

HUMAN SERVICES - OTHER

Agency 235

**Department of Labor and Industries  
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2017-19 Original Appropriations</b>	<b>2,992.5</b>	<b>16,468</b>	<b>781,236</b>	<b>797,704</b>
<b>Maintenance Other Changes:</b>				
1. Factory Assembled Structures	3.5	0	957	957
2. Mainframe Migration Project LINIIS	0.0	0	1,332	1,332
3. CRI Account Transfer	0.0	(860)	860	0
4. Electrical Job Class Adjustments	0.0	0	1,756	1,756
<b>Maintenance -- Other Total</b>	<b>3.5</b>	<b>(860)</b>	<b>4,905</b>	<b>4,045</b>
<b>Maintenance Comp Changes:</b>				
5. Move Pension Fund Shift to Agencies	0.0	(1,435)	1,435	0
6. Updated PEBB Rate	0.0	(76)	(1,716)	(1,792)
7. Wellness \$25 Gift Card	0.0	0	8	8
8. Paid Family Leave--Employer Premium	0.0	0	13	13
<b>Maintenance -- Comp Total</b>	<b>0.0</b>	<b>(1,511)</b>	<b>(260)</b>	<b>(1,771)</b>
<b>Maintenance Central Services Changes:</b>				
9. Archives/Records Management	0.0	0	(1)	(1)
10. Audit Services	0.0	0	16	16
11. Legal Services	0.0	(1)	(101)	(102)
12. CTS Central Services	0.0	(1)	(53)	(54)
13. DES Central Services	0.0	0	5	5
14. OFM Central Services	0.0	1	69	70
15. Workers' Compensation	0.0	(4)	(401)	(405)
16. OFM Human Resource Services	0.0	0	3	3
17. DES Rate Compensation Changes	0.0	0	36	36
<b>Maintenance -- Central Svcs Total</b>	<b>0.0</b>	<b>(5)</b>	<b>(427)</b>	<b>(432)</b>
<b>Total Maintenance Changes</b>	<b>3.5</b>	<b>(2,376)</b>	<b>4,218</b>	<b>1,842</b>
<b>2017-19 Maintenance Level</b>	<b>2,995.9</b>	<b>14,092</b>	<b>785,454</b>	<b>799,546</b>
<b>Policy Other Changes:</b>				
18. Career-Connected Learning	0.7	0	187	187
19. Crime Victims Program	0.0	3,860	0	3,860

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**Department of Labor and Industries (cont.)**

**Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
20. Prevailing Wage Technology Project	0.6	0	2,165	2,165
21. Public Works Apprenticeships	0.6	0	123	123
22. Relocate Field Offices	0.0	0	700	700
<b>Policy -- Other Total</b>	<b>1.8</b>	<b>3,860</b>	<b>3,175</b>	<b>7,035</b>
<b>Policy Comp Changes:</b>				
23. PERS & TRS Plan 1 Benefit Increase	0.0	9	195	204
<b>Policy -- Comp Total</b>	<b>0.0</b>	<b>9</b>	<b>195</b>	<b>204</b>
<b>Policy Central Services Changes:</b>				
24. Legal Services	0.0	2	141	143
25. Administrative Hearings	0.0	22	84	106
26. CTS Central Services	0.0	2	208	210
27. DES Central Services	0.0	1	52	53
28. OFM Central Services	0.0	2	192	194
29. CTS Fee for Service Adjustment	0.0	0	32	32
<b>Policy -- Central Svcs Total</b>	<b>0.0</b>	<b>29</b>	<b>709</b>	<b>738</b>
<b>Total Policy Changes</b>	<b>1.8</b>	<b>3,898</b>	<b>4,079</b>	<b>7,977</b>
<b>2017-19 Policy Level</b>	<b>2,997.7</b>	<b>17,990</b>	<b>789,533</b>	<b>807,523</b>

**POLICY CHANGES**

**1. Factory Assembled Structures**

The Department of Labor and Industries (L&I) is required to inspect alterations to mobile and manufactured homes, review plans for factory-built structures and inspect structures during construction. To keep up with growth, L&I will hire 6.9 additional inspectors and plans examiners in the Factory Assembled Structures Program. (Construction Registration Inspection Account-State)

**2. Mainframe Migration Project LINIIS**

L&I was provided funding in the 2015-17 biennium to complete the Labor and Industries Industrial Insurance System (LINIIS) migration as the first step in replacing the 30-year-old workers' compensation computer system. Due to delays in deliverables, the first step was not completed in the last biennium. Appropriation authority is provided for funds not spent in the 2015-17 biennium to allow L&I to complete the migration of LINIIS. (Accident Account-State; Medical Aid Account-State)

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## Department of Labor and Industries (cont.)

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#### 3. CRI Account Transfer

A technical correction is made by transferring \$860,000 in appropriation authority from L&I's General Fund-State (GF-S) appropriation to the newly established Construction Registration Inspection (CRI) Account. (General Fund-State; Construction Registration Inspection Account-State)

#### 4. Electrical Job Class Adjustments

Funding is provided for the Electrical Licensing Account to cover the costs of job classification adjustments approved during collective bargaining for the 2017-19 biennium. (Electrical License Account-State)

#### 5. 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)

#### 6. 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; Asbestos Account-State; Electrical License Account-State; other accounts)

#### 7. Wellness \$25 Gift Card

Some employees are eligible, under the terms of their collective bargaining agreements, to earn a \$25 gift card after completing a health risk assessment. This item provides funding for agencies to pay the employer's share of Social Security and Medicare taxes on the gift cards. (Accident Account-State; Medical Aid Account-State)

#### 8. 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. (Accident Account-State; Medical Aid Account-State)

#### 9. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center. (Accident Account-State)

#### 10. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Accident Account-State; Medical Aid Account-State)

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#### 11. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; Electrical License Account-State; Public Works Administration Account-State; other accounts)

#### 12. 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; Electrical License Account-State; Accident Account-State; other accounts)

#### 13. 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. (Accident Account-State; Medical Aid Account-State)

#### 14. 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; Electrical License Account-State; Accident Account-State; other accounts)

#### 15. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; Electrical License Account-State; Accident Account-State; other accounts)

#### 16. OFM Human Resource Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for personnel service rates. (Accident Account-State; Medical Aid Account-State)

#### 17. 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. (Accident Account-State; Medical Aid Account-State)

#### 18. Career-Connected Learning

Funding is provided for staff at five separately governed state agencies to engage with business and educational stakeholders to identify barriers to youth apprenticeships and make changes to remove these barriers. These staff will also assist the Office of the Governor in developing a strategic plan for youth apprenticeship and career-connected learning. (Accident Account-State; Medical Aid Account-State)

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**Department of Labor and Industries (cont.)****Recommendation Summary****19. Crime Victims Program**

Chapter 235, Laws of 2017 made several changes that require the Crime Victims' Compensation Program to increase reimbursements to providers. As a result of these changes and declining federal grants, benefits funding is projected to run out in fiscal year 2018. Funding is provided to cover projected benefit payouts in fiscal years 2018 and 2019. (General Fund-State)

**20. Prevailing Wage Technology Project**

Funding is provided for a one-year project to create additional Web-based tools for customers and to further improve the back-end functionality of the computer systems that support various public works activities. (Public Works Administration Account-State)

**21. Public Works Apprenticeships**

To implement recommendations from Governor Inslee's Apprenticeship Utilization in Public Works Task Force, informational materials will be produced and ongoing workshops conducted to educate public agencies and contractors about apprenticeship requirements and best practices. (Public Works Administration Account-State)

**22. Relocate Field Offices**

Based on the Office of Financial Management's Six-Year Facilities Plan, funding is provided to complete relocation of one field office in Bremerton and one in Port Angeles. These facilities are being relocated due to poor maintenance, safety concerns and other problems the landlords are unwilling to address. (Accident Account-State; Medical Aid Account-State)

**23. 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; Electrical License Account-State; Public Works Administration Account-State; other accounts)

**24. Legal Services**

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; Electrical License Account-State; Public Works Administration Account-State; other accounts)

**25. Administrative Hearings**

Agency budgets are adjusted to reflect each agency's anticipated share of charges for administrative hearings. (General Fund-State; Electrical License Account-State; Accident Account-State; other accounts)

**26. 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; Electrical License Account-State; Accident Account-State; other accounts)

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#### 27. 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-State; Electrical License Account-State; Accident Account-State; other accounts)

#### 28. 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; Electrical License Account-State; Accident Account-State; other accounts)

#### 29. 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. (Accident Account-State; Medical Aid Account-State)