

**Agency:** 190 Board of Indust Insurance Appeals  
**Decision Package Code/Title:** 8L Lease Rate Adjustments  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Board of Industrial Insurance Appeals leases office space in ten locations across the state. During the 2015-17 Biennium leases will be renewed in three locations: Olympia, Tacoma, and Vancouver. This item requests funding in the amount of \$108,000 for these lease renewals.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
608-1 Accident Account-State	6,000	48,000	54,000
609-1 Medical Aid Account-State	6,000	48,000	54,000
<b>Total Cost</b>	<b>12,000</b>	<b>96,000</b>	<b>108,000</b>

**Package Description:**

The Board of Industrial Insurance Appeals will be renewing three leases during the 2015-17 Biennium. The attached chart details the lease renewal dates, approximate increases and the assumptions for cost increases.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This package is for increases in rates lease for lease renewals. It is not tied to specific performance outcomes.

**Performance Measure Detail**

Activity: A002 Hearings

Outcome Measures

Incremental Changes  
**FY 2016**                      **FY 2017**

000182	Average number of weeks to resolve industrial insurance appeals.	0.00	0.00
	<b>Output Measures</b>		
000413	Total number of final orders issued.	0.00	0.00
	<b>Process - Efficiency Measures</b>		
000423	Average cost per final order	\$0.00	\$0.00
<b>Activity: A003      Mediation</b>			
		<b>Incremental Changes</b>	
		<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>
	<b>Outcome Measures</b>		
000182	Average number of weeks to resolve industrial insurance appeals.	0.00	0.00
	<b>Output Measures</b>		
000413	Total number of final orders issued.	0.00	0.00
	<b>Process - Efficiency Measures</b>		
000423	Average cost per final order	\$0.00	\$0.00

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

The mission of the Board of Industrial Insurance Appeals is to serve the public by resolving appeals in a consistent, impartial, timely and efficient manner. We are continuously seeking to improve our processes to most effectively and efficiently meet the needs of our customers. It is mission critical that the BIIA have adequate facilities to conduct hearings and resolve appeals.

***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

The BIIA hears and decides appeals from decisions of the Department of Labor and Industries and is a vital part of the state workers' compensation system. The BIIA needs appropriate facilities to carry out the agency mission. This decision package will enable the BIIA to contribute to the Governor's priorities related to enhancing the economic vitality of businesses and people and state government achieving results through efficient and effective performance.

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

The BIIA hears and decides appeals from decisions of the Department of Labor and Industries. Business and Labor are two primary stakeholders for the BIIA. Without adequate facilities to conduct hearings the BIIA will have difficulty in carrying out our mission.

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

No viable alternatives to explore as we need physical sites to conduct proceedings.

***What are the consequences of adopting or not adopting this package?***

The agency will be unable to provide efficient, effective and convenient services to the customer.

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

None

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

None

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

The chart in the Package Description portion of this request contains our assumptions and calculations. Rate increases are based on recent lease activity.

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

The lease renewals occur mid-biennium and therefore have a carryforward impact for the 2015-17 Biennium. The carryforward impact is detailed in the Package Description section.

These are ongoing costs.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
X OFM Adjustments To Agency Data	12,000	96,000	108,000