

State of Washington  
**Recommendation Summary**

1:29:41PM

**Agency: 245 Military Department**

10/21/2014

Dollars in Thousands

	<b>FY2 FTEs</b>	<b>General Fund State</b>	<b>Other Funds</b>	<b>Total Funds</b>
<b>2013-15 Current Biennium Total</b>				
<b>Total Carry Forward Level</b>				
Percent Change from Current Biennium				
<b>Carry Forward plus Workload Changes</b>				
Percent Change from Current Biennium				
M2 9V Oper costs for new capital projects	1.0		292	292
M2 CA Self Insurance			279	279
<b>Total Maintenance Level</b>	<b>1.0</b>		<b>571</b>	<b>571</b>
Percent Change from Current Biennium				
<b>Subtotal - Performance Level Changes</b>	<b>0.0</b>			
<b>2013-15 Total Proposed Budget</b>	<b>1.0</b>		<b>571</b>	<b>571</b>
Percent Change from Current Biennium				

**M2 9V Oper costs for new capital projects**

This package requests federal spending authority and state matching funds for the operations and maintenance costs of previously funded facilities which did not include maintenance and operation costs, new elevator maintenance service contract increases and L&I monthly elevator charges.

**M2 CA Self Insurance**

The Military Department requests supplemental budget funding for an unforecasted budget requirement due to an assessment from the Insolvency Trust Fund in SFY 2014.

## State of Washington

### Summarized Revenue by Account and Source

10/21/2014  
3:58PM

Budget Period: 2015 Supplemental  
 Dollars in thousands  
 245 - Military Department  
 Agency Level  
 S2 - 2015 Supplemental  
 Supporting Text Included

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2014	FY2015	FY2014	FY2015	FY2014	FY2015	
<b>001 - General Fund</b>							
9V - Oper costs for new capital projects		178					
Total - 0312 - Dept of Defense - F		178				178	178
<b>001 - General Fund - Federal</b>		<b>178</b>				<b>178</b>	<b>178</b>
<b>Total - 001 - General Fund</b>		<b>178</b>				<b>178</b>	<b>178</b>
<b>245 - Military Department - Federal</b>		<b>178</b>				<b>178</b>	<b>178</b>
<b>Total - 245 - Military Department</b>		<b>178</b>				<b>178</b>	<b>178</b>

**9V - Oper costs for new capital projects**

This package requests federal spending authority and state matching funds for the operations and maintenance costs of previously funded facilities which did not include maintenance and operation costs, new elevator maintenance service contract increases and L&I monthly elevator charges.

**Agency:** 245 Military Department  
**Decision Package Code/Title:** 9V Oper costs for new capital projects  
**Budget Period:** 2015 Supplemental  
**Budget Level:** M2 - Inflation and Other Rate Changes

### Recommendation Summary Text:

This package requests federal spending authority and state matching funds for the operations and maintenance costs of previously funded facilities which did not include maintenance and operation costs, new elevator maintenance service contract increases and L&I monthly elevator charges.

### Fiscal Detail

<b>Operating Expenditures</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>	
001-2 General Fund - Basic Account-Federal		178,077	178,077	
03F-1 Enhanced 911 Account-State		52,701	52,701	
<b>Total Cost</b>		<b>230,778</b>	<b>230,778</b>	
<b>Staffing</b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>FY2 FTEs</u></b>	
FTEs	.0	1.0	1.0	
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
001 General Fund	0312 Dept of Defense		178,077	178,077
<b>Total Revenue</b>			<b>178,077</b>	<b>178,077</b>

### Package Description:

Each of the facilities has different federal construction and operations funding. The IO Readiness Center, September 2015, is 100% federal construction and 75/25 maintenance/operations cost. Buckley Storage, March 2015, is 100% federal construction and a 50/50 maintenance/operation. The Kent Simulator, March 2015, is a 75/25 project, both construction and maintenance/operation. The IO Readiness Center maintenance and operations cost for 10 months operation were figured at \$1.68/sq ft - BOMA standard for labor and maintenance/operation costs. (\$ 126,993 fed and \$42,330 state). Utility costs for Buckley for 4 months operation were figured at \$0.93/sq ft - 3,600 sq ft (\$558 fed and \$558 state) and the Kent Simulator, 4,800 sq ft assembly area, 4 months of operation, at \$1.19/sq ft (\$1,428 fed and \$476 state). Because of the additional manpower requirements, the agency needs authorization for one additional Maintenance Mechanic 2, plus tools \$2,500 shared at 60% fed - \$1,500 and 40% state - \$1,000 and one additional work van, \$40,000 at 100% Federal.

Elevator maintenance service, 12 elevators, will increase by 10% plus an additional \$50 L&I monthly surcharge per elevator. Total increase is \$15,935 - \$7,598 fed and \$8,337 state.

## **Narrative Justification and Impact Statement**

### ***What specific performance outcomes does the agency expect?***

Agency expects the new facilities to be maintained in operating condition. New facilities take about a year of operation to smooth out the details, identify warranty issues and maximize operating efficiencies. Elevators need monthly service for safety and operation.

### **Performance Measure Detail**

**Activity:**                    **A029 Facilities Management**

**Incremental Changes**

No measures submitted for package

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

Washington Military Strategic Plan Goal 2 Protection: To increase capabilities to secure Washington State against acts of terrorism and manmade or natural disasters. Goal 7 Organizational Excellence: To strengthen and unify Washington Military Department business processes to maximize efficiency and effectiveness while maintaining flexibility to adapt to a rapidly changing environment. The IO Readiness Center will be a key intelligence operation supporting the overall strategic plan and mission; Buckley provides required storage, the Kent Simulator provides necessary training and elevator service throughout the state is mandatory.

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

The Governor's priority to provide Healthy and Safe Communities is dependent on having properly maintained and accessible National Guard facilities and elevators throughout the state in case of terrorist attacks, natural or manmade disasters.

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

The National Guard will use these facilities to improve the safety and preparedness of their personnel to respond to state and national emergencies.

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

Without the necessary additional maintenance funding, the alternative option would be to delay maintenance on other buildings used by the National Guard or at the Camp Murray base. This will have the domino effect to cause more rapid deterioration in facilities due to inadequate levels of preventative and corrective maintenance. No option for the elevator service contract increase or the new L&I monthly charges.

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

Not funding this package will result in other maintenance and preventive maintenance programs not being completed or done in a timely manner. Facilities maintenance will be delayed to a point where it will cost more in repair costs to restore facilities to a useable level than it would have been to maintain properly. Safe elevator operation is a key factor as well as providing necessary accessibility.

### ***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***

Building maintenance costs are figured using the BOMA industry standard of \$1.68/sq ft for per year for labor and maintenance costs. Utility costs are figured at \$0.93/sq ft and assembly costs at \$1.19/sq ft all based upon EPA Energy Guide Business Standards. Elevator costs are based upon 10% contractor service fee increases and the \$50/elevator monthly L&I charge.

All numbers are prorated for the year according to the opening date of the facility.

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

These costs are ongoing routine facility operating and elevator maintenance costs.

<b><u>Object Detail</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
A Salaries And Wages		44,534	44,534
B Employee Benefits		18,139	18,139
E Goods\Other Services		168,105	168,105
<b>Total Objects</b>		<b>230,778</b>	<b>230,778</b>

**Agency:** 245 Military Department  
**Decision Package Code/Title:** CA Self-Insurance  
**Budget Period:** 2015 Supplemental  
**Budget Level:** M2 - Inflation and Other Rate Changes

### Recommendation Summary Text:

The Military Department requests supplemental budget funding for an unforecasted budget requirement due to an assessment from the Insolvency Trust Fund in SFY 2014.

### Fiscal Detail

Operating Expenditures	<u>FY 2014</u>	<u>FY 2015</u>	<u>Total</u>
03F-1 Enhanced 911 Account-State		279,000	279,000
<b>Total Cost</b>		<b>279,000</b>	<b>279,000</b>

### Package Description:

The Washington State Military Department (WMD) is requesting supplemental budget funding for an unforecasted budget requirement due to an assessment from the Insolvency Trust Fund. WMD is a self-insured agency and participates in the self-insurance funding program account managed by DES. For many years WMD has maintained a positive balance within the fund by aggressively managing time-loss worker compensation issues. Furthermore, the Department's risk management program proactively created programs to minimize agency risks associated with losses that would affect the account. In 2014 the department received an assessment which was significantly higher than projected by many in DES. This unforeseen cost led the department to cut other program areas to include risk management. To offset those cuts, the Military Department requests a one-time funding adjustment for reimbursement of this unforeseen cost.

### Narrative Justification and Impact Statement

#### *What specific performance outcomes does the agency expect?*

Administrative Costs, including Risk Management activities will not have to be reduced in 2015 to absorb this cost.

### Performance Measure Detail

**Activity:** A017 Overhead and Administration

Incremental Changes

No measures submitted for package

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

Yes, this package is essential to support Goal #2, Continuous Improvement for the agency. Less resources will be available to participate in process improvements and Risk Management activities.

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

Yes, it supports the Governor's priority for efficient, effective and accountable government.

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

Less resources will be available participate in process improvements and Risk Management activities.

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

There are no other alternatives.

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

Administrative costs will have to be reduced to absorb this cost, affecting resources that will be available to participate in process improvements and Risk Management activities.

***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 expenditure is based on the actual 2014 billing.

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

These are one-time costs for the agency.

<b><u>Object Detail</u></b>	<b><u>FY 2014</u></b>	<b><u>FY 2015</u></b>	<b><u>Total</u></b>
E Goods\Other Services		279,000	279,000

## ELECTRONIC SUBMITTAL CONFIRMATION FORM

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**Agency Number:** 245

**Agency Name:** Military Department

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1:

- This agency posts all decision packages for our 2015-17 budget request to our public facing website at the following URL:

URL: http://

Option 2:

This agency does not post decision packages and has forwarded copies via e-mail to [OFM.Budget@ofm.wa.gov](mailto:OFM.Budget@ofm.wa.gov).

These decision packages conform to our agency's ADA accessibility compliance policy.

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Date: 10/22/2014