

**Department of Social and Health Services
2012 Reduction Options and Supplemental Budget Request
Administrative Services**

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Recommendation Summary

Version: K2 - 110 - 2012 Sup Agency Request

Budget Period: 2011-13
Budget Level Criteria: ALL

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds	
Program 110 - Admin & Supporting Svcs						
CB - Current Biennium						
00	Current Biennium Base	0	427.6	49,658	45,845	95,503
	SubTotal CB		<u>427.6</u>	<u>49,658</u>	<u>45,845</u>	<u>95,503</u>
	Cumulative Total Thru CB		427.6	49,658	45,845	95,503
M2 - Inflation and Other Rate Changes						
9T	Transfers	0	11.5	1,916	846	2,762
KK	Community Initiative Funding	0	0.0	0	0	0
KN	SSPS Maintenance Resources	0	0.0	618	619	1,237
PG	SSPS Transition & Data Conversion	0	0.0	300	299	599
ZZ	Unemployment	0	0.0	243	57	300
	SubTotal M2		<u>11.5</u>	<u>3,077</u>	<u>1,821</u>	<u>4,898</u>
	Cumulative Total Thru M2		439.1	52,735	47,666	100,401
PL - Performance Level						
KM	Admin Contract Reductions - Proviso	0	0.0	(1,384)	0	(1,384)
KP	Staffing & Efficiency Savings	0	(0.8)	(841)	(501)	(1,342)
PF	State Data Center Equipment	0	0.0	57	41	98
	SubTotal PL		<u>(0.8)</u>	<u>(2,168)</u>	<u>(460)</u>	<u>(2,628)</u>
	Cumulative Total Thru PL		438.3	50,567	47,206	97,773
Total Proposed Budget for Program 110 - Admin & Supporting Svcs			<u>438.3</u>	<u>50,567</u>	<u>47,206</u>	<u>97,773</u>

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.

KK - Community Initiative Funding

(M2) The Department of Social and Health Services (DSHS), Administration and Supporting Services requests the transfer of \$250,000 GF-State from Fiscal Year 2013 to Fiscal Year 2012.

KM - Admin Contract Reductions - Proviso

(PL) The Department of Social and Health Services (DSHS), Administration and Supporting Services (Administration), reduces (\$1,384,000) in GF-State funding through the elimination of the funding for TeamChild, Juvenile Detention Alternatives Initiative (JDAI), and the Washington Mentoring Program.

KN - SSPS Maintenance Resources

(M2) The Department of Social and Health Services (DSHS), Information System Services Division (ISSD) requests 3.0 FTEs and \$1,237,000 (\$619,000 GF-State) in the 2012 Supplemental Budget to support the Social Service Payment System (SSPS) for the remainder of the biennium or until ProviderOne Phase 2 is funded.

Recommendation Summary

Budget Period:2011-13
Budget Level Criteria: ALL

Version: K2 - 110 - 2012 Sup Agency Request

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
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KP - Staffing & Efficiency Savings

(PL) The Department of Social and Health Services (DSHS) reduces (\$1,342,000), (\$841,000) GF-State and (0.8) FTEs through staffing and efficiency savings.

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.

PG - SSPS Transition & Data Conversion

(M2) The Department of Social and Health Services (DSHS), Information System Services Division (ISSD) requests \$599,000 (\$300,000 GF-State) and 1.0 FTE in the 2012 Supplemental Budget to support the Social Service Payment System (SSPS) data conversion and transition.

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 - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 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 110			
001-1 General Fund - Basic Account-State	842,000	1,074,000	1,916,000
001-2 General Fund - Basic Account-Federal	224,000	282,000	506,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	56,000	80,000	136,000
001-C General Fund - Basic Account-Medicaid Federal	90,000	114,000	204,000
Total Cost	1,212,000	1,550,000	2,762,000

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 110 FTEs	9.0	14.0	11.5

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.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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 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: 110

Activity: K002 Operations Support and Services Division

No measures linked to package

Incremental Changes

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

Activity: K030 Executive Management

No measures linked to package

Incremental Changes

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

Activity: K037 Financial Services Administration

No measures linked to package

Incremental Changes

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

Activity: K099 Suspense

No measures linked to package

Incremental Changes

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

Department of Social and Health Services

DP Code/Title: M2-9T Transfers
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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?

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.

Department of Social and Health Services

DP Code/Title: M2-9T Transfers

Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110 Objects			
A Salaries And Wages	545,000	779,000	1,324,000
B Employee Benefits	231,000	289,000	520,000
E Goods And Services	27,000	49,000	76,000
G Travel	14,000	22,000	36,000
J Capital Outlays	23,000	13,000	36,000
N Grants, Benefits & Client Services	236,000	236,000	472,000
T Intra-Agency Reimbursements	136,000	162,000	298,000
Total Objects	1,212,000	1,550,000	2,762,000

DSHS Source Code Detail

<u>Program 110</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	842,000	1,074,000	1,916,000
<i>Total for Fund 001-1</i>	842,000	1,074,000	1,916,000
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
001B Social Security Disability Ins (100%)	13,000	18,000	31,000
E61L Food Stamp Program (50%)	211,000	264,000	475,000
<i>Total for Fund 001-2</i>	224,000	282,000	506,000
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi			
<u>Sources Title</u>			
563I Title IV-D Child Support Enforcement (A) (66%)	30,000	41,000	71,000
658L Title IV-E-Foster Care (50%)	23,000	33,000	56,000
659L Title IV-E Adoption Assistance (50%)	3,000	6,000	9,000
<i>Total for Fund 001-A</i>	56,000	80,000	136,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	90,000	114,000	204,000
<i>Total for Fund 001-C</i>	90,000	114,000	204,000
Total Program 110	1,212,000	1,550,000	2,762,000

**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	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	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	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	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	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	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)	0	(2,000)
				0.0			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
	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:

- Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin).
- Department of Information Services (DIS) rate & central service reductions from Payments to Other Agencies (PTOA).
- Additional Medicaid Purchasing Administration (MPA) costs to transfer from Admin.
- L&I funding from PTOA to programs.
- 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.
- ISSD Staff Transfer to Admin.
- In Mental Health, move FTEs and funding from Category 8000 to 9000 to align appropriations where costs are incurred.
- 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-KK Community Initiative Funding
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Administration and Supporting Services requests the transfer of \$250,000 GF-State from Fiscal Year 2013 to Fiscal Year 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	250,000	(250,000)	0
Total Cost	250,000	(250,000)	0

Staffing

Package Description:

As part of the 2011-13 Biennial Budget, \$500,000 GF-State funding was provided for engaging the private sector in development of a public-private partnership to help address the needs of high-risk children and families. The Department was authorized to develop partnerships and a new model for financing network community capacity building and reducing adverse childhood experiences. The \$500,000 was one-time state funding that was provided to meet these ends.

The funding was split evenly between the Fiscal Year 2012 and Fiscal Year 2013. The full \$500,000 is needed in Fiscal Year 2012 to leverage the maximum private resources to carry out the development of the private-partnership initiative. This is a net zero request between the two fiscal years.

Agency Contact: Tula Habb (360) 902-8182
Program Contact: Laura Porter (360) 902-7885

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The agency expects increased private sector revenues for sustaining a foundation of general community capacity building through networks that is based on research evidence and best practices for Washington State.

Performance Measure Detail

Agency Level

Activity: K094 Special Projects and Unique Programs Grants

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?

Yes, one of the Department's strategic goals is to improve the health status of vulnerable populations. By working with our private partners we can achieve this goal.

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

Yes, this request supports government accountability by its use of public dollars and leveraging private dollars to keep

Department of Social and Health Services

DP Code/Title: M2-KK Community Initiative Funding
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

citizens healthy and informed.

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

Yes, it will contribute to the Governor's goal in improving the health and well-being of vulnerable children.

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

This proposal is consistent with the Governor's proposal to the Legislature for the 2011-13 Biennium, and provides the DSHS Secretary with the financial resources needed to solicit contributions from the private sector.

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

No alternatives were explored, as this request is to move the one-time funding from Fiscal Year 2013 to Fiscal Year 2012.

What are the consequences of not funding this package?

In order to carry out the development of the private-partnership initiative the full \$500,000 is needed in Fiscal Year 2012. Activities would have to be cut back if the \$250,000 in funding is not moved from Fiscal Year 2013 to Fiscal Year 2012.

What is the relationship, if any, to the state's capital budget?

Not Applicable

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

Not Applicable

Expenditure and revenue calculations and assumptions

The full \$250,000 GF-State must be moved from Fiscal Year 2013 to Fiscal Year 2012. This is a net zero request between the two fiscal years.

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

The funding provided in the 2011-13 Biennial Budget to establish the Community Initiative was one-time funding.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
E Goods And Services	250,000	(250,000)	0
 <u>DSHS Source Code Detail</u>			
Overall Funding			
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	250,000	(250,000)	0
<i>Total for Fund 001-1</i>	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>
Total Overall Funding	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>

Department of Social and Health Services

DP Code/Title: M2-KN SSPS Maintenance Resources

Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Information System Services Division (ISSD) requests 3.0 FTEs and \$1,237,000 (\$619,000 GF-State) in the 2012 Supplemental Budget to support the Social Service Payment System (SSPS) for the remainder of the biennium or until ProviderOne Phase 2 is funded.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110			
001-1 General Fund - Basic Account-State	266,000	352,000	618,000
001-C General Fund - Basic Account-Medicaid Federal	266,000	353,000	619,000
Total Cost	532,000	705,000	1,237,000

Staffing

Package Description:

DSHS, ISSD requests 3.0 FTEs and associated funding as well as funding for two contracted mainframe developers. Staffing levels must be increased for SSPS to remain viable until decommissioning timelines are determined.

This request is contingent on the funding of ProviderOne Phase 2 implementation. If Phase 2 is funded, this request is not needed and a separate request, M2-PG SSPS Transition & Data Conversion that begins decommissioning of SSPS and its data conversion activities to ProviderOne would be required instead. If Phase 2 is not funded, this request would be required and the M2-PG SSPS Transition & Data Conversion would not.

SSPS issues approximately \$2 billion annually in payments to in-home health care providers, day care providers, foster parents, and other social service providers in support of agency programs.

Staffing levels within SSPS decreased beginning in 2008 and throughout the 2009-11 Biennium in anticipation of a phased decommission resulting from full implementation of ProviderOne. Full implementation of ProviderOne was originally planned to occur in two phases. That plan was subsequently modified to be three phases. In April 2007, there were 53 FTEs supporting SSPS operations. By the end of the 2009-11 Biennium, that number had decreased by 30 percent to 37 FTEs. Most of the reduced FTEs were developers, business analysts, and testing resources supporting the technical operations of the system. Other resources supporting SSPS business operations were also decreased.

SSPS has operated at these reduced staffing levels by providing maintenance level activities only. All but minor changes and routine operational updates within SSPS have been deferred. Both technical and business operations staffs are working at capacity.

ProviderOne Phase 1 implemented in May 2010. This implementation, while delayed beyond the original planning dates, was very successful. Work on Phase 2 began soon after, with planned implementation in late 2012 or early 2013. This implementation would have removed around 60 percent of the payments from SSPS.

In this last legislative session, ProviderOne Phase 2 was not funded due to severe budget constraints. As a result, the eventual decommission of SSPS has been delayed with no alternative decommission date or strategy identified at this time.

SSPS operates on a 1970's technology, Unisys Cobol mainframe platform. It is supplemented by SQL server, .NET and web based technologies added to support requirements resulting from multiple collective bargaining agreements. SSPS is becoming increasingly fragile from both a technical and a staffing perspective. It is difficult to locate staff with Unisys Cobol background and on average takes two years or more for a new staff to develop the technical competence on the complex SSPS architecture and

Department of Social and Health Services

DP Code/Title: M2-KN SSPS Maintenance Resources

Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

applications. In recent months, there has been an increase in system issues which seem to have resulted from stretched resources interacting with this complex application to accomplish maintenance tasks or small enhancements. Additional resources will allow the agency to begin mitigating the staffing risks.

A team of four program manager/business analysts liaison with program staff and business partners to support program area needs and respond to information requests. These staff currently support day to day operations and lack the capacity to support larger or more complex efforts that SSPS will likely need to support until ProviderOne Phase 2 resumes or other decommission plans are made.

SSPS has no dedicated test staff and no dedicated test environment. The testing staff adds needed capability to the team. The expectation would be for this position to lead the creation of a dedicated test environment that would support a wider array of testing, including routine regression testing. The position would also manage the associated test program within SSPS.

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?

With these added resources, DSHS expects to be able to:

1. Reduce the risk associated with anticipated staff losses by bringing on qualified Unisys Cobol and .NET staff.
2. Sustain or improve ability to support program and collective bargaining requirements as well as implement other efficiency measures, such as print and mail cost reductions and to implement change resulting from budget reductions.
3. Reduce the number and severity of production system issues by improving requirements, analysis, testing, and system documentation.

Performance Measure Detail

Program: 110

Activity: K002 Operations Support and Services Division

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?

Yes. This request supports DSHS's goal to increase public trust through strong management practices that ensure quality and leverage all resources by ensuring high-performing IT solutions and services that support agency priorities and minimize risk.

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

Yes. Sustaining SSPS is critical to the purchasing strategies for goals related to improving the security for vulnerable adults and children and improving the economic vitality of businesses and individuals.

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-KN SSPS Maintenance Resources
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

SSPS is the payment system for services provided to:

1. Elderly and disabled citizens receiving services paid by Medicaid or other state funded long term care programs.
2. Child care providers for clients using Working Connections and similar child care programs.
3. Foster parents, parents receiving adoption subsidies and other child welfare/child protective services.

To the extent that SSPS is not resourced at a level to ensure operational integrity, the ability to make timely and accurate payments may be compromised. This is especially true when SSPS changes are made to support mandated priorities. The age, complexity and relative fragility of the system makes error more likely.

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

Internal and external stakeholders are supportive of measures to keep SSPS functioning effectively until decommission.

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

The primary alternative was to evaluate whether existing resources could be redeployed to meet this need. There are three other Unisys Cobol systems within DSHS but each of them also suffers from similar risks - a scarcity of Unisys Cobol qualified staff. This was determined to not be a viable alternative as it would simply pull resources from another critical agency system.

Also evaluated was the option of redeploying FTEs to meet this need. Available SSPS FTEs are currently working at capacity offering provider registration and customer support services that had previously been centralized as an efficiency measure. It is not an option to reduce or discontinue this centralized support without impacting field operations and/or timely payments.

What are the consequences of not funding this package?

SSPS would be unlikely to be able to support major system changes, including those that are mandated by change in law or policy. As possible staff losses occur; day to day operations may be negatively impacted.

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: ISSD M2-KN SSPS Maintenance Resources Table.docx

Additional Attachment: ISSD M2-KN SSPS Maintenance Resources IT Addendum.doc

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

Except for the \$3,000 one time equipment request, all of the requested costs are ongoing until such time as a firm timeline on SSPS decommission has been made. It is anticipated that these added resources would be needed for the current biennium and at least two more biennia (Fiscal Year 2012 through Fiscal Year 2017).

Department of Social and Health Services

DP Code/Title: M2-KN SSPS Maintenance Resources
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110 Objects			
T Intra-Agency Reimbursements	532,000	705,000	1,237,000

DSHS Source Code Detail

Program 110	<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	266,000	352,000	618,000
<i>Total for Fund 001-1</i>	<u>266,000</u>	<u>352,000</u>	<u>618,000</u>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL Title XIX Admin (50%)	266,000	353,000	619,000
<i>Total for Fund 001-C</i>	<u>266,000</u>	<u>353,000</u>	<u>619,000</u>
Total Program 110	<u>532,000</u>	<u>705,000</u>	<u>1,237,000</u>

2012 Supplemental Budget M2-KN SSPS Maintenance Resources

Department of Social and Health Services

Expenditure and revenue calculations and assumptions:

- Three Information Technology Specialist 5 positions (business analyst, test manager and .NET/SQL Developer)
- Two contracted Unisys Cobol Programmers (calculations assume \$95 per hour for full time resources).

	FY2012	FY2013	Biennium
FTEs	2.3	3.0	2.6
A Salaries	173,000	231,000	404,000
B Benefits	52,000	69,000	121,000
E Purchased Services	288,000	384,000	672,000
E Goods & Services	16,000	21,000	37,000
J Equipment	3,000	0	3,000
	<u>532,000</u>	<u>705,000</u>	<u>1,237,000</u>
State	266,000	353,000	619,000
Federal	<u>266,000</u>	<u>352,000</u>	<u>618,000</u>
	532,000	705,000	1,237,000

Note: DSHS Program 150 – Information System Services Division is a chargeback program, therefore, costs reside in sub-object TZ of Program 110 – Administration & Supporting Services. However, FTE authority resides in Program 150.

Information Technology (IT) Addendum

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

This request will fund three FTEs and two contracted resources to support the Social Service Payment System (SSPS) at a cost of \$1,237,000 (\$619,000 GF-S) for the remainder of the biennium. Staffing levels must be increased for SSPS to remain viable until decommissioning timelines are determined.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment?**

This proposed investment has been assessed as a Level 1 investment.

- 4. What common services will be utilized for this project or commodity investment?**

Contracted resources will be procured using the IT Professional Services (ITPS) Master Contract.

- 5. Is a 904 consultation e-mail confirmation for this project or commodity investment attached to the decision package?** Yes No (This is required.)

904 Consults are no longer required.

- 6. Breakdown of Implementation Costs/FTEs of the IT Project or Commodity Investment:**

There are no implementation costs for this decision package request.

- 7. Breakdown of Ongoing Maintenance and Support Costs for the Project or Commodity Investment:**

Cost Breakdown (maintenance)						
	Year 1 FY2012	Year 2 FY2013	Year 3 FY2014	Year 4 FY2015	Year 5 FY2016	Totals
IT FTEs – (For each job type, list the number of staff and the total salary and benefits) <i>Examples:</i> <ul style="list-style-type: none"> ▪ WMS Band 2 ▪ ITAS6 ▪ ITAS4 ▪ Other (specify) 	ITAS5 2.3 \$225,000	ITAS5 3.0 \$300,000	ITAS5 3.0 \$300,000	ITAS5 3.0 \$300,000	ITAS5 3.0 \$300,000	\$1,425,000
Purchased Services Contracts	\$288,000	\$384,000	\$384,000	\$384,000	\$384,000	\$1,824,000
Personal Services Contracts						
Hardware Purchase or Upgrades	\$3,000					\$3,000
Hardware Maintenance						
Software License Purchase or Upgrades						

2012 Supplemental Budget
M2-KN SSPS Maintenance Resources

Software Maintenance						
Hardware Lease or Finance (including servers)						
Maintenance & Operations (including DIS)	\$16,000	\$21,000	\$21,000	\$21,000	\$21,000	\$100,000
Training						
Travel						
Other (specify)						
Annual Total	\$532,000	\$705,000	\$705,000	\$705,000	\$705,000	\$3,352,000

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

State staff costs were calculated based on existing salary ranges. The cost of contracted resources was based on the average of ITPS rates for mainframe developers.

9. Is this investment an e-commerce investment? Yes No

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project?
New Continuation

This investment would support maintenance operations, it is not related to a project

11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor)

Not applicable

12. Describe your project management approach.

Not applicable

13. Provide the estimated project duration and estimated start date.

Not applicable

14. Where will the system be hosted?

Not applicable

2012 Supplemental Budget
M2-KN SSPS Maintenance Resources

Severity Level Criteria Categories				
Levels	Impact on Clients	Visibility	Impact on State Operations	Failure or Nil Consequences
High	<ul style="list-style-type: none"> Direct contact with citizens, political subdivisions, and service providers – including benefits payments and transactions. 	<ul style="list-style-type: none"> Highly visible to public, trading partners, political subdivisions and Legislature. Likely subject to hearings. System processes sensitive / confidential data (e.g. medical, SSN, credit card #'s). 	<ul style="list-style-type: none"> Statewide or multiple agency involvement / impact. Initial mainframe acquisitions or network acquisitions. 	<ul style="list-style-type: none"> Inability to meet legislative mandate or agency mission. Loss of significant federal funding.
Medium	<ul style="list-style-type: none"> Indirect impacts on citizens through management systems that support decisions that are viewed as important by the public. Access by citizens for information and research purposes. 	<ul style="list-style-type: none"> Some visibility to the Legislature, trading partners, or public the system / program supports. May be subject to legislative hearing. 	<ul style="list-style-type: none"> Multiple divisions or programs within agency. 	<ul style="list-style-type: none"> Potential failure of aging systems.
Low	<ul style="list-style-type: none"> Agency operations only. 	<ul style="list-style-type: none"> Internal agency only. 	<ul style="list-style-type: none"> Single division. Improve or expand existing networks or mainframes with similar technology. 	<ul style="list-style-type: none"> Loss of opportunity for improved service delivery or efficiency. Failure to resolve customer service complaints or requests.
Risk Level Criteria Categories				
Levels	Functional Impact on Business Processes or Rules	Development Effort & Resources	Technology	Capability & Management
High	<ul style="list-style-type: none"> Significant change to business rules. Replacement of a mission critical system. Multiple organizations involved. Requires extensive and substantial job training for work groups. 	<ul style="list-style-type: none"> Over \$5 million. Development and implementation exceeds 24 months.* Requires a second decision package. <p>* Clock starts after feasibility study or project approval and release of funding.</p>	<ul style="list-style-type: none"> Emerging. Unproven. Two or more of the following are new for agency technology staff or integrator, or are new to the agency architecture: programming language; operating systems; database products; development tools; data communications technology. Requires PKI certificate. Complex architecture – greater than 2 tier. 	<ul style="list-style-type: none"> Minimal executive sponsorship. Agency uses ad-hoc processes. Agency and/or vendor track record suggests inability to mitigate risk on project requiring a given level of development effort.
Medium	<ul style="list-style-type: none"> Moderate change to business rules. Major enhancement or moderate change of mission critical system. Medium complexity business process(es). Requires moderate job training. 	<ul style="list-style-type: none"> Under \$5 million but over agency delegated authority. 12 to 24 months for development and implementation.* <p>* Clock starts after feasibility study or project approval and release of funding.</p>	<ul style="list-style-type: none"> New in agency with 3rd party expertise and knowledge transfer. One of the technologies listed above is new for agency development staff. 	<ul style="list-style-type: none"> Executive sponsor knowledgeable but not actively engaged. System integrator under contract with agency technical participation. Agency and/or vendor record indicates good level of success but without the structure for repeatability.
Low	<ul style="list-style-type: none"> Insignificant or no change to business 	<ul style="list-style-type: none"> Within agency delegated authority. 	<ul style="list-style-type: none"> Standard, proven agency technology. 	<ul style="list-style-type: none"> Strong executive sponsorship.

2012 Supplemental Budget
M2-KN SSPS Maintenance Resources

	<ul style="list-style-type: none"> rules. Low complexity business process(es). Some job training could be required. (technical) 	<ul style="list-style-type: none"> Under 12 months for development and implementation.* * Clock starts after feasibility study or project approval and release of funding. 		<ul style="list-style-type: none"> Agency and vendor have strong ability to mitigate risk on a development project. Project staff uses documented and repeatable processes for tracking status, problems, and change. Agency or vendor is CMM Level 3 equivalent or above.
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Project Approval and Oversight Matrix:

Project Approval and Oversight Matrix			
<i>High Severity</i>	Level 2	Level 2	Level 3
<i>Medium Severity</i>	Level 1	Level 2	Level 2
<i>Low Severity</i>	Level 1	Level 1	Level 1
	<i>Low Risk</i>	<i>Medium Risk</i>	<i>High Risk</i>

Department of Social and Health Services

DP Code/Title: M2-PG SSPS Transition & Data Conversion
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Information System Services Division (ISSD) requests \$599,000 (\$300,000 GF-State) and 1.0 FTE in the 2012 Supplemental Budget to support the Social Service Payment System (SSPS) data conversion and transition.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110			
001-1 General Fund - Basic Account-State	150,000	150,000	300,000
001-C General Fund - Basic Account-Medicaid Federal	150,000	149,000	299,000
Total Cost	300,000	299,000	599,000

Staffing

Package Description:

Currently, SSPS manages the authorizations, claims and payment processing for in-home providers for long term care and developmentally disabled clients paid through Medicaid and waived programs. These providers will migrate from SSPS to ProviderOne with the implementation of the ProviderOne Phase 2 project.

Additional resources are required to support activities necessary to accomplish the transition of these providers from SSPS to ProviderOne. Existing SSPS resources are insufficient to support this added work.

This request will fund 1.0 FTE and 1.0 contracted staff to:

- Support SSPS data readiness, data migration, and data conversion activities.
- Coordinate transition activities between the ProviderOne project and SSPS operations.
- Support SSPS system cutover activities as required for the ProviderOne Phase 2 implementation.

The ProviderOne, Phase 2 project will initiate decommission activities for the SSPS system. SSPS will not be fully decommissioned until ProviderOne Phase 3 is completed. This phase has not been planned or funded.

These costs are in addition to and not duplicative of the core ProviderOne Phase 2 requests by the Health Care Authority and the Department of Social and Health Services.

This request is contingent on the funding of ProviderOne Phase 2. If Phase 2 is not funded, then the data conversion activities will not begin but the request to maintain SSPS resources (M2-KN SSPS Maintenance Resources) will be required instead. If Phase 2 is funded, then this request is required and M2-KN SSPS Maintenance Resources is not.

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?

Funding will provide support for successful migration of in-home providers from SSPS to ProviderOne.

Department of Social and Health Services

DP Code/Title: M2-PG SSPS Transition & Data Conversion
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Performance Measure Detail

Program: 110

Activity: K002 Operations Support and Services Division

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 DSHS's goal to increase public trust through strong management practices that ensure quality and leverage all resources by ensuring high-performing IT solutions and services that support agency priorities and minimize risk.

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

Yes. This request supports the Governor's priority associated with Human Services and government accountability. Full implementation of ProviderOne is critical to the purchasing strategies for goals related to improving the security for vulnerable adults and children and improving the economic vitality of businesses and individuals.

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

Yes. This request makes key contributions to strengthen government's ability to achieve results efficiently and effectively. It facilitates the goal of the state to provide accountability for all Medicaid dollars expended by state government.

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

When Phase 2 is complete, ProviderOne will support all Medicaid claim and payment processing activities for DSHS.

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

An assessment was made as to whether existing SSPS staff could be reassigned to complete these functions. SSPS is currently funded and staffed at maintenance only levels. Existing staff are at capacity. Reassignment of staff is not feasible without negative impacts to the system including disruption of service and inability to comply with state and federal policy changes.

What are the consequences of not funding this package?

The ProviderOne Phase 2 project cannot be successfully implemented without conversion of existing and historic data from SSPS. If additional resources are not identified, existing legacy system resources would be considered for reassignment. This reassignment would leave the legacy system understaffed. The result would be high likelihood of disrupted service delivery, inability to comply with state and federal policy, collective bargaining agreement changes or to support operational efficiencies. Additionally, day to day maintenance of the mission critical legacy system would be placed at significant risk.

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

Department of Social and Health Services

DP Code/Title: M2-PG SSPS Transition & Data Conversion
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

See attachment: ISSD M2-PG SSPS Transition & Data Conversion Table.docx

Additional attachment: ISSD M2-PG SSPS Transition and Data Conversion IT Addendum.doc

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

These are one-time costs and end with the full implementation of ProviderOne Phase 2.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110 Objects			
T Intra-Agency Reimbursements	300,000	299,000	599,000

DSHS Source Code Detail

Program 110		<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	150,000	150,000	300,000
<i>Total for Fund 001-1</i>		150,000	150,000	300,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources Title</u>				
19UL	Title XIX Admin (50%)	150,000	149,000	299,000
<i>Total for Fund 001-C</i>		150,000	149,000	299,000
Total Program 110		300,000	299,000	599,000

2012 Supplemental Budget M2-PG SSPS Transition & Data Conversion

Department of Social & Health Services

Expenditure and revenue calculations and assumptions:

- One Information Technology Specialist 5 position (.NET/SQL Developer)
- One contracted mainframe developer (calculations assume \$95 per hour for full time resources).

	FY2012	FY2013	Biennium
FTEs	1.0	1.0	1.0
A Salaries	77,000	77,000	154,000
B Benefits	23,000	23,000	46,000
E Goods & Services	7,000	7,000	14,000
E Purchased Services	192,000	192,000	384,000
J Equipment	1,000	0	1,000
	<u>300,000</u>	<u>299,000</u>	<u>599,000</u>
State	150,000	150,000	300,000
Federal	150,000	149,000	299,000
	<u>300,000</u>	<u>299,000</u>	<u>599,000</u>

Note: DSHS Program 150 – Information System Services Division is a chargeback program, therefore, costs reside in sub-object TZ of Program 110 – Administration & Supporting Services. However, FTE authority resides in Program 150.

Information Technology (IT) Addendum

I. Complete questions 1 through 9 for every IT-related Decision Package:

1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):

The Department of Social and Health Services (DSHS) requests \$599,000 (\$300,000 GF-State) support for the Social Service Payment System (SSPS) data conversion and transition. This money will fund one ITS5 and a contracted technical resource.

2. Is the project or commodity investment in the agency's IT Portfolio: Yes No

3. What is the oversight level for this project or commodity investment?

This proposed investment has been assessed as a Level 1 investment.

4. What common services will be utilized for this project or commodity investment?

Contracted resources will be procured using the IT Professional Services (ITPS) Master Contract.

5. Is a 904 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)

904 Consults are no longer required.

6. Breakdown of Implementation Costs/FTEs of the IT Project or Commodity Investment:

There are no implementation costs for this decision package request.

7. Breakdown of Ongoing Maintenance and Support Costs for the Project or Commodity Investment:

Cost Breakdown (maintenance)						
	Year 1 FY2012	Year 2 FY2013	Year 3 FY2014	Year 4 FY2015	Year 5 FY2016	Totals
IT FTEs – (For each job type, list the number of staff and the total salary and benefits) <i>Examples:</i> <ul style="list-style-type: none"> ▪ WMS Band 2 ▪ ITAS6 ▪ ITAS4 ▪ Other (specify) 	ITAS5 1.0 \$100,000	ITAS5 1.0 \$100,000				\$200,000
Purchased Services Contracts	\$192,000	\$192,000				\$384,000
Personal Services Contracts						
Hardware Purchase or Upgrades	\$1,000					\$1,000
Hardware Maintenance						
Software License Purchase or						

2012 Supplemental Budget
M2-PG SSPS Transition & Data Conversion

Upgrades						
Software Maintenance						
Hardware Lease or Finance (including servers)						
Maintenance & Operations (including DIS)	\$7,000	\$7,000				\$14,000
Training						
Travel						
Other (specify)						
Annual Total	\$300,000	\$299,000				\$599,000

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

State staff costs were calculated based on existing salary ranges. The cost of contracted resources was based on the average of ITPS rates for mainframe developers.

9. Is this investment an e-commerce investment? Yes No

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project?

New Continuation

This investment would support maintenance operations; it is not related to a project.

11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor)

Not applicable

12. Describe your project management approach.

Not applicable

13. Provide the estimated project duration and estimated start date.

Not applicable

14. Where will the system be hosted?

Not applicable

2012 Supplemental Budget
M2-PG SSPS Transition & Data Conversion

Severity Level Criteria Categories				
Levels	Impact on Clients	Visibility	Impact on State Operations	Failure or Nil Consequences
High	<ul style="list-style-type: none"> Direct contact with citizens, political subdivisions, and service providers – including benefits payments and transactions. 	<ul style="list-style-type: none"> Highly visible to public, trading partners, political subdivisions and Legislature. Likely subject to hearings. System processes sensitive / confidential data (e.g. medical, SSN, credit card #'s). 	<ul style="list-style-type: none"> Statewide or multiple agency involvement / impact. Initial mainframe acquisitions or network acquisitions. 	<ul style="list-style-type: none"> Inability to meet legislative mandate or agency mission. Loss of significant federal funding.
Medium	<ul style="list-style-type: none"> Indirect impacts on citizens through management systems that support decisions that are viewed as important by the public. Access by citizens for information and research purposes. 	<ul style="list-style-type: none"> Some visibility to the Legislature, trading partners, or public the system / program supports. May be subject to legislative hearing. 	<ul style="list-style-type: none"> Multiple divisions or programs within agency. 	<ul style="list-style-type: none"> Potential failure of aging systems.
Low	<ul style="list-style-type: none"> Agency operations only. 	<ul style="list-style-type: none"> Internal agency only. 	<ul style="list-style-type: none"> Single division. Improve or expand existing networks or mainframes with similar technology. 	<ul style="list-style-type: none"> Loss of opportunity for improved service delivery or efficiency. Failure to resolve customer service complaints or requests.
Risk Level Criteria Categories				
Levels	Functional Impact on Business Processes or Rules	Development Effort & Resources	Technology	Capability & Management
High	<ul style="list-style-type: none"> Significant change to business rules. Replacement of a mission critical system. Multiple organizations involved. Requires extensive and substantial job training for work groups. 	<ul style="list-style-type: none"> Over \$5 million. Development and implementation exceeds 24 months.* Requires a second decision package. <p>* Clock starts after feasibility study or project approval and release of funding.</p>	<ul style="list-style-type: none"> Emerging. Unproven. Two or more of the following are new for agency technology staff or integrator, or are new to the agency architecture: programming language; operating systems; database products; development tools; data communications technology. Requires PKI certificate. Complex architecture – greater than 2 tier. 	<ul style="list-style-type: none"> Minimal executive sponsorship. Agency uses ad-hoc processes. Agency and/or vendor track record suggests inability to mitigate risk on project requiring a given level of development effort.
Medium	<ul style="list-style-type: none"> Moderate change to business rules. Major enhancement or moderate change of mission critical system. Medium complexity business process(es). Requires moderate job training. 	<ul style="list-style-type: none"> Under \$5 million but over agency delegated authority. 12 to 24 months for development and implementation.* <p>* Clock starts after feasibility study or project approval and release of funding.</p>	<ul style="list-style-type: none"> New in agency with 3rd party expertise and knowledge transfer. One of the technologies listed above is new for agency development staff. 	<ul style="list-style-type: none"> Executive sponsor knowledgeable but not actively engaged. System integrator under contract with agency technical participation. Agency and/or vendor record indicates good level of success but without the structure for repeatability.

2012 Supplemental Budget
M2-PG SSPS Transition & Data Conversion

Low	<ul style="list-style-type: none"> * Insignificant or no change to business rules. * Low complexity business process(es). * Some job training could be required. (technical) 	<ul style="list-style-type: none"> * Within agency delegated authority. * Under 12 months for development and implementation.* <p>* Clock starts after feasibility study or project approval and release of funding.</p>	<ul style="list-style-type: none"> * Standard, proven agency technology. 	<ul style="list-style-type: none"> * Strong executive sponsorship. * Agency and vendor have strong ability to mitigate risk on a development project. * Project staff uses documented and repeatable processes for tracking status, problems, and change. * Agency or vendor is CMM Level 3 equivalent or above.
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Project Approval and Oversight Matrix:

Project Approval and Oversight Matrix			
<i>High Severity</i>	Level 2	Level 2	Level 3
<i>Medium Severity</i>	Level 1	Level 2	Level 2
<i>Low Severity</i>	Level 1	Level 1	Level 1
	<i>Low Risk</i>	<i>Medium Risk</i>	<i>High Risk</i>

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 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>
Overall Funding			
001-1 General Fund - Basic Account-State	139,000	104,000	243,000
001-2 General Fund - Basic Account-Federal	11,000	8,000	19,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	13,000	8,000	21,000
001-C General Fund - Basic Account-Medicaid Federal	9,000	8,000	17,000
Total Cost	172,000	128,000	300,000

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

Agency Level

Activity: K002 Operations Support and Services Division
No measures linked to package

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

Activity: K030 Executive Management
No measures linked to package

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

Activity: K037 Financial Services 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?

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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.

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>
Overall Funding			
B Employee Benefits	172,000	128,000	300,000

Department of Social and Health Services

DP Code/Title: M2-ZZ Unemployment
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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	139,000	104,000	243,000
<i>Total for Fund 001-1</i>		139,000	104,000	243,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources</u>	<u>Title</u>			
001B	Social Security Disability Ins (100%)	3,000	3,000	6,000
E61L	Food Stamp Program (50%)	8,000	5,000	13,000
<i>Total for Fund 001-2</i>		11,000	8,000	19,000
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%)	7,000	4,000	11,000
658L	Title IV-E-Foster Care (50%)	5,000	4,000	9,000
659L	Title IV-E Adoption Assistance (50%)	1,000	0	1,000
<i>Total for Fund 001-A</i>		13,000	8,000	21,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	9,000	8,000	17,000
<i>Total for Fund 001-C</i>		9,000	8,000	17,000
Total Overall Funding		172,000	128,000	300,000

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-KM Admin Contract Reductions - Proviso
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS), Administration and Supporting Services (Administration), reduces (\$1,384,000) in GF-State funding through the elimination of the funding for TeamChild, Juvenile Detention Alternatives Initiative (JDAI), and the Washington Mentoring Program.

Fiscal Detail:

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110			
001-1 General Fund - Basic Account-State	(461,000)	(923,000)	(1,384,000)
Total Cost	(461,000)	(923,000)	(1,384,000)

Staffing

Package Description:

In order to reach the 10 percent reduction target for the Department as set by the Office of Financial Management (OFM), the TeamChild, JDAI, and the Washington Mentoring contracts are reduced or cancelled as of January 1, 2012. The option to reduce the program by 10 percent will result in a (\$186,000) GF-State savings for 2011-13 Biennium, and the option to eliminate the program will result (\$1,384,000) GF-State savings for the biennium.

The impact of this reduction is fully detailed later in this decision package.

Agency Contact: Tula Habb (360) 902-8182
Program Contact: Bill Jordan (360) 902-8323

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To achieve savings to meet the 10 percent reduction targets set by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Program: 110

Activity: K030 Executive Management
No measures linked to package

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

Activity: K109 Governor's Juvenile Justice Advisory Activity (GJJAC)
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?

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 OFM for the 2012 Supplemental

Department of Social and Health Services

DP Code/Title: PL-KM Admin Contract Reductions - Proviso
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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

Department of Social and Health Services

DP Code/Title: PL-KM Admin Contract Reductions - Proviso
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

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

TEAM CHILD

10 Percent Reduction Option:

The TeamChild program would be significantly impacted by a 10 percent reduction, as state funding for TeamChild is used to leverage other dollars. Over the past two years, TeamChild has incurred a loss of over \$200,000 in annual revenue from public and private sources. TeamChild staff has adjusted in significant ways to this loss in annual revenue. An additional 10 percent reduction to the state funding for TeamChild would mean closure of on TeamChild office, possibly one of the two Eastern Washington locations, in Yakima or Spokane. As the result of an office closure, an estimated 300 youth per year would not be able to access services.

Elimination Option:

The elimination of TeamChild's state funding would result in the closure of at least three of the four TeamChild offices in Spokane, Yakima, Tacoma, and Everett. These offices serve close to 900 youth a year. TeamChild is the only organization in Washington that provides free, specialized civil legal representation and advocacy to youth who are at high risk for juvenile justice involvement. The youth we serve are challenged by poverty, unsafe and unstable living situations, mental illness and substance abuse, abuse and neglect, and poor school outcomes. The youth we serve are also representative of ethnic and racial minority groups that are overrepresented in the child welfare and juvenile justice systems. While other programs exist to help children obtain crucial social services, no other program has the legal tools or knowledge to ensure that children receive help in the most critical times of their lives. Our work and partnership with the Juvenile Rehabilitation Administration (JRA), county juvenile courts, and broad public education and social service networks serving children leverages other resources.

Eliminating funding for TeamChild would cost the state more in this biennium than the savings produced by cutting its funding. TeamChild clients are almost 4 times less likely to recidivate after six months, and almost 2 times less likely to recidivate after 12 months of receiving advocacy services. In less than 6 months, TeamChild program costs are paid back by the criminal justice savings produced by the program. In addition, based on a review of cases handled in the first half of the 2009-11 Biennium where youth were facing adult criminal sentences or JRA dispositions ranging from 15 weeks to 2 years, TeamChild's advocacy and collaboration with public defenders have saved the state over \$1,400,000 in JRA and Department of Corrections' (DOC) incarceration costs (study by the Washington State Institute for Public Policy, *Watching the Bottom Line: Cost-Effective Interventions for Reducing Crime in Washington*, January 1998).

JUVENILE DETENTION ALTERNATIVES INITIATIVE (JDAI)

10 Percent Reduction Option:

1. Reductions in workshop and training for JDAI sites across the state.
2. Contracts for JDAI county sites could be individually impacted, as contracts maybe reduced by up to four percent-impacting their amounts allocated for programming and/or staff positions.

Elimination Option:

The elimination of state funding for JDAI in Washington State would substantially impact this program - state funds provide 54 percent of the funding for this Initiative in Washington State for Fiscal Year 2012, and are used to leverage other dollars. These funds are provided to county juvenile courts in our state, to continue to engage the courts in adopting JDAI strategies that save taxpayers money, reduce juvenile crime, and address racial disparities. These funds also provide for a JDAI statewide coordinator, all through contractual agreements. There is no administrative or indirect funding provided to the agency (DSHS) for this program.

The annual average contract amount with the eight JDAI county sites is \$30,000 per county - as most of the sites allocate the majority of their funds to a coordinator or a detention alternatives staff position to provide programming, a 54 percent reduction would have a devastating impact - as most counties would not be able to sustain these positions. JDAI alternatives are safe, hold youth accountable, and are cost-effective. Alternative programs at the sites include: community service, graffiti abatement, house arrest, electronic monitoring, community trackers, alternative schools and day reporting programs,

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restitution programs, night reporting centers, weekend accountability programs, and shelter care.

The positive impacts provided by this Initiative on the participating courts in our state have been significant. Investing \$178,000 in state funds per fiscal year (\$356,000 biennial total) has a major benefit to youth, families, local juvenile courts, and their communities. There has been not only a reduction in secure detention admissions, average daily population, and average length of stay, but also a financial cost savings, while maintaining excellent public safety outcomes. JDAI is also a model for juvenile courts to reduce racial disparities and JDAI has been successful where other approaches have not.

- Counties have reduced the cost of operating detention centers and avoided the need to build larger facilities.
- JDAI sites combined account for over one-half of all juvenile court age youth in our state, and approximately 60 percent of the state's minority youth reside within these nine counties (there are eight JDAI sites in Washington, representing the following nine counties: King, Pierce, Spokane, Whatcom, Benton-Franklin, Mason, Skagit, and Adams).
- Comparing detention populations before becoming JDAI sites and today, these counties incarcerate 221 fewer youth per day amounting to an annual savings of \$12,100,000 (calculated at an average cost of \$150 per day).
- In Pierce County, \$800,000 per year has been reallocated through savings incurred by closing a 50-bed detention unit, and supporting a range of alternative programs. Both Pierce and King counties have substantially reduced the number of beds within their respective detention facilities - 99 in King County, and 90 in Pierce County.
- JDAI sites have reduced felony petitions filed by 44 percent, by comparing rates before becoming a JDAI site to today; and there has been a 49 percent reduction in the detention average daily population.
- Given the significant cost-savings and crime-reduction benefits achieved by JDAI, continued funding for JDAI is a prudent investment to meet our state's budget reduction efforts.

WASHINGTON STATE MENTORS (WSM)

10 Percent Reduction Option:

- Eliminate three full-time AmeriCorps/VISTA positions, will not have a liaison in three communities/counties to coordinate mentoring activities.
- Discontinue efforts to create two new mentoring coalition roundtables.
- Conduct statewide mentoring conference on alternate years instead of annually.
- Reduce travel costs and utilize technology for training and communication.
- Eliminate all non-critical equipment purchases.

Elimination Option:

The elimination of funding for the Washington State Mentors (WSM) would result in the following:

- Termination of Washington State Mentors organization after phased elimination of all 8 staff.
- Eliminate all mentoring program support for State agency and non-profit mentoring programs.
- Eliminate direct funding for youth mentoring relationships.
- Close statewide mentoring clearinghouse and referral system.
- Reduce the Bill & Melinda Gates Foundation grant enhanced research activities.
- Suspend private partnership funding (\$160,000 to mentoring programs per year).
- Withdraw from a pending federal grant project (\$247,000).

Each of these reduced activities carry associated impacts.

- Eliminate a total of eight staff. Eliminated positions include: 2.0 FTEs, Program Outreach Officer, and the Marketing and Development Officer; 2.0 FTEs, executive officers from DSHS and Costco; 1.0 FTE, Gates grant salaried staff in July 2011; and 3.0 FTE AmeriCorps/VISTA positions. These actions result in closing the research and evaluation study in July 2011 versus November 2011.
- Eliminate support to state agencies for youth programs. Cut all staff support to the JRA (youth transitioning from incarceration), Children's Administration (replicating mentoring foster youth demonstration program statewide), and the

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Office of Superintendent of Public Instruction (districts' mentoring programs to increase academic achievement).

- Remove support to direct service providers. Remove all training, quality standards for mentoring initiative, statewide mentoring conference, support for the Division of Behavioral Health and Recovery's Prevention Summit, private and public partnerships, and funded matches for 200 direct service mentoring programs that mentor 34,000 in Washington. A 2010 study showed that high-quality programs result in twice as strong positive outcomes for mentored youth.
- Eliminate direct funding for youth matches. WSM has contributed over \$4,100,000 in 150 grants since 2004 to small and large, urban, and rural mentoring programs across the state of Washington. The Bank of America Mentoring Initiative puts \$75,000 per year into mentoring programs for youth. This 6-year partnership would cease to exist.
- Close statewide mentoring clearinghouse and referral system. WSM's website will close and eliminate access to: evidence-based mentoring practices, current research, and community-based mentoring programs (e.g., zip code locator of mentoring programs for families, volunteers, and schools).
- Reduce research activities funded by the Bill & Melinda Gates Foundation grant. While WSM will complete the basic study as contracted, we will reduce the planned supplemental analysis by \$153,000. WSM will eliminate advanced data analysis activities; minimize reporting, and cancel results dissemination planning etc.
- Withdraw from pending Federal grant. Withdraw from partnership with University of Arkansas and Boston University on pending 3-year grant: "Mentoring Students of Deployed Military Families". Withdrawal may jeopardize full a grant project that will infuse \$247,000 into local programs and staffing.

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

Not applicable

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?

Not applicable

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

The contracts for TeamChild, Juvenile Detention Alternatives Initiative, and the Washington State Mentors will have to be cancelled as of December 31, 2011.

Expenditure and revenue calculations and assumptions

Assumptions were based on the agency's need to meet its reduction target.

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

It is assumed that these proposed reductions would be ongoing and would be expected to carry into future biennia.

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<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110 Objects			
E Goods And Services	(150,000)	(300,000)	(450,000)
N Grants, Benefits & Client Services	(311,000)	(623,000)	(934,000)
Total Objects	(461,000)	(923,000)	(1,384,000)

DSHS Source Code Detail

Program 110	<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	(461,000)	(923,000)	(1,384,000)
<i>Total for Fund 001-1</i>	(461,000)	(923,000)	(1,384,000)
Total Program 110	(461,000)	(923,000)	(1,384,000)

Department of Social and Health Services

DP Code/Title: PL-KP Staffing & Efficiency Savings
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Recommendation Summary Text:

The Department of Social and Health Services (DSHS) reduces (\$1,342,000), (\$841,000) GF-State and (0.8) FTEs through staffing and efficiency savings.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110			
001-1 General Fund - Basic Account-State	(408,000)	(433,000)	(841,000)
001-2 General Fund - Basic Account-Federal	(56,000)	(59,000)	(115,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	(69,000)	(73,000)	(142,000)
001-C General Fund - Basic Account-Medicaid Federal	(118,000)	(126,000)	(244,000)
Total Cost	(651,000)	(691,000)	(1,342,000)

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
Program 110 FTEs	(0.5)	(1.0)	(0.8)

Package Description:

The Department reduces (\$1,342,000), (\$841,000) GF-State and (0.8) FTEs through the following actions:

- Elimination of one position in Executive Management as of January 1, 2012.
- Vacancy rate savings for the Operations Support & Services Division within the Financial Services Administration.
- Reduction in costs associated with the Information System Services Division chargeback.
- Vacancy rate savings for the Finance Division within the Financial Services Administration.

Since reductions began in Fiscal Year 2009, the reduction for Administration totals 147.0 FTEs, and \$27 million (\$16.2 million GF-State) in funding. Reductions represent 19.8% decrease in FTEs, 17.6% decrease in total funds, and 19.5% decrease in GF-State using the 2009-11 Carry Forward Level base. These reductions have required staff to take on more responsibilities, learn new ways to conduct our business and adapt to new business needs. Further reductions will impact the Department's basic business functions, which will disrupt service delivery to clients.

Agency contact: Tula Habb (360) 902-8182
Program contact: Bill Jordan (360) 902-8323

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

To achieve savings to help the agency meet the 10 percent reduction targets set by the Office of Financial Management (OFM) for the 2012 Supplemental Budget.

Performance Measure Detail

Program: 110

Activity: K002 Operations Support and Services Division

No measures linked to package

Incremental Changes

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

Department of Social and Health Services

DP Code/Title: PL-KP Staffing & Efficiency Savings
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

Activity: K030 Executive Management

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: K037 Financial Services Administration

No measures linked to package

Incremental Changes

FY 1 FY 2

0.00 0.00

Activity: K094 Special Projects and Unique Programs Grants

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?

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 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?

The staffing and efficiency savings will decrease support to DSHS programs / administrations provided by DSHS headquarters as well as assume the continuation of a vacancy rate within the Finance and Operations Support & Services and Finance Divisions within the Financial Services Administration.

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

Not applicable

What are the consequences of not funding this package?

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

What is the relationship, if any, to the state's capital budget?

Not applicable

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

Assumptions were based on the department's need to meet its reduction target.

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

It is assumed that these proposed reductions would be ongoing and would be expected to carry into future biennia.

Department of Social and Health Services

DP Code/Title: PL-KP Staffing & Efficiency Savings
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 2012 Sup Agency Request

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 110 Objects			
A Salaries And Wages	(354,000)	(384,000)	(738,000)
B Employee Benefits	(91,000)	(101,000)	(192,000)
E Goods And Services	(11,000)	(11,000)	(22,000)
T Intra-Agency Reimbursements	(195,000)	(195,000)	(390,000)
Total Objects	(651,000)	(691,000)	(1,342,000)

DSHS Source Code Detail

<u>Program 110</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	(408,000)	(433,000)	(841,000)
<i>Total for Fund 001-1</i>	(408,000)	(433,000)	(841,000)
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources Title</u>			
001B Social Security Disability Ins (100%)	(16,000)	(17,000)	(33,000)
E61L Food Stamp Program (50%)	(40,000)	(42,000)	(82,000)
<i>Total for Fund 001-2</i>	(56,000)	(59,000)	(115,000)
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi			
<u>Sources Title</u>			
563I Title IV-D Child Support Enforcement (A) (66%)	(35,000)	(37,000)	(72,000)
658L Title IV-E-Foster Care (50%)	(29,000)	(30,000)	(59,000)
659L Title IV-E Adoption Assistance (50%)	(5,000)	(6,000)	(11,000)
<i>Total for Fund 001-A</i>	(69,000)	(73,000)	(142,000)
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	(118,000)	(126,000)	(244,000)
<i>Total for Fund 001-C</i>	(118,000)	(126,000)	(244,000)
Total Program 110	(651,000)	(691,000)	(1,342,000)

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
Program Level - 110 Admin & Supporting Svcs

Budget Period: 2011-13 Version: K2 110 - 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>
Overall Funding			
001-1 General Fund - Basic Account-State	21,000	36,000	57,000
001-2 General Fund - Basic Account-Federal	8,000	14,000	22,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	2,000	4,000	6,000
001-C General Fund - Basic Account-Medicaid Federal	5,000	8,000	13,000
Total Cost	36,000	62,000	98,000

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

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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.

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

Agency Level

Activity: K002 Operations Support and Services Division
No measures linked to package

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

Activity: K030 Executive Management
No measures linked to package

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

Activity: K037 Financial Services Administration

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

Department of Social and Health Services

DP Code/Title: PL-PF State Data Center Equipment
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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?

This decision package supports the agency's strategic plan as follows:

Goal H: Reinforce strong management to increase public trust

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:

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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 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>
Overall Funding			
T Intra-Agency Reimbursements	36,000	62,000	98,000

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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 Title</u>				
0011	General Fund State	21,000	36,000	57,000
Total for Fund 001-1		21,000	36,000	57,000
Fund 001-2, General Fund - Basic Account-Federal				
<u>Sources Title</u>				
001B	Social Security Disability Ins (100%)	1,000	1,000	2,000
E61L	Food Stamp Program (50%)	7,000	13,000	20,000
Total for Fund 001-2		8,000	14,000	22,000
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi				
<u>Sources Title</u>				
563I	Title IV-D Child Support Enforcement (A) (66%)	1,000	2,000	3,000
658L	Title IV-E-Foster Care (50%)	1,000	2,000	3,000
Total for Fund 001-A		2,000	4,000	6,000
Fund 001-C, General Fund - Basic Account-Medicaid Federal				
<u>Sources Title</u>				
19UL	Title XIX Admin (50%)	5,000	8,000	13,000
Total for Fund 001-C		5,000	8,000	13,000
Total Overall Funding		36,000	62,000	98,000

**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 DSHS Programs		All Objects			Object J			Object TZ		
		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 DSHS Programs		All Objects			Object J			Object TZ		
		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	(187,000)
		57%	43%							

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

FY 2013 DSHS Programs		All Objects			Object J			Object TZ		
		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	(325,000)
		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

