



June 17th, 2022

Rate Day 2024

OFM

OFFICE OF FINANCIAL MANAGEMENT



Agenda

Time	Agenda Item
2:00-2:10	Welcome by the Office of Financial Management
2:10-2:20	Office of Financial Management/ Office of the Governor
2:20-2:30	Secretary of State
2:30-2:40	Washington Technology Solutions (WaTech)
2:40-2:50	State Auditor
2:50-3:00	Attorney General
3:00-3:10	Office of Administrative Hearings
3:10-3:20	Labor and Industries
3:20-3:30	Department of Enterprise Services
3:30-4:00	Hold for overrun and agency questions

Privacy Statement

The law requires consent prior to recording a person's participation in an event. Your participation in this video conference equals consent to be recorded, as required by law. If you do not consent to being recorded but choose to participate, please turn your camera off and use the chat feature to interact with the other participants.

Housekeeping

- All presentations and materials will be available on the OFM website on the 'Budget Related Information' page.
- Please raise your virtual hand if you have a question.
- Please keep your cameras and microphones off until called on to ask a question. (Even though we'd love to see all of your faces!)
- Please complete engagement survey afterwards to be entered into a raffle for homemade cookies from Cheri Keller. (Flavor and dietary restrictions are part of the questions!)
- Have the time of your life!

What are Central Services?

- Services that one agency provides to many agencies
 - These services are provided for a cost:
 - Audits
 - Legal Services
 - IT infrastructure
 - Vehicle purchases
 - Mail delivery
- Services are invoiced as an Allocation or Fee for Service
 - Allocation | Fixed total cost divided by agency usage
 - Fee for Service | Based on agencies usage

The Central Services Model

- An excel spreadsheet budgeting tool used to estimate and distribute costs to agencies
 - Includes all allocation based central services
 - Includes some fee-for-service central services
- Data Elements – Updated at least each biennial budget
 - Total Service Cost | Base + New
 - Allocation split | % for who's using the service
 - Provided by the service provider or statewide data from OFM (FTE count, etc.)
 - Fund split | Funds agencies use to pay for services
 - Agency submits within biennial budget submission

The Central Services Model

The Central Services Model

Example: Proposal for statewide dance trainings

Questions
How much will it cost?
Who pays for it?
Which funds will they use to pay for it?



The Central Services Model

CSM Allocation



Cost	Who pays? (Agency)	Allocation split	Fund Split
\$100	All club members	Family members % of club	50% Trust Fund 50% Other

Fee-for-Service



Cost	Who pays? (Agency)	Allocation split	Fund Split
TBD	User	Based on usage	As requested

The Central Services Model

Allocations

- DES | Campus rent
- OFM | ERP financing (One Washington)
- WaTech | Enterprise system rates
- DES | Real estate services (lease renewals)

Fee for Service

- Office of Administrative Hearing
- Office of the Attorney General
- Office of the State Auditor

How can I control my costs?

- Ensure accurate FTE count
 - Check HRMS (Human Resource Management System)
- Use centralized service
- Establish business processes

OFM CSM Resources

[OFM.wa.gov](https://ofm.wa.gov)

- [2025-27 OFM Budget Instructions](#)
 - Chapter 11 – Central Services includes invoice site links for OFM, WaTech, and DES
- [2023-25 Enacted Budgets](#) – FY24 Supplemental Central Service Charges by Agency report [PDF or Excel]
- [2024 Rate Day Presentations](#)



FOR MORE INFORMATION:

Val Terre or Tyler Lentz
ofm.wa.gov

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OFFICE OF FINANCIAL MANAGEMENT



June 17, 2024

Office of Financial Management

Office of the Governor

OFM

OFFICE OF FINANCIAL MANAGEMENT

Which fees support OFM services?

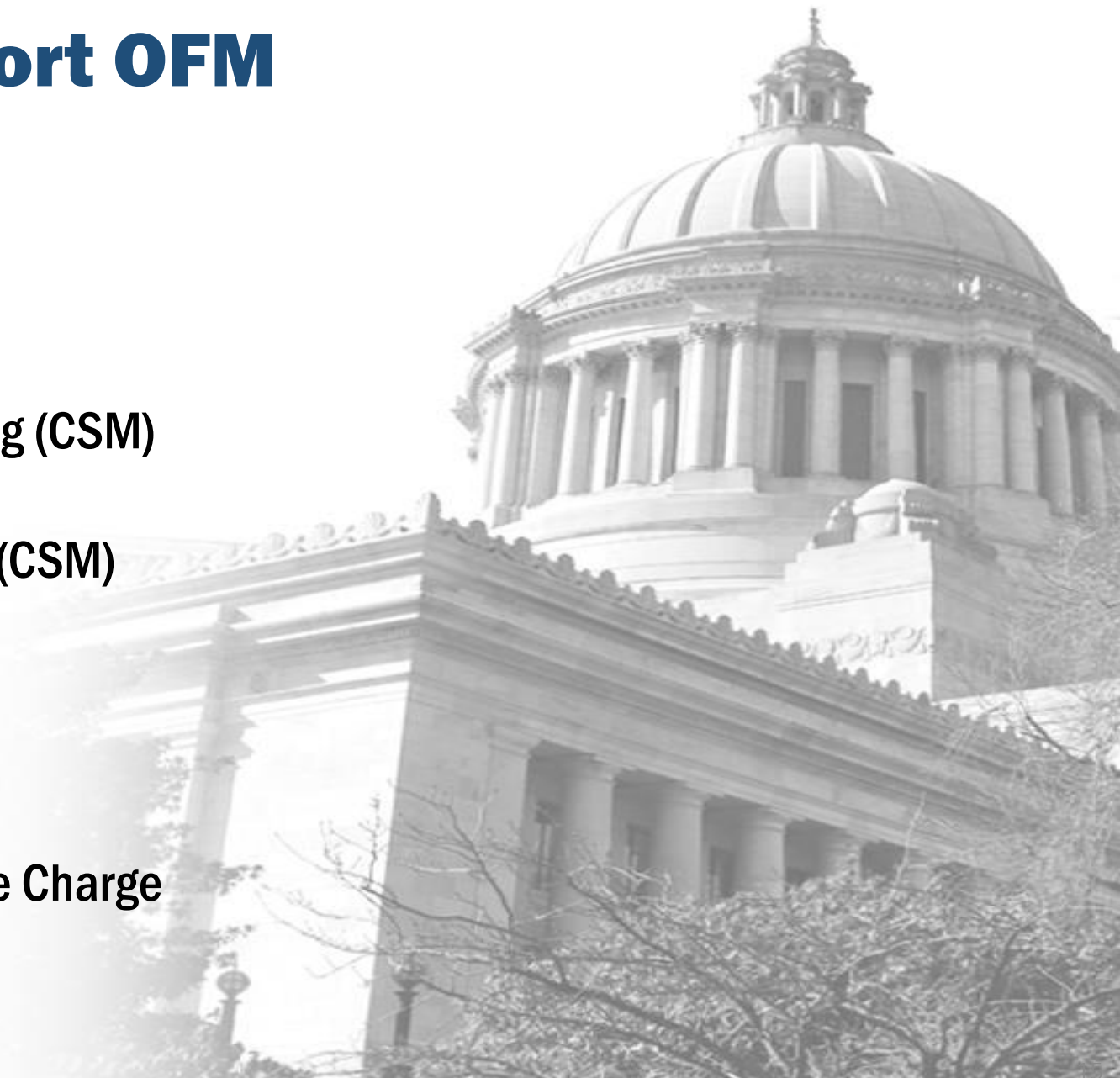
OFM Central Services (CSM)

Enterprise Resource Planning (CSM)

Enterprise Applications Fee (CSM)

Personnel Service Charge

OFM Labor Relations Service Charge



OFM Central Services (CSM)

The central services model sets the fee based on an agency's budgeted FTEs. It supports the following OFM functions:



Accounting

Provides direction through state accounting policies and supports agencies with administering those policies through training and consulting services.



Budget

Monitors state agency activities for conformance with executive and legislative intent. Coordinates facilities oversight and planning needs for state agencies.



Forecasting

Provides the executive branch, the Legislature, and the public with estimates, forecasts, and reports on population, demographic characteristics, the economy and state revenues.

Enterprise Resource Planning (ERP) Financing (CSM)



One Washington, led by the Office of Financial Management, is an enterprise-wide transformation program focused on replacing 1960s-era technology with a cloud-based solution for finance, procurement, budget, HR, and payroll processes.

Phase 1A of the program includes replacement of the Agency Financial Reporting System (AFRS) with a new, cloud-based enterprise resource planning (ERP) system.

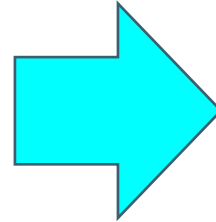
A complete ERP system combines business functions (finance, procurement, budget, HR, and payroll) across an organization's main resources – its people, money, information and assets – and provides decision makers with real-time enterprise information.

Funding for these services is based on an agency's budgeted FTEs (higher education count includes only administrative FTEs).

Enterprise Applications Fee (CSM)

This fee is based on an agency's budgeted FTEs (higher education count includes only administrative FTEs). The funding allows OFM to maintain enterprise applications used by agencies to manage their budget, accounting, human resources, and reporting systems including:

- Agency Financial Reporting System (AFRS)
- 1099-MISC Reporting
- Capital Asset Management System (CAMS)
- The Allotment System (TALS)
- Disclosure Forms Application (DF)
- Statewide Vendor/Payee Services (SVPS)
- Travel and Expense Management (TEMS)
- Agency Budget System (ABS)
- Agency Budget Requests (ABR)
- Capital Budget System (CBS)
- Fiscal Note Systems (FNS)
- Results through Performance Management System (RPM)
- Salary Projection System (SPS)
- Facilities Portfolio Management Tool (FPMT)
- Bill Enrollment and Agency Requests System (BEARS)
- My Portal
- Human Resources Management System (HRMS)



- Workday



Personnel Services Charges

The Personnel Services fee funds many **Statewide Human Resources** services such as state classification and compensation structures, workforce data analytics, analysis and monitoring, civil service rules, strategic HR initiatives such as diversity, equity, and inclusion, state employee engagement survey, recruitment, and other policy functions.

The revenue also supports the Public Employment Relations Commission which assists parties in resolving labor-management disputes and administers eight different collective bargaining laws for public sector employees and the Washington State Productivity Board to incentivizes state employees to help state government operate more efficiently.



General Government Rate

The statutory maximum rate for general government agencies can't exceed 1.5% of the salaries for all positions in ~~classified~~ service (RCW 41.06.280).

Starting in 2019, the Legislature required OFM to start billing state agencies for the total cost of administrating the employee transit pass program (ORCA program for state employees with official duty stations in King, Pierce, or Snohomish counties)



Higher Education Rate

The statutory maximum rate for higher education institutions can't exceed 0.5% of the salaries for all positions in classified service (RCW 41.06.285).

OFM Labor Relations Service Fee

This fee allows OFM to provide **Labor Relation** services, such as planning and training sessions with representatives of agencies and institutions of higher education in preparation for collective bargaining, contract negotiations on behalf of the governor for state agencies and on behalf of higher education institutions, as well as bargaining on grievances and other union issues.



General Government Rate

The general government rate for agencies can't exceed 0.1% of the salaries for all bargaining unit positions in classified service in agencies subject to collective bargaining.

RCW 41.80.140



Higher Education Rate

The higher education rate also can't exceed 0.1%, but is charged to the operations appropriations of each agency.

RCW 41.80.140



Other Rates

Interagency agreements are used for some lines of business such as marine employees, Washington State Patrol, and non-state employees (adult family homes, childcare, home care, and language access providers).

Warrants

There is, and will continue to be, an additional cost associated for payments made via Warrant as opposed to Electronic Fund Transfers. OFM assess a per-warrant fee to agencies for each warrant produced. The current Warrant fee is under review.

Inserted Warrants - \$0.90 each

Inserted warrants are produced through the AFRS system and delivered to Consolidated Mail Services (CMS). At CMS, mechanical insertion equipment matches warrants with the corresponding remittance advice documents using bar-codes, stuffs them into envelopes and postmarks the envelope for same-day mailing.

Regular Warrants - \$0.50 each

Regular warrants are produced through the AFRS system, delivered to OST and distributed to agencies via agency courier or campus mail. At the agency, employees manually match the warrants with remittance advice documents, stuff them into envelopes, apply postage and mail (or send them to CMS for postage and mailing).

Which fees support Office of the Governor (GOV) services?

Equity Central Services (CSM)



OFM Central Services (CSM)

The central services model sets the fee based on an agency's budgeted FTEs. It supports the following GOV functions:



Equity Services. Supports, consults, and provides resources to state agencies to develop a comprehensive statewide approach that facilitates policy, and systems changes and results in equitable outcomes and the reduction of disparities for all in Washington.



FOR MORE INFORMATION:

Kathy Cody – Budget Manager

Tracy Girolami – Budget Consultant (GOV)

Keith Thunstedt – Budget Consultant (OFM)

Fiscal and Operations

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OFM

OFFICE OF FINANCIAL MANAGEMENT



WASHINGTON

Secretary of State

Office of the Secretary of State Archive Services

Central Service Rate Day Presentation

June 2024



What does OSOS do?

Mission

The Office of the Secretary of State (OSOS) provides the foundation for security, trust, and equity in our constitutional democracy within Washington, enabling access to and empowering participation in elections, business services, libraries, and preservation of the state's vital records.

Objectives

- Improve access to OSOS resources and conduct continuous public outreach and education to increase public engagement.
- Provide an inclusive, resilient, and adaptable work environment for recruiting and retention.
- Enable people to utilize the diverse capabilities of our office to improve public service and trust.
- Expand the office's capability to provide service excellence to all Washingtonians.



OSOS | Archives Division Overview

Preserves history for the next generation of Washingtonians and serves as a resource for professional and personal researchers and educators

Holds essential information used in legal proceedings and secure records for public consumption

Supports governmental effectiveness and transparency



OSOS | Archives Division Funding

Central Service funding for the state archives program is authorized in [RCW 40.14.025](#)

“The secretary of state and the director of financial management shall jointly establish a procedure and formula for allocation the costs of services provided by the division of archives and records management to state agencies. The total amount allotted for services to state agencies shall not exceed the appropriation to the...account during any allotment period.”

In addition to the state archives program the archives receives revenue via:

- Local Government Archives and Records Management Service fees
- Imaging fees for services



OSOS | Archive Services Covered in CSM

Records Management

- Collecting, preserving and providing access to the state agency archival records that have been transferred to the Archives
- Provide information to state agencies on all phases of records management

Box Charge (Records Center Storage)

- Covers all services, storage, supplies. Includes records pick-up, file retrieval, re-filing and confidential records disposition



OSOS | Central Service Allocation

Services - Agency FTEs

- 65% of the total billing
- For managing, preserving, training, and records management services

Records Center Box Storage

- 35% of the total billing



OSOS | Archive Facts and Figures (FY2023)

- Records Management:
 - 148 in-person training sessions attended by 2,829 staff
 - 19,313 self-service web trainings/videos viewed online

- Records Center:
 - 10,340 user requests for records
 - 14,958 new boxes of paper records added
 - 16,680 boxes of records dispositioned
 - 294,546 boxes in the State Records Center



OSOS | Archive Rate History



Biennium	Annual FTE Charge	Per Box Charge
23-25	\$41.85	\$5.57
21-23 *	\$41.85	\$5.57
19-21	\$25.73	\$5.41
17-19	\$25.18	\$4.80
15-17	\$22.42	\$4.18

** FTE rates increase resulted from an OFM/Legislative change to the FTE count at higher ed institutions. The impact was to lower the overall FTE count over which to spread OSOS costs.*



How can you influence the costs?



1

Efficient Record Retention

- Do not keep records longer than required by retention schedules (unless for litigation or audit hold, etc.)

2

Electronic vs. Paper Storage

- Do not store records in paper that you are already storing electronically

3

Proactive Record Disposition

- Respond quickly to the disposition notices sent by the Records Center



Summary



Here are the key takeaways:

- Agencies should not expect changes in rates for Bien 25-27 for CSM related OSOS Archive services
- If you want to save money in the future, follow these record management practices:
 - Adhere to retention schedules
 - Prioritize electronic storage
 - Act promptly on disposition notices

OSOS Contact Information:

- Heather Hirotaka, State Archivist | heather.hirotaka@sos.wa.gov
- Tim Gallivan, Budget Manager | tim.gallivan@sos.wa.gov
- Bonnie Luntzel, Asst. Budget Mgr. | bonnie.Luntzel@sos.wa.gov

Rate Day

June 17, 2024

Nenita Ching

Budget Manager

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**Providing enterprise IT
service, support, strategy,
and security for Washington
state public agencies and
municipalities**

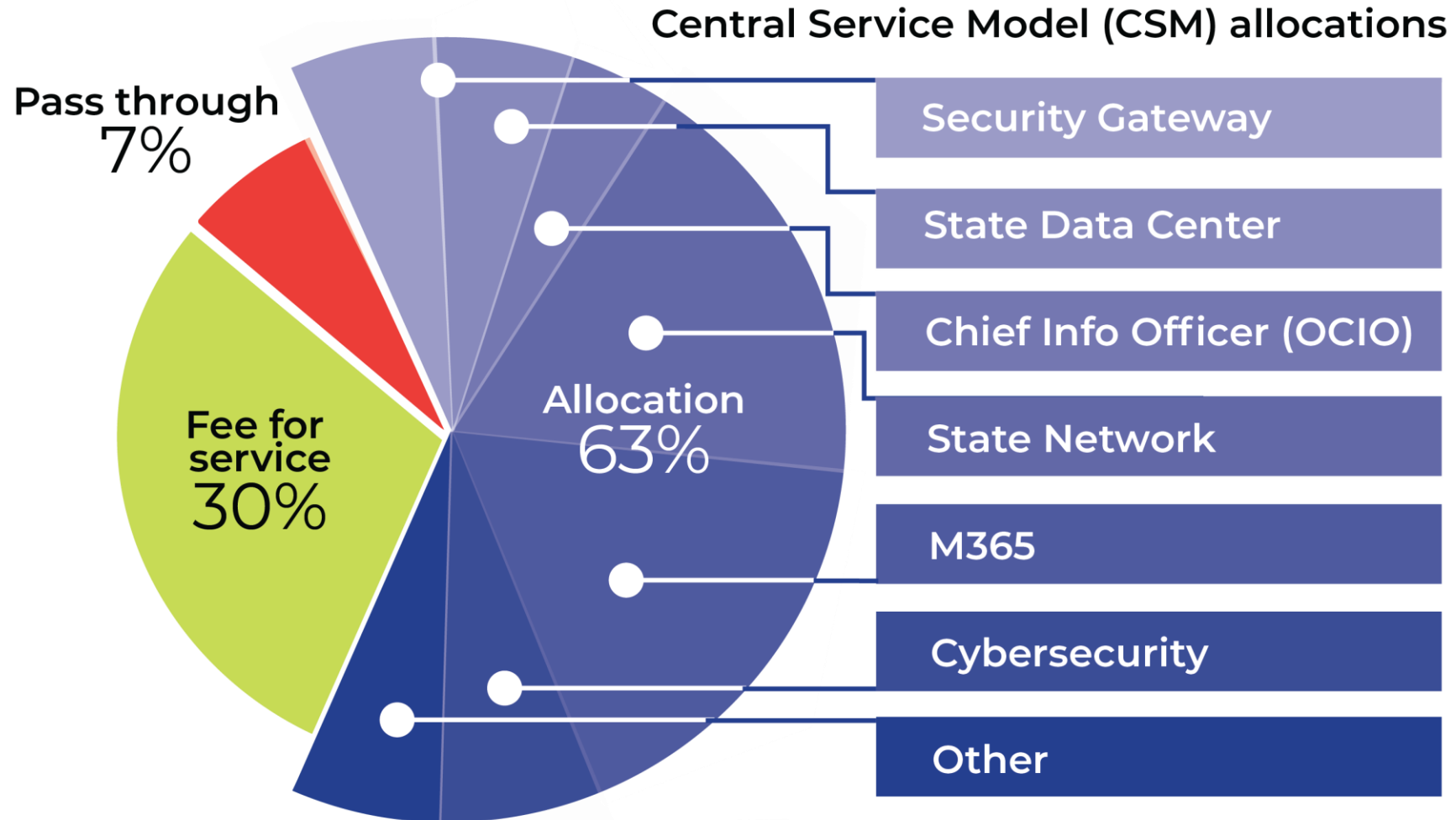
Enterprise IT Strategic Plan



Find us at: <https://watech.wa.gov/>

See service list and descriptions at: <https://watech.wa.gov/services/services-a-z>

- [Active Directory Federation Services \(ADFS\)](#)
- [Active Directory Services](#)
- [Centrex Services](#)
- [CIRT Security Assessment](#)
- [Cloud Highway](#)
- [Cloud VPN](#)
- [Colocation Olympia](#)
- [Colocation Quincy](#)
- [Domain Naming Services \(DNS\)](#)
- [eFax](#)
- [Electronic Records Vault \(WaServ\)](#)
- [Enterprise Active Directory Services](#)
- [Enterprise Automation Service](#)
- [Enterprise Shared Tenant](#)
- [Fortress Anonymous](#)
- [Interactive Voice Response \(IVR\)](#)
- [Mainframe Services](#)
- [Managed File Transfer](#)
- [Managed Firewall](#)
- [Network](#)
- [Network Core](#)
- [Office VPN](#)
- [Open Data](#)
- [Private Branch Exchange \(PBX\)](#)
- [Secure Certificates](#)
- [Secure Web Proxy \(formerly Enterprise Forward Proxy\)](#)
- [SecureAccess Washington](#)
- [Security Design Review](#)
- [Server Backup](#)
- [Small Agency IT Services](#)
- [Strong Authentication](#)
- [Switched Long Distance](#)
- [Teams Telephony](#)
- [Teams Toll-Free Audio Conferencing Service](#)
- [Transport and Connectivity](#)
- [User Experience](#)
- [Virtual Private Network \(VPN\)](#)
- [Vulnerability Assessment](#)
- [Washington State Cloud](#)
- [WaTech Connect Contact Center](#)
- [Web Accessibility](#)
- [Web Services](#)
- [Web Services Gateway](#)
- [Wireless Service](#)



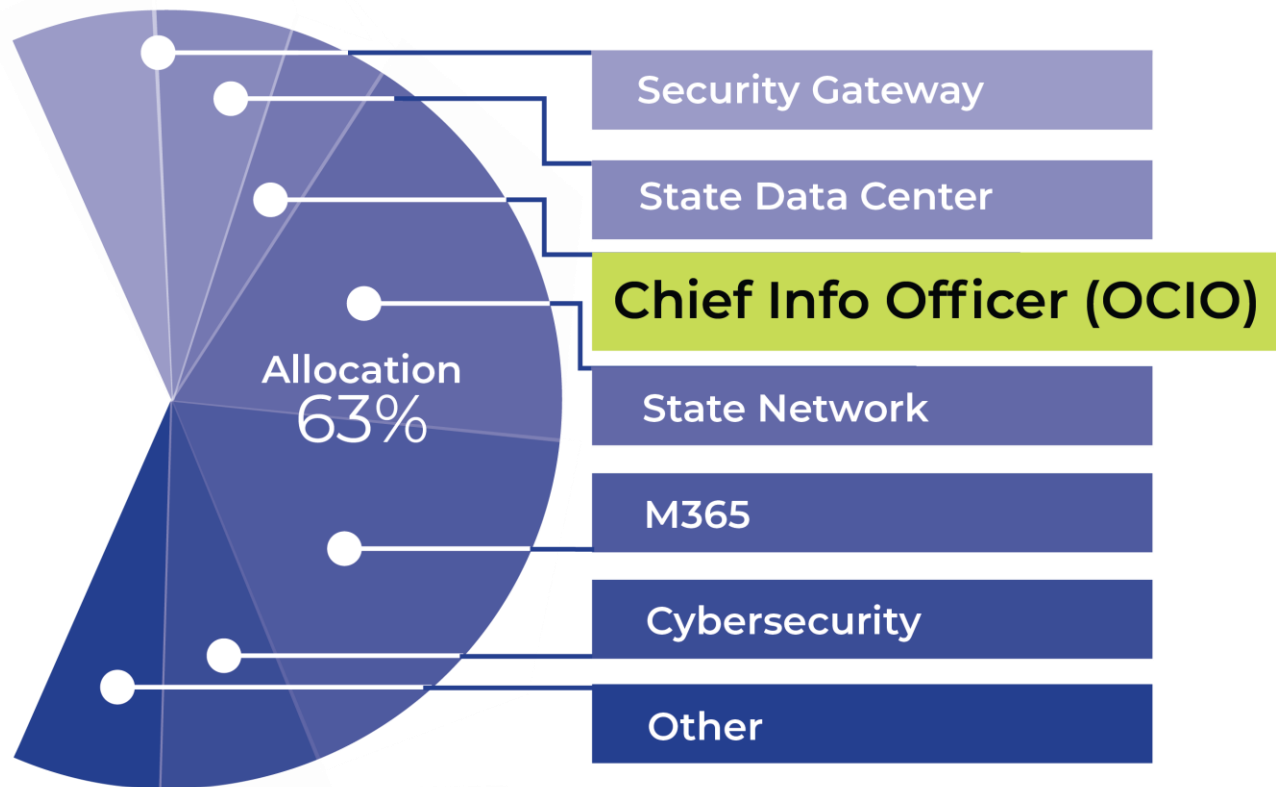
Enterprise Cloud, Global Information Systems, Small Agency IT Services, Enterprise System, & Central Services.

Name change

As of June 6, 2024, WaTech has formally adopted its name change, eliminating CTS and OCIO.

In 2024, the Legislature passed SHB 1947, which eliminated the Office of the Chief Information Officer (OCIO) and incorporated all duties and responsibilities to WaTech, as well as renamed the agency from Consolidated Technology Services (CTS) to WaTech. Previous references to the OCIO or CTS should be understood to refer to WaTech.

Changes to OCIO allocation



Reallocated to 4 allocations:

- Global Information Systems (GIS)
 - Enterprise Architecture & Innovation
 - Enterprise Data Management
 - Strategy & Management
-
- No net increase in allocation
 - Link to: [OFM Budget Instructions Chapter 11](#)



The WaTech Geospatial Program administers a portfolio of services providing value to state agencies, local governments, tribes, Washington residents, and the federal government. Services include managing the Geospatial Open Data Portal which is a clearinghouse used by state agencies to share public data in a single location (geo.wa.gov). The Geospatial Portal includes hosting imagery for state agencies and the public as well as a platform for sharing sensitive data among state and local agencies (Geoportal 2.0).

<https://watech.wa.gov/strategy/programs/geospatial-program-office>

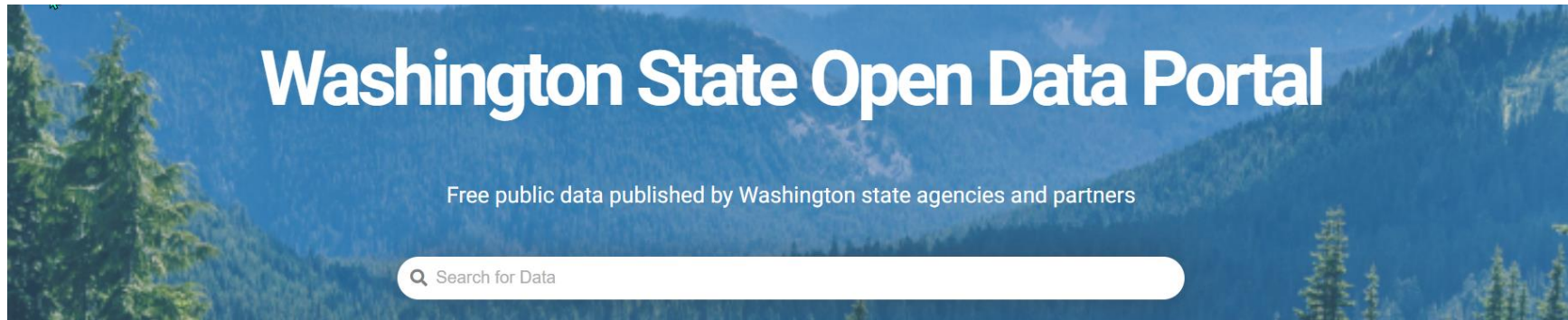
Allocation methodology: Based on estimated or anticipated agency use.

Enterprise Architecture & Innovation

The program helps guide the state in the assessment and adoption of new technologies such as the cloud, Internet of Things (IoT), machine learning and other emerging technologies that will drive the digital transformation of state government.



Allocation methodology: Based on agency IT FTEs



Data.wa.gov is free to all agencies to publish and communicate about their public data including research, reports, performance and more. Share and access data by directly viewing and downloading datasets or use high-tech automation to create data-driven products. The program assists with data publication and use and facilitates discussions between users and providers. The program's consultation services promote practices and strategies for publishing reliable, high-value data.

Allocation methodology: Based on agency IT FTEs.

Strategy & Management

IT Project Oversight is designed to assist state agency technology projects align with business goals and priorities, achieve success, and deliver planned outcomes. Oversight consultants engage as partners throughout the life cycle of projects. They advise project leadership, provide transparency to the public and authorizing environment, facilitate strong fiscal stewardship, and help projects complete within the approved scope, schedule, and budget.



Allocation methodology: Based on agency IT FTEs

The Office of Privacy & Data Protection is the central point of contact for state agencies on policy matters involving privacy. As defined by the Legislature, core OPDP duties include:

- Conducting an annual privacy review for all agencies.
- Conducting annual training for agencies and employees.
- Articulating privacy principles and best practices.
- Participating in the review of major state agency projects involving personally identifiable information.
- Developing and promoting best practices and educating consumers about the use of personal information and measures to protect information.



Allocation methodology: Based on agency IT FTEs

Allocation methodology:

- **Teams Telephony** - With the Phone System, users can use Teams to place and receive calls, transfer calls, and mute or unmute calls.
- **Contact Center** - used by state governmental call centers. Rates unchanged since late 1990s.
- **Enterprise Shared Tenant** - The M365 Shared Tenant is a hosted environment by Microsoft. WaTech works with Microsoft to sustain the Tenant service availability 24 hours a day, 7 days a week, 365 days a year (24/7/365).

Rates under review:

- **Teams Telephony** - With the Phone System, users can use Teams to place and receive calls, transfer calls, and mute or unmute calls.
- **Contact Center** - used by state governmental call centers. Rates unchanged since late 1990s.
- **Enterprise Shared Tenant** - The M365 Shared Tenant is a hosted environment by Microsoft. WaTech works with Microsoft to sustain the Tenant service availability 24 hours a day, 7 days a week, 365 days a year (24/7/365).

Resources

- Visit us at: watech.wa.gov/
- Subscribe for WaTech updates & notifications:
public.govdelivery.com/accounts/WATECH/subscriber/new?preferences=true#tab1
- Need help with your computer, printer, email or phone?

WaTech Support Center. It is your single point of contact for all information technology assistance.

Call: 855.WaTech1 or 360.586.1000

Email: support@watech.wa.gov

ServiceNow: [Customer Service Portal](#)

Customer Resources: [WaTech Customer Resources](#)

Cyberbytes

Password Managers



youtu.be/KP_qs6Rz-EA

Multi-Factor Authentication



www.youtube.com/watch?v=QCjf_nfWOVE&t=8s

2024 Rate Day

Office of the Washington State Auditor

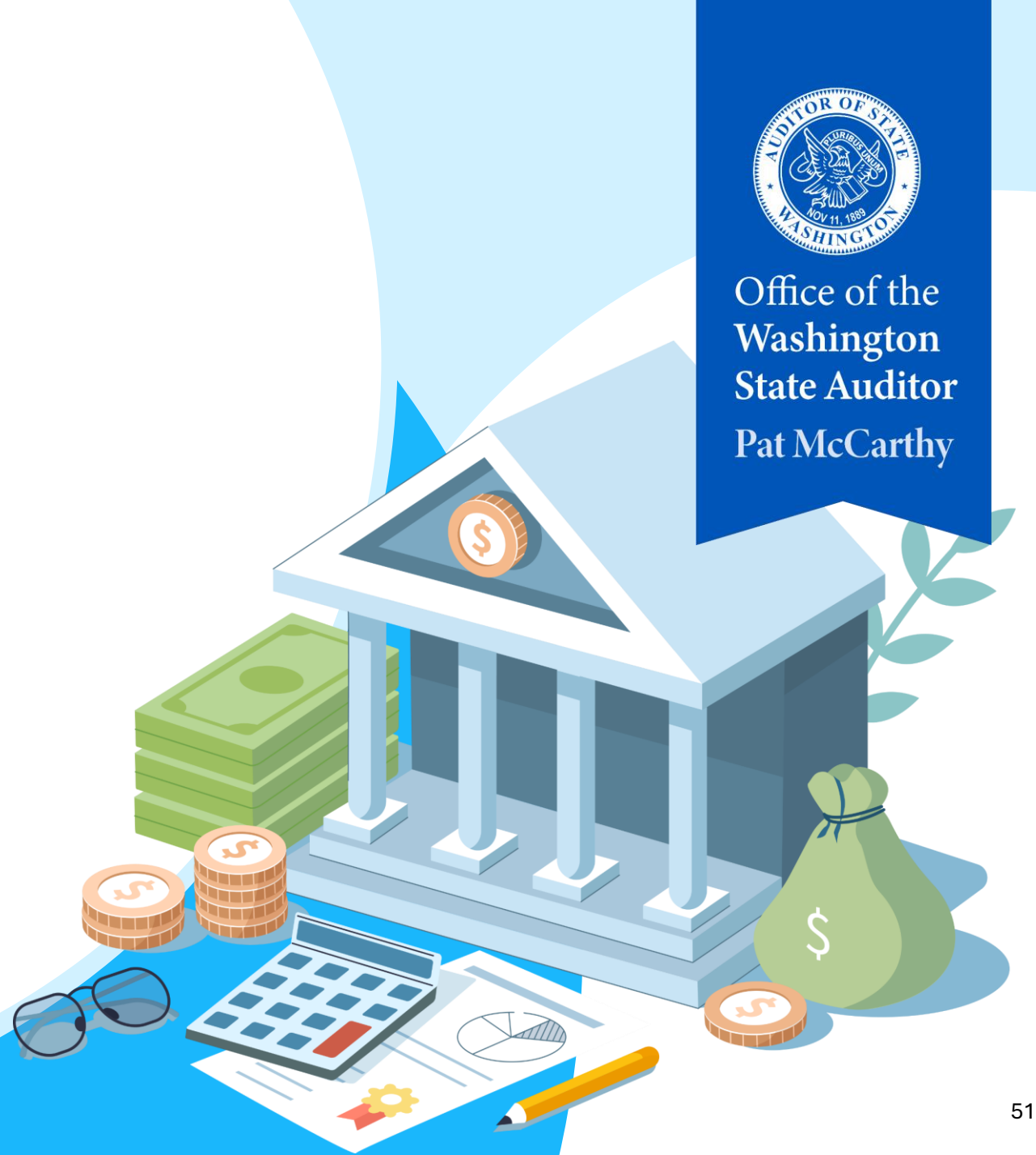
Charleen Patten

Financial Services Operations Manager

June 17, 2024

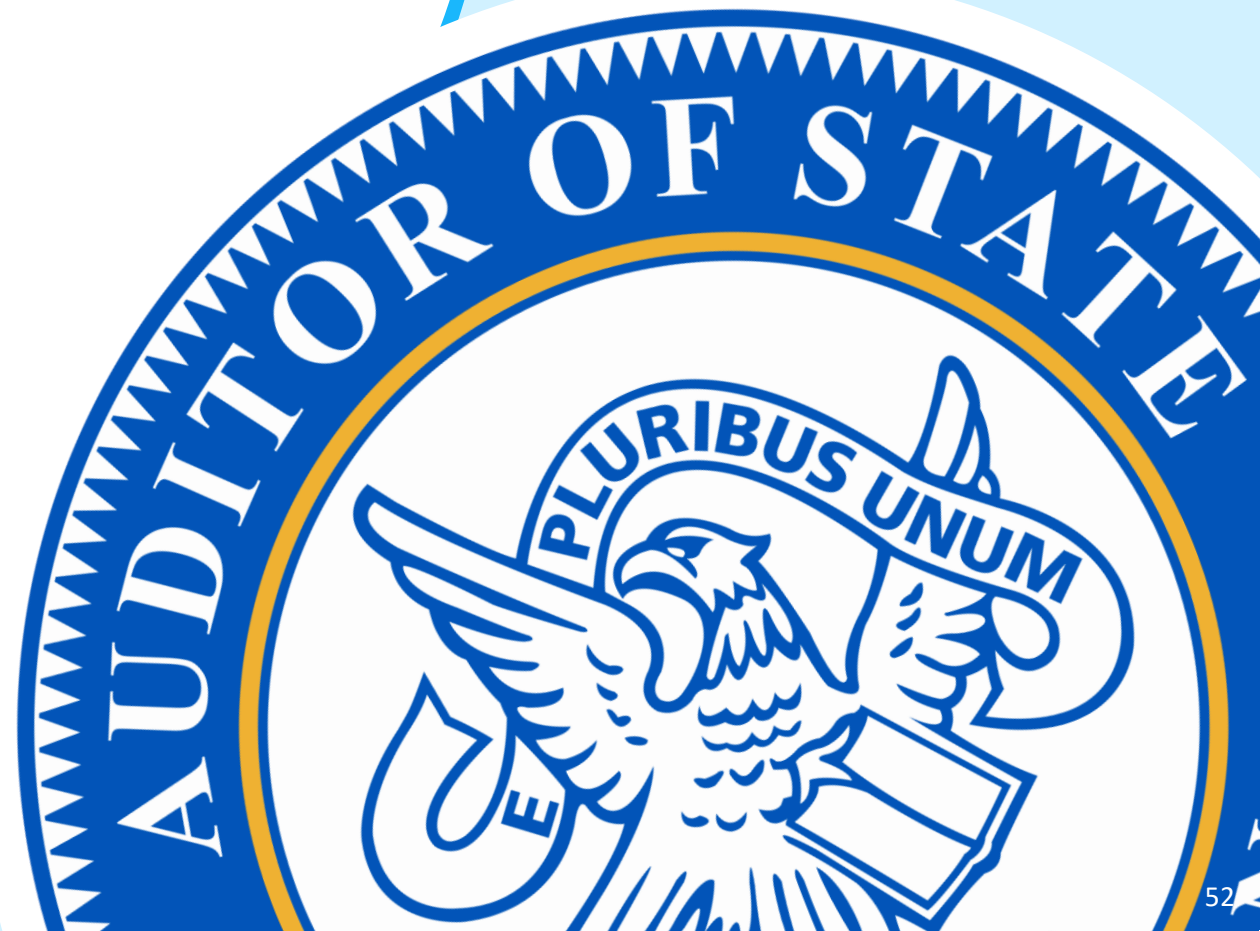


Office of the
Washington
State Auditor
Pat McCarthy



State Auditor's Office Overview

- Led by State Auditor Pat McCarthy
- Auditor of all public accounts
- We audit more than 160 state agencies and 2,150 local governments
- 41 different government types
- SAO is staffed by more than 400 FTEs



Types of State Agency Audits and Investigations

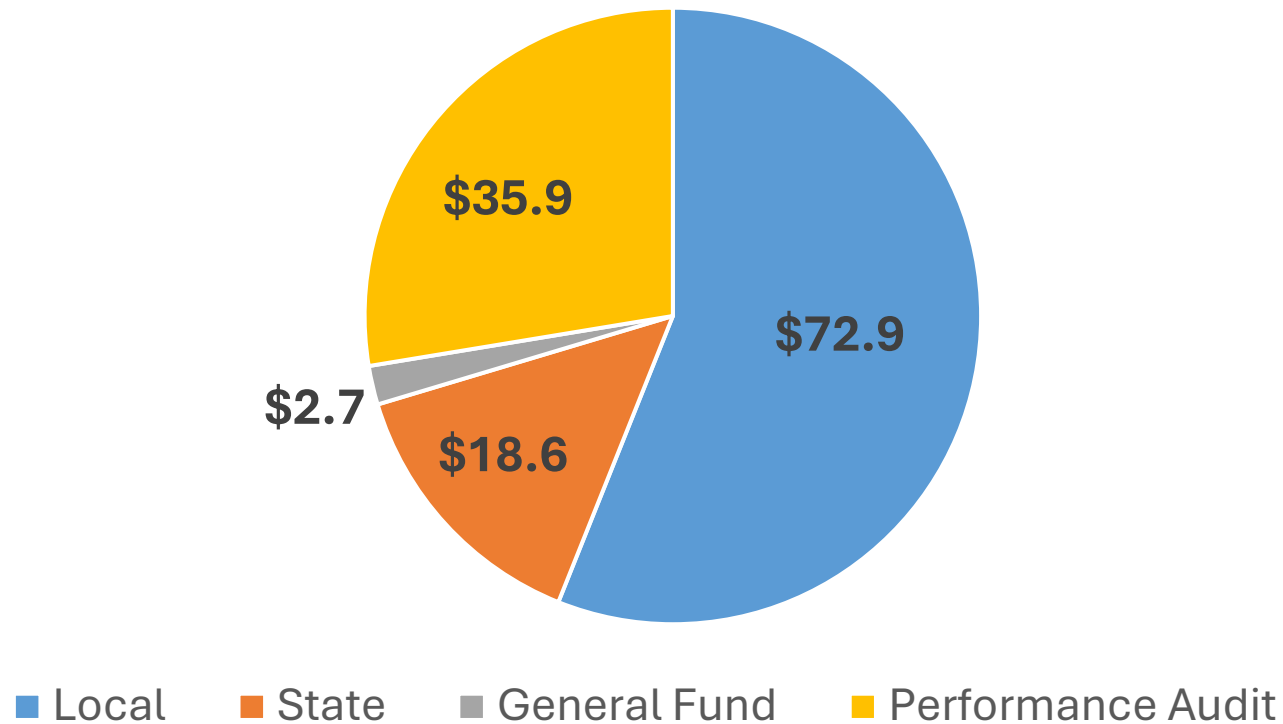
- State's Annual Comprehensive Annual Financial Report (ACFR)
- State of Washington Single Audit (SWSA)
- Accountability Audits
- Fraud and Whistleblower Investigations
- Forensic computer investigations and WaTech reviews
- Performance audits
- Use of deadly force investigation audits



Funded Primarily by Governments We Audit



Funding by source
2023–25 Biennium
in millions





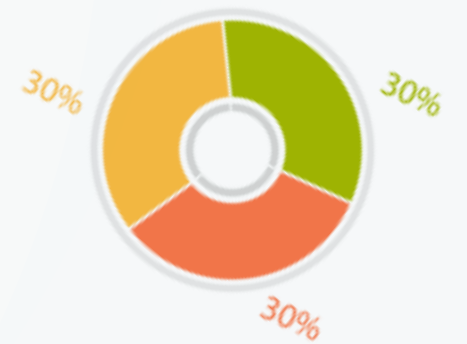
SAO is Appropriated Funding for:

- ACFR
- SWSA
- Accountability audits
- Whistleblower Investigations

The Auditing Services Revolving Account is supported 100% through billing for state agency audit services

SAO Budget Development

- Develop projected audits costs by agency
 - Individual agency accountability audits are based on a risk assessment
 - Whistleblower budget estimates are based on the prior three years' activity
 - ACFR and SWSA are allocations
- We present projected audit costs to OFM each biennium for inclusion in state agency budgets
- Agency funding is adjusted during the supplemental budget based on significant changes in audit plans



Billing Methodology

Audit work is billed using an hourly rate, multiplied by actual hours work

- Accountability audits and Whistleblower Investigations:
 - Agency-specific and are billed monthly
- ACFR
 - Billed quarterly based on agency's allocation
- SWSA
 - Billed quarterly based on agency's allocation



Fraud Investigations

- State law requires state agencies and local governments to immediately report known or suspected losses of public funds or assets and other illegal activity to our Office.
- At times, we open a fraud investigation regarding these matters.
- We directly bill for reviewing internal fraud investigations at state agencies, performing our own work and generating fraud reports.





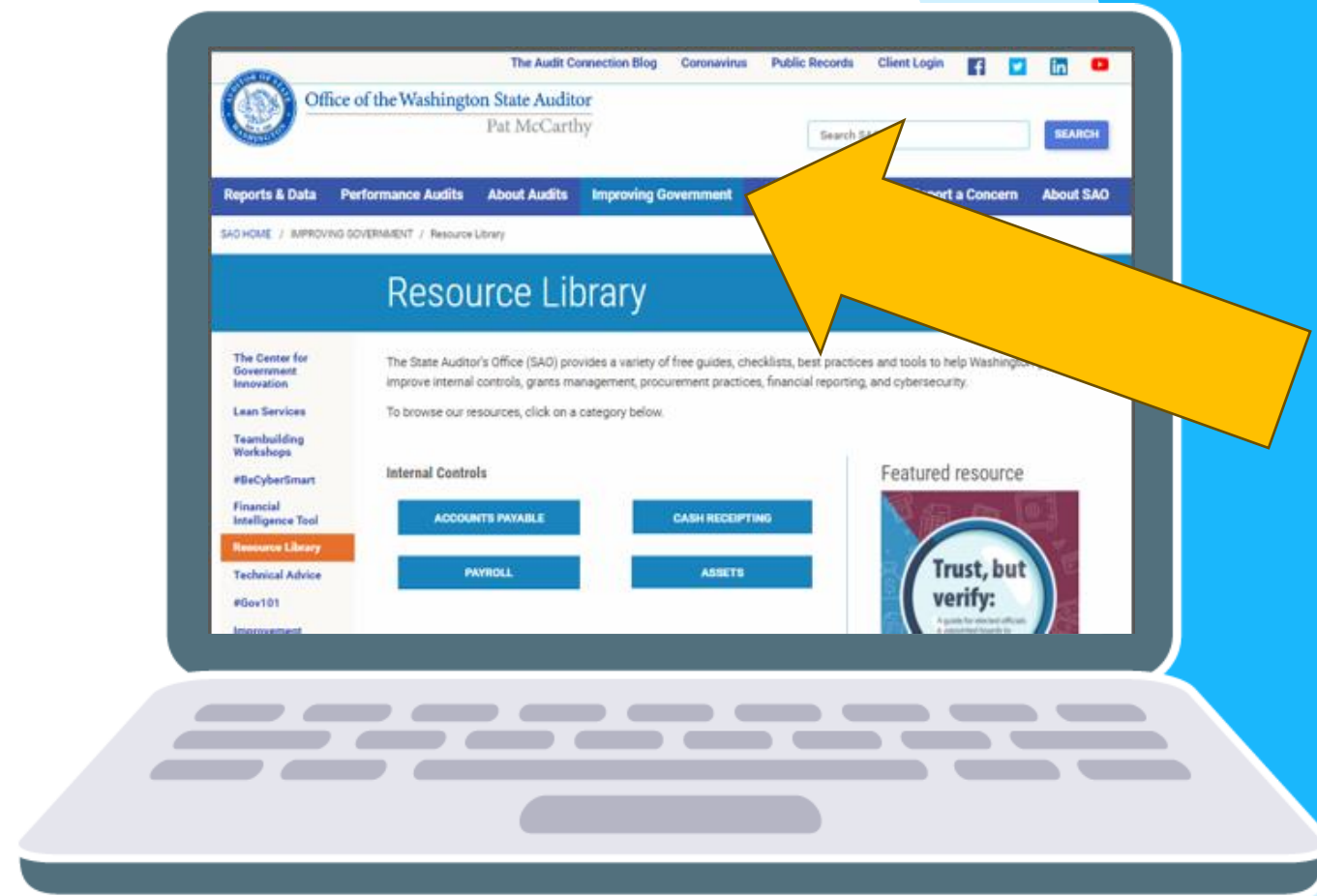
Fiscal Year 2024 Billing Rates

- Audit services billing rate
 - \$135 per hour
- Fraud investigation billing rate
 - \$210 per hour
- Billing rates are developed to cover all direct and indirect costs of the audit work and include a percentage of agency overhead based on activity.





Where to find these resources



sao.wa.gov/improving-government/resources-database



SAO's Resource Library

Accounts payable
and receivable

Cash
receipting

Payroll

Assets

Cybersecurity

Federal funds



Fraud prevention

Procurement

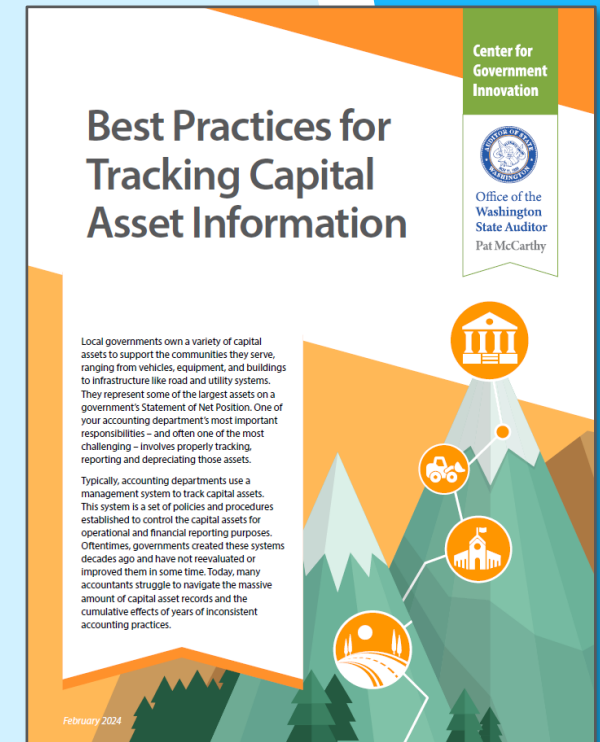
Public records & OPMA

GAAP and cash-basis
financial reporting

Revenues, expenditures
and operations

Technology

Newest resources



Questions



How to Contact Us



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X (formerly Twitter): [@WAStateAuditor](https://twitter.com/WAStateAuditor)

Facebook: www.facebook.com/WAStateAuditorsOffice

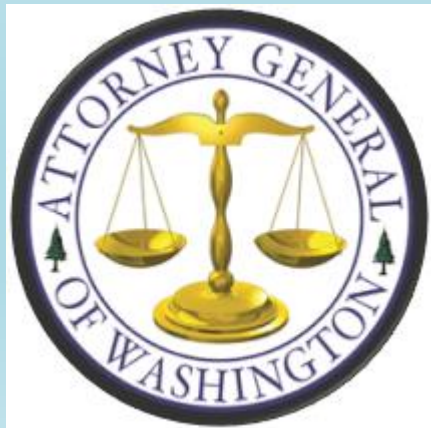
LinkedIn: [Washington State Auditor's Office](https://www.linkedin.com/company/Washington-State-Auditor's-Office)

OFFICE OF THE ATTORNEY GENERAL
Attorney General Bob Ferguson

2024 Rate Day

Mark Melroy
AGO CFO

Edd Giger
AGO Budget Director



AGO Overview

The AGO represents all state agencies. More than 230 agencies, boards, and commissions receive legal services every month.

Examples of AGO Client Services

- **Child dependency, guardianship & terminations**
(~5,965 open cases which includes 2,660 new dependency, termination, and guardianship cases in FY 2023)
- **Vulnerable adult protective services**
- **Environmental protection & natural resources litigation**
- **Defend allegations filed against state agencies**
- **Representation in Collective Bargaining, Interest Arbitration & Labor Disputes**
- **Major Litigation: Opioids, Tobacco Diligent Enforcement, Google, Ostrom Mushroom farm, Voter Rights, and Amazon**

How is the AGO Funded?

- **Legal Services Revolving Account**
 - ❖ **Billing Authority is provided in the Central Service Model and One-Time funding is outside of the Model**
- **General Fund State and Federal:**
 - ❖ **Prosecution of Sexual Violent Predators**
 - ❖ **Cold Case Investigation Unit with a focus on Missing and Murdered Indigenous Women and People**
 - ❖ **Medicaid Fraud Control**
 - ❖ **Sexual Assault Kit Initiative**
- **Misc. Other Funds/Accounts:**
 - ❖ **Anti-Trust Revolving, Charitable Asset Protection, Local Government Archives, Manufactured/Mobile Home Dispute Resolution, New Motor Vehicle Arbitration, Medicaid Fraud Penalty, Child Rescue, and Tobacco Prevention/Control**

What Does WA State Purchase with AGO Legal Services?

- **Advice on Legal Matters:**
 - ❖ Constitutional and RCW interpretation
 - ❖ Rulemaking guidance and assistance
 - ❖ Policy advice and review
- **Lawsuit Services:**
 - ❖ Case discovery & investigation
 - ❖ Litigation defense
 - ❖ Appellate court work
- **Risk Management: Objective, comprehensive, and expert legal guidance that reduces risk of future liabilities**

AAG rates cover the full cost of providing legal services.

Costs include support staff (admin & legal), supplies, travel and IT .

What Does the Client Purchase with this Rate?

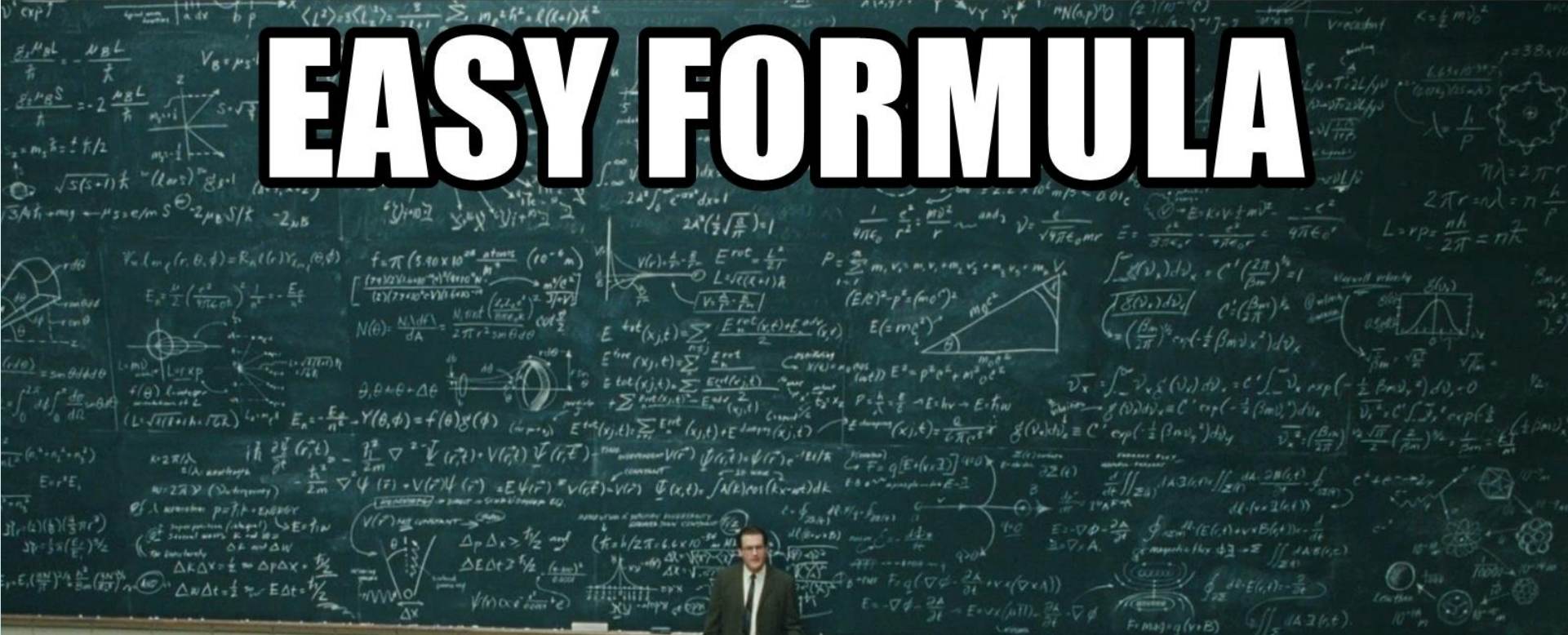
Cost Avoidance:

- Defending State Agencies against high dollar lawsuits.
- 47% of Tort cases resolved with zero payout.
- Expert legal services and representation
- Client needs range from 15 minutes of advice on a phone call to multi-biennial court cases (*Maverick Gaming LLC v. United States of America et al.*, *Wolf v. SBCTC* and *Rush v. WA State* (College System Benefit Litigation), & Voter Rights Cases (*Palmer v. Hobbs*, *Garcia v. Hobbs*, *Nixon v. Commission*, etc.))

Why is the Rate at its Respective Level?

- Rates are designed to recover the costs of providing legal services to the client.
- Costs are as low as possible. (Administrative and other support staffing at minimal levels, maximizes technology to reduce travel costs, reduced printing)
- Rates developed at the beginning of the biennium do not cover unanticipated or emergent needs such as the Voting Rights litigation.
- The allocation client agencies receive from the OFM Central Service Model is an estimate based on previous spending levels. A client's actual needs may exceed this estimate.

EASY FORMULA



FOR AAG BILLING RATE

What is the Rate?

- **AAG billing rates are calculated individually for each AGO division.**
- **Current AAG billing rates range from \$19,800 to \$62,500 per AAG FTE per month, and averages \$25,500**
- **Paralegal billing rate: \$10,500 per PL FTE per month**
- **Investigator billing rate: \$13,000 per INV FTE per month**

We do not plan to change our current rates. However, we continually monitor our rate to ensure we are recovering our costs to provide legal services to our clients and will adjust our rate if needed.


(calculations & potential change drivers described later in presentation)

Overview of Rate Methodology

AAG Billing Rates

Projected AGO division expenditures



 **Division's total AAG FTE**
*(Number of AAGs needed to meet client needs
minus estimated vacancies)*



 **Number of months**



 **Monthly billing rate per AAG**

Overview of Rate Methodology (Cont'd)

How Bills are Calculated

Legal services work is tracked in timesheets

Time is converted to FTE

✖ Rate per FTE

+ Direct litigation costs

= Monthly bill to client

FTE Billing

- **Clients are not billed additional costs for time worked in excess of 174 hours a month (average based on 2,088 hours per year).**
- **Clients are only billed when legal services are provided.**
- **Clients can receive legal services from more than one AGO division.**
- **All legal services are tracked to reporting categories based on client requirements, types of services provided, and legislative budget provisos.**

Future Variables Impacting Rates & Bills

RATES:

- Legislatively mandated increases or decreases to costs
- Central Service Model changes
- Unanticipated / Emergent costs

BILLS:

- Changes in clients need for legal services
- Unanticipated / Emergent litigation
- Expert witnesses, Court Reporters, filing fees

Questions

Contact Information

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Leah Snow – AGO Assistant Budget Director – (360) 664-4169

Joe Zawislak – AGO Operational Budget Manager – (360) 586-9346

Dianna Wilks – AGO Policy Budget Manager – (360) 709-6463

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Office of Administrative Hearings Rate Day

June 17, 2024



Presenter:

Rob Cotton, Chief Financial Officer

*Pictures provided by Deborah Feinstein, my predecessor, who retired in
December 2023.*

Office of Administrative Hearings

(360) 407-2708

Rob.Cotton@oah.wa.gov



Topics:

- Brief Overview of the Office of Administrative Hearings (OAH)
- Current Billing Methodology and Rate Structure
- Central Service Model, Decision Packages, and Fiscal Notes



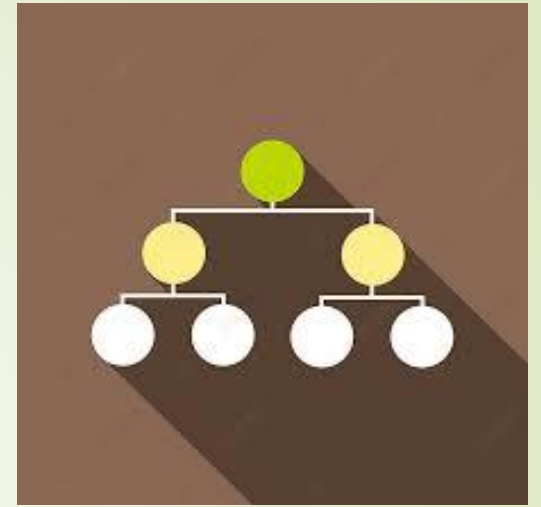
Office of Administrative Hearings (OAH):

- History: The Legislature created OAH in 1981, adopting the recommendation of the Washington State Bar Association Administrative Law Task Force to “improve the appearance of fairness” in the administrative hearings process.
- The Legislature also intended the administrative hearings to be easily accessible to the public.



Office of Administrative Hearings (OAH):

- Mission: To hear and independently resolve disputes between the public and state agencies with an impartial, quick, and easy to access process.
- Vision: All people of Washington can meaningfully participate in their hearing and understand the result.



OAH Organization:

- The Chief Administrative Law Judge is appointed by the Governor and confirmed by the Senate for a 5-year term. The current Chief ALJ is RaShelle Davis, who is finishing Chief Lee's term, who retired. Chief Davis's term goes through June 30, 2025.
- Administrative hearings (appeals) are held by administrative law judges (ALJs) who are experienced attorneys appointed by the Chief Administrative Law Judge.
- OAH Staff also includes professional legal support staff, customer service specialists (call center) and other administrative staff.



OAH Hearings:

- ALJs conduct hearings for people and businesses who disagree with actions taken by state and local government agencies.
- Most are by telephone but there are also video and in-person hearings.
- The ALJ issues a written order that upholds or reverses the agency action.
 - ❖ Hearings have relaxed rules of procedure
 - ❖ Parties are placed under oath
 - ❖ Parties do not need attorneys to adequately represent themselves
 - ❖ No filing fees for litigants



Current Billing Methodology and Rate Structure:

- OAH has one major revolving fund that supports its operations.
- Revenue for the fund is derived from billing referring agencies.
- Billing methodology:
 - Current methodology developed in consultation with referring agencies and approved by OFM.
 - Began January 1, 2021.



Current Billing Methodology and Rate Structure:

- Billing Methodology - fully loaded rates:
 - One for ALJ billable hours and one for Legal Support Staff billable hours.
 - **Billable hours are only the hours worked on a particular referring agency's caseload. They do NOT include time spent on leave, reading general emails, committee meetings, etc.**
 - There is no overhead charge.
 - Each referring agency is only billed for the work done for that agency.
- Current rates are:
 - ALJ: \$180 per hour;
 - Legal Support Staff: \$110 per hour.
- **These rates have not increased since this billing methodology began in January 1, 2021**
- Rates are reviewed each year.



Central Service Model (CSM):

- CSM develops an estimate of the amount OAH will bill each agency in order to provide referring agencies with funding to pay for those services.
 - The amount in the CSM is only an estimate.
 - Referring agencies need to pay the full amount of the billings (less or more).



Central Service Model (CSM):

- During CSM and budget development:
 - OAH works with OFM to get approval if there is a need for a rate change due to changes in COLAs, benefits, and other budget cost drivers.
 - OAH provides OFM with its estimate of individual agency billings through the CSM.



Central Service Model (CSM):

- CSM Allocation Split is determined for each referring agency:
 - Any **new information or caseload changes**? Please let OAH know of any agency decision packages that may increase appeals.
 - OAH analyzes actuals, trends, and new information.
 - **Projected changes** in the number of hearings identified in Decision Packages and Fiscal Notes will result in **increases or decreases of funding** for those agencies only.

Central Service Model (CSM):

- During the biennium:
 - Legislation may increase billings:
 - OAH and referring agencies coordinate on fiscal notes that reflect changes to billings due to proposed legislation.
 - Legislature may fund decision packages and fiscal notes in updated CSM.





Thank you!

Questions: Please contact: rob.cotton@oah.wa.gov
360-407-2708 or via Teams Chat

Workers Compensation June 17, 2024



Workers' Compensation Rates

Fund	Average Rate/Hour beginning Jan. 2024
Accident	\$ 0.359
Medical Aid	\$ 0.180
Stay at Work	\$ 0.005
Supplemental Pension	\$ 0.171
Combined	\$ 0.716

- Class Rates are developed each year using the claim and hours data for each class from the previous five fiscal years.
- Employers pay all the Accident Fund premiums and half the Medical Aid, Stay at Work, and Supplemental Pension Fund premiums.
- Employees pay the rest.

Workers' Compensation Premiums

- Experience factors are based on the employers' claims and hours data from the previous three fiscal years.
- In FY 2024 the total premium paid by employers for all cabinet agencies was more than \$105 Million.

$$\text{Premium} = \text{Experience Factor} \times \text{sum} (\text{Hours}_{\text{Class}} \times \text{Rate}_{\text{Class}}) \\ + \text{SPF Rate} \times \text{sum} (\text{Hours}_{\text{Class}})$$

How YOU Can Lower Your WC Costs

- Injury prevention: Safety Culture
- If injury does occur, prompt healing, Stay at Work, Preferred Worker, Return to Work, and Vocational Rehabilitation Programs help reduce workers compensation costs.
- Experience rating lowers FUTURE premiums for better than average past experience, while Retrospective Rating shares savings from better than expected PAST experience.
- State Agencies are under-represented in the stay-at-work and retro programs.

How L&I Can Assist in Lower Your Workers' Comp Cost: “DOSH Consultations”

A variety of consultation services are available to help employers understand and comply with workplace safety and health rules, protect their employees, and lower workers' comp costs

Free and confidential consultation services available to employers:

1. Risk Management
2. Safety and Health
3. Ergonomics



**Proactive is more
than just the basics**



Why?

Because Injury Prevention is a
WIN for Everyone

Request Consultations:

Risk Management

Safety and Health

Ergonomics

DOSHconsultation@lni.wa.gov

L&I Return-to-Work Incentive Programs

Stay at Work Program

Temporary light duty

- **Wage reimbursement**
50% of wages for up to 66 light-duty working days per claim
- **Expense reimbursement**
Equipment, training & clothing required to perform the light duty job

Preferred Worker Program

Permanent medical restrictions

- Premium discount
- Claim protection
- Wage & expense reimbursements
- Continuous employment incentive

We can help you get started! Email us at StayAtWork@Lni.wa.gov.

Resources

- Stay at Work Program: www.Lni.wa.gov/StayAtWork
- Preferred Worker Program: www.Lni.wa.gov/PreferredWorker
- Claim and Account Center: www.Lni.wa.gov/CAC
- Sign up for a webinar: www.Lni.wa.gov/Training
- Risk or Safety Consultation: www.Lni.wa.gov/Safety

Questions?



Comparison of Job Modification, Stay at Work, and Preferred Worker Benefits

Question	Job Modification www.Lni.wa.gov/JobModification Per Job/Work Site	Stay at Work www.Lni.wa.gov/StayAtWork Per Claim	Preferred Worker www.Lni.wa.gov/PreferredWorker Per Certification Period
Benefit overview	\$5,000 for tools, equipment, training, and alterations to worksite.	<ul style="list-style-type: none"> ■ \$2,500 for tools and equipment. ■ \$1,000 for tuition, books, training materials. ■ \$400 for special clothing. ■ Up to \$10,000 for up to 66 days within one consecutive 24-month period. 	<ul style="list-style-type: none"> ■ \$2,500 for tools and equipment. ■ \$400 for special clothing. ■ Up to \$10,000 for up to 66 days within one consecutive 24-month period. ■ 10 percent of wages or \$10,000 after 12 months continuous employment, whichever is less. ■ Reduced worker premiums.
What types of jobs qualify?	Job of injury, modified-duty/transitional job, new job, employer of injury, new employer, self-employment.	Transitional or modified-duty job and only with the employer of injury.	Job with lasting employment that is significantly different than the job of injury. Self-employment not eligible.
Is pre-approval required?	Yes, using the <i>Job Modification Assistance Application</i> (F245-346-000): www.Lni.wa.gov/go/F245-346-000 .	No – Equipment must be purchased after the approved job is offered to the worker.	Yes – For the job. No – Equipment must be purchased after the approved job is offered to worker.
Is the cost of a private consultation covered?	Yes, for State Fund claims.	No	No
How are the eligibility criteria similar?	<ul style="list-style-type: none"> ■ Request is related to the accepted condition(s) on the claim. ■ Items needed are specific to the worker's restrictions. 		
Is the worker required to be off work to qualify?	Yes. The worker, at some point in the claim, is off work with time-loss and/or loss of earning power benefits paid or eligible to be off work and was kept on salary by employer.	No. Worker must be medically certified as unable to do the job of injury even if they have not actually missed any work.	No. Worker must be medically certified as unable to do the job of injury even if they have not actually missed any work.
Funding source?	Second Injury Fund	Stay at Work Fund	Second Injury Fund

2024 RATE DAY

JOHN IYALL

REPORTING & DATA ANALYTICS MANAGER

June 2024



Washington State Department of
Enterprise Services

DES BUSINESS LINES

- **Facilities Management**
- **Parking**
- **Capitol Security and Visitor Services**
- **Surplus**
- **Printing & Imaging**
- **Fleet Operations**
- **Consolidated Mail Services**
- **Enterprise Contracts and Procurement**
- **Energy Program**
- **Engineering and Architectural Services**
- **Small Agency Financial and HR Services**
- **Real Estate Services**
- **Office of Risk Management**
- **Technology Leasing**
- **Employee Assistance Program**
- **Training and Development**

DES FUNDING

DES collects revenue from two primary sources

Central Service Model (CSM)

Fixed costs allocated to customer agencies.

Fee for Service

DES sets rates to recover the costs of providing the service. Agencies incur costs based on usage of the service.

DES FUNDING

DES collects revenue from two primary sources

**Central Service Model
(CSM)**

Fee for Service

Several DES business lines utilize both funding strategies.

Your agency may be charged for both a CSM allocation **and** a FFS charge.

E-Statements: <https://apps.des.wa.gov/ar/eStatement.aspx>

FACILITIES MANAGEMENT

<https://des.wa.gov/services/facilities-leasing/facility-services>

Facilities Management provides property and building management and support services for DES owned office and public and historic spaces.

CSM Charge	Method
Rent– Maintenance and Operations	Occupancy
Finance Cost Recovery	Occupancy
Campus Contracts - Building	Occupancy
Public and Historic Facilities (PHF)	Thurston FTEs
Campus Contracts – PHF	Thurston FTEs
Capital Projects Surcharge	Occupancy
Perry Street and Child Care Center	Thurston FTEs

FFS Charge	Rate
Reimbursable Labor	Hourly - based on trade
Reimbursable Materials	Costs + 1.2%

PARKING SERVICES

<https://des.wa.gov/services/travel-cars-parking/parking-services>

The program provides operation, maintenance, regulation and enforcement of vehicle parking and parking facilities at DES managed facilities on the capitol campus.

CSM Charge	Method
Parking Surcharge	Campus Occupancy

FFS Charge	Rate
State Agency Parking	<u>per Stall</u>
Employee Parking	<u>paid by employee</u>
Visitor Parking	<u>hourly</u>

CAPITOL SECURITY AND VISITOR SERVICES

[Campus Use Rate Schedule](#)

Capitol Security and Visitor Services is responsible for delivery of a comprehensive program of safety, emergency management, security, and visitor services for the Capitol Campus.

CSM Charge	Method
Rent– Maintenance and Operations	Occupancy
Security on Campus - Building	Campus Occupancy
Security on Campus - PHF	Thurston FTEs
Public and Historic Facilities (PHF)	Thurston FTEs

FFS Charge	Rate
Visitor Services Permit Fee	per event
Event Fees	per event
Reimbursable Labor	Hourly - based on trade
Reimbursable Materials	Costs + 1.2%
Access Issuance Fee (Card Key)	per card

SURPLUS OPERATIONS

<https://des.wa.gov/services/buy-surplus>

<des.wa.gov/services/dispose-surplus>

The Surplus Program handles used goods from state and federal government programs ranging from furniture and computers to vehicles and equipment that are made available for sale to government agencies, non-profit entities and the public.

CSM Charge

Method

FFS Charge

Rate

Online Sale

[Quoted Price](#)

Transportation Fee

[Truck and Driver](#)

PRINTING AND IMAGING

[Menu of Printing & Imaging Services](#)

Printing and Imaging provides a broad range of print, communication, consultation and design services, including traditional offset, bindery and digital printing; on-demand copy services; graphic design services and prepress services.

CSM Charge

Method

FFS Charge

Rate

Digital Print

per click

Print Production (Offset)

Per Job

Envelopes

Per Job

Fulfillment

Storage + hourly

Farmout

Cost + tiered %

FLEET OPERATIONS

<https://des.wa.gov/services/travel-cars-parking/fleet-operations>

Fleet Operations manages thousands of vehicles assigned to agencies on a permanent basis and a daily trip fleet for short term rental.

CSM Charge	Method	FFS Charge	Rate
		Fleet Permanently Assigned	Monthly + mileage
		Fleet Daily Rentals	Daily + mileage
		Toll Fees and card replacements	Cost
		Recovery for vehicle options	Cost
		Accident repairs	Cost

CONSOLIDATE MAIL SERVICES

<https://des.wa.gov/services/printing-mail/mail-services>

Consolidated Mail Services (CMS) provides a full range of mail services to state agencies and local governments.

CSM Charge	Method
------------	--------

FFS Charge	Rate
Sortation (incoming)	tiered based on volume
Presort (Outgoing)	per item per type
Insert (Outgoing)	per item per service
Distribution	per delivery location

ENTERPRISE CONTRACTS & PROCUREMENT

<https://des.wa.gov/sell>

DES produces Master Contracts for use by state and local entities, provides training, conducts risk assessments of procurement practices, reviews sole source and emergency procurement requests, and publishes statewide contract statistics.

CSM Charge	Method
Enterprise Systems Fee	Statewide FTEs

FFS Charge	Rate
Master Contracts Fee	paid by <i>vendor</i>

ENERGY PROGRAM

<https://des.wa.gov/services/facilities-leasing/energy-program>

The Energy Program provides comprehensive project management and other technical services to help our clients reduce energy and operational costs and reach sustainability goals.

CSM Charge	Method
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FFS Charge	Rate
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Energy Project Management	% of project cost
Energy Life Cycle Cost Analysis	per Analysis

ENGINEERING & ARCHITECTURAL SERVICES

<https://des.wa.gov/services/facilities-leasing/public-works-design-construction>

Engineering and Architectural Services offers expertise on a wide range of facility issues and public works project management on behalf of public organizations throughout Washington.

CSM Charge	Method
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FFS Charge	Rate
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Project Manager Reimbursable	% project size and scope
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SMALL AGENCY FINANCIAL AND HR SERVICES

<https://des.wa.gov/services/hr-finance/small-agency-services>

DES offers a variety of financial management (SAFS) and human resources (SAHR) services to smaller agencies who may not be able to support a full-time team.

CSM Charge	Method
SAFS Payroll	FTEs
SAFS Accounts Payable	transaction volume
SAFS Accounts Receivable	transaction volume
SAFS Budget	Budget
Human Resources (SAHR)	FTEs

FFS Charge	Rate
SAFS Non-CSM	Quoted
SAHR Non-CSM	Quoted

REAL ESTATE SERVICES

<https://des.wa.gov/services/facilities-leasing/real-estate-services>

Real Estate Services include comprehensive leasing and architectural services, construction management, the purchase or sale of state owned properties, worksite parking program assistance and a variety of other real estate transactions.

CSM Charge	Method
Lease Renewal Fee	# and value of leases

FFS Charge	Rate
New Space Lease Commission	Hourly or % commission
Lease Acquisition and Disposal	Hourly
Design or Leasing Delegation	per transaction
Estoppel Service Fee	per transaction
Design Service Fee	Hourly
Leasing Reimbursable	Hourly
RES Attorney General fees	Cost

OFFICE OF RISK MANAGEMENT

<https://des.wa.gov/services/risk-management>

The Office of Risk Management provides services to reduce harm, limit losses and fairly compensate those injured by state actors, assists with loss prevention, buys insurance, resolves tort claims, pays legal fees, and maintains a central claims database.

CSM Charge	Method
Risk Administration Fee	Actuarial study
Self Insurance Liability Account (SILA)	Actuarial study

FFS Charge	Rate
Commercial Insurance	Cost

TECHNOLOGY LEASING

[Tech Leasing Info](#)

Technology Leasing program leases IT hardware such as desktops, laptops, servers, backup storage units, touchpads, and networking hardware.

CSM Charge	Method
------------	--------

FFS Charge	Rate
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Technology Lease	Cost + Interest
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Administrative Fee	per unit schedule
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EMPLOYEE ASSISTANCE PROGRAM

<https://des.wa.gov/services/hr-finance/washington-state-employee-assistance-program-eap>

The Washington State Employee Assistance Program (EAP) is a free, confidential program created to promote the health, safety and well-being of public service employees.

CSM Charge	Method
Personnel Service Fee	Exec. Branch FTEs

FFS Charge	Rate
EAP Contracts	per Employee
Work/Life services	per Employee

TRAINING DEVELOPMENT SERVICES

<https://des.wa.gov/services/training-and-development>

Responsible for planning, developing, providing, and monitoring training for state employees. DES offers a variety of instructor-led training (virtual and in-person) and on-demand courses (eLearning courses and LinkedIn Learning licenses).

CSM Charge	Method	FFS Charge	Rate
Personnel Service Fee	Exec. Branch FTEs	Training Class Course Fee	per class
Enterprise Systems Fee	Statewide FTEs	Subscription - LinkedIn Learning	per license
		Direct Sales Materials (kits)	cost + 3%

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