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**Economic  
Services  
Administration  
Program 060**

***DSHS Budget Division***



# **Recommendation Summary**

***DSHS Budget Division***

## Recommendation Summary

Budget Period:2013-15

Version: F3 - 060 2013-15 Final 2015 Sup

Budget Level Criteria: ALL

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>M1 - Mandatory Caseload and Enrollment Changes</b>					
6F	TANF/WCCC Caseload Adjustment	0	4,694	0	4,694
93	Mandatory Caseload Adjustments	0	1,127	650	1,777
<b>SubTotal M1</b>		<b>0.0</b>	<b>5,821</b>	<b>650</b>	<b>6,471</b>
<b>Cumulative Total Thru M1</b>		<b>0.0</b>	<b>5,821</b>	<b>650</b>	<b>6,471</b>
<b>M2 - Inflation and Other Rate Changes</b>					
60	ACA Impact on Eligibility Work	0	8,567	(3,806)	4,761
61	ESAR - Phase II and III	0	6,125	35,775	41,900
62	ACES Disaster Recovery	0	1,512	672	2,184
63	Federal Incentive Funds Realignment	0	0	0	0
6A	Child Care Performance Audit	0	300	0	300
6E	Data Center and Mainframe Costs	0	1,443	2,342	3,785
8M	Mileage Rate Adjustments	0	31	16	47
8P	Postage Rate Adjustments	0	293	167	460
8V	Building Access Control System	0	226	135	361
9A	Federal Funds-Increased Authority	0	0	13,885	13,885
9G	Workers Comp Base Correction	0	144	87	231
9T	Transfers	0	(1,517)	(479)	(1,996)
SL	Tribal TANF	0	0	0	0
WM	Technical Corrections	0	124.5	0	124.5
<b>SubTotal M2</b>		<b>150.0</b>	<b>17,124</b>	<b>48,794</b>	<b>65,918</b>
<b>Cumulative Total Thru M2</b>		<b>150.0</b>	<b>22,945</b>	<b>49,444</b>	<b>72,389</b>
<b>Total Proposed Budget</b>		<b>150.0</b>	<b>22,945</b>	<b>49,444</b>	<b>72,389</b>





# **Maintenance Level**

***DSHS Budget Division***

## Recommendation Summary

Version: F3 - 060 2013-15 Final 2015 Sup

Budget Period: 2013-15  
 Budget Level Criteria: ALL

Dollars in Thousands	Agency Priority	Annual Avg FTEs	General Fund State	Other Funds	Total Funds
<b>M1 - Mandatory Caseload and Enrollment Changes</b>					
6F	TANF/WCCC Caseload Adjustment	0	4,694	0	4,694
93	Mandatory Caseload Adjustments	0	1,127	650	1,777
	<b>SubTotal M1</b>	<b>0.0</b>	<b>5,821</b>	<b>650</b>	<b>6,471</b>
	<b>Cumulative Total Thru M1</b>	<b>0.0</b>	<b>5,821</b>	<b>650</b>	<b>6,471</b>
<b>M2 - Inflation and Other Rate Changes</b>					
60	ACA Impact on Eligibility Work	0	8,567	(3,806)	4,761
61	ESAR - Phase II and III	0	6,125	35,775	41,900
62	ACES Disaster Recovery	0	1,512	672	2,184
63	Federal Incentive Funds Realignment	0	0	0	0
6A	Child Care Performance Audit	0	300	0	300
6E	Data Center and Mainframe Costs	0	1,443	2,342	3,785
8M	Mileage Rate Adjustments	0	31	16	47
8P	Postage Rate Adjustments	0	293	167	460
8V	Building Access Control System	0	226	135	361
9A	Federal Funds-Increased Authority	0	0	13,885	13,885
9G	Workers Comp Base Correction	0	144	87	231
9T	Transfers	0	(1,517)	(479)	(1,996)
SL	Tribal TANF	0	0	0	0
WM	Technical Corrections	0	124.5	0	0
	<b>SubTotal M2</b>	<b>150.0</b>	<b>17,124</b>	<b>48,794</b>	<b>65,918</b>
	<b>Cumulative Total Thru M2</b>	<b>150.0</b>	<b>22,945</b>	<b>49,444</b>	<b>72,389</b>
<b>Total Proposed Budget</b>		<b>150.0</b>	<b>22,945</b>	<b>49,444</b>	<b>72,389</b>

Department of Social and Health Services

**DP Code/Title: M1-6F TANF/WCCC Caseload Adjustment**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests adjustments to funding in order to align with the June 2014 forecasts for the Temporary Assistance for Needy Families (TANF) and Working Connections Child Care (WCCC) programs. By funding this request, ESA is expected to be properly funded for projected changes in these caseloads.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	4,694,000	4,694,000
<b>Total Cost</b>	<b>0</b>	<b>4,694,000</b>	<b>4,694,000</b>

Staffing

**Package Description:**

ESA requests an increase of \$4,694,000 GF- State in Fiscal Year 2015 for 1) costs associated with TANF and WCCC caseload changes projected in the June 2014 forecast prepared by the Caseload Forecast Council and 2) for WCCC caseload increases that Department of Early Learning (DEL) and Office of Financial Management estimate may be associated with use of a portion of WCCC funding for contracted extended-day slots in the Early Childhood Assistance and Education Program (ECEAP).

TANF helps families with low incomes pay for shelter, clothing, and essential needs while they work or meet WorkFirst participation requirements. Decreased funding in the amount of (\$1,615,000) in Fiscal Year 2015 is requested as a result of the forecasted changes in this caseload. This funding will allow these vital assistance programs to be funded at the anticipated level of need.

WCCC helps families with low incomes pay for child care while they work or meet WorkFirst participation requirements. Increased funding in the amount of \$1,909,000 in Fiscal Year 2015 is needed to support the forecasted changes in this caseload.

Increased funding of up to \$4,400,000 is anticipated to be needed to support changes in caseload associated with contracted WCCC slots in ECEAP. ECEAP is the state's low income pre-school program for eligible three and four year old children under 110 percent of the Federal Poverty Level.

In the 2014 Supplemental Budget, section 614(6)(c), the Legislature authorized DEL to serve up to 20 percent of the WCCC households through contracted slots within amounts appropriated in subsection (a) for the WCCC. The proviso also stated that DEL may achieve the contracted slots with WCCC providers and with ECEAP providers to braid funding between WCCC and ECEAP to support a full-day preschool experience for eligible children.

Accordingly, in Fiscal Year 2015, DEL began using WCCC funding to offer extended day ECEAP slots. Some, but not all, of the families using these slots are already part of the WCCC caseload. As of September 2014, DEL and OFM assume a total cost to WCCC of \$6,600,000. They estimate that a monthly average of 237 WCCC cases will transition from WCCC to the extended day ECEAP program, equal to approximately \$2,200,000 in child care subsidy spending. Up to a maximum of \$4,400,000 could be needed for new entrants to the WCCC caseload not currently included in the forecast.

By February 2015, DEL expects to have a final estimate of how many children will leave traditional WCCC for a ECEAP WCCC slot, and how many children not previously associated with WCCC will be newly served.

Agency Contact: Wendy Polzin (360) 902-8067  
Program Contract: Susan Kavanaugh (360) 725-4642

Department of Social and Health Services

**DP Code/Title: M1-6F TANF/WCCC Caseload Adjustment**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

These vital assistance programs will be funded at the anticipated level of need.

***Performance Measure Detail***

**Agency Level**

**Activity: F100 Temporary Assistance for Needy Families (TANF)**  
No measures linked to package

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

**Activity: F109 Child Care Subsidy Program**  
No measures linked to package

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

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

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

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

This package supports Governor Inslee's Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

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

This decision package supports the Results Washington goals to help the most vulnerable people become independent and self-sufficient.

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

By funding this decision package, the amount of funding needed to operate the programs, based on the June 2014 forecast, will be provided.

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

Due to the specific nature of this request, the agency explored no other alternatives.

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

By adopting this package ESA will be funded at the June 2014 forecasted levels for the TANF and WCCC programs.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules, or contracts.

**Department of Social and Health Services**

**DP Code/Title: M1-6F TANF/WCCC Caseload Adjustment**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

*Expenditure and revenue calculations and assumptions*

See attachment: ESA M1-6F TANF WCCC Caseload Adjustment.xlsx

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

These costs are ongoing and will carry forward into future biennia depending on caseload forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
N Grants, Benefits & Client Services	0	4,694,000	4,694,000

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	4,694,000	4,694,000
<i>Total for Fund 001-1</i>	0	4,694,000	4,694,000
<b>Total Overall Funding</b>	0	4,694,000	4,694,000

## 2015 Supplemental Budget ESA M1-6F TANF WCCC Caseload Adjustment

		FY 2015
<b>TANF CASH ASSISTANCE</b>		
Current Allotment		\$ 173,079,000
June 2014 Forecast		\$ 171,464,000
<b>Total</b>	<b>001-1</b>	<b>\$ (1,615,000)</b>
 <b>WORKING CONNECTIONS CHILD CARE</b>		
Current Allotment		\$ 183,884,000
June 2014 Forecast		\$ 185,379,386
Sub-Total	001-1	\$ 1,495,000
 Early Achievers		
Current Allotment		\$ 2,492,000
June 2014 Forecast		\$ 2,905,674
Sub-Total	001-1	\$ 414,000
 <b>Total Working Connections Child Care</b>	 <b>001-1</b>	 <b>\$ 1,909,000</b>
 <b>POTENTIAL IMPACT OF ECEAP WCCC Slots</b>		
Max. Increased Caseload Estimate	001-1	\$ 4,400,000
 <b>Net Adjustment for DP</b>	 <b>001-1</b>	 <b>\$ 4,694,000</b>

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding in the 2015 Supplemental Budget for costs associated with changes projected in the June 2014 Forecast. By funding this request, ESA is expected to be properly funded for the projected changes in caseloads.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	1,127,000	1,127,000
001-2 General Fund - Basic Account-Federal	0	137,000	137,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	513,000	513,000
<b>Total Cost</b>	<b>0</b>	<b>1,777,000</b>	<b>1,777,000</b>

**Staffing**

**Package Description:**

In June of 2014, ESA, the Department of Social and Health Services (DSHS) Central Budget Office, and the Caseload Forecast Council prepared updated forecasts of the caseloads and expected costs per client for the following programs:

- Refugee Cash Assistance (RCA)
- Aged, Blind, or Disabled (ABD)
- Pregnant Women Assistance (PWA)
- Retained Child Support
- Food Assistance for Legal Immigrants (FAP)

RCA provides cash grants to needy refugees who have settled in Washington State. The refugee population served by this benefit is authorized by the United States State Department to immigrate to this country. Refugees are granted permanent residence authorization. The goal of this program is to help refugees attain self-sufficiency. The funding for this program is increased by \$137,000 in Fiscal Year 2015 to support the forecasted changes in this caseload.

The ABD program provides cash assistance to low-income adults who are 65 or older, blind, or likely to meet Supplemental Security Income (SSI) disability criteria. The PWA program provides cash assistance to eligible women who are pregnant and ineligible for Temporary Assistance for Needy Families (TANF) and State Family Assistance (SFA) for reasons other than a refusal to cooperate with TANF/SFA requirements. Decreased funding of (\$902,000) is needed in Fiscal Year 2015 as a result of forecasted changes in the caseload. Additionally, increased funding in the amount of \$310,000 is required as a result of changes in the amount of ABD expenditures that will be recovered from the Social Security Administration as ABD clients are determined to be eligible for SSI benefits.

The Division of Child Support (DCS) provides support and collection services to custodial parents. Collections for families on public assistance are retained by the state and shared with the federal government. Funding is requested in Fiscal Year 2015 in the amount of \$1,027,000 for changes in the forecasted amount of child support collections retained by the state.

FAP for Legal Immigrants provides state Basic Food benefits for legal immigrants who are not eligible for federal food benefits due to their immigration status. Increased funding in the amount of \$1,205,000 for Fiscal Year 2015 is needed to support the forecasted changes to this caseload.

Agency Contact: Wendy Polzin (360) 902-8067

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

Program Contact: Susan Kavanaugh (360) 725-4642

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects that by funding this decision package, the agency will continue to provide benefits to clients and assist them in achieving self-sufficiency.

***Performance Measure Detail***

**Agency Level**

**Activity: F011 Retained Child Support**

No measures linked to package

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

**Activity: F039 Aged, Blind or Disabled and Pregnant Women Assistance Program**

No measures linked to package

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

**Activity: F042 Immigrant State Food Assistance**

No measures linked to package

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

**Activity: F083 Refugee Assistance Income**

No measures linked to package

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

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

The budget request supports the following goals identified in the DSHS 2013-15 Strategic Plan:

- 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 attain the highest possible quality of life

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

This decision package supports the Results Washington Goal:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient.

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

Clients will continue to receive benefits and assistance.

Department of Social and Health Services

**DP Code/Title: M1-93 Mandatory Caseload Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

The June 2014 forecast necessitates a change in the funding provided for the forecasted programs.

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

ESA will not be funded at the June 2014 forecasted levels for the RCA, ABD, PWA, Retained Child Support, and FAP programs.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: ESA M1-93 Mandatory Caseload Adjustments.xlsx

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

All costs are ongoing and will be carried forward into future biennia based on future caseload forecasts.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
N Grants, Benefits & Client Services	0	1,777,000	1,777,000
<b><u>DSHS Source Code Detail</u></b>			
<b>Overall Funding</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			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	1,127,000	1,127,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>1,127,000</b>	<b>1,127,000</b>
Fund 001-2, General Fund - Basic Account-Federal			
<b><u>Sources Title</u></b>			
566B Refugee & Entrant Assist-St Admin'd Prog(D)(100%)	0	137,000	137,000
<i>Total for Fund 001-2</i>	<b>0</b>	<b>137,000</b>	<b>137,000</b>
Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi			
<b><u>Sources Title</u></b>			
563A Title IV-D Child Support Enforcement (A) (FMAP)	0	513,000	513,000
<i>Total for Fund 001-A</i>	<b>0</b>	<b>513,000</b>	<b>513,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>1,777,000</b>	<b>1,777,000</b>

**2015 Supplemental Budget  
ESA M1-93 Mandatory Caseload Adjustments**

**Program 060 - Economic Services Administration**

		June 2014 Forecast		2013-15 Biennial
		SFY 2014	SFY 2015	Total
<b>REFUGEE CASH ASSISTANCE</b>				
Current Allotment			1,391,000	1,391,000
2014 June Forecast		-	1,528,000	1,528,000
	001-2 (566B)	-	137,000	137,000
<b>AGED, BLIND, DISABLED/PREGNANT WOMENS ASSISTANCE</b>				
Current Allotment			51,609,000	51,609,000
2014 June Forecast		-	50,707,000	50,707,000
	001-1	-	(902,000)	(902,000)
<b>AGED, BLIND, DISABLED RECOVERIES</b>				
Current Allotment			(25,069,000)	(25,069,000)
2014 June Forecast		-	(24,759,000)	(24,759,000)
	001-1	-	310,000	310,000
<b>RETAINED CHILD SUPPORT</b>				
Current Allotment			(48,100,000)	(48,100,000)
2014 June Forecast		-	(47,073,000)	(47,073,000)
		-	1,027,000	1,027,000
<b>Total Retained Child Support</b>	001-1	-	514,000	514,000
	001-A (563A)	-	513,000	513,000
<b>FOOD ASSISTANCE PROGRAM</b>				
Current Allotment			13,821,000	13,821,000
2014 June Forecast		-	15,026,000	15,026,000
	001-1	-	1,205,000	1,205,000
<b>TOTAL ML ADJUSTMENT</b>		-	<b>1,777,000</b>	<b>1,777,000</b>
001-1 GF-State		-	1,127,000	1,127,000
001-2 (566B) Refugee (100%)		-	137,000	137,000
001-A (563A) Title IV-D Child Support Enforcement		-	513,000	513,000
<b>TOTAL ML ADJUSTMENT</b>		-	<b>1,777,000</b>	<b>1,777,000</b>

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Department of Social and Health Services

**DP Code/Title: M2-60 ACA Impact on Eligibility Work**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding and FTEs in order to replace the loss of federal funding resulting from separating medical eligibility determinations from other public assistance programs' financial eligibility work. Prior to the separation, ESA processed eligibility for multiple programs simultaneously. By funding this request, ESA expects to maintain current levels of financial eligibility work in the face of reduced Medicaid support for this function.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	8,567,000	8,567,000
001-C General Fund - Basic Account-Medicaid Federal	0	(3,806,000)	(3,806,000)
<b>Total Cost</b>	<b>0</b>	<b>4,761,000</b>	<b>4,761,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>12.0</b>	<b>6.0</b>

**Package Description:**

**Problem Statement:**

As a result of the Affordable Care Act (ACA) implementation in Washington, most people now apply for Medicaid using the online Healthplanfinder, operated by the Health Benefit Exchange (HBE). Individuals requesting help applying for Medicaid through the Healthplanfinder may also contact the HBE Call Center, or seek assistance from 'Navigators/Assisters' funded through the Health Care Authority (HCA) and the HBE, who are located in a number of community based organizations and health facilities throughout the state. Prior to ACA implementation, ESA Community Services Division (CSD) staff located in the CSD Customer Service Contact Center or in Community Services Offices (CSO) throughout the state assisted individuals applying for all public assistance programs, including Medicaid. The majority of Medicaid applicants also qualify for public assistance programs managed by ESA; therefore, CSD staff continue to have contact with a large proportion of the Medicaid population. However, ESA is no longer allowed to claim federal Medicaid funding for these services.

Eligibility for medical, cash and food benefits is based on income and assets relative to the number of people in a household and housing expenses. ESA staff use a consolidated application process to determine whether an individual or family qualifies for any or all of these forms of assistance, including child care. This approach makes it easier for people in need to apply for multiple programs through a single application. It also reduces the staff time and effort associated with gathering required information, doing data entry, and authorizing benefits.

Since the 1990s, ESA has used a random moment time study (RMTS) system to identify the proportion of eligibility worker time spent on various programs. The RMTS queries ESA field staff who work directly with clients regarding the specific task they are doing at a randomly selected moment in their day. The worker selects the RMTS category or categories they were working on immediately prior to receiving the query and the system records a workload occurrence (also known as a "hit") for those programs. The total "hits" are tallied by program and the proportionality of hits is used as a cost allocation methodology for distributing administrative and operations costs to the various programs and their funding sources.

Prior to ACA implementation in October 2013, the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families/Child Care Development Fund (TANF/CCDF), and Medicaid programs comprised nearly equal proportions of the RMTS hits. Essentially these programs each covered almost one third of ESA's administrative and operational costs, with smaller federal refugee and state-funded programs making up the balance.

Department of Social and Health Services

**DP Code/Title: M2-60 ACA Impact on Eligibility Work**  
**Program Level - 060 Economic Services Admin**

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Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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As expected, because most clients applying for Medicaid must now do so through the Healthplanfinder, the number of RMTS hits that are assigned to Medicaid each month has declined and correspondingly the amount of Medicaid Title XIX funding ESA receives is lower. From January-April 2014, Medicaid hits represented six percent of RMTS hits compared to 33.4 percent during the same period in 2013.

As described above, the consolidated application process means eligibility determination workload did not decrease appreciably as a result of the Medicaid change. As the Medicaid RMTS hits declined, the percentage of hits representing work attributable to the other programs (SNAP, TANF, CCDF, and state-funded programs) increased. The need for funds from other sources to fill the gap due to the loss in work that could be charged to Title XIX increased as Medicaid funding decreased. In order to maintain the current level of financial eligibility work, additional funding is needed to fill the gap.

The 2014 Legislature responded to ESA's loss of Title XIX funds by increasing federal SNAP and TANF spending authority to support ESA administrative and operational costs. In the case of TANF, which is a lidded federal block grant, this was done by using \$16.6 million in one-time roll-over federal funds from prior years. The United State Department of Agriculture (USDA), Food and Nutrition Service (FNS) has agreed to increase Washington State's SNAP grant award for federal Fiscal Year 2014 to cover a larger share of operating costs through September 2014. However, it is unknown whether FNS will continue to support the higher level of funding in future periods. SNAP, TANF and Medicaid costs are all paid in part by federal and in part by state funds. State funds used in the past to match Medicaid are available to match higher SNAP spending and to replace lidded TANF federal funds.

The 2013 Legislature directed the Office of Financial Management (OFM) to commission a review of the medical and public assistance eligibility process under the ACA. The study, conducted by the Public Consulting Group (PCG), recommends a number of operating model changes designed to simplify and improve services to the public, increase efficiency, and maximize federal funding. Among these recommendations are the following that are projected to require investment at ESA and also increase the Medicaid funding to support eligibility work:

- ESA eligibility staff should be able to assist families applying for Modified Adjusted Gross Income (MAGI) Medicaid through the Healthplanfinder
- Integrate ESA and HBE's call and contact center routing
- Integrate online application routing
- Auto-enroll and auto-recertify SNAP recipients in MAGI Medicaid
- Implement a master client index across agencies

PCG also noted that the recommended changes would fill some, but not all, of the gap between past and current federal participation in the eligibility function.

**Proposed Solution:**

First, in order to begin implementation of the recommendations of the PCG study aimed at maximizing federal funding, ESA requests funding to

- Provide training for eligibility staff on how to assist clients applying for Medicaid through the Healthplanfinder.
- Increase eligibility staff beginning in June 2015 to account for additional "touch time" associated with working in two eligibility systems, including assisting with completing and processing separate applications for Medicaid, cash, and food programs. This cost will be ongoing; and is based on the assumption that eligibility staff work in Healthplanfinder only during the application process and not during other transactions with clients.

Work to implement the recommendations of the PCG study will continue in the 2015-17 Biennium. In addition to continuing the above, ESA has requested funding for one-time enhancements to computer systems to support integrated on-line application routing and allow for auto enrollment in MAGI Medicaid for SNAP clients.

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Second, because the above investments will not generate additional federal support for medical and public assistance eligibility determination until after Fiscal Year 2015, additional state support for this function is requested.

Agency Contact: Wendy Polzin (360) 902-8067  
Program Contact: Susan Kavanaugh (360) 725-4642

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects that funding this decision package will allow the department to invest time and resources toward implementation of recommendations made by PCG in their recent report, as well as provide funding to allow the department to operate at the same level as before the ACA implementation.

***Performance Measure Detail***

**Agency Level**

**Activity: F061 Medical Eligibility Determination Services**

No measures linked to package

Incremental Changes

**FY 1**                      **FY 2**

0.00                              0.00

**Activity: F078 Program Support**

No measures linked to package

Incremental Changes

**FY 1**                      **FY 2**

0.00                              0.00

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

The budget request supports DSHS Goal:

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

The decision package is essential to implementing the following ESA strategic objectives:

- Strategic Objective 5.1: The Basic Food payment accuracy rate will increase;
- Strategic Objective 5.2: Application processing timeliness will meet or exceed Federal Standards of Promptness; and
- Strategic Objective 5.3: The Community Services Division statewide Customer Service Contact Center forced-disconnect rate will be eliminated.

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

This decision package supports the Results Washington goals for effective, efficient and accountable government - fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient.

Department of Social and Health Services

**DP Code/Title: M2-60 ACA Impact on Eligibility Work**  
**Program Level - 060 Economic Services Admin**

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

The HCA and HBE would be affected by this decision package and may have concerns.

Stakeholders and clients will benefit from this request due to the fact that ESA staff will be able to assist clients navigate the two separate systems and applications. In addition, stakeholders will support maintaining the current level of staffing and support in the CSO offices.

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

The request cannot be absorbed within existing resources without significant reductions in field staff serving clients seeking and receiving food, cash, medical, and child care assistance. Impacts would include:

- Increased number of days clients must wait to obtain or change services due to backlogs of required verifications and other documentation
- Forced disconnects for more clients attempting to contact call centers
- Increased wait times for clients in CSO lobbies

As a result of these changes, client engagement and progress in reaching self-sufficiency will be adversely affected and the risk of payment and other critical errors will increase.

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

ESA will be able to maintain current levels of service and accuracy. The state will make recommended changes needed to better serve clients applying for Medicaid, streamline the process of applying for both food and medical assistance, and maximize federal Medicaid reimbursement.

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

This request has no impact on the capital budget.

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

Depending on implementation of this decision package, various RCW, WACs, and contracts may need to be amended.

***Expenditure and revenue calculations and assumptions***

See Attachment: ESA M2-60 ACA Impact on Eligibility Work.xlsx

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

This funding begins implementation of the PCG recommendations. A decision package is included in the 2015-17 Biennial Budget requesting funds to continue implementation of these recommendations.

If this decision package is not funded, the amounts requested in the 2015-17 Biennial Budget will need to be adjusted.

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<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	888,000	888,000
B Employee Benefits	0	365,000	365,000
E Goods\Other Services	0	3,490,000	3,490,000
T Intra-Agency Reimbursements	0	18,000	18,000
<b>Total Objects</b>	<b>0</b>	<b>4,761,000</b>	<b>4,761,000</b>

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<u>Sources Title</u>			
0011 General Fund State	0	8,567,000	8,567,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>8,567,000</b>	<b>8,567,000</b>
Fund 001-C, General Fund - Basic Account-Medicaid Federal			
<u>Sources Title</u>			
19UL Title XIX Admin (50%)	0	(3,806,000)	(3,806,000)
<i>Total for Fund 001-C</i>	<b>0</b>	<b>(3,806,000)</b>	<b>(3,806,000)</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>4,761,000</b>	<b>4,761,000</b>

**2015 Biennial Budget**  
**ESA M2-60 ACA Impact on Eligibility Work**

	FY15			FY16			FY17			Biennium 15-17		
	Total	Federal	State or Lid	Total	Federal	State or Lid	Total	Federal	State or Lid	Total	Federal	State or Lid
<b>Current Cost Allocation Predicted Need</b>	\$ -	\$ (7,897,009)	\$ 7,897,009	\$ -	\$ (24,180,209)	\$ 24,180,209	\$ -	\$ (24,184,122)	\$ 24,184,122	\$ -	\$ (48,364,331)	\$ 48,364,331
PCG Calculated GF-S Savings as a result of extending HPF (1)		\$ 441,212	\$ (441,212)		\$ 5,315,808	\$ (5,315,808)		\$ 5,315,808	\$ (5,315,808)		\$ 10,631,616	\$ (10,631,616)
PCG Calculated GF-S Savings as a result of Auto Enroll (2)					\$ 600,000	\$ (600,000)		\$ 1,200,000	\$ (1,200,000)			
<b>Investment Needed to Implement PCG Recommendations</b>	<b>\$ 4,760,510</b>	<b>\$ 3,649,653</b>	<b>\$ 1,110,857</b>	<b>\$ 11,790,970</b>	<b>\$ 4,801,873</b>	<b>\$ 6,989,097</b>	<b>\$ 6,640,000</b>	<b>\$ 1,328,000</b>	<b>\$ 5,312,000</b>	<b>\$ 18,430,970</b>	<b>\$ 6,129,873</b>	<b>\$ 12,301,097</b>
Extend HPF access to DSHS eligibility staff (3)	\$ 1,269,540	\$ 507,780	\$ 761,760	\$ 8,300,000	\$ 1,660,000	\$ 6,640,000	\$ 6,640,000	\$ 1,328,000	\$ 5,312,000	\$ 14,940,000	\$ 2,988,000	\$ 11,952,000
Integrate on-line application routing (4)	\$ 1,841,070	\$ 1,656,963	\$ 184,107	\$ 1,841,070	\$ 1,656,963	\$ 184,107				\$ 1,841,070	\$ 1,656,963	\$ 184,107
Auto enroll Food recipients in MAGI Medicaid (5)	\$ 1,649,900	\$ 1,484,910	\$ 164,990	\$ 1,649,900	\$ 1,484,910	\$ 164,990				\$ 1,649,900	\$ 1,484,910	\$ 164,990
<b>Total Need</b>	<b>\$ 4,760,510</b>	<b>\$ (3,806,144)</b>	<b>\$ 8,566,654</b>	<b>\$ 11,790,970</b>	<b>\$ (13,462,528)</b>	<b>\$ 25,253,498</b>	<b>\$ 6,640,000</b>	<b>\$ (16,340,314)</b>	<b>\$ 22,980,314</b>	<b>\$ 18,430,970</b>	<b>\$ (29,802,842)</b>	<b>\$ 48,233,812</b>

1 GFS savings is based on PCG calculation of net savings between HBE and DSHS. 1 month of savings is assumed in FY15

2 Additional earnings based on PCG estimate - \$600,000 for half a year in FY16, \$1.2 million in FY17

Staff recruitment, training, labor negotiations - Sept 14-June 15, new staff on board 1 month, all staff training completed. Total additional touch time = 122.7 FTEs based in 50% of households, 35 minutes for 88% of households, 45 minutes for 12% of households with family size >3. FY 17 - first six months with no auto-enroll, after that reduced by 40% (to 20 percent of households)

3 based on ratio of SNAP single person households < 133% FPL not active on MAGI medical to total SNAP households (May 2014).

4 CMS approval by 12/1/14, needed IT work completed by 1/1/16

5 CMS approval by 12/1/15, needed IT completed by 1/1/17. At that point CSD touch time costs go down by 40% and stay at that rate.

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**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding and FTEs in order to complete the final two phases of the Eligibility Service and Automated Client Eligibility System (ACES) Remediation (ESAR) development, and for maintenance and operation of the upgraded system. By funding this request, ESA is expected to continue modernization of legacy technology to ensure the systems comply with increasingly stringent data security requirements, improve operations, and meet new information technology (IT) standards.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	6,125,000	6,125,000
001-C General Fund - Basic Account-Medicaid Federal	0	35,775,000	35,775,000
<b>Total Cost</b>	<b>0</b>	<b>41,900,000</b>	<b>41,900,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>37.0</b>	<b>18.5</b>

**Package Description:**

**Problem Statement:**

The Affordable Care Act (ACA) gave states the option to develop a state-based exchange for health care insurance purchasing or use the federal exchange. Washington elected to develop a state-based exchange. To comply with federal Center for Medicare and Medicaid Services (CMS) requirements for a state-based exchange, the existing eligibility system (ACES) has to be modified and enhanced. The effort to do this has three phases:

In Phase 1, a new eligibility service was designed and implemented to allow clients who are eligible for Medicaid based on their modified adjusted gross income (MAGI) to submit applications through the Health Benefit Exchange (HBE) Healthplanfinder software. Healthplanfinder and ACES share common data and clients and must work in synchronization so that ACES can fulfill its function as the "system of record" for all Medicaid recipients including those who now apply through Healthplanfinder. Phase 1 work included establishing these linkages as well as removing from ACES medical assistance forms now provided via Healthplanfinder. This phase of the ESAR project was completed on schedule to meet the October 1, 2013 deadline.

Phases 2 and 3 of the project will build on the success of Phase 1 and continue the work of modernizing ACES. The work completed during these two phases will improve operations through infrastructure changes that are consistent with new IT standards (including data security standards) and state and federal requirements.

An analysis of alternatives and determination of broad ESAR project requirements was completed in late 2011 and submitted to CMS as an Advanced Planning Document (APD). The APD was approved by CMS on April 6, 2012.

Without completion of the ESAR project, ACES faces a sharp increase in maintenance and operation costs as the availability of staff and contractors with the knowledge of legacy systems retire. In addition, without these final two phases, ACES would be increasingly out of sync with state and federal IT standards. Completing this work now will allow Washington to take advantage of temporarily enhanced federal cost-sharing rates.

**Proposed Solution:**

ESAR Phases 2 and 3 will move eligibility rules for remaining medical programs and food and cash assistance programs from

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COBOL to a modern business rules management system (BRMS). The modern BRMS utilizes a Java-based rules engine. It will improve the efficiency of business rules maintenance and operation and software quality by integrating subject matter experts in all phases of system development. Expected outcomes include:

-Improved Efficiency: While system changes vary in complexity, improved efficiencies are expected with a reduction in the time to deliver routine changes.

-Modernization: An increase in the use of modern technologies more widely available in the marketplace.

Over time, these changes are expected to slow the rate of growth in the cost of operating, maintaining and continually upgrading a system used for a broadened scope of purposes. ACES/Eligibility Service is now the "system of record" for the expanding pool of Medicaid recipients, and it supports a number of cash and food assistance programs.

Functions carried out by state staff include:

-Business analysis - work with program and policy staff to define ESAR project requirements and design business rules (11 FTEs).

-Testing - develop and implement overall ESAR testing strategy, including setting testing criteria, conducting tests, reporting defects and retesting when defects are corrected (18 FTEs).

-Customer support - responsible for communicating about ESAR system changes to over 1,800 affected staff and other stakeholders, including updating user manuals and training materials, and problem resolution (8 FTEs).

Functions carried out by contracted and vendor staff include:

-Project management

-Quality assurance

-Independent verification and validation (IV&V)

-Architectural design (for application, web and business rules engine)

-Test planning and development

-Development of code for mainframe, Java, rules engine, reporting, and letters management system

-Administration of Web, database and middleware

-Production control

-Implementation of policy requirements in business rules engine

CMS funding and current biennium state funding is sufficient to support the first step to Phases 2 and 3 called discovery, and this first step is underway. Through discovery, the scope, development approach and methodology, high-level requirements and conceptual design, work breakdown structure, schedule and budget will all be refined. At this point, it has been determined that Phases 2 and 3 can most efficiently be completed simultaneously rather than sequentially. The estimated completion date for the two phases is summer 2016, and costs beyond that time are for maintaining and operating the system.

CMS has indicated it will pay enhanced rates for work related to both remaining Medicaid rules and also to shared rules that apply to both Medicaid and also food and cash programs. The waiver to CMS rules that allows for federal participation rates above the standard is set to expire December 2015. Though states are advocating for an extension to allow the project to be completed with the higher participation rates, this request is based on current law and assumes that the enhanced rates expire at the end of Calendar Year 2015. Food and Nutrition Service (FNS) has reviewed the submission and is expected to cover 50 percent of the cost of work on rules related solely to basic food. As funding for Temporary Assistance for Needy Families (TANF) is lidded and committed elsewhere, work on rules related to TANF are expected to need to be paid entirely with GF-State funds.

Of the requested funding, \$6.9 million is for system maintenance and operations and is expected to be on-going. The remainder of the requested funding is one-time system development costs. CMS federal funds are expected to cover 75 percent of the cost of maintaining and operating the Eligibility Service, with GF-State funds covering the remaining 25 percent.

This proposal rates highly in the agency ranking of all IT projects. This project will allow ESA to complete the final two phases of the ESAR project and continue to modernize the ACES system to support the implementation of the ACA, comply with increasingly stringent data security requirements, improve operations and meeting new IT standards.

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CTS Consultation

Consults were completed with CTS for hosting services. The results of these consults were used in the requested amounts where needed.

Agency Contact: Wendy Polzin (360) 902-8067  
Program Contact: Susan Kavanaugh (360) 725-4642

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

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

***Performance Measure Detail***

**Agency Level**

**Activity: F078 Program Support**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

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

This decision package will support the following ESA Strategic Objectives:

- 5.1: The Basic Food payment accuracy rate will increase;
- 5.2: Application processing timeliness will meet or exceed Federal Standards of Promptness
- 5.3: The Community Services Division statewide Customer Service Contact Center forced-disconnect rate will be eliminated.

The requested IT expenditures are an agency priority because they will allow ESA to complete the final two phases of the ESAR project and continue to modernize the ACES system to support the implementation of the ACA, comply with increasingly stringent data security requirements, improve operations and meeting new IT standards.

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

The decision package supports the Results Washington Goal 5 to ensure effective, efficient and accountable government, increase customer satisfaction, and increase on-time delivery for state services.

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

This decision package supports the Results Washington goals to ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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

ESAR is being completed in close collaboration with the Health Care Authority and the Health Benefit Exchange.

A modernized ACES system is also a necessary building block for several of the recommendations of the Washington State Office of Financial Management Eligibility Study regarding eligibility system improvements.

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

The request cannot be absorbed within existing resources for the following reasons: ESA does not have existing funding available to complete the work outlined in this package. Additionally, ESA is requesting funding at this time to take advantage of enhanced federal funding that is currently available, but scheduled to expire on December 31, 2015.

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

If the Fiscal Year 2015 Supplemental budget request for ESAR Phases 2 and 3 is not funded, the project would be delayed and costs in Fiscal Year 2016 and Fiscal Year 2017 would increase accordingly. Presuming enhanced federal funding expires as currently scheduled on December 31, 2015, a delay would increase the GF-State share of total project costs.

Without completion of the ESAR project, ACES faces a sharp increase in maintenance and operation costs as the availability of staff and contractors with the knowledge of legacy systems retire. In addition, without these final two phases, ACES would be increasingly out of sync with state and federal IT standards.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: ESA M2-61 ESAR - Phase II and III.xlsx

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

Costs for system development in Fiscal Year 2015 are one time costs. All remaining costs, \$6.9 million per year, will carry forward forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods\Other Services	0	41,845,000	41,845,000
T Intra-Agency Reimbursements	0	55,000	55,000
<b>Total Objects</b>	<b>0</b>	<b>41,900,000</b>	<b>41,900,000</b>

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**DSHS Source Code Detail**

<b>Overall Funding</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>   <u>Title</u></b>				
0011	General Fund State	0	6,125,000	6,125,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>6,125,000</b>	<b>6,125,000</b>
<b>Fund 001-C, General Fund - Basic Account-Medicaid Federal</b>				
<b><u>Sources</u>   <u>Title</u></b>				
19UL	Title XIX Admin (50%)	0	35,775,000	35,775,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>35,775,000</b>	<b>35,775,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>41,900,000</b>	<b>41,900,000</b>

# 2015 Supplemental Budget

## ESA M2-61 ESAR - Phase II and III

<b>ESAR Maintenance and Operations</b>		<b>SFY 2015</b>
Salaries and Benefits		637,195
Contracts/Vendors		5,722,068
HW/SW/Postage/Travel/Other		540,738
<b>Total Maintenance and Operations</b>		<b>6,900,000</b>
<b>ESAR Development</b>		
<b>Salaries and Benefits</b>		
Business analysis		1,772,894
Testing		2,901,100
Customer support		1,289,378
<b>Contracts/vendors</b>		
IBM costs related to Health Benefits Exchange**		3,898,669
IBM costs to convert food and cash rules to new system and Medicaid Plan Selection**		15,243,896
Enterprise Content Management*		3,588,571
Project Management		1,807,710
Quality Assurance		555,206
Independent Verification and Validation		1,443,084
<b>Hardware and Software</b>		<b>1,804,453</b>
<b>Other</b>		<b>695,038</b>
<b>Total ESAR Development</b>		<b>35,000,000</b>
<b>TOTAL REQUEST</b>		<b>41,900,000</b>

State	6,125,000
Federal	35,775,000

\* Document exchange between DSHS, HCA and HBE

\*\* The IBM contract covers the following functions:

- Architectural design (for application, web and business rules engine)
- Test planning and development
- Development of code for mainframe, Java, rules engine, reporting, and letters management system
- Administration of Web, database and middleware
- Production control
- Implementation of policy requirements in business rules engine

# Information Technology Addendum

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Recsum Code and Title      M2-61 ESAR – Phase II and III

**Brief Description:** The Economic Services Administration (ESA) requests funding and 37 FTEs in order to complete the final two phases of the Eligibility Service and Automated Client Eligibility System (ACES) Remediation (ESAR) development, and for maintenance and operation of the upgraded system. By funding this request, ESA is expected to continue modernization of legacy technology to ensure the systems comply with increasingly stringent data security requirements, improve operations, and meet new information technology (IT) standards.

**If this investment includes the use of servers, do you plan to use the state data center?**

Yes       No, waiver received       No, waiver not received       Does not apply

## Security

**Security:** How does this investment affect the state's security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This investment will follow state and federal security policies. The ACES complex currently adheres to state and federal security policies, and will continue to do so as this effort moves forward. The applications contain Category 3 and 4 data including personally identifying information, personal health information and IRS data. Security is and continues to be a key aspect of the overall infrastructure. No specific security concerns have been elevated at this time.

## Feasibility/Risk

**Cultural readiness/organizational capacity:** Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

This investment requires considerable change within ESA's IT Solutions organization. The current software development lifecycle is well understood and compliments the current technology stack. The shift to a rules engine with java, from the familiar COBOL requires internal changes in processes and methodology. The organization is currently undergoing Discovery activities with a team of expert project managers to assist in managing the effort. The organizations leadership is very committed to the successful outcomes and implementation of this change. The organization as a whole has a proven track record.

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**Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?**

The current schedule is expected to be modified upon completion of the Discovery activities. That said, there is significant advantage to maintaining the current schedule, budget and resource allocation due to the availability of enhanced federal funding through the A-87 Waiver. The current waiver is set to expire December 31, 2015 however APHSA (American Public Human Services Association) and the States have been vocal in requesting an extension of the enhanced funding. Our team is cognizant of the dates and prioritizing activities that maximize federal enhanced funding.

**Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?**

Please see above regarding the current expiration date of the enhanced federal funding. The project was originally scoped as three separate phases. Phase 1 was completed with the development of the new Modified Adjustment Gross Income (MAGI) based eligibility rules engine to support the October 1, 2013 Go Live of the Affordable Care Act. Phase 2 was originally planned to move the remaining medical and Long Term Care (LTC) medical programs to the rules engine; with Phase 3 moving the food, cash, and other human services eligibility rules into the new rules engine. However, upon successful completion of Phase 1, it was determined combining Phase 2 and 3 into a single effort would be more efficient.

**Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?**

By choosing not to complete this work, the agency will be faced with having a partially completed project that would leave the MAGI rules in the new rules engine in a modern technology with java; and the remaining eligibility for public assistance would remain in COBOL. This will effectively stop the overall movement toward more current technologies.

### Technology Strategy Alignment

**Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?**

This project is being accomplished in phases, with individual tasks and deliverables. However, the primary outcomes of Phase 2 / 3 do not impact customer facing applications or services. The changes being developed are focused on technology necessary to support the accurate and timely eligibility determination and issuance of public assistance benefits and services such as cash, food, and medical.

**Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?**

The current legacy system continues to function and provides a consistent and uninterrupted issuance of benefits to our clients. However, this project does move the organization in the desired direction of modernization. Specifically, Phase 2 / 3 leverage the rules engine, which aligns with the Medicaid Information Technology Architecture (MITA) framework.

## 2015 Supplemental Budget Department of Social and Health Services

**Mobility:** Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?

Not applicable as this is not a mobility centered project.

**Transparency:** Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?

Public assistance services and benefits are currently available through a variety of mechanisms. Clients may access services and benefits at physical offices, use of customer contact centers, online applications, through a community based organization, and other mechanisms made available. This project focuses on ensuring the eligibility determination system rules comply with current state and federal policy as well as moves the rules into a more modern architecture.

**Accountability:** Are the investment’s goals well articulated? How will “success” be determined or measured?

A modernized IT system for program eligibility is the bedrock for enhanced efficiency, better customer service, and reduced error rates. Success of the project will be the migration of health and human services rules from COBOL into the rules engine.

### Financial

**Financial risk of not doing:** Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?

Yes. With the enhanced federal funding available through the A-87 Waiver, if this investment is not funded during the timeframe the enhanced funds are available the state loses the opportunity to maximize those dollars. The enhanced funding is approximately 90/10; while typical match rate is closer to 50/50.

**Cost Reduction:** Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?

Yes. This investment should reduce reliance on older technology and the resources required to support it. This investment should also incorporate the use of more modern methodology processes.

**Revenue Generation:** Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?

Not applicable. We are not a revenue generating organization.

### Business Case/Agency Mission Priority

**Mission priority:** Does this investment help the agency better deliver its mission?

Yes, this investment will help the organization move toward modernization and use of more widely available technologies and programming languages.

## **2015 Supplemental Budget Department of Social and Health Services**

**Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?**

Yes, with the passage of the federal Affordable Care Act legislation and Washington State's decision to develop a state based exchange new MAGI eligibility rules were developed. As a result of the MITA framework, the rules engine was the agreed upon technology. To leverage the investment in the rules engine and align public assistance eligibility rules the migration of remaining medical, LTC medical, cash, food and other health and human services programs is necessary.

Department of Social and Health Services

**DP Code/Title: M2-62 ACES Disaster Recovery**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding to procure and operate disaster recovery (DR) services for the Automated Client Eligibility System (ACES) and Eligibility Service. By funding this request, ESA is expected to be in compliance with federal regulations related to the Medicaid Expansion and the Patient Protection and Affordable Care Act (ACA), and minimize the risk of losing client data and disrupting client services.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	1,512,000	1,512,000
001-2 General Fund - Basic Account-Federal	0	672,000	672,000
<b>Total Cost</b>	<b>0</b>	<b>2,184,000</b>	<b>2,184,000</b>

**Staffing**

**Package Description:**

**Problem Statement:**

Disaster recovery services minimize service disruption and the loss of client data in the event of a disaster. The loss of client data or a service interruption can result in a delay of benefits being issued to clients who depend on them to meet basic needs. Federal requirements for DR include the ability to be able to perform a system recovery for all mission essential functions (MEFs) within three business days.

The Department of Social and Health Services (DSHS) requested funding in the 2014 Supplemental Budget based on a request for proposal (RFP) for DR services issued in June 2013. The RFP failed to yield a vendor who met the minimum qualifications. On May 1, 2014, DSHS contracted with IBM Business Continuity and Resiliency Services (BCRS). It has since been determined that in addition to the DR services outlined in the initial RFP, additional MEFs would need to be covered, which will increase the vendor cost. ESA will also need to upgrade its own hardware and software to facilitate a DR solution.

**Proposed Solution:**

ESA requests funding to address DR requirements which were not yet identified and quantified when the 2014 Supplemental Budget request was developed. These factors include vendor coverage of additional MEFs; hardware and software costs for upgrading the production environment; Quality Assurance; and costs from Consolidated Technology Services for the purchase and maintenance of network equipment for both the recovery and replication lines.

The DR solution supports federal and state cash, food and medical program requirements; issuance of benefits through Electronic Benefit Transfer; and the Eligibility Service which is the rules engine that connects to Washington's Health Benefit Exchange to support the Healthplanfinder. This proposal ranks highly in the agency ranking of all Information Technology (IT) projects. DR is required by ESA's federal funding partners. Without this funding ESA would not be able to meet federal requirements or support other vital state programs.

**CTS Consultation:**

Consults were completed with CTS for hosting services. The results of these consults were used in the requested amounts where needed.

Department of Social and Health Services

**DP Code/Title: M2-62 ACES Disaster Recovery**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

Agency Contact: Wendy Polzin (360) 902-8067

Program Contact: Susan Kavanaugh (360) 725-4642

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects to minimize the risk of losing client data and disrupting client services and to be in compliance with federal requirements for DR.

***Performance Measure Detail***

**Agency Level**

**Activity: F006 Automated Client Eligibility Systems (ACES)**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

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

The budget request supports DSHS Goals:

1: Health - Each individual and each community will be healthy

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

The decision package is essential to implementing the ESA Strategic Objective 5.2: Application processing timeliness will meet or exceed Federal Standards of Promptness.

The requested IT expenditures are an agency priority because they will allow ESA to complete a DR solution that will minimize service disruptions and loss of client data in the event of a disaster. It will also allow ESA to meet federal requirements to have a DR solution.

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

This decision package supports Governor Inslee's Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations

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

Health Care Authority and Health Benefit Exchange support this proposal as part of Eligibility Service development and requirements.

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

The request cannot be absorbed within existing resources for the following reasons: The work to continue development a DR system is higher than previously estimated. This request fulfills the funding needs and allows system development to be completed.

**Department of Social and Health Services**

**DP Code/Title: M2-62 ACES Disaster Recovery**

**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

The DR solution supports federal and state cash, food and medical program requirements; issuance of benefits through Electronic Benefit Transfer; and the Eligibility Service which is the rules engine that connects to Washington's Health Benefit Exchange to support the Healthplanfinder. DR is required by federal funding partners. If this package is not adopted, ESA would not be able to meet federal requirements or support other vital state programs.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: ESA M2-62 ACES Disaster Recovery.xlsx

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

Costs in this decision package are for implementation of the ACES DR system and are one-time in nature.

ESA has requested funding in the 2015-17 Biennial Budget to complete implementation and support ongoing maintenance costs. The maintenance costs in that decision package will be ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods\Other Services	0	2,184,000	2,184,000

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	1,512,000	1,512,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>1,512,000</b>	<b>1,512,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<b><u>Sources Title</u></b>			
E61L Food Stamp Program (50%)	0	672,000	672,000
<i>Total for Fund 001-2</i>	<b>0</b>	<b>672,000</b>	<b>672,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>2,184,000</b>	<b>2,184,000</b>

## 2015 Supplemental Budget ESA M2-62 ACES Disaster Recovery

<b>Funding Needed</b>	<b>SFY 2015</b>
Implementation	3,580,000
Maintenance	
<b>Total Funding Needed</b>	<b>3,580,000</b>

<b>Current Appropriation</b>	
<b>Basel Level Funding</b>	
GF-State	360,000
GF-Federal	240,000
<b>Total Base Funding</b>	<b>600,000</b>

<b>2014 Supplemental Funding</b>	
GF-State	398,000
GF-Federal	398,000
<b>Total 2014 Supplemental Funding</b>	<b>796,000</b>

<b>Carry Forward Level Adjustments</b>	
GF-State	-
GF-Federal	-
<b>Total Carry Forward Level Adjustments</b>	

<b>Total Funded Level Base</b>	
GF-State	758,000
GF-Federal	638,000
<b>Total Carry Forward Level Adjustme</b>	<b>1,396,000</b>

<b>Budget Request</b>	<b>2,184,000</b>
GF-State	1,512,000
GF-Federal	672,000

**2015 Supplemental Budget  
Department of Social and Health Services**

# Information Technology Addendum

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**Recsum Code and Title**      **M2-62 ACES Disaster Recovery**

**Brief Description:**    The Economic Services Administration (ESA) requests funding to procure and operate disaster recovery (DR) services for the Automated Client Eligibility System (ACES) and Eligibility Service. By funding this request, ESA is expected to be in compliance with federal regulations related to the Medicaid Expansion and the Patient Protection and Affordable Care Act (ACA), and minimize the risk of losing client data and disrupting client services.

**If this investment includes the use of servers, do you plan to use the state data center?**

Yes       No, waiver received       No, waiver not received       Does not apply

## Security

**Security: How does this investment affect the state’s security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?**

The DR site will mirror the production site and both will follow state IT policies. ESA is responsible for encrypting data and the DR vendor does not have access to the data. They provide the location and host the equipment. Security requirements were addressed during contract negotiations to ensure they meet all state and federal security requirements.

## Feasibility/Risk

**Cultural readiness/organizational capacity: Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?**

This investment does not result in major institutional change. DR activities in the past have been more narrowly focused. ESA’s IT Solutions is positioning itself with a much more robust and comprehensive DR capability. The DR vendor is also the same vendor that provides maintenance and operations support for ACES (ESA’s largest system that supports mission essential functions), which allows for comprehensive and integrated DR capabilities. There is strong leadership commitment and the organization is prepared for the expanded DR efforts.

**Technical complexity: Can the investment realistically be completed within the proposed framework of time, budget and resources?**

Yes, a realistic timeline has been created in conjunction with the DR vendor. ESA has assigned a Project Manager to track tasks timelines, deliverables, budget, coordinate exercises, and other

## 2015 Supplemental Budget Department of Social and Health Services

events to ensure the project goals and objectives are occurring timely. In addition, other IT professionals are engaged in the project and implementation activities.

### **Urgency: Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?**

In order to meet our Recovery Time Objectives (RTO) we need to implement the DR solution now. ESA's systems that support the Mission Essential Functions have expanded their capacity in the past few years and require the new, more robust DR solution to meet recoverability requirements.

### **Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?**

This request supports an investment that was previously approved. We must be positioned to provide mission essential services timely in the event of a disaster. Failure to complete this investment with only a partial implementation will result in the inability of ESA to adequately provide system recoverability. The result of systems not being recovered could be the inability to continue issuing benefits to ESA clients during the time of a disaster.

## Technology Strategy Alignment

### **Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?**

Yes, the overall implementation for the DR solution is being handled and managed in increments. At the conclusion of each increment, progress will be evaluated and assessed with corrective actions taken as necessary. This investment is necessary to support the initial activities.

### **Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?**

Yes, this investment allows the organization to move from physical tape (data backup) to virtual tape. Aging and inadequate recoverability systems are being replaced with current technology of adequate size and capacity to support all systems judged to be essential.

### **Mobility: Does the investment help state employees conduct business "any time, anywhere"? Does it improve mobile access to services for customers?**

The solution is not a mobility initiative. However, in the event of a disaster ESA would execute the contract with the DR vendor and use the 'hot site.' We would be positioned to resume benefit issuance to the people of Washington more timely fashion than what was previously in place.

## 2015 Supplemental Budget Department of Social and Health Services

**Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?**

Not applicable. This investment is to ensure services and benefits are able to be provided to individuals and families in need in the event of a disaster. The systems involved here are not what are visible to the public. The product of these systems (benefits) and their timely issuance are the visible yields.

**Accountability: Are the investment's goals well articulated? How will "success" be determined or measured?**

The project and its goals have been fully vetted within the organization and its stakeholders. The organization is positioned to exercise multiple DR scenarios each year to evaluate preparedness and success. In the event of an actual disaster success would be measured by how quickly we meet our recovery objectives in getting the systems up with minimum data loss and resuming the issuance of benefits.

### Financial

**Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?**

Centers for Medicaid and Medicare Services (CMS) require the state's eligibility system (ACES, etc.) to have a DR plan in place. There would be negative financial consequences to clients who depend on DSHS for their cash, food and medical benefits.

**Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?**

This investment will not reduce expenses. It will, however, implement a modern, streamlined system which more fully enables the complete recoverability of the expanded mission essential systems.

**Revenue Generation: Does this investment generate new revenue, or capture additional revenue left "on the table" by current solutions?**

Not applicable.

### Business Case/Agency Mission Priority

**Mission priority: Does this investment help the agency better deliver its mission?**

Yes. In the event of a disaster, this investment is essential for ensuring that ESA is able to fulfill its duty of determining and issuing benefits to the needy families in the State of Washington.

## **2015 Supplemental Budget Department of Social and Health Services**

**Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?**

Historically the DR solution was inadequate to completely restore our mission essential systems. The expanded DR solution now includes core systems that support mission essential functions. The initial investment partially funded this solution. This request will fund the remaining required infrastructure.

Department of Social and Health Services

**DP Code/Title: M2-63 Federal Incentive Funds Realignment**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests an increase in federal authority and an offsetting decrease in local authority in order to align the appropriation authority for the Child Support Program and the Office Financial Recovery. By funding this request, ESA is expected to more efficiently manage the federal funds earned in these programs.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-2 General Fund - Basic Account-Federal	0	557,000	557,000
001-7 General Fund - Basic Account-Private/Local	0	(14,356,000)	(14,356,000)
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	13,799,000	13,799,000
<b>Total Cost</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Staffing**

**Package Description:**

**Problem Statement:**

The Division of Child Support (DCS) competes with child support programs in other states for annual federal performance incentive awards. States, territories and protectorates earn federal incentive funds for running efficient and effective child support programs. The incentive program is based on four key elements:

1. Performance in five measures (paternity establishment, order establishment, collections on current support due, cases paying toward arrears, and cost effectiveness).
2. Reliable and complete data determined by annual data reliability audits and reviews.
3. A pre-established and fixed pool from which child support programs are paid.
4. Incentive dollars that must be reinvested into child support programs.

The earned incentive amount is estimated prior to the start of the federal Fiscal Year. Actual incentive amounts are computed after the end of the federal Fiscal Year and appropriate adjustments are made in federal grant awards. During federal Fiscal Year 2012, DCS earned approximately \$12.8 million in federal performance incentives.

While DCS has an annual spending authority of \$13,799,000 for child support incentives, it is appropriated as local rather than federal authority. Because the incentives are not accounted for as federal, manual adjustments and transfers are required in order to draw down appropriate federal funding from the federal Grant Management System.

OFR collects overpayments made to Supplemental Nutrition Assistance Program (SNAP) recipients. As an incentive to collect the funds, the United States Department of Agriculture (USDA) allows the department to keep a certain percentage of the collections to help offset the administrative collection costs. The percentage of collection that the department is allowed to keep is as follows:

- 35% of the collection for Intentional Program Violations
- 20% of the collection for Inadvertent Household Error Overpayments
- 0% of the collection for Agency Error overpayments

In addition to collecting the SNAP overpayments directly from recipients, the Internal Revenue Service (IRS) may intercept tax refunds due to the recipient or withhold the recipient's Supplemental Security Income (SSI) benefits. OFR is also allowed to keep a percentage of these collections to offset administrative collection costs. In state Fiscal Year 2014, OFR retained approximately \$546,000 in food stamp overpayment collections.

Department of Social and Health Services

**DP Code/Title: M2-63 Federal Incentive Funds Realignment**

**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

While OFR has an annual spending authority of \$557,000 for food stamp incentives, it is appropriated as local rather than federal authority. Because the incentives are not accounted for as federal, manual adjustments and transfers are required in order to draw down appropriate federal funding from the federal Grant Management System.

Proposed Solution:

To realign the federal performance incentives and to create a more efficient process for drawing down federal funding, ESA is requesting a \$14,356,000 million increase in federal spending authority and an offsetting decrease of the same amount in local spending authority. This adjustment nets to zero and is necessary to realign the appropriation authority for both the Child Support Program and the Office of Financial Recovery.

Agency Contact: Wendy Polzin (360) 902-8067

Program Contact: Loan Tran (360) 664-5325

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects to the adoption of this package to increase transparency and reduce manual accounting adjustments and transfers that are currently required.

***Performance Measure Detail***

**Agency Level**

**Activity: F010 Child Support Enforcement**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

**Activity: F016 Office of Financial Recovery**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

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

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

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

This decision package supports the Results Washington goals:

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

Department of Social and Health Services

**DP Code/Title: M2-63 Federal Incentive Funds Realignment**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This decision package will increase transparency and efficiency within ESA.

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

This alternative which takes corrective action to correctly account for federal funds within federal authority was the only option considered.

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

If this decision package is funded, federal incentive awards will be accounted for more efficiently.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

The request is to exchange local authority currently appropriated in ESA's budget for federal authority.

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

These costs are ongoing and will carry forward into future biennia.

**Object Detail**

**Overall Funding**

**FY 1**

**FY 2**

**Total**

**Program Totals**

**Department of Social and Health Services**

**DP Code/Title: M2-63 Federal Incentive Funds Realignment  
 Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u>   <u>Title</u></b>				
E61B	Food Stamp Program (100%)	0	557,000	557,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>557,000</b>	<b>557,000</b>
<b>Fund 001-7, General Fund - Basic Account-Private/Local</b>				
<b><u>Sources</u>   <u>Title</u></b>				
5417	Contributions & Grants	0	(14,356,000)	(14,356,000)
<i>Total for Fund 001-7</i>		<b>0</b>	<b>(14,356,000)</b>	<b>(14,356,000)</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<b><u>Sources</u>   <u>Title</u></b>				
563B	Title IV-D Child Support Enforcement (A) (100%)	0	13,799,000	13,799,000
<i>Total for Fund 001-A</i>		<b>0</b>	<b>13,799,000</b>	<b>13,799,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>0</b>	<b>0</b>

Department of Social and Health Services

**DP Code/Title: M2-6A Child Care Performance Audit**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding to cover the amount specified in the 2014 Supplemental Operating Budget to be paid to the State Auditor's Office (SAO) to conduct a performance audit of the Department of Social and Health Services (DSHS) Office of Fraud and Accountability (OFA). By funding this request, ESA expects to fulfill the requirement for funding this audit and have sufficient resources to meet forecasted demand for Working Connections Child Care (WCCC) subsidies.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	300,000	300,000
<b>Total Cost</b>	<b>0</b>	<b>300,000</b>	<b>300,000</b>

**Staffing**

**Package Description:**

**Problem Statement:**

The proviso in section 207(1)(d) of the 2014 Supplemental Budget allocates funds for the WCCC program. The allocated amount is based on the forecasted demand for WCCC subsidies. The 2014 Legislature specified that \$300,000 of the amount provided in the subsection is provided solely for a SAO performance audit of DSHS's OFA. However, the amounts in this subsection are provided solely for the WCCC program under RCW 43.215.135. As the amounts in this proviso are based on forecasted levels of need for child care subsidies, DSHS does not have sufficient resources to fund the forecasted caseload and the required performance audit.

**Proposed Solution:**

ESA requests \$300,000 GF-State to fund the required SAO performance audit. Absent this additional funding, it will be necessary to serve less families than is assumed in the WCCC forecast.

Agency Contact: Wendy Polzin (360) 902-8067  
 Program Contact: Susan Kavanaugh (360) 725-4526

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA will fulfill the requirement to fund a performance audit of OFA and will have sufficient resources to meet forecasted demand for WCCC.

***Performance Measure Detail***

**Agency Level**

**Activity: F078 Program Support**

No measures linked to package

**Incremental Changes**

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

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

Department of Social and Health Services

**DP Code/Title: M2-6A Child Care Performance Audit**  
**Program Level - 060 Economic Services Admin**

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Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

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This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Health - Each individual and each community will be healthy

Quality of Life - Each individual in need will be supported to attain the highest possible quality of life

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This package supports Governor Inslee's Goals:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient and decrease the rate of Washington adults and children living in poverty.

Ensure that funding is used responsibly and remove waste in processes.

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

The Department of Early Learning will support this proposal because it helps ensure sufficient funds are available for WCCC. No stakeholders are likely to oppose.

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

The request cannot be absorbed within existing resources because ESA funding for WCCC is based on forecasted demand for these services.

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

If this package is not funded, ESA risks having insufficient funds to meet demand for WCCC.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

This decision package requests \$300,000 GF-State funding in order to fund the performance audit directed in subsection 207(1)(d) of the 2014 Supplemental Budget. This funding will be provided specifically for the performance audit, rather than come from funding provided for the forecasted cost of WCCC subsidies.

**Department of Social and Health Services**

**DP Code/Title: M2-6A Child Care Performance Audit**

**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

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

The cost is one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods\Other Services	0	300,000	300,000
<b><u>DSHS Source Code Detail</u></b>			
<b>Overall Funding</b>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	300,000	300,000
<i>Total for Fund 001-1</i>	<u>0</u>	<u>300,000</u>	<u>300,000</u>
<b>Total Overall Funding</b>	<b>0</b>	<b>300,000</b>	<b>300,000</b>

Department of Social and Health Services

**DP Code/Title: M2-6E Data Center and Mainframe Costs**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests funding to cover the costs associated with the leasing and use of a new Automated Client Eligibility System (ACES)/Eligibility Service (ES) mainframe, and the required migration of ESA Information Technology (IT) equipment from the Human Services Building (OB2) Data Center to the new State Data Center (SDC). By funding this request, ESA expects to comply with the State Plan for migration to the SDC by June 30, 2015 and to have the computer equipment needed for efficient operation over the next three years.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	1,443,000	1,443,000
001-2 General Fund - Basic Account-Federal	0	2,342,000	2,342,000
<b>Total Cost</b>	<b>0</b>	<b>3,785,000</b>	<b>3,785,000</b>

Staffing

**Package Description:**

**Problem Statement:**

The mainframe for ESA's ACES and the Affordable Care Act's (ACA) ES is currently located in the OB2 Data Center, as is other ESA IT equipment. The SDC is located in Olympia and was constructed to be the most secure and efficient data center for state government systems. Its creation derives from 2011 Legislative direction, codified in RCW 43.41A.150, to consolidate all existing and new data centers in the SDC based on a business plan and migration schedule developed by the Office of the Chief Investment Officer (OCIO). The OCIO SDC Plan Update of July 2013 calls for all computer hardware located in the OB2 Data Center to migrate to the SDC, and for the OB2 Data Center to be shut down by June 30, 2015. The Plan Update includes an analysis showing that this policy provides significant net financial benefit to Washington State.

The existing ACES mainframe cannot operate in the SDC. The physical design of the SDC, with ceiling rather than floor cabling, is not compatible with the design of the existing ACES mainframe which is three years old. Absent the move requirement, the ACES mainframe would typically reach the end of its useful life at the end of calendar year 2016. However, due to an unanticipated increase in workload, an additional investment in ACES memory and capacity would be required in Fiscal Year 2015. The maximum processing capacity is also anticipated to be surpassed prior to calendar year 2017.

The cost per square foot that customers will be responsible for paying in the SDC exceeds what ESA has paid in OB2. While this represents a higher cost for ESA, the move represents an overall financial benefit to the State, in part because significant repairs would be required to the OB2 Data Center to continue to operate in future years.

**Proposed Solution:**

In fall 2014, ESA will begin the procurement process for the new ACES mainframe. The new lease cost assumes the trade in of the existing mainframe. The State Treasurer's Certificate of Participation (COP) used to finance the existing mainframe must be paid off to be able to trade-in the collateral asset.

ESA will lease a new SDC compatible ACES mainframe beginning in March 2015 that will be installed in the SDC. The existing equipment will be decommissioned and removed from the OB2 Data Center by May 2015.

Agency Contact: Wendy Polzin, 360-902-8067

Department of Social and Health Services

**DP Code/Title: M2-6E Data Center and Mainframe Costs**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

Program Contact: Susan Kavanaugh, 360-725-4642

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

The systems and applications supported by the ACES mainframe allow ESA to provide mission critical services and benefits to the state's most vulnerable populations. Nearly one out of every four Washington residents turns to ESA for assistance with cash, food, child support, child care, disability determination, transition to employment, and other services. Increasing demand for ESA services and benefits require robust computing capacity. The mainframe and the suite of servers are core to the infrastructure to ensure benefits and services are available day in and day out. This investment is imperative as the existing equipment is not compatible and cannot be supported in the SDC. Existing equipment also has insufficient capacity to complete mandatory ACA-related tasks while continuing to process increasing workloads. With the existing data center in the Human Services Building (OB2) being decommissioned, the purchase of the new mainframe is necessary.

This investment will also provide for the growth of the applications and systems needed to support Washington State's delivery of public assistance benefits and social services to people in need, and to support the ES which is core to the processing of claims for the Washington State Health Benefit Exchange (HBE).

***Performance Measure Detail***

**Agency Level**

**Activity: F006 Automated Client Eligibility Systems (ACES)**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

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

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

- Health - Each individual and each community will be healthy
- Quality of Life - Each individual in need will be supported to attain the highest possible quality of life
- Public Trust - Strong management practices will be used to ensure quality and efficiency

ACES is used to determine eligibility, maintain case actions, generate correspondences and interface with dozens of state and federal partners in the administration of cash and food benefits provided by DSHS as well as the system of record for Medicaid; this request provides essential support for ACES and the ES that supports the ACA. Consolidating infrastructure at the SDC is a management effort to ensure efficiency.

The requested investment in the mainframe allows critical operations to continue within Washington State. There are no other systems, agencies or services that would be able to provide these necessary services. With increased demands and additional features and functions, additional computing capacity is necessary and coupled with the move to the SDC requires this important investment.

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

This package supports Governor Inslee's Goals:

- Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.
- Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Department of Social and Health Services

**DP Code/Title: M2-6E Data Center and Mainframe Costs**  
**Program Level - 060 Economic Services Admin**

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Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient and decrease the rate of Washington adults and children living in poverty.

Provide access to good medical care to improve people's lives and ensure that funding is used responsibly and:

- Remove waste in processes.
- Reduce statewide energy use.
- Increase Washington State as an employer of choice.
- Increase on-time delivery for state services.

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

The Health Care Authority (HCA) and HBE will support this request because it will provide needed support for ACES, the system that houses the records of Medicaid recipients that are key to the success of ProviderOne and the Healthplanfinder. Consolidated Technology Services, Department of Enterprise Services and OCIO will support this request because it enables ESA to comply with a statewide IT strategy of data center consolidation. No stakeholders are expected to oppose this request.

The requested IT expenditures are an agency priority because, as mentioned above, the benefits and services provided by the systems supported with the mainframe are critical to the mission of the agency.

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

The request cannot be absorbed within existing resources because ESA has not yet completed paying for the existing ACES mainframe. It was purchased in 2011 using a COP through the State Treasurer with a five-year repayment structure. This mainframe cannot be moved to the SDC because its physical design, with floor-level cabling, will not function in the new center which is designed for ceiling-level cabling. Were it not for the requirement to move into the data center by the end of June 2015, ESA would likely delay purchasing the new mainframe until the 2015-2017 biennium. There are, however, advantages to acquiring the new mainframe now. They include acquiring additional memory and capacity needed for more robust testing of system changes and providing for a more robust environment for staff training.

ESA identified the needed mainframe components and functionality by evaluating the existing environment, upcoming improvements to meet business needs, and charting capacity usage trends to anticipate future need. ESA also considered whether leasing the mainframe from a vendor or purchasing via a COP made the most sense. A three-year lease was selected as the slightly less costly option, in comparison to a three-year COP, and the one that provides the most flexibility for adapting to future changes in technology.

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

If this request is not funded, ESA would not have the resources needed to move into the SDC. Because the existing OB2 Data Center will no longer be available for hosting, the move is essential for the functioning of ESA IT systems. ESA, as well as HCA and HBE, depend on continuous operation of IT systems to accomplish their missions, so leaving these systems without a functioning home would result in serious negative impacts to benefit and service delivery to vulnerable individuals and families in Washington State.

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

This request has no impact on the capital budget.

Department of Social and Health Services

**DP Code/Title: M2-6E Data Center and Mainframe Costs**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This request has no impact to existing statutes, rules or contracts.

**Expenditure and revenue calculations and assumptions**

See attachment: ESA M2-6E Data Center and Mainframe Costs.xlsx

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

Costs for COP payoff for the existing ACES mainframe and purchase of software and auxiliary hardware (including computers, a consol connector switch and two network connection switches) for the leased mainframe in Fiscal Year 2015 are one-time costs.

The higher cost per square foot for housing the mainframe will carry forward into future biennia. Because the move to the new space will take place part way through Fiscal Year 2015, space costs will be proportionally higher in future biennia.

Lease payments and higher maintenance fees for the new mainframe will be ongoing.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods\Other Services	0	2,224,000	2,224,000
J Capital Outlays	0	1,561,000	1,561,000
<b>Total Objects</b>	<b>0</b>	<b>3,785,000</b>	<b>3,785,000</b>

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<b><u>Sources Title</u></b>			
0011 General Fund State	0	1,443,000	1,443,000
<b>Total for Fund 001-1</b>	<b>0</b>	<b>1,443,000</b>	<b>1,443,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<b><u>Sources Title</u></b>			
E61L Food Stamp Program (50%)	0	2,342,000	2,342,000
<b>Total for Fund 001-2</b>	<b>0</b>	<b>2,342,000</b>	<b>2,342,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>3,785,000</b>	<b>3,785,000</b>

**2015 Supplemental Budget**  
**ESA M2-6E Data Center and Mainframe Costs**

	FY15 State	FY15 Fed	FY15 Total
Complete Payments on Existing Mainframe Computer	591,000	970,000	1,561,000
Purchase Software and Auxilliary Hardware for New Mainframe	681,000	1,119,000	1,800,000
Increase in Monthly Maintenance Costs	48,000	80,000	128,000
IBM Lease of New Mainframe	94,000	154,000	248,000
Moving Costs	24,000	16,000	40,000
Increase in Cost per Square Foot - Net Increase from Current Monthly Payments in OB2	5,000	3,000	8,000
<b>Total Costs</b>	<b>1,443,000</b>	<b>2,342,000</b>	<b>3,785,000</b>

# Information Technology Addendum

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Recsum Code and Title      M2-6E Data Center and Mainframe Costs  
Brief Description:          ESA Mainframe Procurement

If this investment includes the use of servers, do you plan to use the state data center?

Yes       No, waiver received       No, waiver not received       Does not apply

## Security

**Security:** How does this investment affect the state's security posture? Have the proper security considerations been made? Does the investment itself actually improve infrastructure security? What, if any, security concerns are there?

This investment has no change to the state's security as it is replacing the current Automated Client Eligibility Service (ACES) mainframe. However, the new mainframe will be housed in the State Data Center (SDC) (instead of the OB2 datacenter (OB2)) so the computing environment will be more secure and robust.

## Feasibility/Risk

**Cultural readiness/organizational capacity:** Does this investment require significant institutional change within the agency, and is the agency prepared for that change? Is there committed and proven leadership? Is there a record of successful projects? Does the agency foster a culture of creative problem solving?

This investment is to replace the current ACES mainframe. Replacement of the mainframe is necessary for four primary reasons: 1) An unanticipated increase in capacity required by the Health Benefit Exchange (HBE), Health Care Authority (HCA), and implementation of the Affordable Care Act (ACA); 2) Increase in the number of client records and cases being created; 3) The requirement to vacate OB2 and move into the SDC by June 30, 2015; 4) The configuration of the current mainframe is not compatible with the configuration and power requirements of the SDC.

**Technical complexity:** Can the investment realistically be completed within the proposed framework of time, budget and resources?

Yes. The organization completed a similar migration 3 years ago. Implementation is being scheduled to coincide with available windows to minimize system outages and customer impact.

**Urgency:** Is the investment urgent or can wait until a future funding cycle? Must the investment be completed all at once, or can we break it into incremental pieces?

The Economic Services Administration (ESA) has a deadline of June 30, 2015 to be out of OB2. ACES capacity requirements will also exceed the current mainframe capabilities within the next

## **2015 Supplemental Budget Department of Social and Health Services**

six to nine months. By procuring everything now and installing the new mainframe in the SDC, ESA will minimize risk by not physically moving the current mainframe.

**Impact of not doing: What are the potential impacts to the state, agency, or the public if this investment is not completed?**

ESA would be unable to move from the OB2 into the SDC by the deadline.  
ESA would be unable to provide functionality as required by the HBE and HCA.  
ESA would be unable to create additional development, training, and testing environments to help eliminate production issues.

### **Technology Strategy Alignment**

**Agile value: Is the investment broken into incremental steps that provide customer-facing value and allow periodic assessment of progress?**

Due to the issues listed above, it is required that this investment be made in one piece.

**Modernization of state government: Will the investment result in replacing legacy systems that are no longer solving business problems with modern, appropriate technology solutions?**

No. This investment will add needed capacity to the existing legacy ACES application complex environment. Modernization efforts are planned for the near future.

**Mobility: Does the investment help state employees conduct business “any time, anywhere”? Does it improve mobile access to services for customers?**

N/A

**Transparency: Does it increase public visibility of services provided with public funds? Does this investment increase public access to searchable public data and information?**

N/A

**Accountability: Are the investment’s goals well articulated? How will “success” be determined or measured?**

Yes, the goals are well documented, visible, and understood. Success will be measured by the successful move from the old mainframe to the new.

### **Financial**

**Financial risk of not doing: Are there potential financial consequences for not completing this investment, such as fines for noncompliance with legal requirements or a loss of federal funding?**

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M2-6E Data Center and Mainframe

## **2015 Supplemental Budget Department of Social and Health Services**

Failure to move out of OB2 could have financial impacts to the Department of Social and Health Services (DSHS) and ESA by delaying planned projects. A portion of the increased capacity and computing requirements are a result of the ACA, which are eligible for enhanced funding. As such, ESA intends to request enhanced funding through the federal approval process for the corresponding mainframe increase. Negative financial consequences may be avoided by increasing capacity of the mainframe environment to create additional development, testing, and training capabilities.

**Cost Reduction: Does this investment prevent or reduce expenses, such as the cost of maintaining labor-intensive systems that could be automated, repairs or maintenance to obsolete or outdated infrastructure, or specialty expertise required for legacy technologies?**

No. This investment is for a bigger and more costly mainframe to meet capacity requirements.

**Revenue Generation: Does this investment generate new revenue, or capture additional revenue left “on the table” by current solutions?**

N/A

### **Business Case/Agency Mission Priority**

**Mission priority: Does this investment help the agency better deliver its mission?**

Yes, by increasing the mainframe capacity ACES will be able to continue accepting new clients, creating new client records and processing client payments.

**Business case: Is there a clear problem with the status quo, and does this investment clearly solve that business problem?**

Yes. This investment implements a solution that clearly meets all of the currently known requirements and best forecast information available.

Department of Social and Health Services

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests increased funding necessary to reimburse staff and volunteers for private automobile mileage. By funding this request, DSHS will be able to meet its base cost requirements. The number of total miles driven by agency employees and volunteers while conducting official state business has increased steadily since 2012.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	31,000	31,000
001-2 General Fund - Basic Account-Federal	0	10,000	10,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	6,000	6,000
<b>Total Cost</b>	<b>0</b>	<b>47,000</b>	<b>47,000</b>

**Staffing**

**Package Description:**

Current state travel regulations allow a reimbursement rate for the use of privately owned vehicles when traveling on official state businesses (In-Take Referrals for Child Abuse Investigations, Foster Home Visits, Domestic Violence Prevention, and New Employee Trainings, etc). While the reimbursement rate of \$0.560 per mile remained relatively flat compared to previous biennia, the number of total miles driven by agency employees and volunteers while conducting official state business has increased steadily since 2012.

Agency Contact: Charles Wang (360) 902-8154

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

Funding this request will strengthen the foundation for the current continuum of care and access to client services across the department.

**Performance Measure Detail**

**Agency Level**

**Activity: F010 Child Support Enforcement**  
 No measures linked to package

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

**Activity: F078 Program Support**  
 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?*

The budget request supports one of DSHS Goals:

Public Trust - Strong management practices will be used to ensure quality and efficiency

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

Department of Social and Health Services

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

This package supports the Results Washington goals to:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self-sufficient.

*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?*

The request cannot be absorbed within existing resources. Not funding this request will decrease the agency's ability to meet our clients' needs.

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

Funding will need to be diverted from other client services in order to support this expenditure.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: AW M2-8M Mileage Rate Adjustments.xlsb

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

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
G Travel	0	42,000	42,000
T Intra-Agency Reimbursements	0	5,000	5,000
<b>Total Objects</b>	<b>0</b>	<b>47,000</b>	<b>47,000</b>

**Department of Social and Health Services**

**DP Code/Title: M2-8M Mileage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**DSHS Source Code Detail**

<b>Overall Funding</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	0	31,000	31,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>31,000</b>	<b>31,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
E61L	Food Stamp Program (50%)	0	10,000	10,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>10,000</b>	<b>10,000</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%)	0	6,000	6,000
<i>Total for Fund 001-A</i>		<b>0</b>	<b>6,000</b>	<b>6,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>47,000</b>	<b>47,000</b>

**2015 Supplemental Budget  
AW M2-8M Mileage Rate Adjustments**

Department of Social & Health Services

Program	Year		ISSD - TZ		Total
	2015		2015		2015
010	255,000		2,000		257,000
020	4,000		1,000		5,000
030	3,000		1,000		4,000
040	42,000		1,000		43,000
050	34,000		1,000		35,000
060	42,000		5,000		47,000
150	11,000		(11,000)		0
<b>Total</b>	<b>391,000</b>		<b>0</b>		<b>391,000</b>

State/Other Split

Program	State		Federal		Total
	2015		2015		2015
010	233,000		24,000		257,000
020	5,000		0		5,000
030	4,000		0		4,000
040	26,000		17,000		43,000
050	19,000		16,000		35,000
060	31,000		16,000		47,000
150	0		0		0
<b>Total</b>	<b>318,000</b>		<b>73,000</b>		<b>391,000</b>

Department of Social and Health Services

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Department of Social Health and Services (DSHS) requests funding for the 6.52 percent postage rate increase which went into effect January 27, 2014. By funding this request, DSHS is expected to meet its postal obligations to customers, clients, and constituents.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	293,000	293,000
001-2 General Fund - Basic Account-Federal	0	71,000	71,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	96,000	96,000
<b>Total Cost</b>	<b>0</b>	<b>460,000</b>	<b>460,000</b>

**Staffing**

**Package Description:**

**Problem Statement**

The United States Postal Services (USPS) increased its postal rate for first-class mail from \$0.46 to \$0.49 (6.52 percent increase) on January 27, 2014. The USPS increase impacts all DSHS programs.

Communication between clients and programs are a routine and essential part of doing business. Clients expect written responses to their inquiries and concerns. Other areas impacted by this postage rate increase are payments to clients and notices to clients required by law.

The USPS mail services are considered accessible to all clients and it is an efficient means of communication. Other forms of communication or remittance of payments such as electronic banking and e-mail are not accessible to the majority of the department's clients or may require revisions to state laws.

**Proposed Solution**

DSHS requests \$553,000 (\$372,000 GF-State) for a postal rate adjustment so that all the DSHS programs can meet its current postal obligations.

Agency Contact: Don Petrich (360) 902-7831

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

By funding this decision package, DSHS will continue meeting its obligations and statutory requirements to ensure all clients receive their proper information in a timely manner without negative impacts to other client services.

***Performance Measure Detail***

**Agency Level**

Department of Social and Health Services

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Activity: F010 Child Support Enforcement**  
No measures linked to package

Incremental Changes	
FY 1	FY 2
0.00	0.00

**Activity: F016 Office of Financial Recovery**  
No measures linked to package

Incremental Changes	
FY 1	FY 2
0.00	0.00

**Activity: F078 Program Support**  
No measures linked to package

Incremental Changes	
FY 1	FY 2
0.00	0.00

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

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

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

This decision package supports the Results Washington Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

Ensure efficiency and performance to the public by providing transparency and accountability in state agency operations and:  
--Increase Washington State government's transparency.  
--Increase customer satisfaction.  
--Increase on-time delivery for state services.

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

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations and:  
--Increase Washington State government's transparency.  
--Increase the number of Results Washington outcome measures and leading indicators.  
--Increase customer satisfaction.  
--Increase Washington State as an employer of choice.  
--Increase on-time delivery for state services.

*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?*

The request cannot be absorbed within existing resources. Funds supporting other client services would need to be diverted if funding for this USPS rate increase is not provided.

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

Not funding this request will have a negative impact to the agency's ability to communicate with clients and hamper its ability to remain responsive to constituent needs. If not approved, funds will have to be diverted from other program activities and/or services to cover the cost increase.

Department of Social and Health Services

**DP Code/Title: M2-8P Postage Rate Adjustments**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: AW M2-8P Postage Rate Adjustments.xlsx

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

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
E Goods\Other Services	0	445,000	445,000
T Intra-Agency Reimbursements	0	15,000	15,000
<b>Total Objects</b>	<b>0</b>	<b>460,000</b>	<b>460,000</b>

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>			
<u>Sources Title</u>			
0011 General Fund State	0	293,000	293,000
<i>Total for Fund 001-1</i>	<b>0</b>	<b>293,000</b>	<b>293,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>			
<u>Sources Title</u>			
E61L Food Stamp Program (50%)	0	71,000	71,000
<i>Total for Fund 001-2</i>	<b>0</b>	<b>71,000</b>	<b>71,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>			
<u>Sources Title</u>			
563I Title IV-D Child Support Enforcement (A) (66%)	0	96,000	96,000
<i>Total for Fund 001-A</i>	<b>0</b>	<b>96,000</b>	<b>96,000</b>
<b>Total Overall Funding</b>	<b>0</b>	<b>460,000</b>	<b>460,000</b>

**2015 Supplemental Budget  
AW M2-8P Postage Rate Adjustment**

**Department of Social and Health Services**

**Rounded** =Round(link,-3)

Program	Year	ISSD - TZ	Total
	2015		
010	19,000	6,000	25,000
020	2,000	1,000	3,000
030	5,000	3,000	8,000
040	9,000	4,000	13,000
050	13,000	4,000	17,000
060	445,000	15,000	460,000
100	4,000	1,000	5,000
110	10,000	10,000	20,000
135	1,000	1,000	2,000
150	45,000	(45,000)	0
<b>Total</b>	<b>553,000</b>	<b>0</b>	<b>553,000</b>

**State/Other Split**

Program	State	Other	Total
	2015		
010	23,000	2,000	25,000
020	3,000	0	3,000
030	8,000	0	8,000
040	9,000	4,000	13,000
050	11,000	6,000	17,000
060	293,000	167,000	460,000
100	5,000	0	5,000
110	18,000	2,000	20,000
135	2,000	0	2,000
150	0	0	0
<b>Total</b>	<b>372,000</b>	<b>181,000</b>	<b>553,000</b>

Department of Social and Health Services

**DP Code/Title: M2-8V Building Access Control System**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests funding to replace the current failing and obsolete building access control systems in order to ensure the safety of staff and clients who utilize the state offices. By funding this request, DSHS is expected to replace all security/access operational technology systems from Windows XP operating systems to Windows 7 or higher.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	226,000	226,000
001-2 General Fund - Basic Account-Federal	0	135,000	135,000
<b>Total Cost</b>	<b>0</b>	<b>361,000</b>	<b>361,000</b>

**Staffing**

**Package Description:**

Historically, building access control systems have been procured by the local tenant administration(s) on a site by site basis. Based on an assessment of the 200 plus agency sites, 34 of these security systems are still running on Windows XP operating systems and the hardware is malfunctioning. The system controls all entrances, employee badge database, and alarm systems. As of April 2014, Microsoft ended support for the Windows XP operating system.

By state policy (<https://www.ocio.wa.gov/policies/142-windows-xp-end-life>), all systems running Windows XP must be removed from state offices and from the state network. All remaining Windows XP devices must be removed and replaced with current Windows 7 or later system as soon as possible.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

Procurement of these modern security systems will produce the following outcomes:

- Provide continued security even when the network connection is lost (there are local copies of the badge database, functionality continues, even when the network connection is down).
- Provide a more stable platform (current hardware is failing in a way that jeopardizes both building security as well as posing a potential fire hazard).
- Provide management of badges from any of the sites, improving options for support.
- Provide a single, but distributed database. Reducing the management of badges for staff who do this in addition to their full time jobs (currently, staff have to be removed from every location they have access to; with this improvement, they only have to be removed or added once).

***Performance Measure Detail***

**Agency Level**

**Activity: F029 Employment Support Services: Refugees**  
 No measures linked to package

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

**Activity: F038 Supplemental Nutrition Assistance Program (SNAP)**

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

Department of Social and Health Services

**DP Code/Title: M2-8V Building Access Control System**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

No measures linked to package		0.00	0.00
<b>Activity: F039 Aged, Blind or Disabled and Pregnant Women Assistance Program</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00
<b>Activity: F042 Immigrant State Food Assistance</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00
<b>Activity: F061 Medical Eligibility Determination Services</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00
<b>Activity: F078 Program Support</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00
<b>Activity: F108 WorkFirst Employment and Training</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00
<b>Activity: F109 Child Care Subsidy Program</b>		<b>Incremental Changes</b>	
		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>
No measures linked to package		0.00	0.00

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

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This package supports the Results Washington Goal:

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.

Goal 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations and:

- Increase Washington State government's transparency.
- Increase customer satisfaction.
- Increase Washington State as an employer of choice.
- Increase on-time delivery for state services.

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

These systems ensure the safety of staff and clients who are visiting these state offices. Not addressing these issues pose both health and safety issues, and access to service issues, where an office may not be operational due to safety concerns.

Department of Social and Health Services

**DP Code/Title: M2-8V Building Access Control System**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

The request cannot be absorbed within existing resources due to the negative impact of taking funds away from other client service programs.

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

Not adopting this request will result in escalating information technology security risks and physical security risks due to failing systems.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: AW M2-8V Building Access Control System.xlsx

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

These costs are one-time and will not carry forward.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
J Capital Outlays	0	361,000	361,000

**DSHS Source Code Detail**

<b>Overall Funding</b>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	0	226,000	226,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>226,000</b>	<b>226,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<u>Sources</u>	<u>Title</u>			
E61L	Food Stamp Program (50%)	0	135,000	135,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>135,000</b>	<b>135,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>361,000</b>	<b>361,000</b>

**2015 Supplemental Budget  
AW M2-8V Building Access Control System**

**Department of Social & Health Services**

	State	Other	Total
Program	2015		
010	\$166,000	\$17,000	\$183,000
020	\$1,000	\$0	\$1,000
040	\$12,000	\$8,000	\$20,000
050	\$27,000	\$24,000	\$51,000
060	\$226,000	\$135,000	\$361,000
100	\$51,000	\$0	\$51,000
110	\$2,000	\$0	\$2,000
<b>Total</b>	<b>\$485,000</b>	<b>\$184,000</b>	<b>\$669,000</b>

Department of Social and Health Services

**DP Code/Title: M2-9A Federal Funds-Increased Authority**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests an increase in federal authority in order to spend federal Supplemental Nutritional Assistance Program (SNAP) and Behavioral Interventions of Child Support Services (BICS) Demonstration and Evaluation grant funds awarded to Washington State. By funding this request, ESA is expected to continue providing a wide range of vital services to low-income individuals and families in need that are funded through several grants from the United States Department of Agriculture, Food and Nutrition Services, as well as use federal Administration for Children and Families, Office of Child Support Enforcement (OCSE) funds to assess the potential relevance and application of behavioral economics to child support services.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-2 General Fund - Basic Account-Federal	0	11,789,000	11,789,000
001-A General Fund - Basic Account-DSHS Fam Support/Chi	0	2,096,000	2,096,000
<b>Total Cost</b>	<b>0</b>	<b>13,885,000</b>	<b>13,885,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>2.0</b>	<b>1.0</b>

**Package Description:**

In the past few years, ESA has received grant awards for SNAP (known as Basic Food in Washington State) services that are larger than the current federal authority appropriated for these grants. The grants are the SNAP Nutrition Education grant, SNAP Employment and Training grant, and SNAP Education and Assistance grant.

The Nutrition Education Grant provides nutrition education and obesity prevention services throughout the state.

The SNAP Employment and Training grant provides services that help move work-ready adults into employment, offer re-training opportunities to the recently unemployed, and help participants with limited English or low literacy levels move on a path to economic independence. These services include job search, education services, skills training, community service placements, post-employment support services, and other employment opportunities to Basic Food recipients who are not receiving Temporary Assistance for Needy Families (TANF).

The SNAP Education and Assistance grant provides food application assistance to low income families.

In October 2014, ESA's Division of Child Support (DCS) was awarded two federal grants by the federal Office of Child Support Enforcement (OCSE). The purpose of the grants is to explore the potential relevance and application of behavioral economics to child support services. Behavioral economics uses insights from psychology and related fields to explain why and how people may act in ways that do not appear to be in their best interests. Child support programs can use behavioral economics to better understand why program participants do not always carefully consider options, analyze details, and make seemingly rational decisions.

The first grant, the BICS Demonstration Grant will test interventions to improve child support outcomes. This grant will involve pilot projects in the Seattle, Everett, and Olympia field offices which will focus on early engagement and intervention for child support establishment, enforcement and modification processes.

The second grant, the BICS Evaluation Grant will manage and provide technical assistance and evaluation services for the BICS Demonstration grant projects.

Department of Social and Health Services

**DP Code/Title: M2-9A Federal Funds-Increased Authority**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

Proposed Solution:

ESA requests an increase of federal authority that will allow ESA to spend federal SNAP and OCSE grant funds awarded to the state.

Agency Contact: Wendy Polzin (360) 902-8067  
Program Contact: Chris Winans (360) 725-4526

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects to be able to utilize federal funding to provide nutrition education and employment and training services to SNAP recipients and to explore the potential relevance and application of behavioral economics to child support services.

***Performance Measure Detail***

**Agency Level**

**Activity: F038 Supplemental Nutrition Assistance Program (SNAP)**

No measures linked to package

**Incremental Changes**

**FY 1**

**FY 2**

0.00

0.00

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

The budget request supports DSHS Goal:

- 1: Health - Each individual and each community will be healthy.
- 4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life

The decision package is essential to implementing the ESA Strategic Objective:

- 1.1: People below 125 percent of the Federal Poverty Level (FPL) will have greater access to Food Assistance.
- 4.1: Total child support collections will increase.

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

This decision package supports the Results Washington Goal:

- 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to a safe and supported future.
- 5: Effective, Efficient and Accountable Government - Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to help the most vulnerable people become independent and self-sufficient.

Department of Social and Health Services

**DP Code/Title: M2-9A Federal Funds-Increased Authority**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This request will enable ESA to provide nutrition education and employment and training services to low-income families. ESA does not expect stakeholders to have any concerns.

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

The request cannot be absorbed within existing resources for the following reasons: ESA cannot spend all available federal SNAP and OCSE BICS funds because ESA's federal expenditure authority is too low.

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

If this package is funded, ESA will be able to spend the approved federal grant funds to assist clients.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

See attachment: ESA M2-9A Federal Funds - Increased Authority.xlsx

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

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
A Salaries And Wages	0	251,000	251,000
B Employee Benefits	0	80,000	80,000
C Professional Svc Contracts	0	1,625,000	1,625,000
E Goods\Other Services	0	68,000	68,000
G Travel	0	21,000	21,000
J Capital Outlays	0	24,000	24,000
N Grants, Benefits & Client Services	0	11,816,000	11,816,000
<b>Total Objects</b>	<b>0</b>	<b>13,885,000</b>	<b>13,885,000</b>

Department of Social and Health Services

**DP Code/Title: M2-9A Federal Funds-Increased Authority**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
E61B	Food Stamp Program (100%)	0	8,000,000	8,000,000
E61L	Food Stamp Program (50%)	0	3,789,000	3,789,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>11,789,000</b>	<b>11,789,000</b>
<b>Fund 001-A, General Fund - Basic Account-DSHS Fam Support/Chi</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
563B	Title IV-D Child Support Enforcement (A) (100%)	0	2,096,000	2,096,000
<i>Total for Fund 001-A</i>		<b>0</b>	<b>2,096,000</b>	<b>2,096,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>13,885,000</b>	<b>13,885,000</b>

## 2015 Supplemental Budget ESA M2-9A Federal Funds - Increased Authority

<b>Federal Spending Authority - SNAP Grant</b>	<b>FFY 2014 Award</b>
SNAP Nutrition Education	9,432,489
SNAP Employment and Training	18,754,250
SNAP Education and Assistance	3,596,096
Total Federal Fiscal Year 2014 SNAP Award	31,782,835
Federal Fiscal Year 14 ESA GF-Federal Authority	19,994,000
<b>Requested Increase</b>	<b>11,789,000</b>

<b>Federal Spending Authority - BICS Grants</b>	<b>FFY 2015 Award</b>
BICS Demonstration	331,000
BICS Evaluation	1,765,000
<b>Requested Increase</b>	<b>2,096,000</b>

<b>Total Federal Authority Request</b>	<b>13,885,000</b>
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Department of Social and Health Services

**DP Code/Title: M2-9G Workers Comp Base Correction**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests funding to correct the base funding level of premiums paid to Labor and Industries (L&I) for worker's compensation. By funding this request, DSHS will not have to divert funding from services to clients in order to cover the cost of this mandatory premium.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	144,000	144,000
001-2 General Fund - Basic Account-Federal	0	87,000	87,000
<b>Total Cost</b>	<b>0</b>	<b>231,000</b>	<b>231,000</b>

Staffing

**Package Description:**

A review of the funding for worker's compensation found two steps in previous biennial budgets that resulted in an inadequate amount of funding being provided for the premiums that are paid to L&I.

The first adjustment that needs to be made is in the calculation of the Worker's Compensation Changes for the 2011 13 Biennial Budget. The information provided for the calculation showed an Estimated Premium Paid of \$25.2 million for the first year and \$28.5 million for the second year. Using these amounts against the proposed estimated premium of \$31.9 million per fiscal year resulted in an increase in funding of \$6.7 million in the first year and \$3.4 million in the second. The actual cost for the second year for the department was \$24.7 million, instead of the \$28.5 million above, a difference of \$3.8 million for the increased cost in the second year.

The second adjustment is for the Carry Forward Level (CFL) adjustment in the 2013 15 Biennial Budget. The 2011 13 funding was placed into DSHS program Payments to Other Agencies (PTOA or Program 145). As part of the 2012 Supplemental Budget, the funding was transferred out of PTOA to the appropriate DSHS programs. When CFL was completed, Step G01 Transfers contained a reduction of \$3.4 million for the 2011 13 Worker's Compensation Step. This step brought the first year funding to the second year level for the workers compensation portion of the transfer step. There should not have been a CFL adjustment for the Worker's Compensation Step, because the original step was done to bring the funding up to \$31.9 million per Fiscal Year as estimated by L&I.

By funding this request the programs budgets will receive the funding necessary to cover the amounts that are being paid to L&I each quarter.

Agency contact: Bill Jordan (360) 902 8183.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

By funding this mandatory payment requirement, DSHS will not have to divert other funds that currently support client services.

Department of Social and Health Services

**DP Code/Title: M2-9G Workers Comp Base Correction**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

*Performance Measure Detail*

**Agency Level**

<p><b>Activity: F006 Automated Client Eligibility Systems (ACES)</b>          No measures linked to package</p> <p><b>Activity: F010 Child Support Enforcement</b>          No measures linked to package</p> <p><b>Activity: F078 Program Support</b>          No measures linked to package</p> <p><b>Activity: F110 Division of Disability Determination Services</b>          No measures linked to package</p>	<p><b>Incremental Changes</b>  <u>FY 1</u>      <u>FY 2</u>          0.00      0.00</p>
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*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Health - Each individual and each community will be healthy,

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This package supports Results Washington Goal 5: Effective, Efficient and Accountable Government Fostering a Lean culture that drives accountability and results for the people of Washington.

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

This decision package supports the Results Washington goals to:

Ensure that funding is used responsibly, and

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

*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?*

The request cannot be absorbed with existing resources without reducing the funding for services to clients.

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

Not funding this request would necessitate using funds for client services to cover the requirement premiums.

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

This request has no impact on the capital budget.

**Department of Social and Health Services**

**DP Code/Title: M2-9G Workers Comp Base Correction**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

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

This request has no impact to existing statutes, rules or contracts.

***Expenditure and revenue calculations and assumptions***

See attachment: AW M2-9G Workers Comp Base Correction.xlsx.

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

L&I's cost for worker's compensation is an ongoing cost to the department.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
B    Employee Benefits	0	231,000	231,000

**DSHS Source Code Detail**

<b>Overall Funding</b>		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u>    <u>Title</u></b>				
0011	General Fund State	0	144,000	144,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>144,000</b>	<b>144,000</b>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u>    <u>Title</u></b>				
E61L	Food Stamp Program (50%)	0	87,000	87,000
<i>Total for Fund 001-2</i>		<b>0</b>	<b>87,000</b>	<b>87,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>231,000</b>	<b>231,000</b>

**2015 Supplemental Budget  
AW M2-9G Workers Comp Base Correction**

**Department of Social and Health Services**

	<b>Program</b>	<b>FY 15</b>	<b>FY 15</b>		
		<b>OBJECT</b>	<b>FUNDING</b>		
		<b>B</b>	<b>State</b>	<b>Other</b>	<b>Total</b>
010	Children's Administration	137,000	124,000	13,000	137,000
020	Juvenile Rehabilitation Admin	231,000	231,000	-	231,000
030	Mental Heath Division	1,296,000	1,207,000	89,000	1,296,000
040	Developmental Disabilites Admin	1,698,000	1,002,000	696,000	1,698,000
050	Aging & Long-Term Support	70,000	36,000	34,000	70,000
060	Economic Services Admin	231,000	144,000	87,000	231,000
070	Alcohol & Substance Abuse	4,000	3,000	1,000	4,000
100	Division of Vocational Rehab	16,000	16,000	-	16,000
110	Administration	25,000	21,000	4,000	25,000
135	Special Commitment Center	116,000	116,000	-	116,000
<b>TOTAL</b>		<b>3,824,000</b>	<b>2,900,000</b>	<b>924,000</b>	<b>3,824,000</b>

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Department of Social and Health Services (DSHS) requests the shift of FTEs and funding among programs in the 2015 Supplemental Budget. This transfer will align FTEs and funds with the programs where the costs are incurred. The net impact is zero.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	(1,517,000)	(1,517,000)
001-2 General Fund - Basic Account-Federal	0	(479,000)	(479,000)
<b>Total Cost</b>	<b>0</b>	<b>(1,996,000)</b>	<b>(1,996,000)</b>

Staffing

**Package Description:**

DSHS requests internal transfers among several program budgets resulting in a net zero funding change for the department. This aligns program appropriations with planned expenditures. DSHS requests the following adjustments for the 2015 Supplemental Budget:

Information System Services Division (ISSD) Compensation Adjustment-  
 (Program 110 to Programs 010, 020, 030, 040, 050, 060, 100, 135):

Program 110 - Administration and Supporting Services (Administration) will transfer compensation adjustments for staff in the Information Systems Services Division (Program 150) to other DSHS programs. ISSD is a chargeback program where the funding resides in program's Sub Object TZ budget. Administration will transfer (\$214,000) GF State to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by ISSD.

Consolidated Field Services (CFS) Compensation Adjustment-  
 (Program 110 to Programs 010, 020, 030, 040, 050, 060, 135):

Program 110 - Administration and Supporting Services (Administration) will transfer compensation adjustments for staff in Consolidated Field Services (Program 160) to other DSHS programs. CFS is a chargeback program where the funding resides in program's budget. Administration will transfer (\$216,000) GF State to the other programs. The transfer will realign the funding with the correct DSHS programs to be charged by CFS.

ISSD Chargeback Reallocation-  
 (Programs 010, 020, 030, 040, 050, 060, 070, 100, 110, 135):

The Financial Services Administration (FSA), in conjunction with program areas and ISSD, updated the chargeback methodology for services that are being provided. The methodology simplifies the categories of service, as well as the metrics used to fairly and efficiently distribute charges for services utilized. As a result of the methodology updates, the allocation of funding to the program area needs to be re distributed to reflect the changes. This re allocation will in essence hold harmless the program areas, so that all programs will be sufficiently funded for currently identified ISSD service needs.

Information Technology Savings (ITS) Adjustment-  
 (Program 145 to Programs 010, 020, 030, 040, 050, 060, 070, 100, 110):

Program 145 - Payments to Other Agencies (PTOA) will transfer the ITS reduction to other DSHS programs. The ITS step was placed into PTOA as part of the 2014 Supplemental budget. The PTOA will transfer (\$676,000) GF State to the other programs. The transfer will realign the reduction with the DSHS programs that incur the charges.

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

Office of Deaf and Hard of Hearing (ODHH) Compensation Adjustment-  
(Program 100 to Program 050):

Program 100 - Division of Vocational Rehabilitation (DVR) will transfer compensation adjustments for ODHH staff to Program 050 Aging and Long Term Support Administration (ALTSA). ODHH was transferred from DVR to ALTSA in the 2014 Supplemental budget. This transfer is for the ODHH portion of the employee benefit steps that remains in program 050. DVR will transfer \$12,000 to ALTSA. The transfer will realign the funding for the ODHH staff into the correct program.

Economic Services Administration (ESA) to Administration and Supporting Services (ADMIN) Transfer-  
(Program 060 to Program 110):

Transfer of \$45,000 in warehouse lease funding from ESA to ADMIN.

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

Agency contact: Bill Jordan 360 902 8183.

**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***

**Agency Level**

**Activity: F006 Automated Client Eligibility Systems (ACES)**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

**Activity: F010 Child Support Enforcement**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

**Activity: F016 Office of Financial Recovery**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

**Activity: F078 Program Support**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

**Activity: F110 Division of Disability Determination Services**

No measures linked to package

**Incremental Changes**

**FY 1                      FY 2**

0.00                      0.00

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

This request supports the following goals identified in the DSHS 2013-2015 Strategic Plan:

Health - Each individual and each community will be healthy,

Public Trust - Strong management practices will be used to ensure quality and efficiency.

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

This package supports Results Washington Goal 5: Effective, Efficient and Accountable Government Fostering a Lean culture that drives accountability and results for the people of Washington.

Department of Social and Health Services

**DP Code/Title: M2-9T Transfers**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

This decision package supports the Results Washington goals to:

Ensure that funding is used responsibly, and

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

*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?*

The request transfers funding between programs so that the needs can be met within existing resources.

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

Funding would not be aligned with the programs that are incurring the costs.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*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 then all costs associated with it 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>
<b>Overall Funding</b>			
B Employee Benefits	0	(7,000)	(7,000)
E Goods\Other Services	0	(368,000)	(368,000)
T Intra-Agency Reimbursements	0	(1,621,000)	(1,621,000)
<b>Total Objects</b>	<b>0</b>	<b>(1,996,000)</b>	<b>(1,996,000)</b>

**Department of Social and Health Services**

**DP Code/Title: M2-9T Transfers**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

**DSHS Source Code Detail**

<b>Overall Funding</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>   <u>Title</u></b>				
0011	General Fund State	0	(1,517,000)	(1,517,000)
<i>Total for Fund 001-1</i>		<u>0</u>	<u>(1,517,000)</u>	<u>(1,517,000)</u>
<b>Fund 001-2, General Fund - Basic Account-Federal</b>				
<b><u>Sources</u>   <u>Title</u></b>				
E61L	Food Stamp Program (50%)	0	(479,000)	(479,000)
<i>Total for Fund 001-2</i>		<u>0</u>	<u>(479,000)</u>	<u>(479,000)</u>
<b>Total Overall Funding</b>		<u>0</u>	<u>(1,996,000)</u>	<u>(1,996,000)</u>

**2015 Supplemental Budget  
AW M2-9T Transfers**

Program	FTEs			FY 2014			FY 2015			2013-15 Biennium		
	FY14	FY15	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total
<b>010 Children's Administration</b>												
1. ISSD Compensation Adjustments			0.0			0	(18,000)		(18,000)	(18,000)	0	(18,000)
2. CFS Compensation Adjustments			0.0			0	(6,000)		(6,000)	(6,000)	0	(6,000)
3. ISSD Chargeback Reallocation			0.0			0	(501,000)	(24,000)	(525,000)	(501,000)	(24,000)	(525,000)
4. ITS Adjustment			0.0			0	(73,000)		(73,000)	(73,000)	0	(73,000)
			0.0			0			0	0	0	0
<b>010 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(598,000)</b>	<b>(24,000)</b>	<b>(622,000)</b>	<b>(598,000)</b>	<b>(24,000)</b>	<b>(622,000)</b>
<b>020 Juvenile Rehabilitation</b>												
1. ISSD Compensation Adjustments			0.0			0	(3,000)		(3,000)	(3,000)	0	(3,000)
2. CFS Compensation Adjustments			0.0			0	(14,000)		(14,000)	(14,000)	0	(14,000)
3. ISSD Chargeback Reallocation			0.0			0	140,000		140,000	140,000	0	140,000
4. ITS Adjustment			0.0			0	(14,000)		(14,000)	(14,000)	0	(14,000)
			0.0			0			0	0	0	0
<b>020 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>109,000</b>	<b>0</b>	<b>109,000</b>	<b>109,000</b>	<b>0</b>	<b>109,000</b>
<b>030 Mental Health</b>												
1. ISSD Compensation Adjustments			0.0			0	(10,000)		(10,000)	(10,000)	0	(10,000)
2. CFS Compensation Adjustments			0.0			0	(34,000)		(34,000)	(34,000)	0	(34,000)
3. ISSD Chargeback Reallocation			0.0			0	532,000	39,000	571,000	532,000	39,000	571,000
4. ITS Adjustment			0.0			0	(20,000)		(20,000)	(20,000)	0	(20,000)
			0.0			0			0	0	0	0
<b>030 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>468,000</b>	<b>39,000</b>	<b>507,000</b>	<b>468,000</b>	<b>39,000</b>	<b>507,000</b>
<b>040 Developmental Disabilities Administration</b>												
1. ISSD Compensation Adjustments			0.0			0	(12,000)		(12,000)	(12,000)	0	(12,000)
2. CFS Compensation Adjustments			0.0			0	(35,000)		(35,000)	(35,000)	0	(35,000)
3. ISSD Chargeback Reallocation			0.0			0	511,000	355,000	866,000	511,000	355,000	866,000
4. ITS Adjustment			0.0			0	(40,000)		(40,000)	(40,000)	0	(40,000)
			0.0			0			0	0	0	0
<b>040 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>424,000</b>	<b>355,000</b>	<b>779,000</b>	<b>424,000</b>	<b>355,000</b>	<b>779,000</b>
<b>050 Aging &amp; Long-Term Support Admin</b>												
1. ISSD Compensation Adjustments			0.0			0	(13,000)		(13,000)	(13,000)	0	(13,000)
2. CFS Compensation Adjustments			0.0			0	(2,000)		(2,000)	(2,000)	0	(2,000)
3. ISSD Chargeback Reallocation			0.0			0	12,000	12,000	24,000	12,000	12,000	24,000
4. ITS Adjustment			0.0			0	(83,000)		(83,000)	(83,000)	0	(83,000)
5. ODHH Compensation Adjustment			0.0			0	(12,000)		(12,000)	(12,000)	0	(12,000)
			0.0			0			0	0	0	0
<b>050 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(98,000)</b>	<b>12,000</b>	<b>(86,000)</b>	<b>(98,000)</b>	<b>12,000</b>	<b>(86,000)</b>
<b>060 Economic Services Administration</b>												
1. ISSD Compensation Adjustments			0.0			0	(47,000)		(47,000)	(47,000)	0	(47,000)
2. CFS Compensation Adjustments			0.0			0	(7,000)		(7,000)	(7,000)	0	(7,000)
3. ISSD Chargeback Reallocation			0.0			0	(1,023,000)	(463,000)	(1,486,000)	(1,023,000)	(463,000)	(1,486,000)
4. ITS Adjustment			0.0			0	(411,000)		(411,000)	(411,000)	0	(411,000)
6. ESA to ADMIN Transfer			0.0			0	(29,000)	(16,000)	(45,000)	(29,000)	(16,000)	(45,000)
			0.0			0			0	0	0	0
<b>060 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,517,000)</b>	<b>(479,000)</b>	<b>(1,996,000)</b>	<b>(1,517,000)</b>	<b>(479,000)</b>	<b>(1,996,000)</b>
<b>070 Alcohol and Substance Abuse</b>												
3. ISSD Chargeback Reallocation			0.0			0	2,000	1,000	3,000	2,000	1,000	3,000
4. ITS Adjustment			0.0			0	(6,000)		(6,000)	(6,000)	0	(6,000)
			0.0			0			0	0	0	0
<b>070 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,000)</b>	<b>1,000</b>	<b>(3,000)</b>	<b>(4,000)</b>	<b>1,000</b>	<b>(3,000)</b>
<b>100 Division of Voc. Rehabilitation</b>												
1. ISSD Compensation Adjustments			0.0			0	(2,000)		(2,000)	(2,000)	0	(2,000)
2. CFS Compensation Adjustments			0.0			0			0	0	0	0
3. ISSD Chargeback Reallocation			0.0			0	(35,000)		(35,000)	(35,000)	0	(35,000)
4. ITS Adjustment			0.0			0	(15,000)		(15,000)	(15,000)	0	(15,000)
5. ODHH Compensation Adjustment			0.0			0	12,000		12,000	12,000	0	12,000
			0.0			0			0	0	0	0
<b>100 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(40,000)</b>	<b>0</b>	<b>(40,000)</b>	<b>(40,000)</b>	<b>0</b>	<b>(40,000)</b>
<b>110 Administration &amp; Supporting Services</b>												
1. ISSD Compensation Adjustments			0.0			0	107,000		107,000	107,000	0	107,000
2. CFS Compensation Adjustments			0.0			0	108,000		108,000	108,000	0	108,000
3. ISSD Chargeback Reallocation			0.0			0	219,000	80,000	299,000	219,000	80,000	299,000
4. ITS Adjustment			0.0			0	(10,000)		(10,000)	(10,000)	0	(10,000)
6. ESA to ADMIN Transfer			0.0			0	29,000	16,000	45,000	29,000	16,000	45,000
			0.0			0			0	0	0	0
<b>110 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>453,000</b>	<b>96,000</b>	<b>549,000</b>	<b>453,000</b>	<b>96,000</b>	<b>549,000</b>

**2015 Supplemental Budget  
AW M2-9TTransfers**

	Program	FTEs			FY 2014			FY 2015			2013-15 Biennium						
		FY14	FY15	Total	001-1	Other	Total	001-1	Other	Total	001-1	Other	Total				
<b>135</b>	<b>Special Commitment Center</b>			0.0			0										
	1. ISSD Compensation Adjustments			0.0			0		(2,000)		(2,000)	(2,000)	0		(2,000)		
	2. CFS Compensation Adjustments			0.0			0		(10,000)		(10,000)	(10,000)	0		(10,000)		
	3. ISSD Chargeback Reallocation			0.0			0		143,000		143,000	143,000	0		143,000		
	4. ITS Adjustment			0.0			0		(4,000)		(4,000)	(4,000)	0		(4,000)		
				0.0			0				0	0	0		0		
	<b>135 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>127,000</b>	<b>0</b>	<b>127,000</b>	<b>127,000</b>	<b>0</b>	<b>0</b>	<b>127,000</b>	<b>0</b>	<b>0</b>	<b>127,000</b>
<b>145</b>	<b>Payments to Other Agencies</b>			0.0			0										
	4. ITS Adjustment			0.0			0		676,000		676,000	676,000	0		676,000		
				0.0			0				0	0	0		0		
	<b>145 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>676,000</b>	<b>0</b>	<b>676,000</b>	<b>676,000</b>	<b>0</b>	<b>0</b>	<b>676,000</b>	<b>0</b>	<b>0</b>	<b>676,000</b>
<b>150</b>	<b>Information System Services Division</b>			0.0			0										
	4. ITS Adjustment			0.0			0				0	0	0		0		
				0.0			0				0	0	0		0		
	<b>150 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>160</b>	<b>Consolidated Field Services</b>			0.0			0										
				0.0			0				0	0	0		0		
	<b>160 Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Agency-Wide Total:</b>		<b>0</b>	<b>0</b>	<b>0.0</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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTES:**

1. Information System Services Division (ISSD) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object TZ costs.
2. Consolidated Field Services (CFS) compensation adjustments from Administration & Supporting Services (Admin). Item adjusts object B.
3. Information System Services Division (ISSD) reallocation of chargeback funding. Item adjusts object TZ costs.
4. Information Technology Savings from Payments to Other Agencies. Item adjust object E and TZ.
5. Office of Deaf and Hard of Hearing compensation adjustment from Division of Vocational Rehabilitation. Item adjusts object B.
6. ESA to ADMIN Transfer - transfer of warehouse lease funding from ESA to ADMIN. This transfer is for FY 15 only.

Department of Social and Health Services

**DP Code/Title: M2-SL Tribal TANF**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests GF-State funding in order to support the Cowlitz Tribe (Tribe) in the operation of its Tribal Temporary Assistance for Needy Families (TANF) program. By funding this request, ESA is expected to maintain the same level of funding for the Washington State TANF program, while providing the Tribe with a TANF award, as required by federal law, and a fair and equitable amount of Maintenance of Effort (MOE) funding as required by state law. This request is a placeholder as the amount of the federal TANF and GF-State TANF MOE to be provided to the Tribe has not yet been determined.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
	<i>Program Cost</i>		
	<b>Total Cost</b>		

Staffing

**Package Description:**

**Problem Statement:**

The Cowlitz Tribe has informed the federal Department of Health and Human Services, Administration for Children and Families (ACF) of its intent to operate a TANF program. ACF has given approval for the Cowlitz Tribe to enter into negotiations with ESA to determine the amount of federal TANF funds to be awarded to the Tribe and deducted from the state's TANF block grant award. The Tribe has tentatively identified the start date of their TANF program as January 1, 2015. The Cowlitz Tribe wants to serve all Native American families residing in Cowlitz and Clark counties. State-Tribal negotiations to establish the amount of GF-State TANF MOE funding to be provided to the Tribe must be completed prior to implementation by the Cowlitz Tribe of its TANF program. If approved, the Cowlitz Tribe will become the twelfth Tribe operating a federally approved Tribal TANF program in Washington State.

As required under Federal law (45 CFR 286.20), the amount of the federal TANF Block Grant to be permanently transferred to the Tribe must be equal to the dollar amount of the federal funds that the State spent for Aid to Families with Dependent Children (AFDC) and related programs for the Tribe's designated service population in Fiscal Year 1994. In addition, under RCW 74.08A.040, the department is directed to transfer a "fair and equitable amount" of GF-State TANF MOE funds to the eligible Tribe. This RCW also requires that the amount of GF-State MOE funds to be transferred be specified in the biennial appropriations act.

Under the current TANF budget, no funding has been allocated to transfer to the Cowlitz Tribe once it receives ACF approval to operate a TANF program.

**Proposed Solution:**

This request is for GF-State MOE to support the operation of the Tribe's TANF program. In order to maintain the current level of effort in Washington's TANF program, GF-State funding will be needed to replace funding (GF-State and federal) transferred to the Tribe.

The GF-State MOE amount needed will be the net difference between ESA's spending associated with this population and the

Department of Social and Health Services

**DP Code/Title: M2-SL Tribal TANF**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

amount necessary for the Tribe to operate a fully functioning TANF grant and services program. It may be a net increase in costs for several reasons:

1. Current caseload information indicates that there are more Native American families in Cowlitz and Clark counties receiving assistance versus 1994 levels. Given this increase, the amount of MOE will be expected to exceed amounts based on 1994 levels.
2. The average cost per unduplicated assistance unit for the Tribe is higher than it is for ESA. All calculations used to determine Tribal costs are based on the actual costs of the unduplicated assistance units in the TANF program. This amount is higher due to the longer length-of-stay of tribal families on the grant, the higher per capita administrative costs (due to the lack of economies of scale) and the service package that the Tribe will provide (as provided for in their Tribal Family Assistance Plan).
3. Citizens have the right to choose where they receive services. ESA's experience has been that some Tribal members elect to stay in the state program. This leads to a shortfall in the state program because the calculations assume all those eligible to receive services through the Tribe will do so. When fewer make that choice, ESA is short of funds.

Agency Contact: Wendy Polzin (360) 902-8067  
 Program Contact: Steve Ebben (360) 725-4516

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA expects to maintain the current level of services in the State's TANF/WorkFirst program.

***Performance Measure Detail***

**Agency Level**

**Activity: F100 Temporary Assistance for Needy Families (TANF)**  
 No measures linked to package

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

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

The budget request supports DSHS Goal:

- 4: Quality of Life - Each individual in need will be supported to attain the highest possible quality of life.

The decision package is essential to implementing the ESA Strategic Objectives:

- 4.2: Percentage of people who leave TANF due to self-sufficiency or at their request will increase.
- 4.3: The percentage and number of people who leave TANF and remain off TANF for 12 consecutive months will increase.
- 4.4: The percentage of TANF families meeting the Federal Work Participation Rate will increase.

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

This request supports the Results Washington goal to help the most vulnerable people become independent and self-sufficient.

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

State of Washington  
**Decision Package**  
 Department of Social and Health Services

**PLACEHOLDER**

**DP Code/Title: M2-SL Tribal TANF**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15    Version: F3 060 2013-15 Final 2015 Sup

This decision package supports the Results Washington goals to: Help the most vulnerable people become independent and self-sufficient and Decrease the rate of Washington adults and children living in poverty.

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

The Cowlitz Tribe will support this proposal.

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

The request cannot be absorbed within existing resources for the following reasons: Without funding for this package, the state's TANF program will not be fully funded.

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

State and federal law requires the transfer of TANF funds to Tribes electing to operate a Tribal TANF programs. Without the funding requested in this package, funding for the state's TANF/WorkFirst program will be reduced by this transfer. Not funding this package could necessitate a reduction in the services or benefits currently provided in the State's TANF/WorkFirst program.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

Expenditure and cost estimates are under development.

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

These costs are ongoing and will carry forward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
Program Totals			
<u>DSHS Source Code Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
Fund ,			
<u>Sources Title</u>			
<i>Total for Fund</i>			
Total Overall Funding			
Totals for all funds			

Department of Social and Health Services

**DP Code/Title: M2-WM Technical Corrections**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

**Recommendation Summary Text:**

The Economic Services Administration (ESA) requests a 249.0 FTE technical correction in the 2015 Supplemental Budget. By funding this request, ESA will better align its FTE authority with actual funded FTEs.

**Fiscal Detail:**

<u>Operating Expenditures</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			

*Program Cost*

**Total Cost**

Staffing

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	0.0	249.0	124.5

**Package Description:**

**Problem Statement:**

The 2012 Enacted Supplemental Budget reduced the FTE authority for ESA by 267 FTEs each year. ESA was impacted heavily by the hiring freeze at that time and the estimate provided to support the FTE reduction was not an accurate calculation of unfunded FTEs.

**Proposed Solution:**

ESA requests an increase of 249 FTE authority for Fiscal Year 2015 to better align FTE authority with actual funded FTEs.

Agency Contact: Wendy Polzin (360) 902-8067

Program Contact: Susan Kavanaugh (360) 725-4526

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

ESA will meet FTE authority levels.

***Performance Measure Detail***

**Agency Level**

**Activity: F024 Diversion Cash Assistance (DCA)**  
 No measures linked to package

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

**Activity: F029 Employment Support Services: Refugees**  
 No measures linked to package

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

**Activity: F038 Supplemental Nutrition Assistance Program (SNAP)**  
 No measures linked to package

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

Department of Social and Health Services

**DP Code/Title: M2-WM Technical Corrections**  
**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

		Incremental Changes	
		<u>FY 1</u>	<u>FY 2</u>
<b>Activity: F039</b>	<b>Aged, Blind or Disabled and Pregnant Women Assistance Program</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F042</b>	<b>Immigrant State Food Assistance</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F061</b>	<b>Medical Eligibility Determination Services</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F068</b>	<b>Other Client Services</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F078</b>	<b>Program Support</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F083</b>	<b>Refugee Assistance Income</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F100</b>	<b>Temporary Assistance for Needy Families (TANF)</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F108</b>	<b>WorkFirst Employment and Training</b>		
	No measures linked to package	0.00	0.00
<b>Activity: F109</b>	<b>Child Care Subsidy Program</b>		
	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?*

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

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

This decision package supports the Results Washington goals to:

Help the most vulnerable people become independent and self sufficient and:  
- Increase the percent of individuals who leave public assistance (TANF) due to increased income.

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

This decision package supports the Results Washington goals to:

Ensure efficiency, performance, and accountability to the public by providing transparency and accountability in state agency operations.

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

ESA FTE reductions in the 2012 Supplemental Budget were not accurate.

**Department of Social and Health Services**

**DP Code/Title: M2-WM Technical Corrections**

**Program Level - 060 Economic Services Admin**

Budget Period: 2013-15 Version: F3 060 2013-15 Final 2015 Sup

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

No other options were considered.

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

Without the additional FTEs, ESA would over spend their FTE authority each fiscal year.

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

This request has no impact on the capital budget.

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

This request has no impact to existing statutes, rules or contracts.

*Expenditure and revenue calculations and assumptions*

Not Applicable

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

These FTEs are ongoing and will carryforward into future biennia.

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
Program Totals			

**DSHS Source Code Detail**

<u>Overall Funding</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund ,			
<u>Sources Title</u>			

*Total for Fund*

**Total Overall Funding**

**Totals for all funds**

