

GOVERNMENTAL OPERATIONS

Agency 142

**Board of Tax Appeals
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	11.2	2,847	0	2,847
Maintenance Comp Changes:				
1. Move Pension Fund Shift to Agencies	0.0	(162)	162	0
2. Updated PEBB Rate	0.0	(7)	0	(7)
3. Paid Family Leave--Employer Premium	0.0	1	0	1
Maintenance -- Comp Total	0.0	(168)	162	(6)
Maintenance Central Services Changes:				
4. DES Rate Compensation Changes	0.0	1	0	1
Maintenance -- Central Svcs Total	0.0	1	0	1
Total Maintenance Changes	0.0	(167)	162	(5)
2017-19 Maintenance Level	11.2	2,680	162	2,842
Policy Other Changes:				
5. Office Relocation	0.0	344	0	344
6. Administrative Costs	1.3	381	0	381
Policy -- Other Total	1.3	725	0	725
Policy Comp Changes:				
7. PERS & TRS Plan 1 Benefit Increase	0.0	1	0	1
8. Board Member Salary Increases	0.0	179	0	179
Policy -- Comp Total	0.0	180	0	180
Policy Central Services Changes:				
9. CTS Central Services	0.0	1	0	1
10. OFM Central Services	0.0	1	0	1
11. CTS Fee for Service Adjustment	0.0	3	0	3
Policy -- Central Svcs Total	0.0	5	0	5
Total Policy Changes	1.3	910	0	910
2017-19 Policy Level	12.5	3,590	162	3,752

Agency 142

Board of Tax Appeals (cont.)

Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
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POLICY CHANGES

1. Move Pension Fund Shift to Agencies

In the enacted 2017-19 budget, the Legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

2. Updated PEBB Rate

The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (General Fund-State)

3. Paid Family Leave--Employer Premium

A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (General Fund-State)

4. DES Rate Compensation Changes

Funding is provided to cover compensation and central service cost increases that were included in the 2017-19 biennial budget in lines of business at the Department of Enterprise Services that have a fee for service structure. (General Fund-State)

5. Office Relocation

Funding is provided for the Board of Tax Appeals for the one-time and ongoing costs of the agency's move to the Capitol Court Building. (General Fund-State)

6. Administrative Costs

Funding is provided for the Board of Tax Appeals to purchase office equipment, provide Board members and tax referees with training opportunities, and hire a hearings officer and administrative assistant to support the Director. (General Fund-State)

7. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (General Fund-State)

Agency 142

Board of Tax Appeals (cont.)

Recommendation Summary

8. Board Member Salary Increases

Funds are provided for the Board of Tax Appeals to increase the salaries of Board members appointed on or before June 30, 2017. (General Fund-State)

9. 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-State)

10. OFM Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (General Fund-State)

11. CTS Fee for Service Adjustment

Rates for wireless, virtual private network, and server infrastructure services are increased effective January 1, 2018 to align revenues with WaTech's cost of providing services. Monthly rates per device or service will increase for wireless to \$50, Centrex services to \$45 and virtual private network to \$285 per tunnel per month with a \$500 setup fee. (General Fund-State)