

Financial Services Administration

Kathy Marshall, Assistant Secretary/CFO

2013 – 2015

Strategic Plan

May 2014



VISION

Effective, efficient, and accountable financial, operational and risk management services

MISSION

We transform lives by promoting sound management of Department resources

VALUES

Stewardship - thoughtful and trustworthy in our work and with the resources we manage

Teamwork and Collaboration – partnering with all to be successful

Respect – accepting differences, encouraging growth and development, valuing all each person has to offer

Advocacy – actively improving the lives of DSHS clients and staff through Stewardship, Teamwork, Collaboration, and Respect



Introduction

The Financial Services Administration (FSA) provides leadership in financial, operational, and risk management services to support the mission and goals of the Department of Social and Health Services (DSHS or the Department). By promoting sound management of all Department resources, FSA enables the programs throughout DSHS to focus on their core, client-focused missions. Throughout our administration we apply Lean principles and process improvement techniques to deliver more effective and efficient services. As an administration we subscribe to the values of stewardship of all resources; teamwork and collaboration within the administration, across DSHS and with our partners throughout the state; advocacy for the resources DSHS needs to provide services to our clients; and respect for each other and those we serve.

FSA consists of four components:

- The Central Budget Office (CBO) provides budget management for DSHS. It prepares and submits the Department’s annual and biennial budget requests to the Governor’s Office and annually responds to over 300 fiscal note requests from the state Legislature. It is a key participant in financial forecasting and strategic planning activities for DSHS.
- The Enterprise Risk Management Office (ERMO) consists of Loss Prevention Services, Audit Services, Legal Services and Forms and Records Management. ERMO is responsible for coordinating the Department’s enterprise risk management activities and advising the Secretary and Assistant Secretaries on potential risk issues of significant consequence to DSHS.
- The Finance Services Division (FSD) consists of the Office of Accounting Services, Fiscal Services Office, Consolidated Institutional Business Services (CIBS) and the Regional Business Centers (RBCs). It provides financial and other business services across DSHS. FSD supports its customers by providing sound financial and business management, guidance, and analysis in addition to developing policies and procedures that ensure compliance and a strong internal control environment.
- The Operations Support and Services Division (OSSD) (*Fostering professional partnerships...providing innovative solutions*) consists of Asset Management; the Background Check Central Unit (BCCU); Capital Facilities Management (CFM), including Consolidated Maintenance and Operations (CMO) and the Office of Capital Programs (OCP); Central Contract Services (CCS); Fleet Management; Language Testing and Certification (LTC); Leased Facilities Unit (LFU); Human Services Building (OB2) Facilities and Mailroom Services; Property Redistribution Warehouse; Purchasing Services; Supply Chain Management; and Wireless

DSHS Goals

Goal 1

HEALTH – Each individual and each community will be healthy.

Goal 2

SAFETY – Each individual and each community will be safe.

Goal 3

PROTECTION – Each individual who is vulnerable will be protected.

Goal 4

QUALITY OF LIFE – Each individual in need will be supported to attain the highest possible quality of life.

Goal 5

PUBLIC TRUST – Strong management practices will ensure quality and efficiency.



Services. The division's broad reach means staff work touches all parts of the Department. The OSSD Vision is to create a solid foundation and maximize resources to best serve the needs of clients and staff, and its Mission is to collaborate with stakeholders to solve problems, ensure compliance, and maintain a safe environment.

Goals

Governor Jay Inslee's Results Washington Goals

FSA is a partner in Governor Jay Inslee's **Results Washington**, a focused effort to create effective, efficient, accountable government.

Results Washington's Goal Area number 4 is Healthy and Safe Communities. Under this area, FSA supports achievement of metrics under **Safe People: Worker Safety**. For example:

- Reduce workplace injury events.

Results Washington's Goal Area number 5 is Effective, Efficient, Accountable Government. Under this area, FSA supports achievement of metrics under **Resource Stewardship: Cost Effective Government**. For example:

- Reduce energy consumption in state-owned buildings.

Department of Social and Health Services (DSHS) Goals

As a member of the DSHS team, FSA also has lead responsibility for performance metrics that fit within DSHS' departmental goals. DSHS has the following five broad goals:

- **Health** – Each individual and each community will be healthy.
- **Safety** – Each individual and each community will be safe.
- **Protection** – Each individual who is vulnerable will be protected.
- **Quality of Life** – Each individual in need will be supported to obtain the highest possible quality of life.
- **Public Trust** – Strong management practices will be used to ensure quality and efficiency.

FSA has the following success metrics in support of the following DSHS goals:

Safety:

- Reduce workplace injury events. (Note: also a **Results Washington** goal)
- Increase the number of programs that have implemented annual workplace safety plans.

Protection:

- Automate background check processing.

Public Trust:

- Reduce energy consumption in leased facilities and state-owned buildings. (Note: also a **Results Washington** goal)
- Increase the number of programs that have implemented the Labor and Industries Working Solutions program.



- Strengthen DSHS performance-based contracting.
- All DSHS buildings and offices will have clear and proud signage.
- Increase accuracy of payments to employees.
- Ensure regional offices receive purchased goods and services in a timely manner.
- Reduce the time required to process federal grants.

Strategic Plan

Below are the details of our strategic plan to meet our strategic objectives. Each strategic objective is discussed under its larger DSHS goal area. Each strategic objective includes a statement of its importance, a quantified success measure, a timeline for achieving it and, most importantly, an action plan. FSA strategic objectives are reported quarterly at <http://www.dshs.wa.gov/ppa/strategic.shtml>. Each FSA action plan is updated quarterly.

Strategic Objectives, Importance, Success Measures and Action Plans

DSHS Goal 2: Safety - Each individual and each community will be safe.

Strategic Objective 2.1: Reduce workplace injury events.

Importance: The safety of our employees is necessary to meet our mission and to provide quality customer service to our clients. Employee injuries cost DSHS in Worker's Compensation claims, assault benefit claims, overtime, temporary hires, training, etc.

Success Measure:

- The number of injury/occupational illness incidents in DSHS will decrease from 2,239 in July 2013 to 2,127, or a five percent reduction, by July 2015.
- The number of reported client assaults on staff will decrease from 916 reported in July 2013 to 870, or a five percent reduction, by July 2015.
- The number of DSHS employees who have been trained in Mental Health First Aid will increase from 500 to 5,000 by July 2015.



Action Plan:

A3 Problem Solving | Workplace Safety

Lean!

Kathy Marshall, Assistant Secretary/Chief Financial Officer
Financial Services Administration / January 9, 2014

Clarify the Problem

The safety of DSHS employees is paramount. Yet workplace injuries and client assaults create multi-faceted costs for both DSHS and our employees. This includes hard costs related to Workers' Compensation claims, assault benefit claims, overtime payments for staff who cover injured employee absences, temporary hires, and training. This also includes the softer costs both to clients who experience disruption in their care and employees whose morale suffers as a result of an injury event either to themselves or a colleague.

Increased safety claims increase department and employee expenses. Additionally,

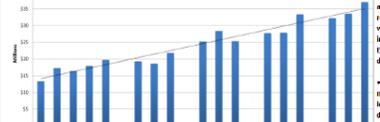
- In FY14, the Department's workers compensation premiums are approximately \$42 million.
- In FY12, the Department paid \$902,476 in assault benefits.
- In FY12, the Department received L419 claims regarding workplace violence (**1.18/mo).
- In the last 12 months, the Department has paid \$65,200 in fines to L&I for safety at the Institutions.
- In FY12, the Department received 868 incident reports declared as assault.
- Medical and time-loss amounts in the last 5 years have exceeded \$80 million.

Breakdown the Problem

Number of claims filed by employees due to injury, days worked in a transitional Return to Work capacity, and workplace days

SUMMARY

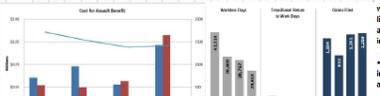
L&I Premium Paid FY06 - FY12



• In June 2011, as part of Workers' Compensation reforms, Stay at Work legislation passed which provided wage and expense reimbursements to employees as an incentive to being injured workers back to work in light or transitional jobs while they were in treatment and recovering from an industrial injury. To date, ERMO claims has recovered \$57.6M in reimbursements directed back to program budgets.

• Injured employees have up to two years to file a claim. As it matures, the data will be used to evaluate future trends in locating claim cost by increasing transitional return to work days.

Cost by Reason Benefit



• In April 2013, the program developed standard work guidelines which focused on reducing claim cost by returning workers to light and transitional work duties as soon as possible in the claim and applying timely for the Stay at Work salary reimbursement incentive that is reinvested back to individual program budgets.

• In some cases, the illness or injury may preclude return to work in any capacity and, at times, the employer may not be able to accommodate the work restrictions.

ACTION PLAN
• Use the Stay at Work employer reimbursement as an incentive for employers to develop light or transitional work.

• Work with divisions and program managers to develop light or transitional work opportunities across program areas, and consider revision to Policy 09.22 to offer light or transitional work for on-call and non-permanent employees.

*FY12 and FY13 data may not be complete, as there could be a time-lag delay between when claims are reported and are resolved.

Target Setting

Five percent reduction in the number of workplace injury events by July 2015
Five percent reduction in the number of reported client assaults by July 2015

Identify Root Cause

Relief (R)	People (P)	DSHS Management (DM)	Equipment (E)	Process (P)
R01. Various misuses	P01. Lack of training and understanding of mission and vision	M1. Lack of awareness - do not understand impacts to bottom line	E1. Need equipment which could assist in reducing staff injuries	P01. Not sure if we are reducing on the appropriate items
R02. Systematic incentives to get injured and stay on leave	P02. Systematic incentives to get injured and stay on leave	M2. Systematic incentives to get injured and stay on leave	E2. Obsolete equipment quality access facilities	P02. Need better hiring practices to assure hiring the best and most capable of working with vulnerable populations
R03. Lack of consistent adaptation of policies - no sharing of information due to programmatic and demographic differences	P03. Staff have multiple jobs and other issues, which means lined workers and the potential for increased incidents	M3. Lack of standard commitment across enterprise - both strategic and budgetary	E3. Closure of recreational and day treatment facilities which in the past provided positive physical and mental stimulus for clients	P03. Do not have enough investigation staff to analyze serious issues; investment in safety pays dividends later
	P04. Low morale	M4. Lack of support for outcomes of wage assessments	E4. Volume of repetitive motion injuries	P04. Lack of focused safety officer training across all facilities
	P05. Ergonomic assessments used as a form of control	M5. Lack of accountability: aren't held accountable, don't resolve issues, no consequences	E5. Lack of understanding about when preventative maintenance is needed and when new equipment must be purchased	
	P06. Lack of accountability: aren't held accountable, don't resolve issues, no consequences			
	P07. No incentive to create a safe work environment, part of the culture			

Identify Countermeasures

Root Cause	Proposed Countermeasure	Feasibility	Cost	Risk	Impact
[1] P01	1. Pursue implementing incentives for safety prevention	M-H	M	L	H
[2] P02, M2	2. Clarify assault benefit policy (e.g., define assault)	L	L	M	H
[3] P03	3. Identify, differentiate, and standardize general policies and site specific requirements	H	L	L	H
[4] P02, M2	4. Review and assess accountability tools	M	L-M	L-M	M
[5] P03	5. Obtain funding and approval to hire 3 Safety Investigators	M-H	L	L	H

Action Plan

ID#	Problem to be solved	Action	Lead	Due Date	Status
[1]	Need to create safety culture	Training	Kevin Doty	September 2014	
[2]	Need clarification of assault benefit policy	Draft update to policy	Sally Irish	September 2014	
[3]	Need to create standards where practicable	Develop guidelines/best practices to support administrative policy 9.07	Kevin Doty	January 2015	
[4]	Need to develop a method for increasing accountability	Develop Correction Action Plan process following significant incidents	Kevin Doty	July 2015	
[5]	Need dedicated staff to foster a safety culture	Obtain funding	Kevin Krueger	July 2015	

Evaluate Results, Standardize, then Repeat

Strategic Objective 2.2: Increase the number of work sites that have implemented annual workplace safety plans.

Importance: The safety of our vulnerable clients at residential facilities and our employees at all work locations is a paramount duty of DSHS. The Annual Loss Control Evaluation (ALCE) and Office Safety and Security Review (OSSR) processes review workplace safety plans at every facility and a portion of office field activities each year. The ALCE and OSSR focus on each location's compliance with federal, state, and Departmental safety standards, policies and procedures. The goal is to provide objective feedback regarding the current safety and occupational health program at each facility or office in order to establish and maintain the safest environment possible for every client and employee.

Success Measure: The number of ALCEs scheduled and completed by ERMO will increase from 24 to 50 by July 2015.

Action Plan:

A3 Problem Solving |

Increase the number of DSHS work sites that have implemented workplace safety accident prevention plans.

Lean!

Kathy Marshall, Assistant Secretary/Chief Financial Officer
Financial Services Administration/March 4, 2014

Clarify the Problem

- Not every office location/facility in DSHS has an appropriate, effective accident prevention plan in place.
- Those that do have plans in place typically do not review and update them annually.
- Various accrediting and governing bodies (e.g., JC, CMS, RCS, L&I) have differing expectations for safety/accident prevention plan requirements so there is often inconsistency in plan titles, formats, etc.

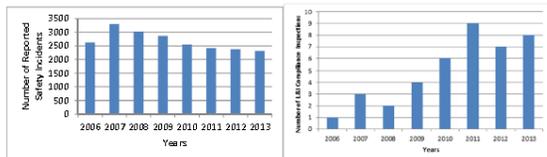
Breakdown the Problem

There are a large number of DSHS responsive locations requiring up-to-date Accident Prevention Plans. DSHS has a huge geographic footprint covering the entire state:

- 11 BSHIA, DDA, JJRA 24-hour residential facilities;
- An additional 10 JJRA and SCC community facilities;
- 40 State Operated Living Assistance (DDA) homes; and
- Over 150 DSHS headquarters, regional and field offices.

Symptoms:

- Frequent safety incidents
- Increased L&I citations (growing employee complaints/grievances)



Target Setting

ERMO completed 44 office/facility assessments in FY14
ERMO will complete 90 office/facility assessments in FY15

Identify Root Cause

- Field offices never effectively monitored prior to FY14
- Safety staffing resources remain inadequate for comprehensive independent, standardized objective reviews of all facilities and one-third (about 70) other activities annually
- Continually increasing number of workstation ergonomic (over 1,500 in CY13) assessments hamper ability to perform more needed, routine office assessments
- Current Safety staffing is not proportionate to number of facility/office locations (3 FTEs for over 200 facility/office locations)
- Limited Safety staff equates to limited 'hands-on' field training opportunities to provide CPR/First Aid, AED, Supervisor Training, Safety Committee Training, Safety Plan Development Training, etc.
- Safety not a consistently held priority by locations in light of reduced resources

Identify Countermeasures

Root Cause	Proposed Countermeasure	Feasibility	Cost	Risk	Impact
Monitoring	1. Adopt a schedule of local office assessments	H	M	L	H
Staffing	2. Request additional resources	L	H	M	H
ERGO Assessments	3. Contract for ERGO Assessments externally	L	M-H	L	H
Awareness	4. Training	H	M	L	M-H
Lack of consistency	5. Issue at top, differing regulations	L	L	L	M

Action Plan

ID#	Problem to be solved	Action Item	Lead	Due Date	Status
1	Policy implementation	RP 907 Revised	Kevin Doty	3/2014	Complete
2	Request additional FTEs	Budget decision package submitted	Kevin Doty	7/2014	On Target
3	Eliminate ERMO ERGO Assessments	Identify possible contractors or train local offices	Kevin Doty	3/2015	On Target
4	Raise awareness	Provide training during consultations	Kevin Doty	Ongoing	On Target
5	Differing standards	Develop standardized policy and provide ongoing training	Kevin Doty	Ongoing	On Target

Evaluate Results, Standardize, then Repeat

- Scheduling assessments
- Staffing - Budget request 2015-17
- Redeploy staff from ERGO Assessments
- Training
- Policy clarification

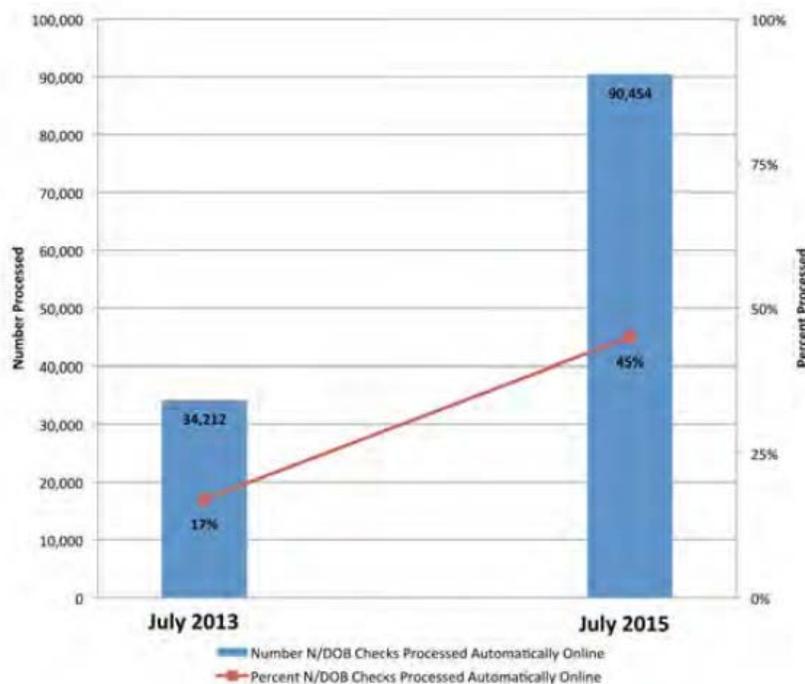
DSHS Goal 3: Protection - Each individual who is vulnerable will be protected.

Strategic Objective 3.1: Automate background check processing.

Importance: Delays in the background check process create a negative impact to the agency's ability to approve the use of client service providers in a timely manner. The BCCU turnaround time for name and date of birth background checks fluctuates based on staff vacancies and training for new hires. The current turnaround time ranges from 5 to 15 business days.

Success Measure: The number of name and date of birth background checks processed automatically through the online system will increase from 17 percent (34,212) to 45 percent (90,454) by July 2015.

Chart 3.1 Automating background check processing



Action Plan:

- Develop a plan to complete the system designs for remaining modules before additional development work continues. BCCU, ISSD, and Yale New Haven to meet in late April, and early May. (Changes to the project schedule could move target dates identified below.)
 - Develop data interfaces with stakeholders. Target completion: August 2014. (Lead: BCCU/ISSD)
 - Migrate legacy data. Target completion: August 2014. (Lead: BCCU/ISSD)
 - User acceptance testing begins September 2014. Target completion: October 2014. (Lead: BCCU/ISSD)
 - Reduce data entry and allow 45 percent of online background checks to be processed without BCCU intervention. Target completion: November 2014. (Lead: BCCU)
 - Develop new performance metrics based on reduced processing times. Target completion: May 2015. (Lead: BCCU)



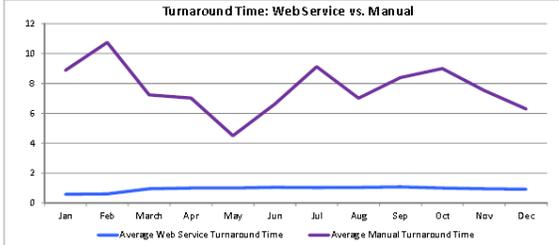
Clarify the Problem

Delays in the Background Check process create a negative impact to the agency's ability to license, hire, and approve client service providers in a timely manner.

Delays in the background check process are caused by:

- Web service versus manual procedures.
- The need for manual intervention by BCCU Staff on some requests.
- When staff are absent from work, non-proficient, or unable to carry out their daily responsibilities because of system outages, or external database connectivity issues.

Break Down the Problem



- Web Service (WS) turnaround times are not impacted by staff absences and availability.
- Regular turnaround times fluctuate because of staff availability, staff absences, and the need to shift workloads.
- Manual processes are unstable and often require staff to work overtime to keep turnaround times down.
- Regular turnaround times vary due to fluctuations in number of incoming forms each day.
- Regular turnaround times are influenced by the number of proficient staff versus non-proficient staff because of the quality assistance required on non-proficient staff work.
- On average it takes 6 to 9 months for individuals to become proficient in the background check process.

Target Setting

- Increase the number of Name and Date of Birth-based background checks that are automatically completed through the online system from 17% to 45% by July 2015.
- Increase the number of Fingerprint and Name and Date of Birth Background Checks completed by the new online system from 30% to 100% immediately following implementation (use of the online system will be mandatory for all entities who submit background checks to BCCU).
- Develop new performance measures based on reduced background check processing times 90 days following the project stabilization period.
 - o BCCU, ISSD, and Yale are meeting in late April and early May 2014 to plan how to complete the designs for the remaining system modules before additional development work can continue.

Identify Root Cause

People	Equipment	System	Policy/Procedure/RCW/VAC	Environment
BCCU staff as setting customers	Active on nature and computer systems	Habitual to look up which forms have been received but not processed yet.	Entity staff lack of knowledge of their own procedures.	Holidays
Delays in background check requests from entities	IT systems that are no longer supported by MS or compatible with MS	Complex data entry and processing procedures	Constant changes in state/federal laws and internal program policies	Seasonal fluctuations in requests for Background Checks
Highly hand written forms and inconsistent applicant information provided	Not utilizing current technology	WS entries don't follow the same standards that BCCU staff are held to for data entry	BCCU staff don't have a good understanding of the entity's policies and procedures	Entities able to submit requests 24/7 BCCU being open M-F 8-5
Decrease in BCCU staff in main because of proficiency requirements	People and his failure on the number of fees that can be sent and received at the same time	Additional research is required when information is unclear on the Authorisation Form, RAP sheets, and applicant self-declaration	Some policies and procedures are unclear for both BCCU staff and entities (program staff)	Fluctuations in incoming requests caused by audits
Internal staff promotions and turnover or creating holes in procedures	Fee connections within the entities	System outages between internal and external data sources	Non-Standard procedures and policies across programs	
IT staff coordination and communications	Printing letters and envelopes in batches	System complexities dictate need for extensive training and QA of staff work to ensure accuracy	Internal IT policies limit resource, communication, and issue resolution	
High paid staff absences and the inability to adequately cover all unit responsibilities		Especially to process two types of prints - Electronic vs. Manual Manual set up to track reports based on one or the other	QA processes and proficiency requirements	
BCCU staff Training inconsistent as related to Processing procedures		Complexities of the process set up - In setup, Fee setting, etc.	Training processes and documentation	

* Note: Colored shading categorizes the Root Causes related to the Counter Measures listed below

Identify Countermeasures * All Countermeasures tied to Implementation of New Background Check System

Root Cause	Proposed Countermeasure	Feasibility	Cost	Risk	Impact
Entity hand written forms and inconsistent applicant information provided	Eliminate data entry for BCCU staff and provide applicants with tool to enter personal information online	High	High	Medium	High
Fee and system connections with entities	Online system that automates results electronically rather than relying on fax machine connections	High	High	Medium	High
Aging computers and computer systems, and lack of IT and MS support for older systems	Purchase an Off the Shelf product to replace the aging Criminal History System. One that uses current technology and supports communication with other upgraded MS systems.	High	High	High	High
Non-Standard procedures and policies across programs modify complexity of system processes	Implementation of an electronic system will make procedures more transparent and consistent for all programs and BCCU	Medium	High	Low	Medium

Action Plan

ID#	Problem to be solved	Action Item	Lead	Team	Due Date	Status
1	Replace the aging Criminal History System	Decide to build an in-house system or purchase an Off the Shelf system to provide Web Service Capabilities	Exec. Steering Comm.	BCCU/ISSD	Sep. 2012	100%
2	Find out what other states are doing	Research other states and Visit Michigan to see their system in action	BCCU	BCCU/ISSD	Dec. 2012	100%
3	Develop an RFQQ	Define business needs and system requirements	ISSD	BCCU/ISSD	Mar. 2013	100%
4	Contract with a vendor	Collaborate with successful bidder, Yale New Haven Health System (YNHS)	ISSD	BCCU/ISSD	May 2013	100%
5	Replace existing system	Implement and release new program to customers for final use	ISSD	BCCU/ISSD	Nov. 2014	16%

Evaluate Results, Standardize, then Repeat

DSHS Goal 5: Public Trust - Strong management practices will be used to ensure quality and efficiency.

Strategic Objective 5.1: Reduce energy consumption in leased facilities and state- owned buildings.

Importance: DSHS occupies 132 leased facilities totaling 3.1 million square feet plus 500 institutional buildings with 5.4 million square feet. Electricity, natural gas, and diesel fuel provide power for equipment, lighting, space heating, hot water and steam production.

DSHS continues to face budget challenges and needs to take advantage of all opportunities to reduce costs while maintaining services. Heating, cooling, and operating state buildings are a large source of greenhouse gas emissions. Increasing energy efficiency in state buildings reduces the cost of government and makes our buildings more comfortable, our people more productive and our children's future more secure.

Success Measure: Energy consumption in Department-owned and leased facilities will be reduced by 10 percent by July 1, 2015 from the July 2009 baseline.

Action Plan: DSHS will continue efforts to reduce energy consumption and greenhouse gas emissions as required by Executive Order 12-06 and Chapter 70.235 RCW.

Clarify the Problem
The Governor's Office has directed state agencies to reduce energy consumption in owned and leased facilities. Within DSHS, energy consumption is likely too high and is not managed in a comprehensive or consistent manner. Better management of energy consumption in such facilities will result in cost savings and more effective resource management.

Breakdown the Problem

> This energy consumption exceeds what is reasonable with current technology.
 > Usage data is based on the best available data, but does not include every single facility.
 > Energy consumption must be managed at several different types of facilities but often cannot be tracked – and is not always available – at the individual building level.
 > The Department lacks consistent guidance and accountability for resource conservation in all types of DSHS facilities.

CY2009 Facility Data	
Owned	Leased
4,825,000 SF <i>*includes 213,000 SF of space at Maple Lane Schools, which was transferred to QDC 12/31/13</i>	3,600,000 SF
500 buildings	143 leased facilities
CY2009 - Total Utility Cost	
\$9,800,000	\$1,600,000

Target Setting
Reduce energy consumption in DSHS-owned and leased facilities by 10% by July 1, 2015 from the 2009 baseline.

Identify Root Cause

Policies (Po)	People (Pe)	DSHS Management (DM)	Equipment (E)	Process (Pr)
No consistent guidelines or standards for energy conservation. (Po1)	Lack of awareness of impacts of energy conservation efforts. (Pe1)	Culture does not support enforcement of energy conservation efforts. (DM1)	Lack individual building metering for electricity and natural gas. (E1)	The Resource Conservation Manager position was eliminated in 2011. (Pr1)
Unregulated plug loads from small appliances. (Po2)	No incentive to follow informal guidance for resource conservation. (Pe2)		Personal space heaters, refrigerators, coffee makers, and other small appliances are used despite guidance directing otherwise. (E2)	Employees or the union file grievances when management attempts to enforce informal small appliance guidelines. (Pr2)
	No mechanism for enforcing energy conservation standards. (Po3)	Delegated for informal guidance. (DM2)		Lack of access to utility information from CBS and RBCs. (Pr3)
	Landlords are not always receptive to energy conservation efforts. (Po4)			Lack of funding for energy improvements with pay back costs greater than 12 years. (Pr4)
	Funding for facility improvements is a low priority. (Po5)			

Identify Countermeasures

Root Cause	Proposed Countermeasure	Feas.	Cost	Risk	Impact
(1) Pr1, Pe1	Reinstitute Resource Conservation Manager – centralized management and enforcement of energy conservation guidelines.	M	M	L	H
(2) Po2, Pe1-3, E2, Pr2	Develop formal energy consumption guidelines – create enforceable standards across facilities.	M	L	L	H
(3) Pe1-3, DM1, Pr2, Pr4	Develop and launch awareness campaign – create tangible connection between staff and the importance of resource conservation.	L	M	L	H
(4) Pr3, E1	Develop consistent tracking of energy use information – easy access to current consumption information from CBS, RBCs, CIS, utilities.	M	M	M	H
(5) Po4, Pr4	Implement ESCO performance projects where practical at owned facilities – identifies and implements efficiency measures. Requests funding for measures that have greater than a 12-year payback.	M	M-H	L	M-H
(6) Pr4	Update lease space requirements – includes more energy efficiency requirements.	H	L	L	M
(7) Po4	Address energy efficiency issues at lease renewal – update requirements.	M	L	L	M-H
(8) DM1	Adopt space use standards at owned facilities – more efficient use of office space.	L	L-M	H	M-H

Action Plan

ID#	Problem to be solved	Action	Lead	Due Date	Status
(1)	See above		Bob Rubenthal	7/1/14	10%
(2)	See above		Jeff Willis/ Terri Sinclair-Olson	JW: Complete TSO: 9/30/14	JW: 100% TSO: 20%
(3)	See above		Jeff Willis/ Terri Sinclair-Olson	JW: Complete TSO: 9/30/14	JW: 100% TSO: 20%
(4)	See above		Van Church	7/1/14 (ESCO participation by utilities)	50%
(5)	See above		Terri Sinclair-Olson	6/30/14 – ESCO where practical	90%
(6)	See above		Jeff Willis	7/1/14 – Addendums. Dependent on DES.	50%
(7)	See above		Jeff Willis	7/1/14 – Dependent on DES.	50%
(8)	See above		Terri Sinclair-Olson	6/30/15	5%

Evaluate Results, Standardize, then Repeat

Strategic Objective 5.2: Increase the number of programs that have implemented the Labor and Industries Working Solutions Program.

Importance: Last year, DSHS was assessed approximately \$38 million in Worker Compensation premiums and paid \$2 million more in assault benefit claims. In the near term, DSHS has opportunities to recoup some of these costs through light duty/transitional return to work efforts, and seek reimbursement through the Stay at Work (SAW) program. In the long term, these efforts will help reduce Worker Compensation premiums.

Success Measure:

- Using Labor and Industries Working Solutions Program, reduce the number of industrial injury work loss days from 23,613 in July 2013 to 22,432, or a five percent reduction, by July 2015.

Action Plan:

- Cultivate new opportunities for transitional return to work to maximize Labor and Industries SAW refunds. Target completion: year-round and ongoing. (Lead: ERMO/Claims Management)
- Continue to work with facility and office managers to provide opportunities for workers to return to the workforce while recovering from an occupational injury or disease. Target completion: year-round and ongoing. (Lead: ERMO/Claims Management)
- Actively manage complex claims including frequent reviews, coordination, and communication. Target completion: year-round and ongoing. (Lead: ERMO/Claims Management)

Strategic Objective 5.3: Strengthen DSHS performance-based contracting (PBC).

Importance: PBC describes the contracted services according to what is to be achieved rather than how it is to be done. A PBC links the service(s) to be performed to clear, specific, and objective desired results and may tie incentives and/or sanctions such as payment levels or contract renewals to the contractor's successful accomplishment of identified measureable outcomes.

Approximately 70 percent of the DSHS budget is contracted out. The performance of our contractors is critically linked to the success of our mission. By focusing on desired outcomes rather than prescribing particular tasks and the manner in which contractors must accomplish those tasks, we allow the contractor to innovate practices and we can improve results. Financial incentives are aligned with programmatic goals and true public/private partnerships can be created.

Success Measure: The percentage of DSHS contracts exceeding minimum PBC requirements will increase from 79 percent to 90 percent by July 2015.

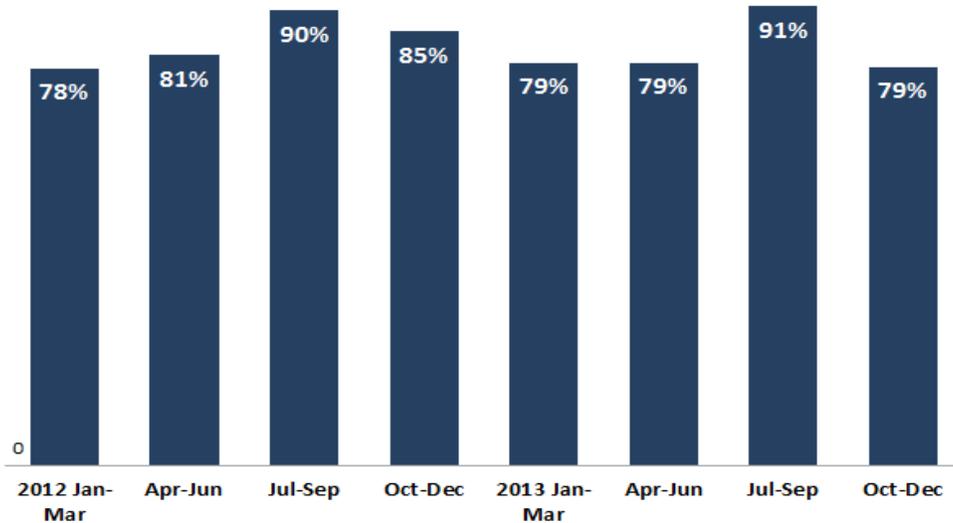
Action Plan:

- Develop a target for percentage of DSHS contracts exceeding minimum PBC requirements and further develop action plan with target dates. Completed, set at 90 percent. (Lead: CCS, OSSD)
- Update informational materials on CCS SharePoint site regarding PBCs. Target completion: July 2014. (Lead: CCS, OSSD)
- Develop online PBC training module. Target completion: July 2014. (Lead: CCS, OSSD)
- Revise database (ACD) record gathering to reflect whether payment is contingent upon achievement of performance measures or outcomes, rather than just deliverables. Target completion: July 2015. (Lead: CCS, OSSD)
- Develop more advanced performance metrics showing whole continuum of relative strength of performance basis for contracts. Target completion: July 2015. (Lead: CCS, OSSD)



Chart 5.3 Percent of non-exempt DSHS contracts that exceed Performance-based contract (PBC) requirements

Statewide Average



Strategic Objective 5.4: All DSHS buildings and offices will have clear and proud signage.

Importance: This objective is extremely important and vital to assure DSHS customers can locate facilities so that they can access required services.

Success Measure: All facilities will be reviewed for clear and proud signage by July 2015.

Action Plan:

- The DSHS LFU has added signage review as a requirement for all lease renewals. Completed. (Lead: LFU, OSSD)
- Working with DES and DSHS programs, we will develop statewide standards on the design and dimensions for appropriate DSHS signage. Completed. (Lead: LFU, OSSD) Note: LFU has worked at standardizing signage for all leased facilities needing signage. Signage is reviewed for both new facilities and at lease renewal for current sites. In some cases due to city or county codes or landlord restrictions the signage may be different, but when allowed all DSHS signage should look similar.
- Work with landlords to ensure all required building, county, and municipal codes are conformed to during the lease renewal process. Completed - each lease renewal is separate and distinct. (Lead: LFU, OSSD)
- In coordination with facility landlords, new signage will be implemented if deemed necessary through this signage review requirement. Target: New signage within three months of requirement identification. (Lead: LFU, OSSD)



Strategic Objective 5.5: Increase accuracy of payments to employees.

Importance: Payroll errors result in inefficiency and are a significant drain on scarce department resources. They also can decrease morale not only for the employee who is not paid correctly, but for those staff who need to do additional work in order to correct issues. Underpayments to employees require the Department to make supplemental payments to employees and overpayments result in an often burdensome collection process. Errors can occur anywhere in the process – from employees or supervisors submitting time information late to payroll or time and attendance staff incorrectly entering information.

Success Measure: The number of payroll overpayments and underpayments will decrease from an average of 430 per quarter to an average of 390 per quarter by July 2015.

Action Plan:

- Develop tracking processes and database to measure payroll errors by type and location. Databases have been or are being completed which track numerous types of errors and the locations within DSHS. Underpayments have been tracked with an Access database that was implemented in 2013. A SQL database has been developed and is being tested for better detailed and consistent tracking of overpayments. Target completion: July 2014 (Lead: Payroll, OAS)
- Develop a target for reducing payroll errors within DSHS. Completed, set at 10 percent below current average errors. (Lead: OAS)
- Track measure and develop training and/or process improvement projects with a focus on problem areas with goals of process efficiency, compliance, and improving the accuracy of information. Also, use information to look at locations that have few errors to help determine best practices that can be utilized in areas needing improvement. Target completion: June 2014. (Lead: Payroll, OAS)
- Work with each of the administrations to improve time and leave reporting processes within DSHS. Develop communication strategies to bring visibility to issues and to engage staff at all levels in improvement. Develop policies, procedures, and new processes that will improve accuracy and timeliness. Target Completion: December 2014. (Lead: Payroll, OAS)
- Incorporate current DSHS tools that can improve timeliness, accuracy, and efficiency of time and leave reporting. Work with managers and other partners on implementation plans for areas where these tools can be better utilized. Target Completion: December 2014. (Lead: Payroll, OAS and CIBS)
- Continue participation on statewide Time, Leave and Attendance (TLA) system development workgroups and provide input with a focus on improving accuracy, efficiency and effectiveness of payroll processes within state government. Target Completion: December 2015. (Lead: OAS and Human Resources Division (HRD))



A3 Problem Solving | Reduce Payroll Overpayments/Underpayments

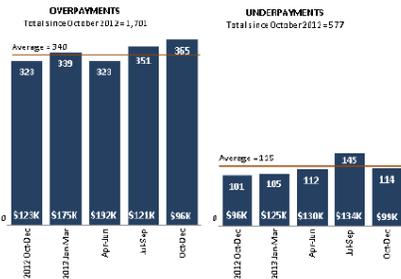
Clarify the Problem

Payroll errors result in inefficiency and are a significant drain on scarce agency resources. They also can decrease morale not only for the employee who is not paid correctly, but for those staff who need to do additional work in order to correct issues. Underpayments to employees require the agency to make supplemental payments to employees, and overpayments result in an often burdensome collection process. Errors can occur anywhere in the process—from employees or supervisors submitting time information late to payroll, or time and attendance staff incorrectly entering information.

Breakdown the Problem

Statewide

Overpayments issued based on research by the payroll section, and underpayments corrected based on employee's requests for supplemental payments



Target Setting

The number of payroll overpayments and underpayments will decrease from an average of 430 per quarter to an average of 390 per quarter by July 2015.

Identify Root Cause

- Knowledge gap of Payroll**
 - Poor communication between employee, supervisor & time keeper regarding standards and deadlines
 - Late submission of documents
 - Lack of time and attendance training for staff on off hours, on-call, 24/7 shifts
 - Data entry errors
 - Missing approval signatures
- Too many forms to complete and paper to handle**
 - Late leave slips from hourly employees
 - Inaccurate shift schedules and changes
 - Require signatures on many different forms
- No standard system for all employees**
 - Part-time employee calculations still a manual input process
 - HMS leave balance does not match on Leave Tracker – causes confusion and errors

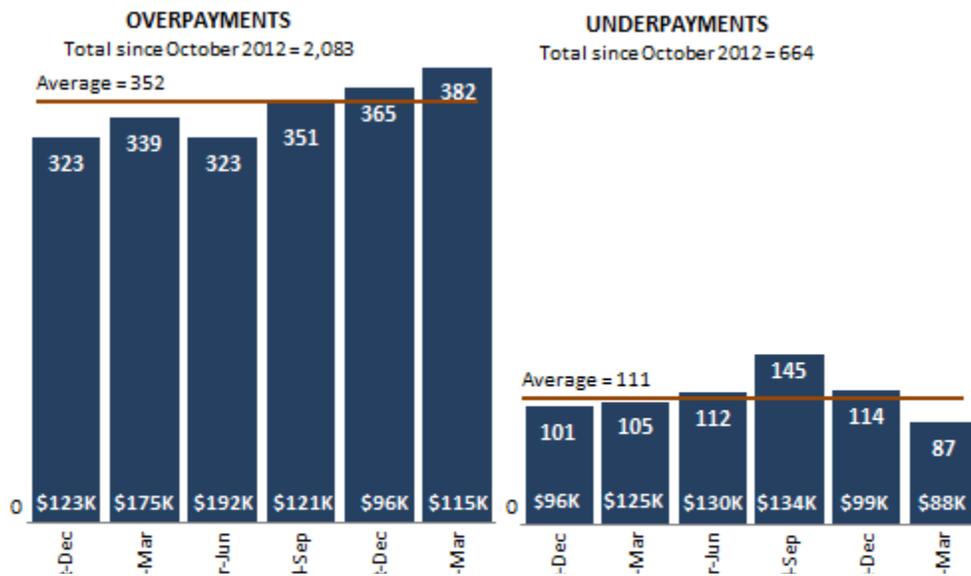
Identify Countermeasures

Root Cause	Proposed Countermeasure	Feasibility	Cost	Risk	Impact
1. Knowledge gap of payroll	Communication Plan	Yes	Med	Low	Med
2. Too many forms to complete and process	Leave Tracker implementation by June 2014	Yes	Med	Low	High
3. No standard system for all employees	Continue participation in statewide Time, Leave and attendance (TLA) web@groups	Yes	Med	Low	High

Action Plan

ID#	Problem to be solved	Action Item	Lead	Due Date	Status
1	Knowledge gap of payroll	<ul style="list-style-type: none"> Develop ongoing communication plan Share error data with programs 	Terry Westhoff	July 2015	Ongoing
2	Too many forms to track and input	<ul style="list-style-type: none"> Leave Tracker implementation 	Jay Minton & Jeff Fleener	June 2014	In process
3	No standard payroll system	<ul style="list-style-type: none"> Continue TLA participation 	Jay Minton	July 2015	In process

Chart 5.5 Overpayments issued based on research by the payroll section and underpayments corrected based on employee's request for



Strategic Objective 5.6: Ensure regional offices receive purchased goods and services in a timely manner.

Importance: Timely ordering and receipt of goods and services are vital to our programs effectively providing vital services to the public. The RBCs are responsible for purchasing within the regional

administrations for Children’s Administration (CA), Juvenile Justice and Rehabilitation Administration (JJRA), Economic Services Administration (ESA), Developmental Disabilities Administration (DDA), and Aging and Long-Term Support Administration (AL TSA) Home and Community Services (HCS) and Residential Care Services (RCS). RBCs have the responsibility to ensure timely purchasing of goods and services, while also ensuring compliance with purchasing requirements and efficiency through standardization, consistency and implementation of best practices.

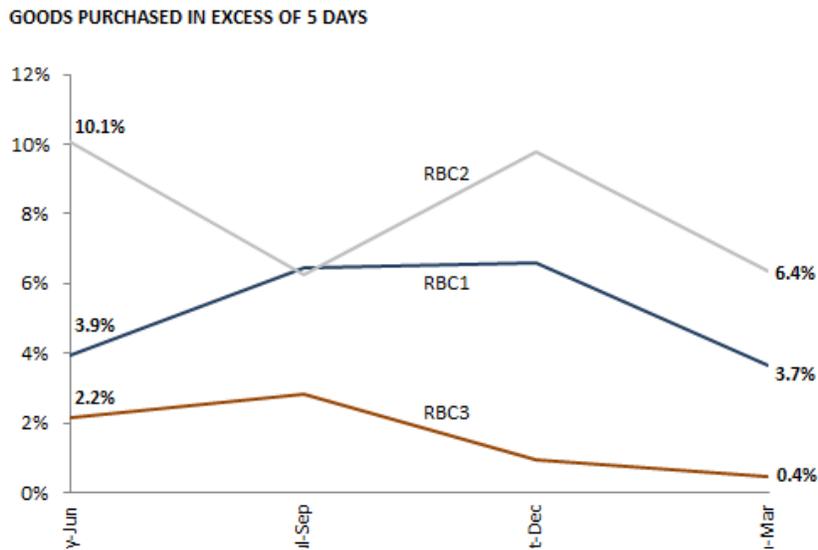
Success Measure: The percentage of purchase requests processed in excess of five days from receipt will be reduced from ten percent to less than seven percent by July 2015.

Action Plan: RBCs will continue to work on purchasing process improvement through utilizing Lean and other process improvement methods and through better use of technology. RBCs will track reasons for delayed orders and partner with Regional Administrators (RAs) and their staff to ensure clear processes are in place and issues are addressed.

- Develop a target for processing purchase requests and develop further actions to improve performance. Completed, set at less than seven percent to exceed five days. (Lead: Regional Business Chiefs)
- Use Lean methods to help improve workflow and ensure consistency and best practices are implemented across the three RBCs. Update SharePoint site with information on new processes. Target completion: December 2014. (Lead: Regional Business Chiefs)
- Work with RAs to develop processes and procedures that will increase timeliness and accuracy of purchase requests coming into the RBCs. Target completion: September 2014. (Lead: Regional Business Chiefs)
- Work with Information Systems Services Division (ISSD) and other stakeholders to develop improvements to agency purchasing systems. Target completion: July 2015. (Lead: Regional Business Chiefs)



Chart 5.6 Comparison of the receipt of order compared to the date of the final order placed



Strategic Objective 5.7: Reduce the time required to process federal grants.

Importance: DSHS receives billions of dollars in federal funds each year. In order for cash flow to be maintained and for federal grant funds to be promptly available for client services, OAS must do its part to ensure new grants are reviewed for appropriate allocations, established in our Grants Management System and coded so that funds can be readily drawn as expenses occur.

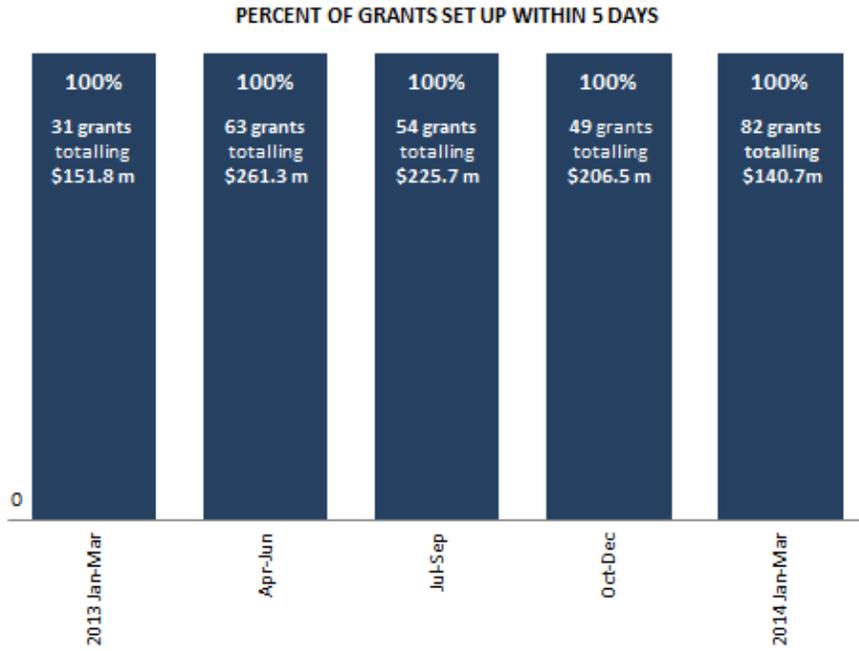
Success Measure: The average number of days for a grant to be set up within OAS will be reduced from five days to an average of less than three days from receipt by July 2015.

Action Plan:

- Develop an initial target for timely set up of grants. Completed, target is average completion within three days of receipt. (Lead: OAS)
- Work with departmental stakeholders to develop an enterprise approach to managing grants. Target completion: October 2014. (Lead: OAS)
- Closely coordinate with ISSD to develop improvements to the Grants Management System to improve processing and accounting related to federal grants. Target completion: December 2014. (Lead: OAS)
- Develop more advanced performance metrics showing whole continuum of fiscal performance related to grants. Target completion: December 2015. (Lead: OAS)

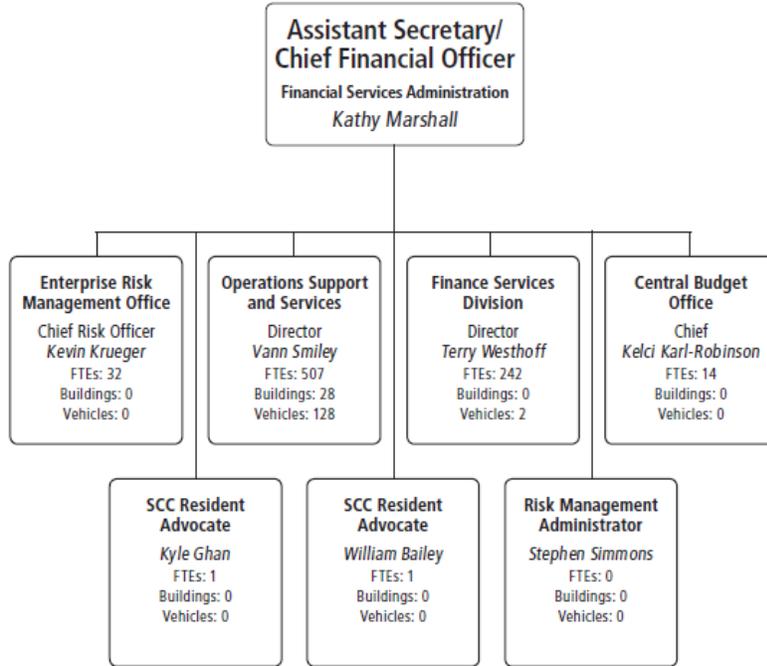


Chart 5.7 **Percent of times Grants Management sets up grants within 5 working days**



Department of Social and Health Services

Financial Services Administration



April 29, 2014

