

2017-19 Biennium Budget Decision Package

Agency: 160 Office of Insurance Commissioner

Decision Package Code/Title: 8L Lease Rate Adjustments

Budget Period: 2017-19

Budget Level: M2 – Inflation and Other Rate Changes

Agency Recommendation Summary Text:

Additional funding is needed to pay the cost of the Office of Insurance Commissioner’s (OIC) existing lease for the Seattle office.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 138-1	36,928	55,392	55,392	55,392
Total Cost	36,928	55,392	55,392	55,392
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 138-1	36,928	55,392	55,392	55,392
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
E Goods/Other Services	36,928	55,392	55,392	55,392

Package Description

This package affects the agency’s overhead of which each activity shares a prorated amount.

Additional funding is needed starting 11/1/17 to pay for the Seattle office existing lease. In consultation with OFM Facilities Oversight staff, the rent increase was based on the estimated market terms for Seattle.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Revenue:

The Office of Insurance Commissioner’s expenditures are funded by the Regulatory Surcharge. The surcharge is paid by insurance companies doing business in Washington and is based on the appropriation approved by the Legislature. An increase in appropriation results in a corresponding increase to revenue.

Expenditures:

The OIC will need increased expenditure authority beginning in FY18 to implement this package. The increase reflects the ongoing cost for building rent at the Seattle office.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

N/A

Performance Measure detail:

No measure submitted for package

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

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	Yes	Identify: Estimated rent increase for Seattle office.
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions

Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

N/A

What alternatives were explored by the agency and why was this option chosen?

None.

What are the consequences of not funding this request?

The OIC would not have enough appropriation authority to pay the rent for its Seattle office.

How has or can the agency address the issue or need in its current appropriation level?

The OIC cannot address the need for the Seattle office rent increase within the current appropriation level without reducing service levels in agency divisions.

Other supporting materials:

The Current and Projected Leased Facility Costs spreadsheet is attached.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)