Financial Services Administration

Kathy Marshall, *Assistant Secretary, Chief Financial Officer*

2013-2015

Strategic Plan

June 2014

Washington State Department of Social & Health Services

We transform lives

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.

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.

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

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.

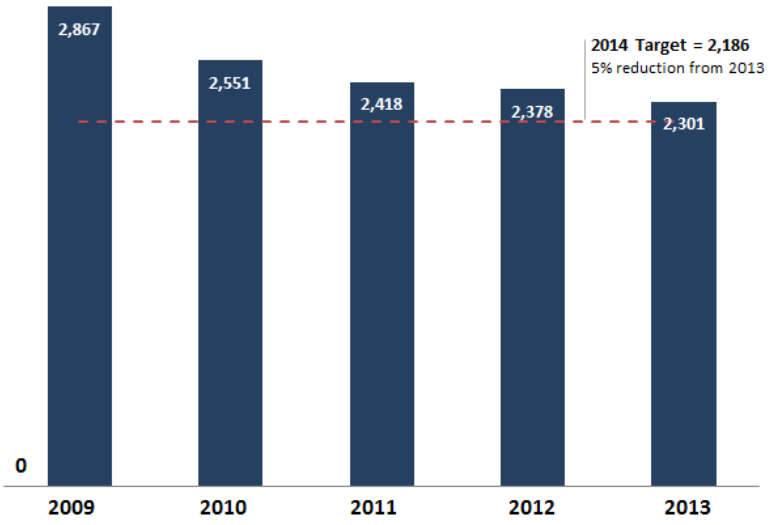
Strategic Objective 2.1: Reduce workplace injury events.

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 2,301 for Calendar Year 2013 to 2,186, or a five percent reduction, by the end of Calendar Year 2014.
- 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 1,500 by July 2015.

Chart 2.1 **Comparison of the number of safety events in each Calendar Year**



Action Plan:

See analysis and plan at: *FSA Action Plan 2.1 – Workplace Safety*

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:

See analysis and plan at: *FSA Action Plan 2.2 – Workplace Safety Plans*

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

Strategic Objective 3.1: Automate background check processing.

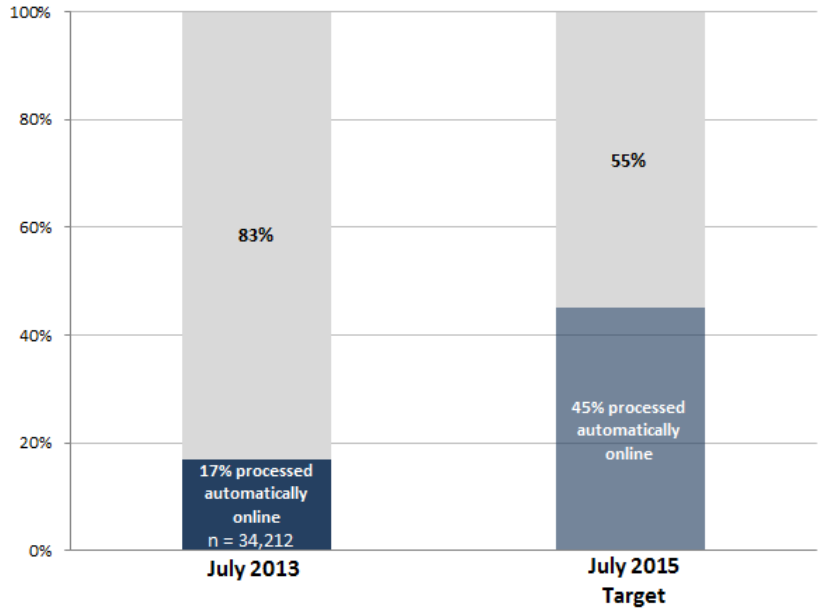
Importance: Delays in the background check process create a negative impact to the agency's ability to approve the use of client service providers in a timely manner. The BCCU turnaround time for name and date of birth background checks fluctuates based on staff vacancies and training for new hires.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

Number and percent of background checks processed automatically online



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)

See analysis and plan at: *FSA Action Plan 3.1 – Background Check Processing*

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.

See analysis and plan at: *FSA Action Plan 5.1 – Energy Consumption*

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

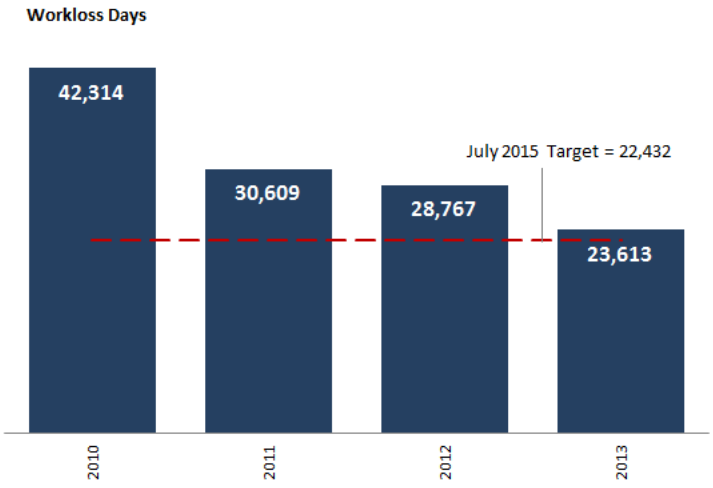
Importance: Last year, DSHS was assessed approximately $38 million in Worker Compensation premiums and paid $2 million more in assault benefit claims. In the near term, DSHS has opportunities to recoup some of these costs through light duty/transitional return to work efforts, and seek reimbursement 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.

Chart 5.2 **Number of Workloss days**

All DSHS Programs (State Fiscal Years)



Action Plan:

See analysis and plan at: *FSA Action Plan 5.2 – Using Working Solutions*

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.

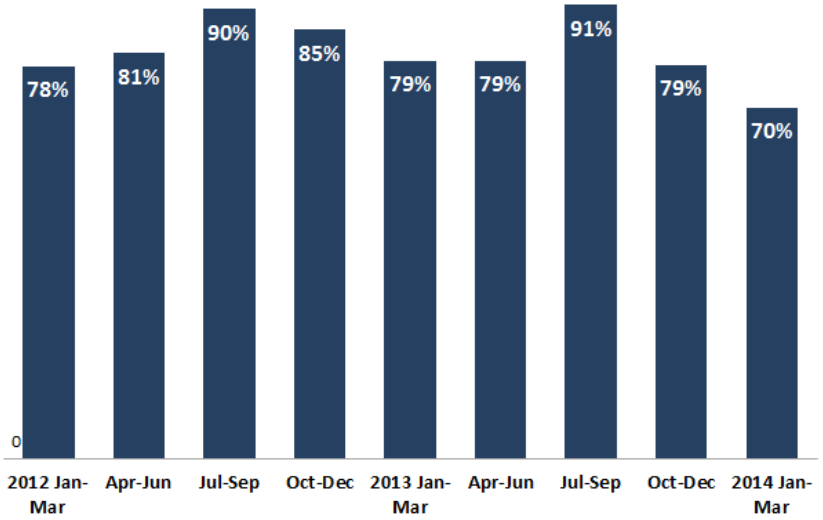
Action Plan:

- 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**



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.

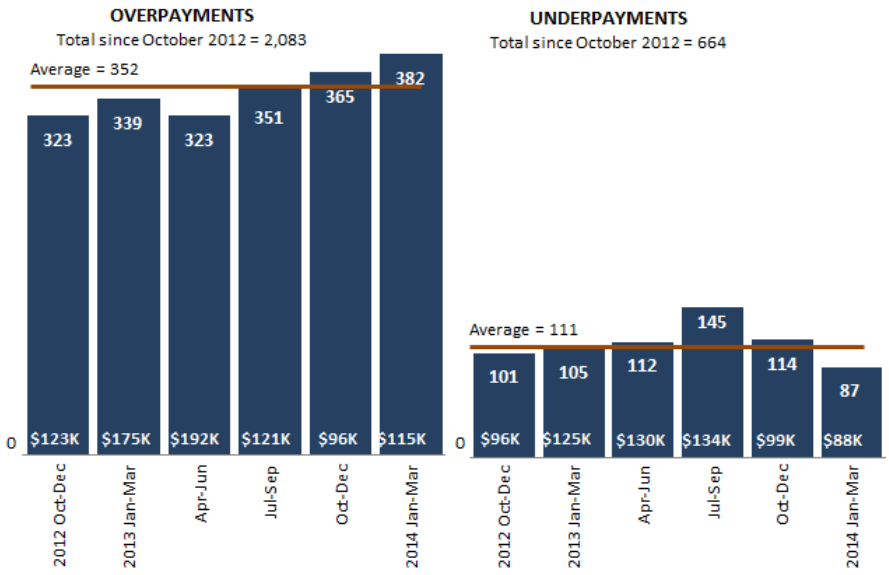
Success Measure: The number of payroll overpayments and underpayments will decrease from an average of 430 per quarter to an average of 390 per quarter by July 2015.

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))

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



See analysis and plan at: *FSA Action Plan 5.5 – Payroll Overpayments & Underpayments*

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 (ALTSA) 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.

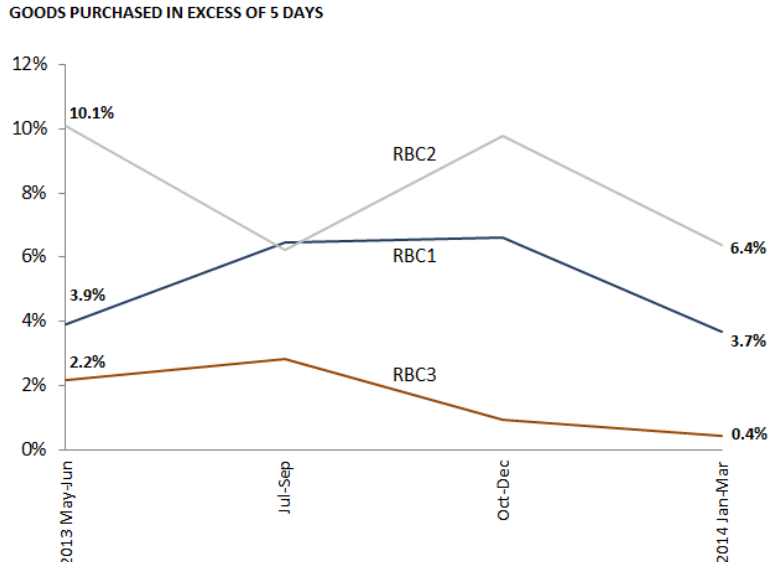
Action Plan: RBCs will continue to work on purchasing process improvement through utilizing Lean and other process improvement methods and through better use of technology. RBCs will track reasons for delayed orders and partner with Regional Administrators (RAs) and their staff to ensure clear processes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

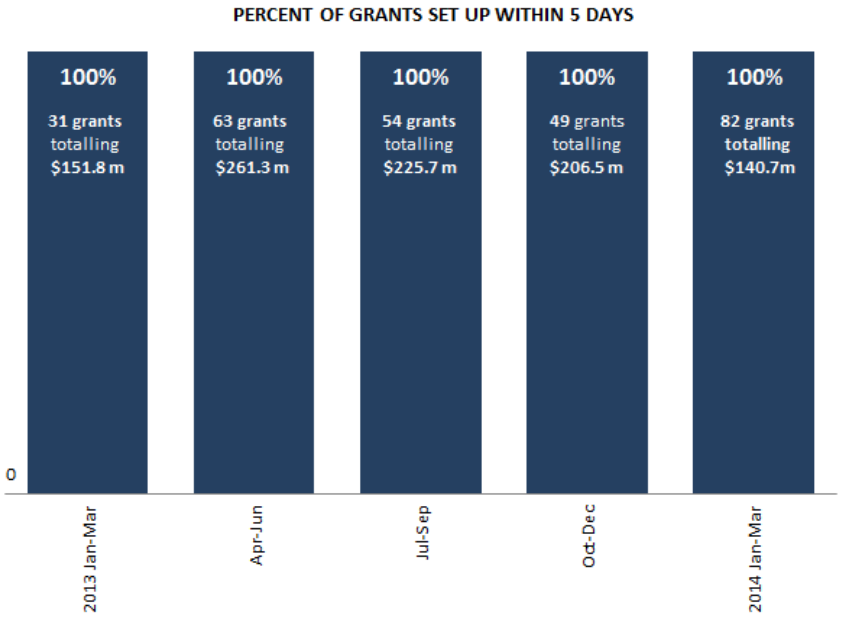
Success Measure: The average number of days for a grant to be set up within OAS will be reduced from five days to an average of less than three days from receipt by July 2015.

Action Plan:

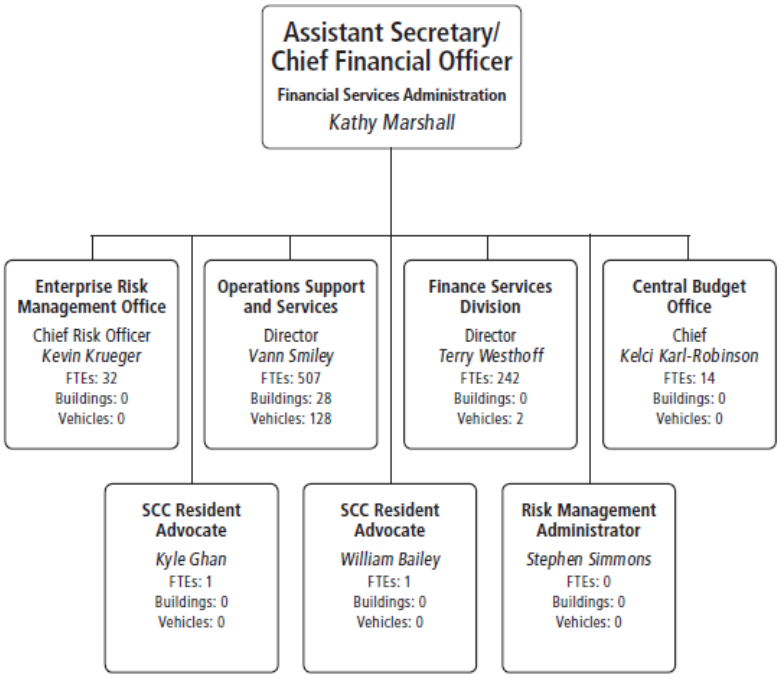
- Develop an initial target for timely set up of grants. Completed, target is average completion within three days of receipt. (Lead: OAS)
- Work with departmental stakeholders to develop an enterprise approach to managing grants. Target completion: October 2014. (Lead: OAS)

- 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



Washington State Department of Social & Health Services

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April 29, 2014