

Employment Security Department Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Estimated Expenditures	1,519.1	0	626,341	626,341
2017-19 Maintenance Level	1,505.4	0	580,398	580,398
Difference from 2015-17	-13.7	0	-45,943	-45,943
% Change from 2015-17	-0.9%		-7.3%	-7.3%
Policy Other Changes:				
1. Career Advancement - BFET	18.5	0	6,043	6,043
2. Ex-offender Employment	12.0	0	2,561	2,561
3. Relocate WorkSource Office	0.0	0	340	340
4. UTAB Agile Implementation	4.0	0	4,152	4,152
Policy -- Other Total	34.5	0	13,096	13,096
Policy Comp Changes:				
5. State Public Employee Benefits Rate	0.0	0	431	431
6. WFSE General Government	0.0	0	6,490	6,490
7. State Represented Emp Benefits Rate	0.0	0	3,681	3,681
8. Non-Rep General Wage Increase	0.0	0	1,176	1,176
9. WFSE Orca Transit Pass	0.0	0	82	82
10. Orca Transit Pass-Not WFSE	0.0	0	4	4
Policy -- Comp Total	0.0	0	11,864	11,864
Policy Central Services Changes:				
11. Archives/Records Management	0.0	0	7	7
12. Audit Services	0.0	0	7	7
13. Legal Services	0.0	0	41	41
14. Administrative Hearings	0.0	0	146	146
15. CTS Central Services	0.0	0	453	453
16. DES Central Services	0.0	0	224	224
Policy -- Central Svcs Total	0.0	0	878	878
Total Policy Changes	34.5	0	25,838	25,838
2017-19 Policy Level	1,539.9	0	606,236	606,236
Difference from 2015-17	20.8	0	-20,105	-20,105
% Change from 2015-17	1.4%		-3.2%	-3.2%

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POLICY CHANGES

1. Career Advancement - BFET

Employment Security Department (ESD), in coordination with the Department of Social and Health Services and other agencies, is working to cut the number of families living in poverty in half by 2025 – from 458,000 to 229,000. The Basic Food Employment Training (BFET) program provides employment training and support services with the goal of helping basic food clients attain a living wage career. ESD will leverage state funds to maximize federal BFET dollars to expand this program from five locations to all 37 WorkSource offices across the state. (General Fund-Federal; Employment Services Administrative Account-State)

2. Ex-offender Employment

Executive Order 16-05 directs state agencies to implement hiring policies that encourage full workforce participation of motivated and qualified persons with criminal histories. ESD will develop an ex-offender transition model that will allow WorkSource professionals to engage with every transitioning ex-offender, registering them in WorkSourceWA.com and connecting them with their local WorkSource for a warm hand-off before leaving incarceration. (Employment Services Administrative Account-State)

3. Relocate WorkSource Office

ESD will relocate the Rainier WorkSource office in southeast Seattle to Othello Station to facilitate partnerships with DSHS, the Seattle-King County Workforce Development Council, the City of Seattle and other employment partners. (Employment Services Administrative Account-State)

4. UTAB Agile Implementation

The unemployment Tax and Benefits System (UTAB) is the state's new IT system for paying unemployment insurance benefits to workers who lose their job through no fault of their own. Last year, ESD paid \$1.0 billion to over 220,000 workers. UTAB is replacing the current system using an agile approach. The initial implementation will begin in the fall of 2016 and transition to ongoing maintenance and support in the spring of 2017. Funding for the next phase of implementation will improve interfaces with WorkSourceWA.com and the Department of Licensing and will enhance the workflow and processing of claims. (Unemployment Compensation Admin Account-Federal)

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5. State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union, who are covered by a bargaining agreement that is not subject to financial feasibility determination, or who are not part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

6. WFSE General Government

Funding is provided for a collective bargaining agreement and arbitration award with Washington Federation of State Employees (WFSE), which includes a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; a general wage increase of 2 percent, effective January 1, 2019; salary adjustments for targeted classifications; a minimum starting wage of \$12 an hour; and changes to vacation leave accruals. Employee insurance included in the agreement is displayed in a separate item. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

7. State Represented Emp Benefits Rate

This provides health insurance funding as part of the master agreements for employees who bargain as part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

8. Non-Rep General Wage Increase

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; and a general wage increase of 2 percent, effective January 1, 2019. This item includes both higher education and general government workers. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

9. WFSE Orca Transit Pass

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, who are represented by the Washington Federation of State Employees. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

10. Orca Transit Pass-Not WFSE

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, other than those represented by the Washington Federation of State Employees. (Employment Services Administrative Account-State)

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11. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center (Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; Employment Services Administrative Account-State)

12. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; Employment Services Administrative Account-State)

13. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. The Attorney General's Office will work with client agencies to implement stricter policies and best practices regarding usage of legal services to achieve lower bills. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

14. Administrative Hearings

Agency budgets are adjusted to reflect each agency's anticipated share of charges for administrative hearings. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

15. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways, and geospatial imaging services. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

16. DES Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking, and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (General Fund-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)