.0	(530,000)	(260,000)	(790,000)	(519,000)	(255,000)	(774,000)	(1,049,000)	(515,000)	(1,564,000)
MPA costs from Admin			0.0	(39,000)	(21,000)	(60,000)	(39,000)	(21,000)	(60,000)	(78,000)	(42,000)	(120,000)
L&I Funding from PTOA			0.0	325,000	90,000	415,000	140,000	39,000	179,000	465,000	129,000	594,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(25,000)	(22,000)	(47,000)	(25,000)	(22,000)	(47,000)	(50,000)	(44,000)	(94,000)
FTE Consolidation Transfer	(11.5)	(27.2)	(19.4)	(72,000)	(55,000)	(127,000)	(101,000)	(78,000)	(179,000)	(173,000)	(133,000)	(306,000)
			0.0			0			0			0
060 Total	(11.5)	(27.2)	(19.4)	(417,000)	(284,000)	(701,000)	(635,000)	(364,000)	(999,000)	(1,052,000)	(648,000)	(1,700,000)
070 Division of Alcohol and Substance Abuse												
ISSD compensation adjustments from Admin			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
DIS reductions from PTOA			0.0		(1,000)	(1,000)		(1,000)	(1,000)	0	(2,000)	(2,000)
MPA costs from Admin			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
L&I Funding from PTOA			0.0	6,000	1,000	7,000	3,000		3,000	9,000	1,000	10,000
Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
ISSD Staff Transfer to Admin			0.0	(1,000)	0	(1,000)	(1,000)	0	(1,000)	(2,000)		(2,000)
			0.0			0			0			0
070 Total	0.0	0.0	0.0	3,000	0	3,000	0	(1,000)	(1,000)	3,000	(1,000)	2,000

**2012 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
100	Division of Voc. Rehabilitation												
	ISSD compensation adjustments from Admin			0.0	(2,000)	(2,000)	(4,000)	(2,000)	(3,000)	(5,000)	(4,000)	(5,000)	(9,000)
	DIS reductions from PTOA			0.0	(2,000)	(5,000)	(7,000)	(2,000)	(5,000)	(7,000)	(4,000)	(10,000)	(14,000)
	MPA costs from Admin			0.0	(1,000)	(4,000)	(5,000)	(1,000)	(4,000)	(5,000)	(2,000)	(8,000)	(10,000)
	L&I Funding from PTOA			0.0	30,000		30,000	12,000		12,000	42,000	0	42,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin			0.0	0	(2,000)	(2,000)	0	(2,000)	(2,000)	0	(4,000)	(4,000)
				0.0			0			0	0	0	0
	100 Total	0.0	0.0	0.0	25,000	(13,000)	12,000	7,000	(14,000)	(7,000)	32,000	(27,000)	5,000
110	Administration & Supporting Services												
	ISSD compensation adjustments from Admin			0.0	137,000	31,000	168,000	166,000	49,000	215,000	303,000	80,000	383,000
	DIS reductions from PTOA			0.0	(21,000)		(21,000)	(21,000)		(21,000)	(42,000)	0	(42,000)
	MPA costs from Admin			0.0	148,000	80,000	228,000	148,000	80,000	228,000	296,000	160,000	456,000
	L&I Funding from PTOA			0.0	37,000	8,000	45,000	16,000	3,000	19,000	53,000	11,000	64,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin	1.0	1.0	1.0	51,000	37,000	88,000	51,000	37,000	88,000	102,000	74,000	176,000
	FTE Consolidation Transfer	8.0	13.0	10.5	490,000	214,000	704,000	714,000	307,000	1,021,000	1,204,000	521,000	1,725,000
				0.0			0			0	0	0	0
	110 Total	9.0	14.0	11.5	842,000	370,000	1,212,000	1,074,000	476,000	1,550,000	1,916,000	846,000	2,762,000
135	Special Commitment Center												
	ISSD compensation adjustments from Admin			0.0	(2,000)		(2,000)	(3,000)		(3,000)	(5,000)	0	(5,000)
	DIS reductions from PTOA			0.0	(1,000)		(1,000)	(1,000)		(1,000)	(2,000)	0	(2,000)
	MPA costs from Admin			0.0	(6,000)		(6,000)	(6,000)		(6,000)	(12,000)	0	(12,000)
	L&I Funding from PTOA			0.0	183,000		183,000	90,000		90,000	273,000	0	273,000
	Email & BB to DIS from ISSD (net zero impact)			0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin			0.0	(1,000)	0	(1,000)	(1,000)	0	(1,000)	(2,000)	0	(2,000)
	FTE Consolidation Transfer	(24.7)	(37.0)	(30.9)	(54,000)	0	(54,000)	(79,000)	0	(79,000)	(133,000)	0	(133,000)
				0.0			0			0	0	0	0
	135 Total	(24.7)	(37.0)	(30.9)	119,000	0	119,000	0	0	0	119,000	0	119,000
145	Payments to Other Agencies												
	DIS reductions from PTOA			0.0	755,000	322,000	1,077,000	739,000	314,000	1,053,000	1,494,000	636,000	2,130,000
	L&I Funding from PTOA			0.0	(4,609,000)	(1,773,000)	(6,382,000)	(2,116,000)	(843,000)	(2,959,000)	(6,725,000)	(2,616,000)	(9,341,000)
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	145 Total	0.0	0.0	0.0	(3,854,000)	(1,451,000)	(5,305,000)	(1,377,000)	(529,000)	(1,906,000)	(5,231,000)	(1,980,000)	(7,211,000)
150	Information System Services Division												
	Email & BB to DIS from ISSD	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0
	ISSD Staff Transfer to Admin	(1.0)	(1.0)	(1.0)	0	0	0	0	0	0	0	0	0
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	145 Total	(1.0)	(1.0)	(1.0)	0	0	0	0	0	0	0	0	0
160	Consolidated Field Services												
	FTE Consolidation Transfer	343.1	540.2	441.7	0	0	0	0	0	0	0	0	0
				0.0			0			0	0	0	0
				0.0			0			0	0	0	0
	150 Total	343.1	540.2	441.7	0	0	0	0	0	0	0	0	0
	Agency-Wide:	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. Department of Information Services (DIS) rate & central service reductions from Payments to Other Agencies (PTOA).
3. Additional Medicaid Purchasing Administration (MPA) costs to transfer from Admin.
4. L&I funding from PTOA to programs.
5. Email and Blackberry (BB) services transfer from ISSD to DIS. Net impact to the programs is zero; however, ISSD's funding will decrease by the amount programs reduce/transfer their TZ costs.
6. ISSD Staff Transfer to Admin.
7. In Mental Health, move FTEs and funding from Category 8000 to 9000 to align appropriations where costs are incurred.
8. FTE Transfer related to the Regional Business Centers, Institutional Business Offices, and Maintenance Operations are consolidated in Program 160.

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) requests \$2,893,000 (\$2,245,000 GF-State) in the 2012 Supplemental Budget to offset increased Unemployment Insurance reimbursement to the Employment Security Department (ESD).

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070			
001-1 General Fund - Basic Account-State	15,000	11,000	26,000
001-C General Fund - Basic Account-Medicaid Federal	2,000	2,000	4,000
Total Cost	17,000	13,000	30,000

Staffing

Package Description:

Unemployment expenditures have increased significantly since 2008. DSHS has not been funded for this increase costs attributed to reductions to overall staffing levels. This decision package request funds related to the increase from 2008 which cannot be absorbed.

DSHS is self-insured for its unemployment insurance obligations, reimbursing the ESD for all unemployment benefits paid out to former employees. As DSHS has reduced its staffing level, its most current ESD quarterly bill, 2nd Quarter Calendar Year 2011, shows a 60 percent increase above its average quarterly ESD reimbursement from State Fiscal Year 2008. DSHS has reduced its FTEs by 2,400 or 13 percent since 2008 with no additional funding provided for its unemployment insurance obligations.

Agency contact: Edd Giger (360) 902-8067

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

This request is necessary to ensure DSHS has adequate funds to reimburse the ESD for increased Unemployment Insurance billings due to mandated staff reduction.

Performance Measure Detail

Program: 070

Activity: G022 DASA 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 contributes to the agency goal of strong management to increase public trust.

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

Yes. This request supports priority for economic security to promote practices and programs that protect workers.

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

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 makes key contributions to the following statewide results: Commitment to promote practices and programs that protect workers.

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

All DSHS programs are impacted by this request.

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

None. Given the large reductions undertaken by DSHS, the department is no longer able to absorb the increase costs associated with unemployment insurance compensation above funded levels.

What are the consequences of not funding this package?

If this decision package is not funded, then DSHS will have to divert funds for client services to offset this expense.

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 - ZZ Unemployment.xls

To develop the Unemployment model, the department looked at the Unemployment Rate Forecast completed by the state of Washington Revenue Forecast Council. The Unemployment Rate Forecast predicts unemployment will decline by an average of 0.6 percent each year. The department assumption is to dampened the trend by 75 percent given the current unemployment rate and the potential of additional reductions in Fiscal Year 2012 and Fiscal Year 2013.

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

These costs are ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070 Objects			
B Employee Benefits	17,000	13,000	30,000

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

DSHS Source Code Detail

Program 070		<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	15,000	11,000	26,000
<i>Total for Fund 001-1</i>		15,000	11,000	26,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	2,000	2,000	4,000
<i>Total for Fund 001-C</i>		2,000	2,000	4,000
Total Program 070		17,000	13,000	30,000

2012 Supplemental Budget
M2-ZZ Unemployment

Program	2012			2013			BIENNIUM 2011-13		
	State	Federal	Total	State	Federal	Total	State	Federal	Total
010	\$ 254,000	\$ 85,000	\$ 339,000	\$ 174,000	\$ 58,000	\$ 232,000	\$ 428,000	\$ 143,000	\$ 571,000
020	\$ 337,000	\$ -	\$ 337,000	\$ 248,000	\$ -	\$ 248,000	\$ 585,000	\$ -	\$ 585,000
030	\$ 199,000	\$ 24,000	\$ 223,000	\$ 107,000	\$ 13,000	\$ 120,000	\$ 306,000	\$ 37,000	\$ 343,000
030 - 2000	\$ 197,000	\$ 24,000	\$ 221,000	\$ 106,000	\$ 13,000	\$ 119,000	\$ 303,000	\$ 37,000	\$ 340,000
030 - 9000	\$ 2,000	\$ -	\$ 2,000	\$ 1,000	\$ -	\$ 1,000	\$ 3,000	\$ -	\$ 3,000
040	\$ 258,000	\$ 233,000	\$ 491,000	\$ 180,000	\$ 162,000	\$ 342,000	\$ 438,000	\$ 395,000	\$ 833,000
040 - 1000	\$ 53,000	\$ 35,000	\$ 88,000	\$ 37,000	\$ 25,000	\$ 62,000	\$ 90,000	\$ 60,000	\$ 150,000
040 - 2000	\$ 203,000	\$ 195,000	\$ 398,000	\$ 141,000	\$ 136,000	\$ 277,000	\$ 344,000	\$ 331,000	\$ 675,000
040 - 9000	\$ 3,000	\$ 2,000	\$ 5,000	\$ 2,000	\$ 2,000	\$ 4,000	\$ 5,000	\$ 4,000	\$ 9,000
050	\$ 9,000	\$ 6,000	\$ 15,000	\$ (3,000)	\$ (2,000)	\$ (5,000)	\$ 6,000	\$ 4,000	\$ 10,000
060	\$ 28,000	\$ 23,000	\$ 51,000	\$ (18,000)	\$ (15,000)	\$ (33,000)	\$ 10,000	\$ 8,000	\$ 18,000
070	\$ 15,000	\$ 2,000	\$ 17,000	\$ 11,000	\$ 2,000	\$ 13,000	\$ 26,000	\$ 4,000	\$ 30,000
100	\$ 33,000	\$ -	\$ 33,000	\$ 22,000	\$ -	\$ 22,000	\$ 55,000	\$ -	\$ 55,000
110	\$ 139,000	\$ 33,000	\$ 172,000	\$ 104,000	\$ 24,000	\$ 128,000	\$ 243,000	\$ 57,000	\$ 300,000
135	\$ 91,000	\$ -	\$ 91,000	\$ 57,000	\$ -	\$ 57,000	\$ 148,000	\$ -	\$ 148,000
Total	\$ 1,363,000	\$ 406,000	\$ 1,769,000	\$ 882,000	\$ 242,000	\$ 1,124,000	\$ 2,245,000	\$ 648,000	\$ 2,893,000

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Information System Services Division (ISSD), requests \$512,000 (\$291,000 GF-State) in the 2012 Supplemental Budget for startup equipment required to migrate systems from the Office Building 2 (OB2) to the new State Data Center (SDC) located in the 1500 Jefferson Building.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070			
001-1 General Fund - Basic Account-State	1,000	1,000	2,000
001-C General Fund - Basic Account-Medicaid Federal	0	1,000	1,000
Total Cost	1,000	2,000	3,000

Staffing

Package Description:

The Washington State Legislature enacted Engrossed Substitute Senate Bill 5931, during the 2011 Legislative Session, to address the high costs of Information Technology (IT) services. This legislation requires certain IT equipment to be housed in the new SDC located in the 1500 Jefferson Building complex. This investment facilitates the migration and consolidation of IT assets into the SDC in support of this legislation and the Governor's directive to consolidate data centers.

DSHS has a large computer equipment presence in the OB2 Data Center (approximately 85 server racks with 600 devices). Migrating this equipment to the new SDC building located in the 1500 Jefferson Building complex is part of a statewide initiative in support of the legislation.

To enable the migration of some systems, startup equipment is necessary. This startup equipment supports network operations and provides a landing pad for systems in the SDC. Existing equipment supporting these systems cannot be shutdown and physically moved for various reasons:

1. Shutting down and moving the hardware has a high risk of long outages of critical systems.
2. Data storage shared across many systems cannot be shut down and moved without significant system outages. These systems are critical to business operations and impact service to citizens.
3. Virtual host platforms need a starting point (e.g., landing pad) in the State Data Center. This equipment would be supplemented with existing hardware as virtual systems are migrated off the hardware freeing up capacity. Initial servers are needed to start the process.
4. Network components are needed to maintain performance and operations. These network components are needed during the migration period of dual operations and will be used ongoing after the migration.

The funding provides servers, storage and network equipment. DSHS has evaluated existing equipment and is only requesting new equipment where existing equipment will not work or makes business/financial sense (too old, not enough capacity, incompatible, etc.). The vast majority of existing DSHS equipment will be used or replaced by virtual capacity without additional funding. This request represents the exceptions where existing equipment is either not available or impractical to use.

The implementation schedule is driven by the Consolidated Technology Services OB2 Move project. This equipment is targeted for procurement approximately June 2012.

If the funding request is not approved, then more of the computer systems and equipment will be dependent on a Physical Move approach, which will increase the duration and risk of outages. There will be a higher probability that application availability will be impacted by the migration.

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Agency contact: Tula Habb (360) 902-8182
Program contact: Cheryl Adams (360) 902-7551

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Desired Results:

1. The computer servers and storage equipment will allow the agency to increase the number of systems using a virtual to virtual migration approach. This approach is significantly quicker and less risky than physically moving equipment, which can impact services to clients/citizens.
2. The network equipment supports optimization, monitoring and trouble shooting. The desired result of the optimization is to keep network traffic, for 35 DSHS field offices across the state, flowing with the same performance as completed currently. Without this equipment, the network lines will become saturated causing work slowdowns and stoppages.
3. The desired results of the equipment for monitoring and trouble shooting is to resolve system problems quickly. In many cases, problems can be resolved before they become major problems causing work stoppage. Without tools to monitor and trouble shoot production problems, work stoppages will increase in duration causing productivity loss and service impacts to clients/citizens.

Overall, this funding will minimize business disruption (unplanned outages) caused from moving systems and equipment from OB2 to the SDC.

Negative Consequences, if this request is not funded:

1. Without computer servers and storage, systems will require longer outages to move to the SDC causing impacts to worker productivity and service to clients/citizens.
2. Without optimization equipment, the network lines will become saturated causing work slowdowns and stoppages.
3. Without tools to monitor and trouble shoot production problems, work stoppages will increase in duration causing productivity loss and service impacts to clients/citizens.
4. Impact to clients and citizens.
5. Moving equipment into the SDC has positive impacts including:
 - a. Leveraging a state-of-the-art facility.
 - b. Leveraging new shared services.
 - c. Reducing the cost of IT.

Performance Measure Detail

Program: 070

Activity: G022 DASA 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 decision package supports the agency's strategic plan as follows:

Goal H: Reinforce strong management to increase public trust

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Objective 1: Improve information technology capacity to support management needs

Strategy: Maintain and update existing or implement new core applications, systems, and infrastructure to meet changing needs and take advantage of changes in technology (DSHS).

The funding obtained by this decision package will allow the department to minimize impacts to existing systems performance and operations. Moving into the SDC will take advantage of a state-of-the-art facility and position the department to take advantage of future shared services.

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

This funding supports the new legislation and the consolidation of data centers into the SDC. This supports the statewide result to "improve state government efficiency" by reducing the overall cost of information technology.

The OB2 Move project is one of several phases in Washington State's IT Transformation Initiative. The other components of the IT initiative include implementation of shared services and data center consolidation.

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 supports the Priorities of Government (POG) critical value statement to improve state government efficiency. SDC has three mandated outcomes that align with this statewide result:

1. Improve security.
2. Reduce operational costs.
3. Improve service quality, availability, and performance.

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

This is related to new Legislation, ESSB 5931, requiring consolidation of data centers and moving all servers into the SDC building.

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

The department is using multiple options for migrating computer equipment and systems from OB2 to SDC. These are listed below and align with a study performed by INX Metagyre Inc. (INX) for DIS. The INX study included an analysis of alternatives for moving equipment out of OB2. One alternative looked at Physical Relocation of all systems. This alternative was dismissed due to the long system outage it would require and the risks of breaking systems. The other alternative looked at Individualize System Moves based on each system's requirements and interrelationships. This alternative was recommended as it has the least risk and allows better management of risks, resources, testing, problem resolution, and ability to fallback.

The three primary move scenarios that DSHS will use include:

1. Virtual to Virtual: Migrating virtual systems in OB2 to a virtual platform in the SDC. This requires seed equipment or some form of existing hardware platform (e.g., landing pad) in the SDC to work.
2. Physical Move: Unplugging existing equipment, moving, and installing it in the SDC. This is higher risk and requires a system outage.
3. Logical Move: Installing startup equipment in the SDC, loading systems on the equipment, and doing a cut-over. This is lower risk and can be done quicker than a physical move. This option requires startup equipment.

Each system is examined to determine which migration option best meets the business need and level of risk. The agency

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

also put stringent requirements around what could be requested in this decision package. Equipment at end-of-life was not allowed on the funding list as these should already have a funding source for them (required regardless of the move). Only items required to make the move happen without a funding source were put on the list.

What are the consequences of not funding this package?

If the funding request is not approved, then more of the computer systems and equipment will be dependent on a Physical Move approach, which will increase the duration and risk of system outages. These would cause work stoppages and impact service to clients/citizens.

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

Costs estimates are based on vendor budgetary quotes.

See attachments: ISSD PL-PF State Data Center equipment.xlsx and ISSD PL PF State Data Center Transition IT Addendum.doc

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

The costs are one-time costs. Once equipment reaches end-of-life, the agency intends to migrate to a statewide shared service to provide this function.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070 Objects			
T Intra-Agency Reimbursements	1,000	2,000	3,000

DSHS Source Code Detail

Program 070	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
Sources Title			
0011 General Fund State	1,000	1,000	2,000
<i>Total for Fund 001-1</i>	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
Sources Title			
19UL Title XIX Admin (50%)	0	1,000	1,000
<i>Total for Fund 001-C</i>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Total Program 070	<u>1,000</u>	<u>2,000</u>	<u>3,000</u>

**2012 Supplemental Budget
PL-PF State Data Center equipment**

Department of Social & Health Services

COST SUMMARY

	FY 2012	FY 2013	TOTAL
STORAGE		\$250,000	\$250,000
SERVERS		\$75,000	\$75,000
NETWORK	\$187,000		\$187,000
TOTAL	\$187,000	\$325,000	\$512,000

Total Funds	State	Federal
\$512,000	\$291,000	\$221,000

Biennial Total		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	30,000	41,000	71,000	-	-	-	30,000	41,000	71,000
020	JRA	13,000	-	13,000	-	-	-	13,000	-	13,000
030	MH	27,000	-	27,000	-	-	-	27,000	-	27,000
040	DD	21,000	6,000	27,000	-	-	-	21,000	6,000	27,000
050	LTC	17,000	16,000	33,000	-	-	-	17,000	16,000	33,000
060	ESA	119,000	107,000	226,000	-	-	-	119,000	107,000	226,000
070	ASA	2,000	1,000	3,000	-	-	-	2,000	1,000	3,000
100	VR	1,000	9,000	10,000	-	-	-	1,000	9,000	10,000
110	ADMIN	57,000	41,000	98,000	-	-	-	57,000	41,000	98,000
135	SCC	4,000	-	4,000	-	-	-	4,000	-	4,000
150	ISSD	-	-	-	-	-	-	-	-	-
		291,000	221,000	512,000	512,000	-	512,000	(512,000)	-	(512,000)
		57%	43%							

Total Funds	State	Federal
\$187,000	\$106,000	\$81,000

FY 2012		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	11,000	15,000	26,000	-	-	-	11,000	15,000	26,000
020	JRA	5,000	-	5,000	-	-	-	5,000	-	5,000
030	MH	10,000	-	10,000	-	-	-	10,000	-	10,000
040	DD	8,000	2,000	10,000	-	-	-	8,000	2,000	10,000
050	LTC	6,000	6,000	12,000	-	-	-	6,000	6,000	12,000
060	ESA	43,000	39,000	82,000	-	-	-	43,000	39,000	82,000
070	ASA	1,000	-	1,000	-	-	-	1,000	-	1,000
100	VR	-	4,000	4,000	-	-	-	-	4,000	4,000
110	ADMIN	21,000	15,000	36,000	-	-	-	21,000	15,000	36,000
135	SCC	1,000	-	1,000	-	-	-	1,000	-	1,000
150	ISSD	-	-	-	-	-	-	-	-	-
		106,000	81,000	187,000	187,000	-	187,000	(187,000)	81,000	-
		57%	43%							

Total Funds	State	Federal
\$325,000	\$185,000	\$140,000

FY 2013		All Objects			Object J			Object TZ		
DSHS Programs		State	Federal	Total	State	Federal	Total	State	Federal	Total
010	CA	19,000	26,000	45,000	-	-	-	19,000	26,000	45,000
020	JRA	8,000	-	8,000	-	-	-	8,000	-	8,000
030	MH	17,000	-	17,000	-	-	-	17,000	-	17,000
040	DD	13,000	4,000	17,000	-	-	-	13,000	4,000	17,000
050	LTC	11,000	10,000	21,000	-	-	-	11,000	10,000	21,000
060	ESA	76,000	68,000	144,000	-	-	-	76,000	68,000	144,000
070	ASA	1,000	1,000	2,000	-	-	-	1,000	1,000	2,000
100	VR	1,000	5,000	6,000	-	-	-	1,000	5,000	6,000
110	ADMIN	36,000	26,000	62,000	-	-	-	36,000	26,000	62,000
135	SCC	3,000	-	3,000	-	-	-	3,000	-	3,000
150	ISSD	-	-	-	-	-	-	-	-	-
		185,000	140,000	325,000	325,000	-	325,000	(325,000)	140,000	-
		57%	43%							

2012 Supplemental Budget
PL-PF State Data Center equipment
Department of Social & Health Services
Estimated Costs Breakout

Item	Area	Description	Total
1	ISSD Storage	This device will replicate the Storage Area Network (SAN) used by the Information Systems Services Division (ISSD). The existing Net App storage device cannot be moved to the State Data Center (SDC) until all the systems data is migrated off the device. Once all the systems data is migrated, the existing equipment can be repurposed by another group to avoid another purchase.	\$250,000
2	ISSD Servers	Three physical servers are needed to support the initial virtual platform at the SDC. Once virtual servers in the A-la-Carte 2 computer room are migrated to the SDC, the existing compute infrastructure (physical servers) can be used (i.e. repurposed) for the next round of system migrations.	\$45,000
3	ISSD Shared SQL database	Two servers are needed to support the ISSD Shared SQL environment. One for Production and one for the Quality Assurance (QA) environment.	\$30,000
4	ISSD Network	One Steelhead device to support Wide Area Network (WAN) optimization. This is a second device that will support the migration to the SDC reducing risk to local office disruption. This will also provide some redundancy in the architecture.	\$127,000
5	ISSD Network	Devices that tap into networks in support of network traffic monitoring (also known as TAPs), are needed to support DSHS network operations during the migration. Some of the existing TAPs equipment needs to remain attached to the DSHS Core network in OB2 during the migration. DSHS needs additional TAP equipment to monitor components on the SDC side of the network.	\$60,000
	TOTAL		\$512,000

Department of Social and Health Services

DP Code/Title: PL-YT ASA Adult Service Reduction
Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Division of Behavioral Health and Recovery, Alcohol and Substance Abuse (ASA) reduces (\$93,797,000), (\$72,582,000) GF-State, by eliminating all GF-State funded alcohol and substance abuse services for adults, excluding pregnant and parenting women.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070			
001-1 General Fund - Basic Account-State	(24,196,000)	(48,386,000)	(72,582,000)
001-C General Fund - Basic Account-Medicaid Federal	(7,072,000)	(14,143,000)	(21,215,000)
Total Cost	(31,268,000)	(62,529,000)	(93,797,000)

Staffing

Package Description:

This proposal eliminates all GF-State funded alcohol and substance abuse services for adults. This reduction includes all county, Tribal Administrative funds, Urinalysis and Physical Exams, Involuntary Treatment Act (ITA) Services, adult drug court, and reduces intensive inpatient treatment, and long term residential and recovery house services. This reduction preserves services for youth, pregnant and parenting women (PPW) services, Criminal Justice Treatment Account (CJTA) clients, and treatment and preventions for problem gambling. Youth and PPW clients are the priority population receiving services for persons suffering from alcohol and substance abuse issues. A small number of adults, mainly intravenous drug users, may still be able to access services funded through the SAPT Block Grant. It is estimated that 55,330 clients will lose chemical dependency treatment services. The impacts of these clients not receiving services are: risk of losing the SAPT Block grant funding which will further reduce treatment services; increased public safety risks due to increased homelessness and arrests; increased need for child protective services; increases in unemployment; and the rate of recidivism will increase causing an increase in medical care and long term care services due to the decline of the adult's health because of not receiving chemical dependency services.

The adults losing services have the following options when in crisis; to seek treatment at private pay facilities (i.e. Schick Shadle or Overlake Hospital Medical Center Drug Rehab); emergency rooms; jails; Alcoholics and Narcotics Anonymous (AA and NA); or a Non-profit Drug and Alcohol Rehab Referral and Placement Service (i.e. www.Drug-Rehab.org).

There will be FTE reductions associated with this decision package but they have not yet been determined.

Agency Contact: Edd Giger (360) 902-8067
Program Contact: Melissa Clarey (360) 725-1675

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Achieve Savings to help the agency meet the 10 percent reduction targets set by the Office of Financial Management for the 2012 Supplemental Budget.

Performance Measure Detail

Program: 070

Department of Social and Health Services

DP Code/Title: PL-YT ASA Adult Service Reduction
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Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Activity:	Description	Incremental Changes	
		FY 1	FY 2
G015	Community Based Drug and Alcohol Treatment Services No measures linked to package	0.00	0.00
G085	Residential Drug and Alcohol Treatment Services No measures linked to package	0.00	0.00
G098	Support Services for Clients Receiving Drug and Alcohol Treatment No measures linked to package	0.00	0.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

No

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

Yes, this decision package helps the agency meet the 10 percent reduction targets set by Office of Financial Management (OFM) for the 2012 Supplemental Budget.

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

No

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

DBHR did not propose cutting certain programs like Pregnant and Parenting Women (PPW) or Youth services because it is the greatest return on investment to intervene early and stop the intergenerational transition of disease. However, treatment providers may have difficulties meeting the full range of American Society of Addiction (ASAM) placement criteria for clients because of the lack of treatment alternatives for clients.

DBHR will be at risk of losing SAPT Block Grant funding because the division will not be able to meet the Maintenance of Effort (MOE) requirement. Services for youth, PPW, and CJTA clients will not be impacted by this reduction.

DBHR is at risk for losing three discretionary grants due to decreased access to treatment.

Persons no longer receiving services may end up accessing hospital emergency rooms, other county support services, and jails, increasing costs for counties and other entities.

Providers will likely stop serving ASA clients and the county system will be unable to coordinate services statewide for the remaining limited adults and youth.

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

DSHS considered several options when developing this proposal, but were not able to meet the 10 percent reduction target for DSHS set by OFM with these options. These options are outlined below:

1. Eliminate Residential Services (\$4,934,000) GF-State - This proposal reduces long term residential services provides chemical dependency treatment to clients who are chronically chemically dependent or gravely disabled and are in need of residential treatment in excess of 90 days. It is estimated that after these services are eliminated 223 clients will no longer receive long term residential services and 299 clients will no longer receive recovery house services; it is not known how

Department of Social and Health Services

DP Code/Title: PL-YT ASA Adult Service Reduction

Program Level - 070 Div of Alc/Substnce Abuse

Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

many clients will transition to another treatment modality. The Pioneer Center East (PCE) provides involuntary and long term residential treatment to individuals who are chronically chemically dependent or gravely disabled by alcohol or other drug addiction, or who present a likelihood of serious harm to themselves or others. It is estimated that after this service is eliminated 248 clients will no longer receive long term.

2. Rate Reduction (\$1,281,000) GF-State - This proposal implements a ten percent rate reduction to Pioneer Center North (PCN) and PCE; by implementing a rate reduction, capacity at these two facilities would not be expected to change.

3. Reduce County Services (\$8,876,000) GF-State - This proposal includes four reductions to county services. These reductions include limiting detoxification services, limiting assessments, change funding for drug courts to the Criminal Justice Treatment Act (CJTA), and reducing county treatment service contracts. DBHR estimates that 1,154 clients will be impacted by this reduction. This proposal would limit the number of CD assessments to two in a 12 month period. DBHR estimates that 1,015 clients will be impacted by this reduction. Funding drug courts with CJTA funding which would reduce the amount of funding available for the remainder of the counties who receive CJTA funds. DBHR estimates that 806 CJTA clients may be impacted by this reduction. This proposal will reduce GF-State funding for county treatment services by 7 percent in Fiscal Year 2012 and 5 percent in Fiscal Year 2013. DBHR estimates that 2,417 clients in Fiscal Year 2012 and 928 clients in Fiscal Year 2013 will be impacted by this reduction.

4. Elimination or reduction of several programs impacting approximately 3,900 people. Risk exists for loss of Substance Abuse Prevention and Treatment block grant funds due to maintenance of effort requirements:

a) Parent Child Assistance Program Reduction (\$4,107,000) GF-State -- provides advocacy services to 1,365 high-risk, substance-abusing pregnant and parenting women and their young children in King, Pierce, Spokane, Grant, Cowlitz, Skagit, Kitsap, Clallam, and Yakima Counties, as well as the Spokane Reservation. The primary goal is to reduce the number of babies born with fetal alcohol syndrome and fetal alcohol and drug effects.

b) Safe Babies Safe Moms (\$1,343,000) GF-State -- Serves 728 substance abusing pregnant, postpartum, and parenting women (PPW) and their children from birth-to-three at sites in Snohomish, Whatcom, and Benton-Franklin Counties. Provides a range of services, with a goal of stabilizing women and their young children, identifying and providing necessary interventions, and assisting women in their transition from public assistance to self-sufficiency.

c) Parent Trust (\$150,000) GF-State -- Uses a family support philosophy, creating community networks with family support agencies in participating communities, maintaining and developing "Families in Recovery" (FIR) groups, which provide family support and skills development with specific focus on the parenting and family issues of recovering families. Parent Trust is located at 8 of the 10 Pregnant and Parenting Women (PPW) residential programs. Without this service, women in PPW residential programs will not have access to family support and parenting skill development from an entity separate from the residential program, which can offer safety for the women in this confidential group.

d) Pregnant and Parenting Women Housing Support Services- (\$804,000) GF-State -- Alcohol- and drug-free residences are provided for 574 women and their children for up to 18 months through the PPW Housing Support Services. Recovery support and linkages to community-based services are provided.

e) University of Washington (UW) - Fetal Alcohol Syndrome Diagnostic and Prevention Network (FAS DPN) - \$(531,000) GF-State - The FAS DPN is a core-training site at the University of Washington in Seattle, training community professionals in FASD evaluation and screening. 300 individuals per year, including medical doctors will not have the education and knowledge base to determine:

- Diagnostic and treatment referral services to individuals of all ages with fetal alcohol exposure.
- FAS screening and surveillance for high-risk populations.
- Identification and referral of high-risk mothers to primary prevention and intervention programs.

f) Fetal Alcohol Spectrum Disorders (FASD) Satellite Sites - (\$150,000) GF-State - The FAS Diagnostic and Prevention

Department of Social and Health Services

DP Code/Title: PL-YT ASA Adult Service Reduction
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Budget Period: 2011-13 Version: G2 070 - 2012 Sup Agency Request

Network (FAS DPN) is a statewide network of five clinical sites located in Spokane, Yakima, Pullman, and Everett, with a core-training site at the University of Washington in Seattle and serve 75 women and their children. The network provides diagnostic, treatment referral services, screening and surveillance for high-risk populations, including high-risk mothers, training to professionals statewide, and information retrieval to support FAS clinical research.

g) Reduced State Funding for Intensive Inpatient Services - (\$1,791,000) GF-State - Adult treatment expansion funding would be reduced for residential services. Services to Medicaid and Disability Lifeline clients will be severely reduced and approximately 826 clients will not receive services. Medical costs for these clients likely will increase. There will be additional pressure on the outpatient treatment system.

None of these options were chosen due to the ten percent agency reduction targets set by OFM for DSHS.

What are the consequences of not funding this package?

The agency will not be able to meet its budget reduction targets.

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: ASA PL - YT ASA Adult Services Reduction.xls

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

Reductions will be ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 070 Objects			
N Grants, Benefits & Client Services	(31,268,000)	(62,529,000)	(93,797,000)

DSHS Source Code Detail

Program 070	<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	(24,196,000)	(48,386,000)	(72,582,000)
<i>Total for Fund 001-1</i>	(24,196,000)	(48,386,000)	(72,582,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19TA Title XIX Assistance (FMAP)	(7,072,000)	(14,143,000)	(21,215,000)
<i>Total for Fund 001-C</i>	(7,072,000)	(14,143,000)	(21,215,000)
Total Program 070	(31,268,000)	(62,529,000)	(93,797,000)

2012 Supplemental Budget PL - YT Adult Services Reduction

REDUCE CHEMICAL DEPENDENCY SERVICES FOR ADULTS												
	FY12				FY13				2011-13 Biennial Total]			
	Clients Impacted	GF-S	Title XIX	TOTAL	Clients Impacted	GF-S	Title XIX	TOTAL	Clients Impacted	GF-S	Title XIX	TOTAL
County Services	16,006	17,671,000	7,072,000	24,743,000	32,012	35,341,000	14,143,000	49,484,000	48,018	53,012,000	21,215,000	74,227,000
Tribal Services	-	41,000	-	41,000	-	82,000	-	82,000	-	123,000	-	123,000
Urinalysis/Physical Exams	606	669,000	-	669,000	1,211	1,337,000	-	1,337,000	1,817	2,006,000	-	2,006,000
ITA	571	3,399,000	-	3,399,000	1,143	6,797,000	-	6,797,000	1,714	10,196,000	-	10,196,000
Intensive Inpatient Treatment	819	1,776,000	-	1,776,000	1,637	3,551,000	-	3,551,000	2,456	5,327,000	-	5,327,000
Long Term Residential Recovery House Services	13	75,000	-	75,000	25	149,000	-	149,000	38	224,000	-	224,000
Adult Drug Courts -J37	27	43,000	-	43,000	53	86,000	-	86,000	80	129,000	-	129,000
Adult Drug Courts -J37	403	522,000	-	522,000	806	1,043,000	-	1,043,000	1,209	1,565,000	-	1,565,000
TOTAL	18,445	24,196,000	7,072,000	31,268,000	36,887	48,386,000	14,143,000	62,529,000	55,332	72,582,000	21,215,000	93,797,000
Appropriation		75,785,000	29,221,000			75,924,000	29,830,000			75,924,000	29,830,000	
% Spent on Adults		32%	24%			64%	47%			96%	71%	

County Services Include - Funded with GF-State and CITA:
 Outpatient and Assessment Services
 Opiate Substitution Services
 Detoxification Services
 Crisis Services
 Case Management, Community Outreach & Referrals
 Transportation

Tribal Services:
 Administrative Funding