

HUMAN SERVICES - OTHER

Agency 540

**Employment Security Department
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	1,669.2	0	679,189	679,189
Maintenance Other Changes:				
1. Federal Funding Adjustment	0.0	0	(10,896)	(10,896)
Maintenance -- Other Total	0.0	0	(10,896)	(10,896)
Maintenance Comp Changes:				
2. Updated PEBB Rate	0.0	0	(939)	(939)
3. Wellness \$25 Gift Card	0.0	0	4	4
4. Paid Family Leave--Employer Premium	0.0	0	11	11
Maintenance -- Comp Total	0.0	0	(924)	(924)
Maintenance Central Services Changes:				
5. Audit Services	0.0	0	(57)	(57)
6. Legal Services	0.0	0	(6)	(6)
7. Administrative Hearings	0.0	0	(6)	(6)
8. CTS Central Services	0.0	0	(14)	(14)
9. DES Central Services	0.0	0	8	8
10. OFM Central Services	0.0	0	35	35
11. Workers' Compensation	0.0	0	(76)	(76)
12. DES Rate Compensation Changes	0.0	0	49	49
Maintenance -- Central Svcs Total	0.0	0	(67)	(67)
Total Maintenance Changes	0.0	0	(11,887)	(11,887)
2017-19 Maintenance Level	1,669.2	0	667,302	667,302
Policy Other Changes:				
13. Career-Connected Learning	0.7	0	207	207
14. UI Compensation Claims	0.1	0	530	530
Policy -- Other Total	0.8	0	737	737
Policy Comp Changes:				
15. PERS & TRS Plan 1 Benefit Increase	0.0	0	101	101
Policy -- Comp Total	0.0	0	101	101

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
Policy Central Services Changes:				
16. Legal Services	0.0	0	8	8
17. Administrative Hearings	0.0	0	99	99
18. CTS Central Services	0.0	0	109	109
19. DES Central Services	0.0	0	69	69
20. OFM Central Services	0.0	0	146	146
21. CTS Fee for Service Adjustment	0.0	0	99	99
Policy -- Central Svcs Total	0.0	0	530	530
Total Policy Changes	0.8	0	1,368	1,368
2017-19 Policy Level	1,670.0	0	668,670	668,670

POLICY CHANGES

1. Federal Funding Adjustment

The Employment Security Department's (ESD) appropriation authority in General Fund-Federal and the Unemployment Compensation Account do not reflect current estimates of federal revenue. A technical adjustment is made to reflect expected revenues. (General Fund-Federal; Unemployment Compensation Admin Account-Federal)

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-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

3. 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. (Unemployment Compensation Admin Account-Federal)

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4. 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-Federal; Unemployment Compensation Admin Account-Federal; Employment Services Administrative Account-State)

5. Audit Services

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

6. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; Employment Services Administrative Account-State)

7. Administrative Hearings

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

8. 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; Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; other accounts)

9. 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; Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; other accounts)

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-Federal; Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; other accounts)

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11. 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-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

12. 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-Federal; Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; other accounts)

13. Career-Connected Learning

Funding is provided for staff at five separately governed state agencies to work together to engage with business and educational stakeholders to identify barriers to youth apprenticeship 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. (General Fund-Federal)

14. UI Compensation Claims

The U.S. Department of Labor recently published new guidance related to unemployment insurance claims for certain school employees which requires statutory changes. To implement these changes, the Employment Security Department also must make changes to its information technology system for calculating unemployment benefits. (Unemployment Compensation Admin Account-Federal)

15. 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-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

16. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Unemployment Compensation Admin Account-Federal; Administrative Contingency Account-State; Employment Services Administrative Account-State)

17. 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)

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18. 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)

19. 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)

20. 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-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)

21. 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-Federal; General Fund-Local; Unemployment Compensation Admin Account-Federal; other accounts)