

Agency 300

**Department of Social and Health Services (cont.)**  
**Economic Services Administration**  
**Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2017-19 Original Appropriations</b>	<b>4,358.1</b>	<b>811,657</b>	<b>1,431,639</b>	<b>2,243,296</b>
<b>Maintenance Other Changes:</b>				
1. Mandatory Caseload Adjustments	0.0	(5,224)	(5,361)	(10,585)
2. TANF Caseload Adjustment	0.0	(12,238)	0	(12,238)
3. WCCC Caseload Adjustment	0.0	20,745	0	20,745
4. Delay in APD Approval	0.0	1,576	(1,576)	0
5. Medicaid Cost Allocation Correction	0.0	5,541	(5,541)	0
6. Eligibility Requirements	0.0	677	0	677
7. Federal Spending Authority	18.4	0	15,937	15,937
8. Public Disclosure Impacts	2.0	199	106	305
9. Technical Corrections	(0.5)	30	59	89
<b>Maintenance -- Other Total</b>	<b>19.9</b>	<b>11,306</b>	<b>3,624</b>	<b>14,930</b>
<b>Maintenance Comp Changes:</b>				
10. Move Pension Fund Shift to Agencies	0.0	(30,204)	30,204	0
11. Updated PEBB Rate	0.0	(1,773)	(957)	(2,730)
12. Wellness \$25 Gift Card	0.0	10	6	16
13. Paid Family Leave--Employer Premium	0.0	21	12	33
<b>Maintenance -- Comp Total</b>	<b>0.0</b>	<b>(31,946)</b>	<b>29,265</b>	<b>(2,681)</b>
<b>Maintenance Transfer Changes:</b>				
14. Transfers	0.0	(209)	(97)	(306)
<b>Maintenance -- Transfer Total</b>	<b>0.0</b>	<b>(209)</b>	<b>(97)</b>	<b>(306)</b>
<b>Maintenance Central Services Changes:</b>				
15. Workers' Compensation	0.0	38	21	59
<b>Maintenance -- Central Svcs Total</b>	<b>0.0</b>	<b>38</b>	<b>21</b>	<b>59</b>
<b>Total Maintenance Changes</b>	<b>19.9</b>	<b>(20,811)</b>	<b>32,813</b>	<b>12,002</b>
<b>2017-19 Maintenance Level</b>	<b>4,378.0</b>	<b>790,846</b>	<b>1,464,452</b>	<b>2,255,298</b>

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<b>Policy Other Changes:</b>				
16. ESAR Architectural Development	15.5	4,911	8,307	13,218
17. Federal RISE Grant	0.0	0	5,000	5,000
18. Critical System Risk Mitigation	2.3	1,167	477	1,644
19. Increased WCCC Program Integrity	18.8	4,255	0	4,255
<b>Policy -- Other Total</b>	<b>36.5</b>	<b>10,333</b>	<b>13,784</b>	<b>24,117</b>
<b>Policy Comp Changes:</b>				
20. PERS & TRS Plan 1 Benefit Increase	0.0	183	100	283
<b>Policy -- Comp Total</b>	<b>0.0</b>	<b>183</b>	<b>100</b>	<b>283</b>
<b>Total Policy Changes</b>	<b>36.5</b>	<b>10,516</b>	<b>13,884</b>	<b>24,400</b>
<b>2017-19 Policy Level</b>	<b>4,414.5</b>	<b>801,362</b>	<b>1,478,336</b>	<b>2,279,698</b>

**POLICY CHANGES****1. Mandatory Caseload Adjustments**

Funding is adjusted to reflect the November caseload forecast and per capita costs for the Aged, Blind, or Disabled Assistance Program, Refugee Assistance Program, State Food Assistance Program and for Child Support Recoveries. (General Fund-State; General Fund-Federal; General Fund-Fam Supt)

**2. TANF Caseload Adjustment**

Funding is adjusted to reflect the November caseload forecast and per capita costs for the Temporary Assistance to Needy Families (TANF) program. (General Fund-State)

**3. WCCC Caseload Adjustment**

Funding is adjusted to reflect the November caseload forecast and per capita costs for the Working Connections Child Care (WCCC) program. (General Fund-State)

**4. Delay in APD Approval**

Each year, the department submits Washington's advanced planning document (APD) to the Centers for Medicare and Medicaid Services (CMS) which requests enhanced federal funding for qualifying activities. While the document was submitted to CMS months in advance of the federal fiscal year start in October 2017, it was not approved until November 2017. Funding is provided to backfill federal funds with state funds for the two months of enhanced federal funding not received due to the delay in approving the APD. (General Fund-State; General Fund-Medicaid)

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**5. Medicaid Cost Allocation Correction**

Funding is provided to offset lower than anticipated federal Title XIX earnings. These funds are needed to maintain the activities of the Community Services Division, which is responsible for determining the eligibility of clients for ESA programs. (General Fund-State; General Fund-Federal; General Fund-Medicaid)

**6. Eligibility Requirements**

Fiscal calculations for Chapter 21, Laws of 2017, 3rd Special Session (eligibility for public assistance programs) assumed a July 1, 2017 implementation date, but the bill itself did not contain an emergency clause. By law, the Economic Services Administration (ESA) was unable to implement the legislation before October 1, 2017, and is unable to achieve all the assumed savings. (General Fund-State)

**7. Federal Spending Authority**

Expenditure authority is adjusted to align with current federal grant funding and federal grants anticipated to be awarded during the remainder of the biennium. (General Fund-Federal; General Fund-Fam Supt)

**8. Public Disclosure Impacts**

Funding is provided for additional public disclosure staffing to accommodate the requirements mandated by Chapter 303, Laws of 2017 (public records administration). (General Fund-State; General Fund-Federal)

**9. Technical Corrections**

Adjustments are made for variances found in the reconciliation of multiple budget steps to correct the federal funding source; provide additional federal and local authority; and make net zero, category transfers between agency programs. (General Fund-State; General Fund-Fam Supt)

**10. Move Pension Fund Shift to Agencies**

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

**11. Updated PEBB Rate**

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State; General Fund-Federal)

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**12. Wellness \$25 Gift Card**

Some employees are eligible, under the terms of their collective bargaining agreements, to earn a \$25 gift card after completing a health risk assessment. This item provides funding for agencies to pay the employer's share of Social Security and Medicare taxes on the gift cards. (General Fund-State; General Fund-Federal)

**13. Paid Family Leave--Employer Premium**

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (General Fund-State; General Fund-Federal)

**14. Transfers**

Funding and FTEs are transferred within DSHS programs to align with the programs where costs are incurred. The net impact is zero. (General Fund-State; General Fund-Fam Supt; General Fund-Medicaid)

**15. Workers' Compensation**

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; General Fund-Federal)

**16. ESAR Architectural Development**

Funding is provided to continue the Eligibility Service and Automated Client Eligibility System (ACES) Remediation (ESAR) architectural development project and for staff critical to the ongoing operation of ACES. (General Fund-State; General Fund-Federal; General Fund-Medicaid)

**17. Federal RISE Grant**

Federal expenditure authority is provided for the RISE grant, which will allow ESA to provide comprehensive case management for clients, Strategies for Success training, and work-based learning services to improve employment outcomes for clients. (General Fund-Federal)

**18. Critical System Risk Mitigation**

Funding is provided to begin a multiyear modernization of Barcode, a 20-year-old system developed by ESA. Barcode is used daily by multiple state agencies. This project will maintain future viability, better comply with modern security standards, and continue to provide support to over 6,000 end-users in DSHS, the Health Care Authority (HCA), and the Department of Early Learning (DEL)/Department of Children, Youth, and Families (DCYF) who provide services to vulnerable citizens in Washington State. (General Fund-State; General Fund-Federal; General Fund-Medicaid)

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**19. Increased WCCC Program Integrity**

Funding is provided for ESA to fully implement the 2016 Statewide Single Audit Corrective Action Plan for the Working Connections Child Care (WCCC) subsidy program. Additional staff will ensure accuracy of payments and eligibility of clients in cases most prone to error. (General Fund-State)

**20. PERS & TRS Plan 1 Benefit Increase**

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State; General Fund-Federal)