

STATE OF WASHINGTON

DEPARTMENT OF LABOR AND INDUSTRIES

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November 15, 2024

To:	Pat Sullivan
	Director of Office of Financial Management
From:	Randi Warick Rowdi Winick Deputy Director / Executive Chief Financial Officer

SUBJECT: L&I Response to Budget Reduction Proposal

Although our General Fund-State (GF-S) resources are very limited, Labor & Industries (L&I) has done a thorough review. The Crime Victim's Compensation (CVC) program is primarily funded through GF-S and federal dollars. The base budget appropriations for CVC are primarily for the operations and benefits. In addition to base program funding the agency has received one-time or very specific legislative intent dollars outside of CVC.

One area that we recommend for this reduction exercise was the funding associated with CVC for Medical Exams for Suspected Victims of Domestic Violence. L&I has been provided \$2.5 million per year for this, however, since this is a new benefit these expenditures have been minimal, only \$35,000 in FY24 and we are expecting a similar trend for FY25.

L&I believes that reducing this proviso by 2.0 million per year (FY25 – FY27) would be manageable with minimal risk at this time, since claims are not showing up at this time. For reference, the proviso is as follows:

(8) \$2,500,000 of the general fund—state appropriation for fiscal year 2024 and \$2,500,000 of the general fund—state appropriation for fiscal year 2025 are provided solely for the crime victims' compensation program to pay for medical exams for suspected victims of domestic violence. Neither the hospital, medical facility, nor victim is to pay for the cost of the medical exam. This funding must not supplant existing funding for sexual assault medical exams. If the cost of medical exams exceeds the funding provided in this subsection, the program shall not reduce the reimbursement rates for medical providers seeking reimbursement for other claimants, and instead the program shall return to paying for domestic violence medical exams after insurance.