

**Department of Social and Health Services  
2012 Reduction Options and Supplemental Budget Request  
Payments to Other Agencies**

**Table of Contents**

**Maintenance Level Decision Packages**

M2-9T Transfers

M2-NT Children's Mental Health Litigation

**Policy Level Decision Packages**

PL-NS Reduce-Payments to Other Agencies

## Recommendation Summary

Budget Period: 2011-13  
**Budget Level Criteria: ALL**

Version: N2 - 145 - 2012 Sup Agency Request

Dollars in Thousands	Program Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>Program 145 - Payment to Other Agencies</b>					
<b>CB - Current Biennium</b>					
00	Current Biennium Base	0	129,714	60,313	190,027
	SubTotal CB	<u>0.0</u>	<u>129,714</u>	<u>60,313</u>	<u>190,027</u>
	Cumulative Total Thru CB	<u>0.0</u>	<u>129,714</u>	<u>60,313</u>	<u>190,027</u>
<b>M2 - Inflation and Other Rate Changes</b>					
9T	Transfers	0	(5,231)	(1,980)	(7,211)
NT	Children's Mental Health Litigation	0	444	134	578
	SubTotal M2	<u>0.0</u>	<u>(4,787)</u>	<u>(1,846)</u>	<u>(6,633)</u>
	Cumulative Total Thru M2	<u>0.0</u>	<u>124,927</u>	<u>58,467</u>	<u>183,394</u>
<b>PL - Performance Level</b>					
NS	Reduce-Payments to Other Agencies	0	(5,397)	(2,516)	(7,913)
	SubTotal PL	<u>0.0</u>	<u>(5,397)</u>	<u>(2,516)</u>	<u>(7,913)</u>
	Cumulative Total Thru PL	<u>0.0</u>	<u>119,530</u>	<u>55,951</u>	<u>175,481</u>
<b>Total Proposed Budget for Program 145 - Payment to Other Agencies</b>		<u>0.0</u>	<u>119,530</u>	<u>55,951</u>	<u>175,481</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.

**NS - Reduce-Payments to Other Agencies**

(PL) The Department of Social and Health Services (DSHS), Payment to Other Agencies (PTOA) reduces (\$7,913,000), (\$5,397,000) GF-State, in the 2012 Supplemental Budget by decreasing the Central Services costs beginning January 1, 2012.

**NT - Children's Mental Health Litigation**

(M2) The Department of Social and Health Services (DSHS), Payment to Other Agencies (PTOA), requests \$578,000 (\$444,000 GF-State) in the 2012 Supplemental Budget for additional legal services from the Office of the Attorney General (AGO) associated with Children's Mental Health litigation (T.R. v Dreyfus).

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**  
**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 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>
<b>Program 145</b>			
001-1 General Fund - Basic Account-State	(3,854,000)	(1,377,000)	(5,231,000)
001-C General Fund - Basic Account-Medicaid Federal	(1,451,000)	(529,000)	(1,980,000)
<b>Total Cost</b>	<b>(5,305,000)</b>	<b>(1,906,000)</b>	<b>(7,211,000)</b>

**Staffing**

**Package Description:**

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

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

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

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

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

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

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**

**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13    Version: N2 145 - 2012 Sup Agency Request

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

ISSD Staff Transfer to Administration (150 or 020, 030, 040, 050, 060, 070, 100, 135 to 110):

ISSD will transfer 1.0 FTE and \$216,000 (\$126,000 GF-State) to Administration, which fits with the current organizational reporting structure. As mentioned above, because of ISSD's budget residing in the programs' Sub-Object TZ costs, programs will transfer \$176,000 of their ISSD's costs to Administration, which will also reduce their share of ISSD's costs by \$40,000.

Mental Health Category Transfers (030 8000 to 030 9000):

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

Consolidated Field Services FTE Transfer (010, 020, 030, 040, 050, 060, 135 to 110 & 160):

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

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

Agency contact: Tula Habb (360) 902-8182

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

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

**Performance Measure Detail**

**Program: 145**

**Activity: N073 Payment to Other Agencies**

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 our goal to improve health care quality and access and to improve internal and external partnerships.

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

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

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

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**

**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 2012 Sup Agency Request

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

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

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

None

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

None

*What are the consequences of not funding this package?*

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

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

None

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

None

*Expenditure and revenue calculations and assumptions*

See attachment: AW M2-9T Transfers.xlsx

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

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

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 145 Objects			
E Goods And Services	(5,305,000)	(1,906,000)	(7,211,000)

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**

**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 2012 Sup Agency Request

**DSHS Source Code Detail**

<b>Program 145</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	(3,854,000)	(1,377,000)	(5,231,000)
<i>Total for Fund 001-1</i>		<b>(3,854,000)</b>	<b>(1,377,000)</b>	<b>(5,231,000)</b>
<b>Fund 001-C, General Fund - Basic Account-Medicaid Federal</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	(1,451,000)	(529,000)	(1,980,000)
<i>Total for Fund 001-C</i>		<b>(1,451,000)</b>	<b>(529,000)</b>	<b>(1,980,000)</b>
<b>Total Program 145</b>		<b>(5,305,000)</b>	<b>(1,906,000)</b>	<b>(7,211,000)</b>



**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
<b>100</b>	<b>Division of Voc. Rehabilitation</b>												
	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
	<b>100 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>25,000</b>	<b>(13,000)</b>	<b>12,000</b>	<b>7,000</b>	<b>(14,000)</b>	<b>(7,000)</b>	<b>32,000</b>	<b>(27,000)</b>	<b>5,000</b>
<b>110</b>	<b>Administration &amp; Supporting Services</b>												
	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			0.0	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
	<b>110 Total</b>	<b>9.0</b>	<b>14.0</b>	<b>11.5</b>	<b>842,000</b>	<b>370,000</b>	<b>1,212,000</b>	<b>1,074,000</b>	<b>476,000</b>	<b>1,550,000</b>	<b>1,916,000</b>	<b>846,000</b>	<b>2,762,000</b>
<b>135</b>	<b>Special Commitment Center</b>												
	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
	<b>135 Total</b>	<b>(24.7)</b>	<b>(37.0)</b>	<b>(30.9)</b>	<b>119,000</b>	<b>0</b>	<b>119,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>119,000</b>	<b>0</b>	<b>119,000</b>
<b>145</b>	<b>Payments to Other Agencies</b>												
	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
	<b>145 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(3,854,000)</b>	<b>(1,451,000)</b>	<b>(5,305,000)</b>	<b>(1,377,000)</b>	<b>(529,000)</b>	<b>(1,906,000)</b>	<b>(5,231,000)</b>	<b>(1,980,000)</b>	<b>(7,211,000)</b>
<b>150</b>	<b>Information System Services Division</b>												
	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
	<b>145 Total</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>160</b>	<b>Consolidated Field Services</b>												
	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
	<b>160 Total</b>	<b>343.1</b>	<b>540.2</b>	<b>441.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Agency-Wide:	0	0	0.0	0	0	0	0	0	0	0	0	0

**notes:**

1. Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin).
2. Department of Information Services (DIS) rate & central service reductions from Payments to Other Agencies (PTOA).
3. Additional Medicaid Purchasing Administration (MPA) costs to transfer from Admin.
4. L&I funding from PTOA to programs.
5. Email and Blackberry (BB) services transfer from ISSD to DIS. Net impact to the programs is zero; however, ISSD's funding will decrease by the amount programs reduce/transfer their TZ costs.
6. ISSD Staff Transfer to Admin.
7. In Mental Health, move FTEs and funding from Category 8000 to 9000 to align appropriations where costs are incurred.
8. FTE Transfer related to the Regional Business Centers, Institutional Business Offices, and Maintenance Operations are consolidated in Program 160.



**Department of Social and Health Services**

**DP Code/Title: M2-NT Children's Mental Health Litigation**  
**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13    Version: N2 145 - 2012 Sup Agency Request

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS), Payment to Other Agencies (PTOA), requests \$578,000 (\$444,000 GF-State) in the 2012 Supplemental Budget for additional legal services from the Office of the Attorney General (AGO) associated with Children's Mental Health litigation (T.R. v Dreyfus).

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 145</b>			
001-1 General Fund - Basic Account-State	222,000	222,000	444,000
001-2 General Fund - Basic Account-Federal	1,000	1,000	2,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	38,000	38,000	76,000
001-C General Fund - Basic Account-Medicaid Federal	28,000	28,000	56,000
<b>Total Cost</b>	<b>289,000</b>	<b>289,000</b>	<b>578,000</b>

**Staffing**

**Package Description:**

DSHS, PTOA, requests \$578,000 (\$444,000 GF-State) for additional legal services from the AGO associated with Children's Mental Health Litigation (T.R. v Dreyfus).

The request will cover the following AGO costs: 1.0 FTE Assistant Attorney General (AAG), 1.0 FTE Paralegal (PL), and 0.5 FTE Legal Assistant (LA) in the 2011-13 Biennium, plus \$250,000 for direct litigation costs to provide proper defense of this lawsuit. Direct costs are attributed for necessary expert witnesses and electronic document processing costs.

This funding is needed, above and beyond the regular volume of the DSHS legal work, in order to properly defend the state in T.R. vs. Dreyfus, a class action lawsuit filed in federal court seeking to "enforce the rights of Washington's Medicaid eligible children under the age of 21 with mental health needs, to receive the intensive home and community-based mental health services necessary to correct or ameliorate their mental health conditions."

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?*

This request is for funding that is critical to the continued defense of this class action lawsuit. The outcome of this case will have major fiscal implications for the state and could create a long lasting precedent. The AGO will perform essential legal services to defend the state in this lawsuit. The AGO is working to protect the interests of DSHS and the taxpaying citizens of the state.

***Performance Measure Detail***

**Program: 145**

**Activity: P001 Information Systems Services**

**Incremental Changes**

**FY 1**

**FY 2**

Department of Social and Health Services

**DP Code/Title: M2-NT Children's Mental Health Litigation**

**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 2012 Sup Agency Request

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?*

Yes. This request supports the goal to "improve children's safety and well being". Having sufficient funds to pay the AGO for costs associated with this litigation allows for consistent and high quality representation to DSHS and helps to achieve timely and appropriate outcomes.

For the AGO, this budget request implements Goal #1 of the AGO Strategic Plan - "Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

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

Yes, this request supports the Governor's Priorities of Government (POG) under "strengthening government's ability to achieve results efficiently and effectively." Providing legal services to state agencies is an element of "providing data information, and analysis to support decision making."

*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 funding requirement contributes to state-wide results as it is identified in the Governor's POG Purchases Strategies as "legal services to state agencies" under "strengthening government's ability to achieve results efficiently and effectively."

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

It is also important to note that this request is for a continuation of ongoing litigation.

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

Given the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

The AGO and DSHS have been engaged for the last year in a mediated effort to develop a settlement agreement that sets forth agreed upon program changes, with a phased in implementation schedule and a plan for how program improvements will be funded. This settlement negotiation process is still underway with a court imposed deadline of October 31, 2011. There are severe limits on what the state can accomplish in the negotiations, as the legal mandates for mental health services to children are imposed in federal Medicaid law, and the constraints in the state budget allow for minimal funding options for program improvements. If a settlement is not reached by October 31, 2011, the case will proceed on a full litigation track.

There is no alternative source of income.

*What are the consequences of not funding this package?*

Failure to adequately fund this lawsuit will result in either an inability to adequately defend the state or an over expenditure of the DSHS legal services budget.

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

None

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

**Department of Social and Health Services**

**DP Code/Title: M2-NT Children's Mental Health Litigation  
Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13    Version: N2 145 - 2012 Sup Agency Request

None

*Expenditure and revenue calculations and assumptions*

Expenditure information was provided by the AGO and assumes costs associated with 1.0 FTE AAG, 1.0 FTE PL, and 0.5 LA plus \$250,000 in direct litigation costs needed for the necessary expert witnesses and electronic document processing costs.

These staffing levels and direct litigation costs are necessary for the proper defense of the lawsuit.

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

It is expected that this litigation will be substantially completed in the 2011-13 Biennium, but it is not possible to predict how the litigation may be protracted by changes in the trial scheduling, appeals, monitored settlements, or other factors.

The AGO has a similar budget request.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 145 Objects</b>			
E Goods And Services	289,000	289,000	578,000
<b><u>DSHS Source Code Detail</u></b>			
<b>Program 145</b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources</u> <u>Title</u>			
0011    General Fund State	222,000	222,000	444,000
<i>Total for Fund 001-1</i>	<b>222,000</b>	<b>222,000</b>	<b>444,000</b>
Fund 001-2, General Fund - Basic Account-Federal			
<u>Sources</u> <u>Title</u>			
E61L    Food Stamp Program (50%)	1,000	1,000	2,000
<i>Total for Fund 001-2</i>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi			
<u>Sources</u> <u>Title</u>			
658L    Title IV-E-Foster Care (50%)	33,000	33,000	66,000
659L    Title IV-E Adoption Assistance (50%)	5,000	5,000	10,000
<i>Total for Fund 001-A</i>	<b>38,000</b>	<b>38,000</b>	<b>76,000</b>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources</u> <u>Title</u>			
19UL    Title XIX Admin (50%)	28,000	28,000	56,000
<i>Total for Fund 001-C</i>	<b>28,000</b>	<b>28,000</b>	<b>56,000</b>
<b>Total Program 145</b>	<b>289,000</b>	<b>289,000</b>	<b>578,000</b>

**Department of Social and Health Services**

**DP Code/Title: PL-NS Reduce-Payments to Other Agencies**

**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 2012 Sup Agency Request

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS), Payment to Other Agencies (PTOA) reduces (\$7,913,000), (\$5,397,000) GF-State, in the 2012 Supplemental Budget by decreasing the Central Services costs beginning January 1, 2012.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Program 145</b>			
001-1 General Fund - Basic Account-State	(1,804,000)	(3,593,000)	(5,397,000)
001-2 General Fund - Basic Account-Federal	(156,000)	(315,000)	(471,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	(279,000)	(563,000)	(842,000)
001-C General Fund - Basic Account-Medicaid Federal	(397,000)	(806,000)	(1,203,000)
<b>Total Cost</b>	<b>(2,636,000)</b>	<b>(5,277,000)</b>	<b>(7,913,000)</b>

Staffing

**Package Description:**

The department reduces (\$7,913,000), (\$5,397,000) GF-State, for the Central Services performed by agencies such as the Office of Financial Management (Self Insurance Premium), Auditor, Department of Personnel, Department of General Administration, and other central service agencies.

DSHS has identified this reduction for services we obtain from Central Services Agencies. If the budget for those agencies is also reduced, then a double reduction will occur.

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?*

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

***Performance Measure Detail***

**Program: 145**

**Activity: N073 Payment to Other Agencies**

No measures linked to package

<b>Incremental Changes</b>	
<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-NS Reduce-Payments to Other Agencies**  
**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13    Version: N2 145 - 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

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

Not applicable

*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?*

None

*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.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Program 145 Objects			
E Goods And Services	(2,636,000)	(5,277,000)	(7,913,000)

**Department of Social and Health Services**

**DP Code/Title: PL-NS Reduce-Payments to Other Agencies**  
**Program Level - 145 Payment to Other Agencies**

Budget Period: 2011-13 Version: N2 145 - 2012 Sup Agency Request

**DSHS Source Code Detail**

<b>Program 145</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	(1,804,000)	(3,593,000)	(5,397,000)
<i>Total for Fund 001-1</i>		<b>(1,804,000)</b>	<b>(3,593,000)</b>	<b>(5,397,000)</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
001B	Social Security Disability Ins (100%)	(67,000)	(135,000)	(202,000)
E61L	Food Stamp Program (50%)	(89,000)	(180,000)	(269,000)
<i>Total for Fund 001-2</i>		<b>(156,000)</b>	<b>(315,000)</b>	<b>(471,000)</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
563I	Title IV-D Child Support Enforcement (A) (66%)	(155,000)	(313,000)	(468,000)
658L	Title IV-E-Foster Care (50%)	(107,000)	(216,000)	(323,000)
659L	Title IV-E Adoption Assistance (50%)	(17,000)	(34,000)	(51,000)
<i>Total for Fund 001-A</i>		<b>(279,000)</b>	<b>(563,000)</b>	<b>(842,000)</b>
<b>Fund 001-C, General Fund - Basic Account-Medicaid Federal</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19UL	Title XIX Admin (50%)	(397,000)	(806,000)	(1,203,000)
<i>Total for Fund 001-C</i>		<b>(397,000)</b>	<b>(806,000)</b>	<b>(1,203,000)</b>
<b>Total Program 145</b>		<b>(2,636,000)</b>	<b>(5,277,000)</b>	<b>(7,913,000)</b>

