

HUMAN SERVICES - OTHER

Agency 107

**Washington State Health Care Authority
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|-------------------|-------------------|
| 2017-19 Original Appropriations | 1,118.8 | 4,191,058 | 13,152,786 | 17,343,844 |
| Maintenance Other Changes: | | | | |
| 1. Mandatory Caseload Adjustments | 0.0 | (68,179) | (211,213) | (279,392) |
| 2. Utilization Changes | 0.0 | 81,081 | 353,052 | 434,133 |
| 3. Hepatitis C Treatment | 0.0 | (31,275) | (100,795) | (132,070) |
| 4. Delay in APD Approval | 0.0 | 998 | (998) | 0 |
| 5. Third Party Administrator Fees | 0.0 | 0 | 8,709 | 8,709 |
| 6. SEBB Implementation | 37.9 | 0 | 21,230 | 21,230 |
| 7. Medicaid Transformation Waiver | 5.5 | 0 | (22,262) | (22,262) |
| 8. Hospital Safety Net Assessment | 0.0 | 0 | 1,236 | 1,236 |
| 9. Medicare Parts A and B | 0.0 | 11,094 | 11,096 | 22,190 |
| 10. Medicare Part D Clawback | 0.0 | 18,541 | 0 | 18,541 |
| 11. Family Managed Care CY 2017 | 0.0 | (30,829) | (32,486) | (63,315) |
| 12. Disabled Managed Care CY 2017 | 0.0 | (29,260) | (29,298) | (58,558) |
| 13. Expansion Managed Care CY 2017 | 0.0 | (2,692) | (41,840) | (44,532) |
| 14. ACA Tax Moratorium | 0.0 | 39,811 | 106,567 | 146,378 |
| 15. Family Managed Care CY 2018 | 0.0 | 54,087 | 64,303 | 118,390 |
| 16. Disabled Managed Care CY 2018 | 0.0 | 18,202 | 18,219 | 36,421 |
| 17. Expansion Managed Care CY 2018 | 0.0 | 5,537 | 82,233 | 87,770 |
| 18. Managed Care Rate Change CY 2019 | 0.0 | 14,833 | 39,525 | 54,358 |
| 19. Public Disclosure Impacts | 0.3 | 31 | 51 | 82 |
| 20. School Employees' Benefits Board | 0.0 | 0 | (8,000) | (8,000) |
| 21. CPE Hold Harmless | 0.0 | (9,893) | 0 | (9,893) |
| Maintenance -- Other Total | 43.7 | 72,087 | 259,329 | 331,416 |
| Maintenance Comp Changes: | | | | |
| 22. Move Pension Fund Shift to Agencies | 0.0 | (4,538) | 4,538 | 0 |
| 23. Interpreter Collective Bargaining | 0.0 | 722 | 1,090 | 1,812 |
| 24. Updated PEBB Rate | 0.0 | (242) | (469) | (711) |
| 25. Wellness \$25 Gift Card | 0.0 | 0 | 2 | 2 |

HUMAN SERVICES - OTHER

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Washington State Health Care Authority (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|----------------|--------------------|-------------------|-------------------|
| 26. Paid Family Leave--Employer Premium | 0.0 | 11 | 21 | 32 |
| Maintenance -- Comp Total | 0.0 | (4,047) | 5,182 | 1,135 |
| Maintenance Central Services Changes: | | | | |
| 27. Audit Services | 0.0 | (34) | (47) | (81) |
| 28. Legal Services | 0.0 | 367 | 780 | 1,147 |
| 29. Administrative Hearings | 0.0 | (1) | (1) | (2) |
| 30. CTS Central Services | 0.0 | (7) | (10) | (17) |
| 31. DES Central Services | 0.0 | 2 | 2 | 4 |
| 32. OFM Central Services | 0.0 | 11 | 15 | 26 |
| 33. Workers' Compensation | 0.0 | (35) | (48) | (83) |
| 34. DES Rate Compensation Changes | 0.0 | 6 | 7 | 13 |
| Maintenance -- Central Svcs Total | 0.0 | 309 | 698 | 1,007 |
| Total Maintenance Changes | 43.7 | 68,349 | 265,209 | 333,558 |
| 2017-19 Maintenance Level | 1,162.5 | 4,259,407 | 13,417,995 | 17,677,402 |
| Policy Other Changes: | | | | |
| 35. Low-Income Health Care/I-502 | 0.0 | (26,855) | 26,855 | 0 |
| 36. Opioid Response: MAT Rate Increase | 0.0 | 1,214 | 4,942 | 6,156 |
| 37. Behavioral Health Integration | 1.5 | 3,641 | 2,583 | 6,224 |
| 38. COFA Premium Payment Program | 1.8 | 2,624 | 0 | 2,624 |
| 39. Post-Eligibility Review Backlog | 7.5 | (485) | (5,597) | (6,082) |
| 40. ProviderOne Operations-Maintenance | 0.0 | 1,507 | 4,837 | 6,344 |
| 41. PEBB Customer Support | 1.5 | 0 | 274 | 274 |
| 42. Healthier WA Savings Restoration | 0.0 | 61,028 | 75,894 | 136,922 |
| 43. Pharmacy Savings Restoration | 3.0 | 36,347 | 86,575 | 122,922 |
| 44. PEBB Medicare Portfolio Evaluation | 0.0 | 0 | 169 | 169 |
| 45. Call Center System Integrator | 0.0 | 0 | 3,704 | 3,704 |
| 46. Hearing Aids | 0.0 | 785 | 2,198 | 2,983 |
| 47. IV&V Federal Requirement | 0.0 | 375 | 3,375 | 3,750 |
| Policy -- Other Total | 15.3 | 80,181 | 205,809 | 285,990 |

HUMAN SERVICES - OTHER

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Washington State Health Care Authority (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|-------------------|-------------------|
| Policy Comp Changes: | | | | |
| 48. PERS & TRS Plan 1 Benefit Increase | 0.0 | 27 | 54 | 81 |
| Policy -- Comp Total | 0.0 | 27 | 54 | 81 |
| Policy Transfer Changes: | | | | |
| 49. BH - Integration Transfer | 65.4 | 556,306 | 976,265 | 1,532,571 |
| Policy -- Transfer Total | 65.4 | 556,306 | 976,265 | 1,532,571 |
| Policy Central Services Changes: | | | | |
| 50. Audit Services | 0.0 | 1 | 1 | 2 |
| 51. Legal Services | 0.0 | 4 | 8 | 12 |
| 52. Administrative Hearings | 0.0 | 24 | 22 | 46 |
| 53. CTS Central Services | 0.0 | 34 | 47 | 81 |
| 54. DES Central Services | 0.0 | 11 | 15 | 26 |
| 55. OFM Central Services | 0.0 | 33 | 44 | 77 |
| 56. CTS Fee for Service Adjustment | 0.0 | 18 | 24 | 42 |
| Policy -- Central Svcs Total | 0.0 | 125 | 161 | 286 |
| Total Policy Changes | 80.7 | 636,639 | 1,182,289 | 1,818,928 |
| 2017-19 Policy Level | 1,243.1 | 4,896,046 | 14,600,284 | 19,496,330 |

POLICY CHANGES

1. Mandatory Caseload Adjustments

Funding is provided for a projected 1.9 million Medicaid-eligible individuals in state fiscal year 2018 and state fiscal year 2019. Caseloads are forecasted to decrease by approximately 20,000 for newly eligible adults, 3,000 for family medical and 7,000 for children's medical. (General Fund-State; General Fund-Local; General Fund-Medicaid)

2. Utilization Changes

Funding is adjusted to align costs with projected utilization changes of medical services for Medicaid-eligible clients as identified in the November 2017 Medical Assistance forecast. (General Fund-State; General Fund-Local; General Fund-Medicaid)

3. Hepatitis C Treatment

Funding is reduced due to lower-than-anticipated treatment costs for the Hepatitis C virus (HCV). The decreased funding is due to falling drug costs as more treatment options enter the market and a slower-than-anticipated uptake. (General Fund-State; General Fund-Medicaid)

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Washington State Health Care Authority (cont.)

Recommendation Summary

4. Delay in APD Approval

Each year, the department submits Washington's advanced planning document (APD) to the Centers for Medicare and Medicaid Services (CMS) which requests enhanced federal funding for qualifying activities. While the document is submitted to CMS months in advance of the federal fiscal year start in October 2017, it was not approved until November 2017. Funding is provided to backfill federal funds with state funds for the two months of enhanced federal funding not received due to the delay in approving the document. (General Fund-State; General Fund-Medicaid)

5. Third Party Administrator Fees

This item funds an increase in the cost of third party administrator (TPA) fees in the Uniform Medical Plan (UMP) for the 2017-19 biennium. The fees increase with enrollment numbers, and enrollment in the UMP plans has steadily increased. (Uniform Medical Plan Benefits Administration Account-Non-Appr)

6. SEBB Implementation

Resources are provided for the Health Care Authority to establish, organize and implement the School Employees Benefits Board (SEBB) and the SEBB insurance program. The 2017-19 biennial budget provided \$8 million for this purpose; however, implementing a sizeable new insurance program requires about \$21 million. The Governor's budget provides resources for the new School Employees' Insurance Administrative Account. Expenditure authority is moved from the administrative account used for the public employees' insurance program to the new dedicated account for school employees to enhance transparency and improve budget tracking. (School Employees' Insurance Administrative Account-State)

7. Medicaid Transformation Waiver

Funding is provided to align with projected expenditures for Initiatives 1 and 3 under the Medicaid transformation waiver, as recently approved by the federal Centers for Medicare and Medicaid Services (CMS). (General Fund-Federal; General Fund-Local)

8. Hospital Safety Net Assessment

The Hospital Safety Net Assessment program (HSNA) allows the Health Care Authority (HCA) to collect assessments from Washington state hospitals and use the proceeds for payments to hospitals. Funding is adjusted to align with forecasted enrollment increases for the Hospital Safety Net Assessment program. (General Fund-Medicaid; Hospital Safety Net Assessment Account-State)

9. Medicare Parts A and B

Funding is provided for projected Medicare inpatient hospital (Part A) and physician and outpatient hospital (Part B) premiums paid by the state for dually eligible Medicaid and Medicare clients. Part A and Part B premiums are set by the Social Security Administration trustees and projected expenditures are based upon the November 2017 Medical Assistance forecast. (General Fund-State; General Fund-Medicaid)

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Washington State Health Care Authority (cont.)**Recommendation Summary****10. Medicare Part D Clawback**

States are financially responsible for their share of outpatient prescription drug costs for dual-eligible clients. This is known as Medicare Part D clawback. The Centers for Medicare and Medicaid Services (CMS) has notified states that the Medicare Part D clawback inflation factor is set at 11.93 percent with projected annual increases of 3.71 percent per year. Based upon forecasted caseloads and expenditures from the November 2017 Medical Assistance forecast, funding is provided for the clawback provision. (General Fund-State)

11. Family Managed Care CY 2017

Funding is adjusted for actuarially adjusted rates, effective July 2017, for Medicaid eligible groups for calendar year (CY) 2017. Rates were adjusted for multiple factors, the most significant being lower-than-anticipated third party liability costs in managed care. (General Fund-State; General Fund-Medicaid)

12. Disabled Managed Care CY 2017

Funding is adjusted for actuarially adjusted rates, effective July 2017, for Medicaid eligible groups for calendar year (CY) 2017. Rates were adjusted for multiple factors, the most significant being lower-than-anticipated third party liability costs in managed care. (General Fund-State; General Fund-Medicaid)

13. Expansion Managed Care CY 2017

Funding is adjusted for actuarially adjusted rates, effective July 2017, for Medicaid eligible groups for calendar year (CY) 2017. Rates were adjusted for multiple factors, the most significant being lower-than-anticipated third party liability costs in managed care. (General Fund-State; General Fund-Medicaid)

14. ACA Tax Moratorium

The federal government suspended the Affordable Care Act (ACA) insurance tax for calendar year 2017. That tax applies to Medicaid managed care plans. Funding is restored as the tax has been reinstated and is effective for calendar year 2018 onward. (General Fund-State; General Fund-Medicaid)

15. Family Managed Care CY 2018

Funding is provided for actuarially adjusted rates, effective January 2018, for Medicaid eligible groups. Funding is adjusted for the family composite population including a 1.8 percent decrease for the general non-integrated Apple Health regions, a 2.5 percent increase in the fully integrated southwest Washington region and a 3.9 percent decrease in the newly integrated northcentral Washington region. (General Fund-State; General Fund-Medicaid)

16. Disabled Managed Care CY 2018

Funding is provided for actuarially adjusted rates, effective January 2018, for Medicaid-eligible groups. Funding is adjusted for the Apple Health Blind Disabled program including an 11.8 percent decrease for the general non-integrated Apple Health regions, a 9.2 percent decrease in the fully integrated southwest Washington region and a 16.4 percent decrease in the newly integrated northcentral Washington region. (General Fund-State; General Fund-Medicaid)

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Washington State Health Care Authority (cont.)

Recommendation Summary

17. Expansion Managed Care CY 2018

Funding is provided for actuarially adjusted rates, effective January 2018, for Medicaid clients enrolled as a result of Affordable Care Act expansion. Funding is adjusted for the expansion population including a 10.3 percent decrease for the general non-integrated Apple Health regions, a 22.2 percent decrease in the fully integrated southwest Washington region and a 5.6 percent decrease in the newly integrated north central Washington region. (General Fund-State; General Fund-Medicaid)

18. Managed Care Rate Change CY 2019

The November 2017 Medical Assistance expenditure forecast assumes a 2 percent rate increase in calendar year 2019 for the Apple Health Family, Blind and Disabled, and Expansion programs. (General Fund-State; General Fund-Medicaid)

19. Public Disclosure Impacts

Funding is provided for additional public disclosure staffing and necessary information technology to accommodate the requirements mandated by Chapter 303, Laws of 2017 (public records administration). (General Fund-State; General Fund-Medicaid; Flexible Spending Administrative Account-Non-Appr)

20. School Employees' Benefits Board

The 2017-19 operating budget included start-up funding for the School Employees' Insurance Program in the existing Health Care Authority program for public employees' insurance. That funding is moved to the newly created School Employees' Insurance program within the Health Care Authority to enhance transparency and improve budget tracking. (St Health Care Authority Admin Account-State)

21. CPE Hold Harmless

The Certified Public Expenditure (CPE) program allows the state of Washington to use public hospital expenditures, including government-operated hospitals that are not critical access or state psychiatric hospitals, to earn federal funds. It is the state's policy that a hospital will not be paid less under the CPE methodology than it would have been paid under the hospital payment methodology in place at the time services are provided. This is known as the hold-harmless provision. Funding is provided for hold-harmless payments to hospitals that participate in the CPE program. (General Fund-State)

25. 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. (General Fund-Federal)

27. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-State; General Fund-Federal; St Health Care Authority Admin Account-State)

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Washington State Health Care Authority (cont.)

Recommendation Summary

28. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; General Fund-Federal; St Health Care Authority Admin Account-State)

30. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

32. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

33. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

34. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

35. Low-Income Health Care/I-502

Initiative 502 directed a portion of the revenue from taxes on the sale of marijuana into the Basic Health Trust Account. Those dollars are used in lieu of General Fund-State dollars for capitation payments for Medicaid clients enrolled in managed care plans. (General Fund-State; Basic Health Plan Trust Account-Non-Appr)

36. Opioid Response: MAT Rate Increase

This step is part of a multi-agency package to expand treatment and prevention services across the state to prevent opioid-related overdose deaths. Funding is provided to increase the Medicaid Medication Assisted Treatment (MAT) rate for opioid use disorder to match the Medicare rate to encourage more providers to treat patients with opioid use disorder. (General Fund-State; General Fund-Medicaid)

37. Behavioral Health Integration

Integrating the community mental health and substance use disorder programs with physical health programs at HCA will require updates to information technology systems, updates to rules and procedures and transition costs associated with relocating existing staff. (General Fund-State; General Fund-Federal; General Fund-Medicaid)

Agency 107

Washington State Health Care Authority (cont.)**Recommendation Summary****38. COFA Premium Payment Program**

There is a compact of free association (COFA) between the United States and three nations: Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau. Individuals from COFA nations are legally present in the United States, are not eligible for Medicaid as they are excluded from the category of "qualified immigrants" for purposes of eligibility but are allowed to purchase insurance through the Health Benefit Exchange. The COFA premium payment program provides subsidized health insurance for low-income, legally present Washington residents from COFA nations. Funding is provided for system changes to Healthplanfinder to capture COFA citizenship status and other necessary changes to implement the program. (General Fund-State)

39. Post-Eligibility Review Backlog

Funding is adjusted to reflect an additional 15.0 FTE staff for Medicaid Eligibility Determination Services (MEDS) activities that process post eligibility reviews. The FTEs will work on processing new post eligibility reviews in a timely manner to address the backlog and ensure all cases have an eligibility determination within 60 days. (General Fund-State; General Fund-Medicaid)

40. ProviderOne Operations-Maintenance

Funding is provided to address increased costs to continue to operate and maintain the current ProviderOne Medicaid Management Information System (MMIS). (General Fund-State; General Fund-Medicaid)

41. PEBB Customer Support

An additional FTE staff is provided in the Customer Service Division to serve the increased number of members, both active and retired, that has resulted in a higher volume of phone calls and document processing workload. Another FTE staff is provided for the Outreach and Training unit to assist employers' benefits staff handle an increase in the number of employers enrolling in PEBB. (St Health Care Authority Admin Account-State)

42. Healthier WA Savings Restoration

Healthier Washington is a project that allows the Health Care Authority and the Department of Social and Health Services to establish integrated clinical models of physical and behavioral health care, thereby improving the effectiveness of health care purchasing and transforming the health care delivery system. As a result of delayed efforts to integrate clinical models of physical and behavioral health care, savings assumed in the current budget will not be realized this biennium. (General Fund-State; General Fund-Medicaid)

43. Pharmacy Savings Restoration

The Health Care Authority has signed a contract to implement a single Medicaid preferred drug list, however the savings assumptions in the current budget cannot be achieved as quickly nor at the level assumed. (General Fund-State; General Fund-Medicaid)

Agency 107

Washington State Health Care Authority (cont.)**Recommendation Summary****44. PEBB Medicare Portfolio Evaluation**

Federal support for retiree prescription drug coverage is decreasing as a share of overall cost. Other approaches to providing this benefit might be more sustainable if they result in greater federal support. This funding provides for actuarial, legal, tax and other professional services to develop and analyze options for the explicit subsidy for Medicare-eligible retirees for plan years 2019 and thereafter. (St Health Care Authority Admin Account-State)

45. Call Center System Integrator

Funding is provided to implement a call center vendor and to define requirements for a system integrator vendor. (General Fund-Medicaid; Health Benefit Exchange Account-State)

46. Hearing Aids

Funding is provided to restore the hearing aid benefit for Medicaid-eligible adults. This will provide hearing aids to an estimated 6,300 adults with hearing loss. (General Fund-State; General Fund-Medicaid)

47. IV&V Federal Requirement

The federal Centers for Medicare and Medicaid Services (CMS) required during the Advanced Planning Document approval process that the state have a single enterprise-wide independent validation and verification (IV&V) contract to assess that ongoing projects are meeting contract terms. Funding is provided to meet this federal requirement. (General Fund-State; General Fund-Medicaid)

49. BH - Integration Transfer

Chapter 225, Laws of 2014 requires the Health Care Authority (HCA) and Department of Social and Health Services (DSHS) to fully integrate physical health care and behavioral health (BH) care services to Medicaid clients by January 1, 2020. As part of the second phase of behavioral health integration, all community mental health and substance use disorder programs are transferred from DSHS to HCA, with the exception of the licensing and certification program which will transfer to the Department of Health (DOH). (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

51. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; General Fund-Federal; St Health Care Authority Admin Account-State)

52. Administrative Hearings

Agency budgets are adjusted to reflect each agency's anticipated share of charges for administrative hearings. (General Fund-State; General Fund-Federal; St Health Care Authority Admin Account-State)

53. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

Agency 107

Washington State Health Care Authority (cont.)

Recommendation Summary

55. 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; General Fund-Federal; St Health Care Authority Admin Account-State)

HUMAN SERVICES - OTHER

Agency 120

**Human Rights Commission
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|--------------------|--------------|--------------|
| 2017-19 Original Appropriations | 34.2 | 4,676 | 2,427 | 7,103 |
| Maintenance Comp Changes: | | | | |
| 1. Move Pension Fund Shift to Agencies | 0.0 | (190) | 190 | 0 |
| 2. Updated PEBB Rate | 0.0 | (10) | (8) | (18) |
| Maintenance -- Comp Total | 0.0 | (200) | 182 | (18) |
| Maintenance Central Services Changes: | | | | |
| 3. Legal Services | 0.0 | (1) | 0 | (1) |
| 4. CTS Central Services | 0.0 | (1) | 0 | (1) |
| 5. OFM Central Services | 0.0 | 2 | 0 | 2 |
| 6. Workers' Compensation | 0.0 | (1) | 0 | (1) |
| 7. DES Rate Compensation Changes | 0.0 | 4 | 0 | 4 |
| Maintenance -- Central Svcs Total | 0.0 | 3 | 0 | 3 |
| Total Maintenance Changes | 0.0 | (197) | 182 | (15) |
| 2017-19 Maintenance Level | 34.2 | 4,479 | 2,609 | 7,088 |
| Policy Other Changes: | | | | |
| 8. New Case Management Database | 0.0 | 85 | 0 | 85 |
| 9. Website Relocation to WaTech | 0.0 | 11 | 0 | 11 |
| Policy -- Other Total | 0.0 | 96 | 0 | 96 |
| Policy Comp Changes: | | | | |
| 10. PERS & TRS Plan 1 Benefit Increase | 0.0 | 1 | 1 | 2 |
| Policy -- Comp Total | 0.0 | 1 | 1 | 2 |
| Policy Central Services Changes: | | | | |
| 11. Legal Services | 0.0 | 1 | 0 | 1 |
| 12. CTS Central Services | 0.0 | 2 | 0 | 2 |
| 13. OFM Central Services | 0.0 | 2 | 0 | 2 |
| 14. CTS Fee for Service Adjustment | 0.0 | 3 | 0 | 3 |
| Policy -- Central Svcs Total | 0.0 | 8 | 0 | 8 |
| Total Policy Changes | 0.0 | 105 | 1 | 106 |
| 2017-19 Policy Level | 34.2 | 4,584 | 2,610 | 7,194 |

Agency 120

Human Rights Commission (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|-----------------------|-------------|-------------|
| POLICY CHANGES | | | | |
| 1. Move Pension Fund Shift to Agencies | | | | |
| <p>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)</p> | | | | |
| 2. Updated PEBB Rate | | | | |
| <p>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; General Fund-Federal)</p> | | | | |
| 3. Legal Services | | | | |
| <p>Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)</p> | | | | |
| 4. CTS Central Services | | | | |
| <p>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)</p> | | | | |
| 5. OFM Central Services | | | | |
| <p>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)</p> | | | | |
| 6. Workers' Compensation | | | | |
| <p>Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State)</p> | | | | |
| 7. DES Rate Compensation Changes | | | | |
| <p>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)</p> | | | | |

Agency 120

Human Rights Commission (cont.)

Recommendation Summary

8. New Case Management Database

Funding is provided to replace the Commission's 15-year-old case management database with a more reliable, secure and modern system that will increase efficiency and improve access for staff. (General Fund-State)

9. Website Relocation to WaTech

This funding will allow the Human Rights Commission to move the hosting of its website to the Consolidated Technology Services Agency (WaTech) to improve the security and functionality of the website. (General Fund-State)

10. 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; General Fund-Federal)

11. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

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)

13. 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)

14. 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)

Agency 190

**Board of Industrial Insurance Appeals
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|--------------|--------------------|---------------|---------------|
| 2017-19 Original Appropriations | 162.5 | 0 | 44,885 | 44,885 |
| Maintenance Comp Changes: | | | | |
| 1. Updated PEBB Rate | 0.0 | 0 | (98) | (98) |
| 2. Paid Family Leave--Employer Premium | 0.0 | 0 | 2 | 2 |
| Maintenance -- Comp Total | 0.0 | 0 | (96) | (96) |
| Maintenance Central Services Changes: | | | | |
| 3. OFM Central Services | 0.0 | 0 | 4 | 4 |
| 4. Workers' Compensation | 0.0 | 0 | (8) | (8) |
| 5. DES Rate Compensation Changes | 0.0 | 0 | 4 | 4 |
| Maintenance -- Central Svcs Total | 0.0 | 0 | 0 | 0 |
| Total Maintenance Changes | 0.0 | 0 | (96) | (96) |
| 2017-19 Maintenance Level | 162.5 | 0 | 44,789 | 44,789 |
| Policy Comp Changes: | | | | |
| 6. PERS & TRS Plan 1 Benefit Increase | 0.0 | 0 | 14 | 14 |
| Policy -- Comp Total | 0.0 | 0 | 14 | 14 |
| Policy Central Services Changes: | | | | |
| 7. CTS Central Services | 0.0 | 0 | 12 | 12 |
| 8. DES Central Services | 0.0 | 0 | 4 | 4 |
| 9. OFM Central Services | 0.0 | 0 | 10 | 10 |
| 10. CTS Fee for Service Adjustment | 0.0 | 0 | 14 | 14 |
| Policy -- Central Svcs Total | 0.0 | 0 | 40 | 40 |
| Total Policy Changes | 0.0 | 0 | 54 | 54 |
| 2017-19 Policy Level | 162.5 | 0 | 44,843 | 44,843 |

Agency 190

Board of Industrial Insurance Appeals (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|-------------|-----------------------|-------------|-------------|
| POLICY CHANGES | | | | |
| 1. Updated PEBB Rate | | | | |
| <p>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. (Accident Account-State; Medical Aid Account-State)</p> | | | | |
| 2. Paid Family Leave--Employer Premium | | | | |
| <p>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)</p> | | | | |
| 3. OFM Central Services | | | | |
| <p>Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (Accident Account-State; Medical Aid Account-State)</p> | | | | |
| 4. Workers' Compensation | | | | |
| <p>Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (Accident Account-State; Medical Aid Account-State)</p> | | | | |
| 5. DES Rate Compensation Changes | | | | |
| <p>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)</p> | | | | |
| 6. PERS & TRS Plan 1 Benefit Increase | | | | |
| <p>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. (Accident Account-State; Medical Aid Account-State)</p> | | | | |
| 7. CTS Central Services | | | | |
| <p>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. (Accident Account-State; Medical Aid Account-State)</p> | | | | |

Agency 190

Board of Industrial Insurance Appeals (cont.)

Recommendation Summary

8. 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)

9. 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. (Accident Account-State; Medical Aid Account-State)

10. 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)

HUMAN SERVICES - OTHER

Agency 227

**WA State Criminal Justice Training Commission
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|--------------------|---------------|---------------|
| 2017-19 Original Appropriations | 53.5 | 42,408 | 14,710 | 57,118 |
| Maintenance Other Changes: | | | | |
| 1. Other Fund Adjustments | 0.0 | 0 | (10) | (10) |
| 2. Local Funding Adjustment | 0.0 | 0 | 162 | 162 |
| 3. TAC Reimbursement Increase | 0.0 | 105 | 36 | 141 |
| Maintenance -- Other Total | 0.0 | 105 | 188 | 293 |
| Maintenance Comp Changes: | | | | |
| 4. Move Pension Fund Shift to Agencies | 0.0 | (460) | 460 | 0 |
| 5. Updated PEBB Rate | 0.0 | (28) | (1) | (29) |
| 6. Paid Family Leave--Employer Premium | 0.0 | 1 | 0 | 1 |
| Maintenance -- Comp Total | 0.0 | (487) | 459 | (28) |
| Maintenance Central Services Changes: | | | | |
| 7. Legal Services | 0.0 | (1) | 0 | (1) |
| 8. CTS Central Services | 0.0 | 3 | 0 | 3 |
| 9. OFM Central Services | 0.0 | 3 | 0 | 3 |
| 10. Workers' Compensation | 0.0 | 20 | 0 | 20 |
| 11. DES Rate Compensation Changes | 0.0 | 8 | 0 | 8 |
| Maintenance -- Central Svcs Total | 0.0 | 33 | 0 | 33 |
| Total Maintenance Changes | 0.0 | (349) | 647 | 298 |
| 2017-19 Maintenance Level | 53.5 | 42,059 | 15,357 | 57,416 |
| Policy Other Changes: | | | | |
| 12. Basic Law Enforcement Academy | 0.0 | 263 | 111 | 374 |
| 13. Corrections Officer Academy | 0.0 | 344 | 116 | 460 |
| 14. Equivalency Academy | 0.0 | 54 | 0 | 54 |
| Policy -- Other Total | 0.0 | 661 | 227 | 888 |
| Policy Comp Changes: | | | | |
| 15. PERS & TRS Plan 1 Benefit Increase | 0.0 | 3 | 0 | 3 |
| Policy -- Comp Total | 0.0 | 3 | 0 | 3 |

Agency 227

WA State Criminal Justice Training Commission (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|-------------|--------------------|---------------|---------------|
| Policy Central Services Changes: | | | | |
| 16. Legal Services | 0.0 | 1 | 0 | 1 |
| 17. CTS Central Services | 0.0 | 3 | 0 | 3 |
| 18. OFM Central Services | 0.0 | 2 | 0 | 2 |
| 19. CTS Fee for Service Adjustment | 0.0 | 5 | 0 | 5 |
| Policy -- Central Svcs Total | 0.0 | 11 | 0 | 11 |
| Total Policy Changes | 0.0 | 675 | 227 | 902 |
| 2017-19 Policy Level | 53.5 | 42,734 | 15,584 | 58,318 |

POLICY CHANGES

1. Other Fund Adjustments

Expenditures in the 24/7 Sobriety Account are reduced to align with anticipated revenues. (24/7 Sobriety Account-State)

2. Local Funding Adjustment

A technical adjustment is made in the 2017-19 budget to cover the local cost share for basic corrections training. (General Fund-Local)

3. TAC Reimbursement Increase

Funding is provided for the Criminal Justice Training Commission to reimburse law enforcement agencies for their cost-of-living adjustments for contracted teacher, administrator and counselor (TAC) staff. (General Fund-State; General Fund-Local)

4. 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)

5. 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; General Fund-Local)

Agency 227

WA State Criminal Justice Training Commission (cont.)

Recommendation Summary

6. 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)

7. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

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-State)

9. 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)

10. 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)

11. 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)

12. Basic Law Enforcement Academy

Funding is provided for one additional Basic Law Enforcement Academy class in fiscal year 2019. (General Fund-State; General Fund-Local)

13. Corrections Officer Academy

Funding is provided for three additional Corrections Officer Academy classes each fiscal year. (General Fund-State; General Fund-Local)

14. Equivalency Academy

Funding is provided for one additional Equivalency Academy class each fiscal year. (General Fund-State)

Agency 227

WA State Criminal Justice Training Commission (cont.)

Recommendation Summary

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-State)

16. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

17. 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)

18. 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)

19. 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)

HUMAN SERVICES - OTHER

Agency 235

Department of Labor and Industries
Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|----------------|--------------------|----------------|----------------|
| 2017-19 Original Appropriations | 2,992.5 | 16,468 | 781,236 | 797,704 |
| Maintenance Other Changes: | | | | |
| 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 |
| Maintenance -- Other Total | 3.5 | (860) | 4,905 | 4,045 |
| Maintenance Comp Changes: | | | | |
| 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 |
| Maintenance -- Comp Total | 0.0 | (1,511) | (260) | (1,771) |
| Maintenance Central Services Changes: | | | | |
| 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 |
| Maintenance -- Central Svcs Total | 0.0 | (5) | (427) | (432) |
| Total Maintenance Changes | 3.5 | (2,376) | 4,218 | 1,842 |
| 2017-19 Maintenance Level | 2,995.9 | 14,092 | 785,454 | 799,546 |
| Policy Other Changes: | | | | |
| 18. Career-Connected Learning | 0.7 | 0 | 187 | 187 |
| 19. Crime Victims Program | 0.0 | 3,860 | 0 | 3,860 |

HUMAN SERVICES - OTHER

Agency 235

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 |
| Policy -- Other Total | 1.8 | 3,860 | 3,175 | 7,035 |
| Policy Comp Changes: | | | | |
| 23. PERS & TRS Plan 1 Benefit Increase | 0.0 | 9 | 195 | 204 |
| Policy -- Comp Total | 0.0 | 9 | 195 | 204 |
| Policy Central Services Changes: | | | | |
| 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 |
| Policy -- Central Svcs Total | 0.0 | 29 | 709 | 738 |
| Total Policy Changes | 1.8 | 3,898 | 4,079 | 7,977 |
| 2017-19 Policy Level | 2,997.7 | 17,990 | 789,533 | 807,523 |

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)

Agency 235

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

Agency 235

Department of Labor and Industries (cont.)

Recommendation Summary

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)

Agency 235

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)

Agency 235

Department of Labor and Industries (cont.)

Recommendation Summary

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)

HUMAN SERVICES - OTHER

Agency 303

**Department of Health
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|----------------|--------------------|------------------|------------------|
| 2017-19 Original Appropriations | 1,775.4 | 143,907 | 1,090,344 | 1,234,251 |
| Maintenance Other Changes: | | | | |
| 1. Reduce Expenditure Authority | 0.0 | 0 | (15,177) | (15,177) |
| 2. Public Disclosure Impacts | 5.0 | 836 | 213 | 1,049 |
| 3. Rural Health Proviso | 0.0 | 500 | 0 | 500 |
| 4. Technical Adjustments | 1.7 | 769 | 178 | 947 |
| Maintenance -- Other Total | 6.7 | 2,105 | (14,786) | (12,681) |
| Maintenance Comp Changes: | | | | |
| 5. Move Pension Fund Shift to Agencies | 0.0 | (3,821) | 3,821 | 0 |
| 6. Updated PEBB Rate | 0.0 | (176) | (884) | (1,060) |
| 7. Wellness \$25 Gift Card | 0.0 | 0 | 4 | 4 |
| 8. Paid Family Leave--Employer Premium | 0.0 | 5 | 16 | 21 |
| Maintenance -- Comp Total | 0.0 | (3,992) | 2,957 | (1,035) |
| Maintenance Central Services Changes: | | | | |
| 9. Audit Services | 0.0 | (6) | (30) | (36) |
| 10. Legal Services | 0.0 | (2) | (21) | (23) |
| 11. CTS Central Services | 0.0 | (3) | (14) | (17) |
| 12. DES Central Services | 0.0 | 0 | 2 | 2 |
| 13. OFM Central Services | 0.0 | 6 | 34 | 40 |
| 14. Workers' Compensation | 0.0 | (20) | (58) | (78) |
| 15. DES Rate Compensation Changes | 0.0 | 2 | 14 | 16 |
| Maintenance -- Central Svcs Total | 0.0 | (23) | (73) | (96) |
| Total Maintenance Changes | 6.7 | (1,910) | (11,902) | (13,812) |
| 2017-19 Maintenance Level | 1,782.1 | 141,997 | 1,078,442 | 1,220,439 |
| Policy Other Changes: | | | | |
| 16. Opioid Response: Data Tracking | 5.1 | 1,817 | 0 | 1,817 |
| 17. Behavioral Health Integration | 4.2 | 1,009 | 0 | 1,009 |
| 18. Contract for Hospital Patient Data | 0.0 | 556 | 0 | 556 |
| 19. Backfill Early Hearing Program | 0.0 | 124 | 0 | 124 |

HUMAN SERVICES - OTHER

Agency 303

Department of Health (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|------------------|------------------|
| 20. Federal Funding Adjustments | 19.8 | 0 | 0 | 0 |
| 21. Continue Online License Effort | 0.0 | 0 | 468 | 468 |
| 22. Expand Newborn Screening Panel | 1.3 | 0 | 683 | 683 |
| 23. Ensure Water System Workforce | 0.7 | 0 | 168 | 168 |
| Policy -- Other Total | 31.0 | 3,506 | 1,319 | 4,825 |
| Policy Comp Changes: | | | | |
| 24. PERS & TRS Plan 1 Benefit Increase | 0.0 | 23 | 109 | 132 |
| Policy -- Comp Total | 0.0 | 23 | 109 | 132 |
| Policy Transfer Changes: | | | | |
| 25. Behavioral Health Transfer | 11.0 | 1,386 | 1,181 | 2,567 |
| Policy -- Transfer Total | 11.0 | 1,386 | 1,181 | 2,567 |
| Policy Central Services Changes: | | | | |
| 26. Legal Services | 0.0 | 3 | 30 | 33 |
| 27. CTS Central Services | 0.0 | 20 | 104 | 124 |
| 28. DES Central Services | 0.0 | 5 | 34 | 39 |
| 29. OFM Central Services | 0.0 | 18 | 95 | 113 |
| 30. CTS Fee for Service Adjustment | 0.0 | 3 | 16 | 19 |
| Policy -- Central Svcs Total | 0.0 | 49 | 279 | 328 |
| Total Policy Changes | 42.0 | 4,964 | 2,888 | 7,852 |
| 2017-19 Policy Level | 1,824.0 | 146,961 | 1,081,330 | 1,228,291 |

POLICY CHANGES

1. Reduce Expenditure Authority

Expenditure authority is reduced to align with revenue projections. (Universal Vaccine Purchase Account-Non-Appr; Youth Tobacco Prevention Account-State)

2. Public Disclosure Impacts

Funding is provided for additional public disclosure staffing to accommodate the requirements mandated by Chapter 303, Laws of 2017. (General Fund-State; Health Professions Account-State)

3. Rural Health Proviso

Funding is provided for the Department of Health (DOH) to contract with a nongovernmental entity to address health disparities in rural communities. (General Fund-State)

Agency 303

Department of Health (cont.)

Recommendation Summary

4. Technical Adjustments

Funding is provided to make technical corrections to the agency budget for bills that passed in the 2017 legislative session but were unfunded. (General Fund-State; Health Professions 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; General Fund-Federal; General Fund-Local; 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. (General Fund-Federal; Health Professions 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. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

9. Audit Services

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

10. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

Agency 303

Department of Health (cont.)

Recommendation Summary

11. 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; General Fund-Federal; General Fund-Local; other accounts)

12. 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. (Health Professions Account-State)

13. 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; General Fund-Federal; General Fund-Local; other accounts)

14. 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; General Fund-Federal; General Fund-Local; other accounts)

15. 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; General Fund-Federal; General Fund-Local; other accounts)

16. Opioid Response: Data Tracking

This item is part of a multi-agency package to build infrastructure to prevent opioid-related overdose deaths in the state. Specific investments within DOH include increased access to the Prescription Monitoring Program (PMP), and a requirement that all prescribers and pharmacists check the prescription monitoring program prior to prescribing or dispensing a controlled substance. Other data system improvements will allow for increased coordination among medical professionals, service providers and DOH. (General Fund-State)

17. Behavioral Health Integration

Funding is provided to integrate the behavioral health certification and licensing program with the other professional management systems and processes at DOH, which will require updates to information technology systems, updates to rules and procedures, and relocation of existing staff. (General Fund-State)

Agency 303

Department of Health (cont.)**Recommendation Summary****18. Contract for Hospital Patient Data**

Funding is provided to replace the Comprehensive Hospital Abstract Reporting System (CHARS) which reaches the end of its lifecycle in 2019. CHARS collects record-level hospital data and is used to identify and analyze hospitalization and other trends. (General Fund-State)

19. Backfill Early Hearing Program

New restrictions on federal grant funds used to operate the Early Hearing Detection, Diagnosis and Intervention (EHDDI) program have resulted in an emergent funding shortfall. Funding is provided to maintain the program while the Department of Health (DOH) concurrently develops a long-term funding strategy to ensure program sustainability. (General Fund-State)

20. Federal Funding Adjustments

Expenditure authority is adjusted to align with current federal grant funding.

21. Continue Online License Effort

One-time expenditure authority is provided in fiscal year 2018 to continue the Online Licensing and Information Collection project. Additional authority reflects the unspent authority from delays in the prior biennia when vendor contract issues emerged during development of the online license application. The project is now scheduled to be completed by March 2018. (Health Professions Account-State)

22. Expand Newborn Screening Panel

Authority is provided for the department to collect fees necessary to conduct blood testing for Pompe disease and MPS-I as part of the mandatory newborn screening panel. (General Fund-Local)

23. Ensure Water System Workforce

Funding is provided to increase opportunities for training and internships/apprenticeships, and to make quality improvements to the application and renewal process for drinking water system operators and those interested in joining this workforce. (Waterworks Operator Certification-State)

24. 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; General Fund-Federal; General Fund-Local; other accounts)

25. Behavioral Health Transfer

Effective July 1, 2018, the Behavioral Health Certification and Licensing program will transfer from the Department of Social and Health Services to the Department of Health. (General Fund-State; General Fund-Federal; General Fund-Local)

Agency 303

Department of Health (cont.)

Recommendation Summary

26. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

27. 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; General Fund-Federal; General Fund-Local; other accounts)

28. 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; General Fund-Federal; General Fund-Local; other accounts)

29. 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; General Fund-Federal; General Fund-Local; other accounts)

30. 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; General Fund-Federal; General Fund-Local; other accounts)

HUMAN SERVICES - OTHER

Agency 305

**Department of Veterans' Affairs
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|--------------|--------------------|-----------------|----------------|
| 2017-19 Original Appropriations | 862.2 | 20,911 | 139,252 | 160,163 |
| Maintenance Other Changes: | | | | |
| 1. Nursing Homes Revenue Adjustment | 0.0 | 6,500 | (6,500) | 0 |
| 2. Enterprise Veteran Case Management | 0.0 | 150 | 0 | 150 |
| Maintenance -- Other Total | 0.0 | 6,650 | (6,500) | 150 |
| Maintenance Comp Changes: | | | | |
| 3. Move Pension Fund Shift to Agencies | 0.0 | (2,090) | 2,090 | 0 |
| 4. Updated PEBB Rate | 0.0 | (125) | (344) | (469) |
| 5. Wellness \$25 Gift Card | 0.0 | 0 | 2 | 2 |
| 6. Paid Family Leave--Employer Premium | 0.0 | 4 | 6 | 10 |
| 7. Technical Correction | 0.0 | 8,762 | (8,762) | 0 |
| Maintenance -- Comp Total | 0.0 | 6,551 | (7,008) | (457) |
| Maintenance Central Services Changes: | | | | |
| 8. Audit Services | 0.0 | (1) | (4) | (5) |
| 9. CTS Central Services | 0.0 | (4) | (12) | (16) |
| 10. OFM Central Services | 0.0 | 5 | 15 | 20 |
| 11. Workers' Compensation | 0.0 | (4) | (16) | (20) |
| 12. DES Rate Compensation Changes | 0.0 | 0 | 1 | 1 |
| Maintenance -- Central Svcs Total | 0.0 | (4) | (16) | (20) |
| Total Maintenance Changes | 0.0 | 13,197 | (13,524) | (327) |
| 2017-19 Maintenance Level | 862.2 | 34,108 | 125,728 | 159,836 |
| Policy Other Changes: | | | | |
| 13. Clinical Compliance Nurse | 1.0 | 340 | 0 | 340 |
| Policy -- Other Total | 1.0 | 340 | 0 | 340 |
| Policy Comp Changes: | | | | |
| 14. PERS & TRS Plan 1 Benefit Increase | 0.0 | 13 | 35 | 48 |
| 15. Targeted Compression and Inversion | 0.0 | 301 | 0 | 301 |
| Policy -- Comp Total | 0.0 | 314 | 35 | 349 |

Agency 305

Department of Veterans' Affairs (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|--------------|-----------------------|----------------|----------------|
| Policy Central Services Changes: | | | | |
| 16. CTS Central Services | 0.0 | 14 | 44 | 58 |
| 17. DES Central Services | 0.0 | 2 | 0 | 2 |
| 18. OFM Central Services | 0.0 | 10 | 36 | 46 |
| 19. CTS Fee for Service Adjustment | 0.0 | 6 | 18 | 24 |
| Policy -- Central Svcs Total | 0.0 | 32 | 98 | 130 |
| Total Policy Changes | 1.0 | 686 | 133 | 819 |
| 2017-19 Policy Level | 863.2 | 34,794 | 125,861 | 160,655 |

POLICY CHANGES

1. Nursing Homes Revenue Adjustment

Operational compliance issues, reduced caseload and changes to the census mix have impacted revenue generation for the veterans' homes. As a result, federal and local expenditure authority are reduced, and a General Fund-State backfill is provided to ensure continued operations. (General Fund-State; General Fund-Federal; General Fund-Local)

2. Enterprise Veteran Case Management

Funding is provided for increased software licensing costs for the Enterprise Veterans Case Management system. (General Fund-State)

5. 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. (General Fund-Federal)

7. Technical Correction

The agency received federal and local authority in the 2017-19 enacted budget related to several collective bargaining agreement steps. Because the agency is unable to draw down additional federal and local revenue, a General Fund-State backfill is required. (General Fund-State; General Fund-Federal; General Fund-Local)

13. Clinical Compliance Nurse

The agency will implement a clinical and nursing compliance program to ensure that the state's four veterans' homes adhere to federal and state regulations for the quality of care of residents. (General Fund-State)

15. Targeted Compression and Inversion

Funding is provided for salary increases in targeted positions with inversion between management positions and subordinate staff. (General Fund-State)

HUMAN SERVICES - OTHER

Agency 307

Department of Children, Youth, and Families
Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|----------------|--------------------|----------------|------------------|
| 2017-19 Original Appropriations | 1,553.1 | 543,636 | 472,720 | 1,016,356 |
| Maintenance Other Changes: | | | | |
| 1. Adjust Federal Authority | 0.0 | 0 | 4,176 | 4,176 |
| 2. Mandatory Caseload Adjustment | 0.0 | 3,058 | 2,220 | 5,278 |
| 3. Phase II of SHB 2106 | 4.0 | 1,897 | 39 | 1,936 |
| 4. Public Disclosure Impacts | 3.2 | 485 | 10 | 495 |
| 5. Tiered Reimbursement Adjustments | 0.0 | 2,406 | 0 | 2,406 |
| Maintenance -- Other Total | 7.2 | 7,846 | 6,445 | 14,291 |
| Maintenance Comp Changes: | | | | |
| 6. Move Pension Fund Shift to Agencies | 0.0 | (14,444) | 14,444 | 0 |
| 7. Compensation Adjustment | 0.0 | 985 | 25 | 1,010 |
| 8. Updated PEBB Rate | 0.0 | (1,611) | (205) | (1,816) |
| 9. Wellness \$25 Gift Card | 0.0 | 4 | 0 | 4 |
| 10. Paid Family Leave--Employer Premium | 0.0 | 19 | 2 | 21 |
| Maintenance -- Comp Total | 0.0 | (15,047) | 14,266 | (781) |
| Maintenance Central Services Changes: | | | | |
| 11. Audit Services | 0.0 | (11) | 0 | (11) |
| 12. Legal Services | 0.0 | (3) | 0 | (3) |
| 13. CTS Central Services | 0.0 | (5) | 0 | (5) |
| 14. OFM Central Services | 0.0 | 7 | 0 | 7 |
| 15. Workers' Compensation | 0.0 | 48 | 0 | 48 |
| 16. DES Rate Compensation Changes | 0.0 | 2 | 0 | 2 |
| Maintenance -- Central Svcs Total | 0.0 | 38 | 0 | 38 |
| Total Maintenance Changes | 7.2 | (7,163) | 20,711 | 13,548 |
| 2017-19 Maintenance Level | 1,560.3 | 536,473 | 493,431 | 1,029,904 |
| Policy Other Changes: | | | | |
| 17. Foster Parent Liaison | 17.5 | 3,855 | 79 | 3,934 |
| 18. Home Visiting | 0.5 | 2,299 | 0 | 2,299 |
| 19. Increase BRS Rates | 0.0 | 3,499 | 0 | 3,499 |

HUMAN SERVICES - OTHER

Agency 307

Department of Children, Youth, and Families (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|----------------|------------------|
| 20. ECLIPSE Program | 0.0 | 2,543 | 0 | 2,543 |
| 21. DCYF Implementation Funds | 0.0 | 5,000 | 0 | 5,000 |
| 22. Phase II - SHB 2106 | (4.0) | (1,897) | (39) | (1,936) |
| Policy -- Other Total | 14.0 | 15,299 | 40 | 15,339 |
| Policy Comp Changes: | | | | |
| 23. PERS & TRS Plan 1 Benefit Increase | 0.0 | 186 | 24 | 210 |
| Policy -- Comp Total | 0.0 | 186 | 24 | 210 |
| Policy Central Services Changes: | | | | |
| 24. Legal Services | 0.0 | 2 | 0 | 2 |
| 25. Administrative Hearings | 0.0 | 3 | 0 | 3 |
| 26. CTS Central Services | 0.0 | 9 | 0 | 9 |
| 27. DES Central Services | 0.0 | 4 | 0 | 4 |
| 28. OFM Central Services | 0.0 | 18 | 0 | 18 |
| 29. CTS Fee for Service Adjustment | 0.0 | 1 | 0 | 1 |
| Policy -- Central Svcs Total | 0.0 | 37 | 0 | 37 |
| Total Policy Changes | 14.0 | 15,522 | 64 | 15,586 |
| 2017-19 Policy Level | 1,574.3 | 551,995 | 493,495 | 1,045,490 |

POLICY CHANGES

1. Adjust Federal Authority

Adjustments are made to the federal appropriation authority for Title IV-E funds to accurately reflect the anticipated federal earnings in fiscal year 2019. (General Fund-Federal)

2. Mandatory Caseload Adjustment

Funding is adjusted for the foster care and adoption support programs based on the November 2017 caseload and per capita cost forecasts. (General Fund-State; General Fund-Federal)

3. Phase II of SHB 2106

Phase II of SHB 2106 requires that two demonstration sites be selected in which DSHS would contract out for child welfare services. The current implementation date is December 30, 2019. (General Fund-State; General Fund-Federal)

Agency 307

Department of Children, Youth, and Families (cont.)

Recommendation Summary

4. Public Disclosure Impacts

Funding is provided for additional public disclosure staffing to accommodate the requirements mandated by Chapter 303, Laws of 2017 (public records administration). (General Fund-State; General Fund-Federal)

5. Tiered Reimbursement Adjustments

Tiered reimbursement awards are updated based on information received as part of the November 2017 forecast. (General Fund-State)

6. 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)

7. Compensation Adjustment

This item makes technical adjustments related to compensation steps that were provided in the enacted 2017-19 biennial budget. Staffing models used to calculate costs for additional staff provided in the biennial budget did not account for: 2% salary increases, health insurance premium increases, and targeted increases for certain positions. (General Fund-State; General Fund-Federal)

8. 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; General Fund-Federal; Education Legacy Trust Account-State; other accounts)

9. 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. (General Fund-State)

10. 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; General Fund-Federal)

Agency 307

Department of Children, Youth, and Families (cont.)

Recommendation Summary

11. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-State)

12. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

13. 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)

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)

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)

16. 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)

17. Foster Parent Liaison

The agency will hire 35 foster parent liaison staff to support foster parents by answering questions and referring foster parents to community resources and supports. (General Fund-State; General Fund-Federal)

18. Home Visiting

The Home Visiting program is expanded to serve an additional 275 families beginning in fiscal year 2019. (General Fund-State)

19. Increase BRS Rates

Funding is provided to increase the behavioral rehabilitative services (BRS) rate by \$750 per child per month. The rate increase is effective July 2017 for campus facility-based providers and is effective October 2017 for all remaining behavioral rehabilitative service providers. Behavioral rehabilitative services are for foster care children who present the highest behavioral needs and who require the highest level of structured care. (General Fund-State)

Agency 307

Department of Children, Youth, and Families (cont.)**Recommendation Summary****20. ECLIPSE Program**

Additional one-time state funding is provided in fiscal year 2019 to continue delivering the Early Childhood Intervention Prevention Services (ECLIPSE) program (formerly known as the Medicaid Treatment Child Care program) because use of federal Medicaid dollars to support this program was disallowed in 2014. (Funding also is provided for transportation.) The ECLIPSE program provides early intervention and treatment services for children exposed to environmental, familial and biological risk factors that impact development, behavior and mental health. (General Fund-State)

21. DCYF Implementation Funds

Funding is provided to support implementation of the new Department of Children, Youth and Families. The department must submit an expenditure plan to the Office of Financial Management (OFM) and may expend implementation funds after receiving approval of the director of OFM. (General Fund-State)

22. Phase II - SHB 2106

This item repeals provisions that implement Phase II of SHB 2106, requiring that two demonstration sites be selected in which DSHS would contract out for child welfare services. (General Fund-State; General Fund-Federal)

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; General Fund-Federal)

24. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

25. Administrative Hearings

Agency budgets are adjusted to reflect each agency's anticipated share of charges for administrative hearings. (General Fund-State)

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)

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)

Agency 307

Department of Children, Youth, and Families (cont.)

Recommendation Summary

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)

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. (General Fund-State)

HUMAN SERVICES - OTHER

Agency 310

**Department of Corrections
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|---------------|------------------|
| 2017-19 Original Appropriations | 8,439.2 | 2,067,522 | 13,483 | 2,081,005 |
| Maintenance Other Changes: | | | | |
| 1. Utility Rate Adjustments | 0.0 | 136 | 0 | 136 |
| 2. Federal Funding Adjustment | 0.0 | 0 | 1,124 | 1,124 |
| 3. Medical Inflation | 0.0 | 4,170 | 0 | 4,170 |
| 4. Equipment Maintenance and Software | 0.0 | 1,560 | 0 | 1,560 |
| 5. Equipment Replacement Costs | 0.0 | 2,988 | 0 | 2,988 |
| 6. Prisons: Male Offender Caseload | 18.3 | 7,172 | 0 | 7,172 |
| 7. Prisons: Female Offender Caseload | 2.7 | 1,189 | 0 | 1,189 |
| 8. Community: Violator Caseload | 18.0 | 5,084 | 0 | 5,084 |
| 9. Community: Supervision Caseload | 36.8 | 7,346 | 0 | 7,346 |
| 10. Drug Grid Sunset | 0.0 | 488 | 0 | 488 |
| 11. Technical Correction: SB 5934 | 35.1 | 5,711 | 0 | 5,711 |
| 12. Facility Maintenance Costs | 0.0 | 1,632 | 0 | 1,632 |
| 13. Hepatitis C Treatment | 0.0 | 3,387 | 0 | 3,387 |
| 14. HB 1594: Public Disclosure Impacts | 9.0 | 1,850 | 0 | 1,850 |
| 15. Food Rate Adjustments | 0.0 | 148 | 0 | 148 |
| 16. Leased Vehicles | 0.0 | 54 | 0 | 54 |
| 17. Emergency Costs for Work Release | 0.8 | 147 | 0 | 147 |
| 18. McNeil Island Stewardship Shortfall | 0.0 | 611 | 0 | 611 |
| 19. State Data Center Migration | 0.0 | 247 | 0 | 247 |
| 20. Technical Correction: SB 5037 | (6.2) | (1,234) | 0 | (1,234) |
| Maintenance -- Other Total | 114.5 | 42,686 | 1,124 | 43,810 |
| Maintenance Comp Changes: | | | | |
| 21. Move Pension Fund Shift to Agencies | 0.0 | (88,168) | 88,168 | 0 |
| 22. Updated PEBB Rate | 0.0 | (5,220) | (23) | (5,243) |
| 23. Wellness \$25 Gift Card | 0.0 | 26 | 0 | 26 |
| 24. Paid Family Leave--Employer Premium | 0.0 | 80 | 0 | 80 |
| 25. Salaries: PERC-Approved Petitions | 0.0 | 3,815 | 0 | 3,815 |
| Maintenance -- Comp Total | 0.0 | (89,467) | 88,145 | (1,322) |

HUMAN SERVICES - OTHER

Agency 310

Department of Corrections (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|----------------|--------------------|----------------|------------------|
| Maintenance Transfer Changes: | | | | |
| 26. Transfers | 0.0 | 190 | (190) | 0 |
| Maintenance -- Transfer Total | 0.0 | 190 | (190) | 0 |
| Maintenance Central Services Changes: | | | | |
| 27. Archives/Records Management | 0.0 | (2) | 0 | (2) |
| 28. Audit Services | 0.0 | 26 | 0 | 26 |
| 29. Legal Services | 0.0 | (23) | 0 | (23) |
| 30. CTS Central Services | 0.0 | (179) | 0 | (179) |
| 31. DES Central Services | 0.0 | (1) | 0 | (1) |
| 32. OFM Central Services | 0.0 | 195 | 0 | 195 |
| 33. Workers' Compensation | 0.0 | (5,418) | (12) | (5,430) |
| 34. OFM Human Resource Services | 0.0 | 5 | 0 | 5 |
| 35. DES Rate Compensation Changes | 0.0 | 33 | 0 | 33 |
| Maintenance -- Central Svcs Total | 0.0 | (5,364) | (12) | (5,376) |
| Total Maintenance Changes | 114.5 | (51,955) | 89,067 | 37,112 |
| 2017-19 Maintenance Level | 8,553.6 | 2,015,567 | 102,550 | 2,118,117 |
| Policy Other Changes: | | | | |
| 36. Eliminate Drug Grid Sunset | 0.0 | (488) | 0 | (488) |
| 37. Work Release: Maximize Capacity | 1.5 | 975 | 0 | 975 |
| 38. Concurrent Supervision Funding | (21.7) | (3,411) | 0 | (3,411) |
| 39. Community Custody Returns | (4.1) | (335) | 0 | (335) |
| 40. Graduated Reentry | 2.3 | 943 | 0 | 943 |
| 41. Sentence Audit Solution | 4.2 | 1,074 | 0 | 1,074 |
| 42. Enterprise Records: Community | 6.0 | 920 | 0 | 920 |
| 43. Narcan Costs | 0.0 | 121 | 0 | 121 |
| 44. MAT Treatment | 0.0 | 90 | 0 | 90 |
| Policy -- Other Total | (11.9) | (111) | 0 | (111) |
| Policy Comp Changes: | | | | |
| 45. PERS & TRS Plan 1 Benefit Increase | 0.0 | 564 | 2 | 566 |

HUMAN SERVICES - OTHER

Agency 310

Department of Corrections (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|----------------|--------------------|----------------|------------------|
| 46. Salaries: Inversion & Compression | 0.0 | 739 | 0 | 739 |
| 47. Salary Alignment: Clinical | 0.0 | 485 | 0 | 485 |
| 48. Salary Alignment: Non-Clinical | 0.0 | 304 | 0 | 304 |
| Policy -- Comp Total | 0.0 | 2,092 | 2 | 2,094 |
| Policy Central Services Changes: | | | | |
| 49. Archives/Records Management | 0.0 | 1 | 0 | 1 |
| 50. Legal Services | 0.0 | 32 | 0 | 32 |
| 51. CTS Central Services | 0.0 | 603 | 0 | 603 |
| 52. DES Central Services | 0.0 | 28 | 0 | 28 |
| 53. OFM Central Services | 0.0 | 549 | 0 | 549 |
| 54. OFM Human Resource Services | 0.0 | 2 | 0 | 2 |
| 55. CTS Fee for Service Adjustment | 0.0 | 139 | 0 | 139 |
| Policy -- Central Svcs Total | 0.0 | 1,354 | 0 | 1,354 |
| Total Policy Changes | (11.9) | 3,335 | 2 | 3,337 |
| 2017-19 Policy Level | 8,541.8 | 2,018,902 | 102,552 | 2,121,454 |

POLICY CHANGES

1. Utility Rate Adjustments

Funding is provided to address the rising cost of utilities in community corrections, correctional industries and work release facilities due to rate increases for electricity, water, garbage and sewage. (General Fund-State)

2. Federal Funding Adjustment

Federal funding authority is increased to align with the Responsible Fatherhood Opportunities for Reentry and Mobility Grant award. (General Fund-Federal)

3. Medical Inflation

Funding is provided to manage the increases in prescription drug costs caused by inflation. This request does not include Hepatitis C prescription costs, which is included in a separate budget step (ML-RE). (General Fund-State)

4. Equipment Maintenance and Software

Funding is provided for contractual hardware and software maintenance increases critical to Department of Corrections operations. (General Fund-State)

Agency 310

Department of Corrections (cont.)

Recommendation Summary

- 5. Equipment Replacement Costs**

One-time funding is provided to replace aging equipment that is beyond useful life and is subject to breakdown and failure jeopardizing staff, offender and public safety. (General Fund-State)
- 6. Prisons: Male Offender Caseload**

An adjustment is made to reflect the expected adult male prison population based on the November caseload forecast. (General Fund-State)
- 7. Prisons: Female Offender Caseload**

An adjustment is made to reflect the expected adult female prison population based on the November caseload forecast. (General Fund-State)
- 8. Community: Violator Caseload**

An adjustment is made to reflect the expected violator offender caseload based on the November caseload forecast. Funding is provided for the contractual agreements with local jurisdictions to detain community custody violators and related medical costs tied to offenders under the jurisdiction of DOC. (General Fund-State)
- 9. Community: Supervision Caseload**

An adjustment is made to reflect the expected community supervision offender caseload based on the November caseload forecast. (General Fund-State)
- 10. Drug Grid Sunset**

The drug sentencing grid was modified in 2013 so that any offender who commits a Seriousness Level 1 drug offense and has three to five prior felony convictions, will serve their sentence in jail unless an exceptional sentence is imposed. That change is set to expire July 1, 2018. (General Fund-State)
- 11. Technical Correction: SB 5934**

Senate Bill 5934 (convicted persons) was included as a reduction in DOC's 2017-19 enacted budget but the bill was never signed into law. (General Fund-State)
- 12. Facility Maintenance Costs**

One-time funding is provided for equipment, goods and services to resolve building component and grounds deficiencies beyond the scope of ordinary maintenance but lower than the threshold for capital projects. (General Fund-State)
- 13. Hepatitis C Treatment**

DOC has contracted with an onsite provider to screen more patients and has been able to identify an average of 21 patients per month, approximately 252 per year, that require Hepatitis C treatment. Only 188 patients can be treated under DOC's current funding levels, so additional funding is provided to treat all eligible patients. (General Fund-State)

Agency 310

Department of Corrections (cont.)

Recommendation Summary

14. HB 1594: Public Disclosure Impacts

Funding is provided for additional public disclosure staffing and necessary information technology to accommodate the requirements mandated by Chapter 303, Laws of 2017 (public records administration). (General Fund-State)

15. Food Rate Adjustments

Funding is provided to manage the increases in food costs at DOC facilities caused by inflation. (General Fund-State)

16. Leased Vehicles

Funding is provided to replace the Department of Corrections' aged fleet vehicles with leased vehicles through the Department of Enterprise Services. (General Fund-State)

17. Emergency Costs for Work Release

One-time emergency operations funding is provided to ensure continuity of operations, safety and security of work release facilities during transition between contracted vendors. (General Fund-State)

18. McNeil Island Stewardship Shortfall

Funding is provided to cover the costs of non-budgeted incidents related to the stewardship of McNeil Island. (General Fund-State)

19. State Data Center Migration

Agencies are required to move all servers from agency datacenters into the state data center (SDC). DOC was granted an extension waiver to complete its migration to the SDC by June 30, 2018. Funding is provided to pay WaTech for enclosure space racks as mandated by the Office of the Chief Information Officer (OCIO). (General Fund-State)

20. Technical Correction: SB 5037

The numbers provided in the fiscal note associated with Chapter 335, Laws of 2017 (DUI 4th offense felony) were based on average unit cost. At this time the bill will only result in direct variable costs for both prisons and health services. (General Fund-State)

23. 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. (General Fund-State)

25. Salaries: PERC-Approved Petitions

Funding is provided for salary increases for multiple job classes that elected to become members of the Teamsters Union 117 after the passing of the collective bargaining agreement and approval of the Public Employment Relations Commission (PERC). (General Fund-State)

Agency 310

Department of Corrections (cont.)

Recommendation Summary

26. Transfers

A net zero program transfer is made to align expenditure authority with the correct program where the work and responsibilities occur. (General Fund-State; General Fund-Federal)

36. Eliminate Drug Grid Sunset

The 2013 sentencing grid modifications are made permanent for any offender who commits a Seriousness Level 1 drug offense and has three to five prior felony convictions. Seriousness Level 1 drug offenses include possession of a forged prescription; manufacturing, delivering or possession of marijuana; and unlawful use of a building for drug purposes. (General Fund-State)

37. Work Release: Maximize Capacity

Funding is provided for 62 beds at work release facilities by maximizing current space. The Washington State Institute for Public Policy has found that the work release program generates a positive net return on investment of \$5,986 per work release participant. (General Fund-State)

38. Concurrent Supervision Funding

The community supervision population is reduced by presuming supervision terms are run concurrently, unless expressly ordered by the court to run consecutively. This change would be applied both retrospectively to those offenders currently on supervision, and prospectively to those releasing into supervision. (General Fund-State)

39. Community Custody Returns

Prison caseload is reduced by holding offenders accountable for violation behavior in the community through swift and certain sanctioning. Currently, individuals who earned time for good behavior and programming during their term of incarceration may be returned to prison to complete their sentence pursuant to a supervision violation. Removing returns as a possible sanction minimizes disruptions to housing, employment and programming. (General Fund-State)

40. Graduated Reentry

Partial confinement options are expanded beyond traditional work release facilities for eligible individuals. Due to limited bed space at these facilities, not all individuals eligible for work release are able to be placed in a facility. Partial confinement options may include electronic home monitoring and supervision at supported recovery facilities, veteran care facilities or other forms of supportive housing. (General Fund-State)

41. Sentence Audit Solution

Funding is provided to develop, implement and maintain a system to audit sentencing calculations related to prison entries and programming. The audit system will provide for a full second review of all sentence calculations. (General Fund-State)

42. Enterprise Records: Community

Funding is provided to hire 12 records staff to ensure that individuals under DOC jurisdiction in the community are supervised for the court-ordered period of community custody. (General Fund-State)

Agency 310

Department of Corrections (cont.)

Recommendation Summary

43. Narcan Costs

The community, reentry, prisons and health services divisions will be provided with Narcan toolkits so that they are equipped to respond to emergent situations. (General Fund-State)

44. MAT Treatment

Medication Assisted Treatment (MAT) will be provided to offenders with opioid use disorder who are releasing from prison. (General Fund-State)

46. Salaries: Inversion & Compression

Funding is provided to reduce compression and inversion between management positions and subordinate staff. (General Fund-State)

47. Salary Alignment: Clinical

Funding is provided for salary increases to targeted clinical positions with compression and inversion between management positions and subordinate staff. (General Fund-State)

48. Salary Alignment: Non-Clinical

Funding is provided for salary increases in targeted positions with compression and inversion between management positions and subordinate staff. (General Fund-State)

HUMAN SERVICES - OTHER

Agency 315

**Department of Services for the Blind
Recommendation Summary**

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|-------------|--------------------|---------------|---------------|
| 2017-19 Original Appropriations | 80.0 | 5,003 | 27,322 | 32,325 |
| Maintenance Comp Changes: | | | | |
| 1. Move Pension Fund Shift to Agencies | 0.0 | (173) | 173 | 0 |
| 2. Updated PEBB Rate | 0.0 | (8) | (40) | (48) |
| Maintenance -- Comp Total | 0.0 | (181) | 133 | (48) |
| Maintenance Central Services Changes: | | | | |
| 3. Audit Services | 0.0 | 0 | 1 | 1 |
| 4. CTS Central Services | 0.0 | 1 | 1 | 2 |
| 5. DES Central Services | 0.0 | 0 | 1 | 1 |
| 6. OFM Central Services | 0.0 | 0 | 1 | 1 |
| 7. Workers' Compensation | 0.0 | 1 | 5 | 6 |
| 8. DES Rate Compensation Changes | 0.0 | 1 | 4 | 5 |
| Maintenance -- Central Svcs Total | 0.0 | 3 | 13 | 16 |
| Total Maintenance Changes | 0.0 | (178) | 146 | (32) |
| 2017-19 Maintenance Level | 80.0 | 4,825 | 27,468 | 32,293 |
| Policy Other Changes: | | | | |
| 9. Estate Settlement | 0.0 | 187 | 0 | 187 |
| Policy -- Other Total | 0.0 | 187 | 0 | 187 |
| Policy Comp Changes: | | | | |
| 10. PERS & TRS Plan 1 Benefit Increase | 0.0 | 1 | 4 | 5 |
| Policy -- Comp Total | 0.0 | 1 | 4 | 5 |
| Policy Central Services Changes: | | | | |
| 11. CTS Central Services | 0.0 | 1 | 4 | 5 |
| 12. DES Central Services | 0.0 | 1 | 4 | 5 |
| 13. OFM Central Services | 0.0 | 1 | 3 | 4 |
| 14. CTS Fee for Service Adjustment | 0.0 | 2 | 8 | 10 |
| Policy -- Central Svcs Total | 0.0 | 5 | 19 | 24 |
| Total Policy Changes | 0.0 | 193 | 23 | 216 |
| 2017-19 Policy Level | 80.0 | 5,018 | 27,491 | 32,509 |

Agency 315

Department of Services for the Blind (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|----------------------|-------------|-----------------------|-------------|-------------|
|----------------------|-------------|-----------------------|-------------|-------------|

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; General Fund-Federal; Business Enterprises Revolving Account-Non-Appr)

3. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-Federal)

4. 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; General Fund-Federal)

5. 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)

6. 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)

Agency 315

Department of Services for the Blind (cont.)

Recommendation Summary

7. 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; General Fund-Federal)

8. 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; General Fund-Federal)

9. Estate Settlement

The Department of Services for the Blind received a donation from an estate settlement in fiscal year 2017 to be used for individuals who are blind or visually impaired. One-time appropriation authority is provided for access to electronic magnification devices and supports, additional youth services not funded through the federal vocational rehabilitation grant, and funding to maintain access to printed information such as local newspapers, emergency weather information and voters' pamphlets. (General Fund-State)

10. 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; General Fund-Federal)

11. 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; General Fund-Federal)

12. 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; General Fund-Federal)

13. 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; General Fund-Federal)

Agency 315

Department of Services for the Blind (cont.)

Recommendation Summary

14. 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; General Fund-Federal; Business Enterprises Revolving Account-Non-Appr)

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 |

Agency 540

Employment Security Department (cont.)

Recommendation Summary

| 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)

Agency 540

Employment Security Department (cont.)

Recommendation Summary

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)

Agency 540

Employment Security Department (cont.)

Recommendation Summary

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)

Agency 540

Employment Security Department (cont.)

Recommendation Summary

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)