

**Department of Commerce
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Estimated Expenditures	280.9	123,512	391,984	515,496
2017-19 Maintenance Level	280.0	126,929	416,178	543,107
Difference from 2015-17	-0.9	3,417	24,194	27,611
% Change from 2015-17	-0.3%	2.8%	6.2%	5.4%
Policy Other Changes:				
1. Northwest Pacific Fisheries	1.0	148	148	296
2. Reduce Homelessness	3.5	0	20,000	20,000
3. Sector-Based Economic Development	2.0	1,870	0	1,870
4. Lead-Based Paint Abatement	2.0	0	376	376
5. Expand LIHEAP Services	0.0	0	25,000	25,000
6. BH: Case-Managed Housing	0.3	2,880	0	2,880
7. BH: Adult Street Outreach	0.0	1,660	0	1,660
8. BH: Permanent Supportive Housing	1.0	8,199	0	8,199
9. BH: Supportive Housing Administrator	1.0	280	0	280
10. End Contract with NWABC	0.0	-600	0	-600
11. End WWCC Grant	0.0	-750	0	-750
12. End State Match for RSVP	0.0	-612	0	-612
Policy -- Other Total	10.8	13,075	45,524	58,599
Policy Comp Changes:				
13. State Public Employee Benefits Rate	0.0	226	114	340
14. WFSE General Government	0.0	185	793	978
15. State Represented Emp Benefits Rate	0.0	101	403	504
16. Non-Rep General Wage Increase	0.0	572	292	864
17. WFSE Orca Transit Pass	0.0	4	6	10
18. Orca Transit Pass-Not WFSE	0.0	20	4	24
Policy -- Comp Total	0.0	1,108	1,612	2,720
Policy Central Services Changes:				
19. Archives/Records Management	0.0	1	0	1

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20. Audit Services	0.0	1	0	1
21. Legal Services	0.0	4	7	11
22. CTS Central Services	0.0	9	14	23
23. DES Central Services	0.0	12	22	34
Policy -- Central Svcs Total	0.0	27	43	70
Total Policy Changes	10.8	14,210	47,179	61,389
2017-19 Policy Level	290.8	141,139	463,357	604,496
Difference from 2015-17	10.0	17,627	71,373	89,000
% Change from 2015-17	3.5%	14.3%	18.2%	17.3%

POLICY CHANGES

1. Northwest Pacific Fisheries

Matched by industry funding, ongoing state funding is provided for 1.0 FTE staff to support economic development in the fishing sector and to support the Washington delegation to the North Pacific Fisheries Management Council. (General Fund-State; General Fund-Local)

2. Reduce Homelessness

The state has made progress in reducing the number of people who experience homelessness. However, a lack of affordable housing, chronic mental illness and chemical dependency continue to be barriers to people staying stably housed. New ongoing funding and 3.5 FTE staff years are provided to: (1) expand temporary rent assistance for homeless families with children; (2) expand permanent housing with wrap-around services for harder-to-serve chronically homeless families and individuals; and (3) increase the number of youth who exit a state system, such as juvenile detention, to safe, stable housing. (Home Security Fund Account-State)

3. Sector-Based Economic Development

Sector-based economic development increases the output of industry sectors vital to Washington's economy: aerospace, clean energy, forest products, information and communications technology, life sciences, maritime and the military. Economic gardening grants, an entrepreneur-based approach to economic development, helps small companies advance to the next stage of business development, remain in their community and hire local workers. Ongoing funds and 2.0 FTE staff years are provided to stabilize funding for the sector-based economic development program and expand economic gardening grant opportunities to more communities around the state. (General Fund-State)

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4. Lead-Based Paint Abatement

Lead-based paint has been safely removed from many of the estimated 1.5 million residential properties in the state built before the paint was banned. However, there is more the state can do to protect human health against poisoning from lead-based paint. Higher fees for lead-based paint abatement certifications will fund 2.0 FTE staff years for technical assistance services and compliance efforts. (Lead Paint Account-State)

5. Expand LIHEAP Services

The Low-Income Energy Assistance Program (LIHEAP) assists households at or below 125 percent of the federal poverty level or at or below 60 percent of the area median income level with utility payments. LIHEAP applies an energy assistance grant directly to the energy provider on behalf of the eligible household. LIHEAP may also help repair or replace unsafe, dysfunctional, or inoperative heating systems. Funding is provided to expand the number of eligible households served. (Carbon Pollution Reduction Account-State)

6. BH: Case-Managed Housing

Housing is a critical component to keeping individuals with a history of homelessness, mental illness and substance use disorder (SUD) out of jails, emergency rooms and shelters. Currently, there is little to no housing specific to populations with these co-occurring disorders. Funding is provided to add 100 beds for low and no-barrier housing for people with a criminal history, SUD, and/or mental illness. Case management and care coordination services will be provided. This item is part of the Governor's statewide behavioral health (BH) reform package. (General Fund-State)

7. BH: Adult Street Outreach

To avoid future encounters with law enforcement or involuntary commitments, ongoing funding is provided for the department to contract with local entities to develop a street outreach program. This program will utilize peer supports to engage adults who may not have yet received treatment for a mental health illness. This item is part of the Governor's statewide behavioral health reform package. (General Fund-State)

8. BH: Permanent Supportive Housing

Residential placements for individuals at the state psychiatric hospitals can present significant barriers to timely discharge. To address the need for increased permanent supportive housing for individuals with a history of mental illness, 320 community beds are added. The Department of Commerce will contract with local entities to provide a mix of shared supportive housing and independent housing. This item is part of the Governor's statewide behavioral health reform package. (General Fund-State)

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9. BH:Supportive Housing Administrator

A behavioral health supportive housing administrator is created within the department to coordinate development of effective behavioral health housing options and services statewide to aid in the discharge of individuals from the state psychiatric hospitals. This position will work closely with the Health Care Authority, Department of Social and Health Services and other entities to facilitate linkages among disparate behavioral health community bed capacity-building efforts. This position will also develop and maintain a statewide inventory of community beds by bed type. This item is part of the Governor's statewide behavioral health reform package. (General Fund-State)

10. End Contract with NWABC

Funding for the department's contract with the Northwest Agriculture Business Center (NWABC) is eliminated. This terminates business assistance for farms, value-added agriculture businesses, and farm-based businesses in Island, San Juan, Skagit, Snohomish and Whatcom counties. The center will continue to offer assistance to agricultural-based businesses in these counties with funding from other sources, including the U.S. Department of Agriculture. (General Fund-State)

11. End WWCC Grant

Funding for the department's grant to Walla Walla Community College (WWCC) for the operation of the college's water and environmental center is eliminated. The grant assists the center with program and curriculum development, outreach and strategic planning for the school. (General Fund-State)

12. End State Match for RSVP

The Retired Senior Volunteer Program (RSVP) contracts annually with 17 nonprofit organizations to recruit about 7,900 volunteers who provide a variety of community services in 32 counties. The state match for the program is eliminated. (General Fund-State)

13. State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union, who are covered by a bargaining agreement that is not subject to financial feasibility determination, or who are not part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

14. WFSE General Government

Funding is provided for a collective bargaining agreement and arbitration award with Washington Federation of State Employees (WFSE), which includes a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; a general wage increase of 2 percent, effective January 1, 2019; salary adjustments for targeted classifications; a minimum starting wage of \$12 an hour; and changes to vacation leave accruals. Employee insurance included in the agreement is displayed in a separate item. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

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15. State Represented Emp Benefits Rate

This provides health insurance funding as part of the master agreements for employees who bargain as part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

16. Non-Rep General Wage Increase

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; and a general wage increase of 2 percent, effective January 1, 2019. This item includes both higher education and general government workers. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

17. WFSE Orca Transit Pass

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, who are represented by the Washington Federation of State Employees. (General Fund-State; General Fund-Federal; Economic Development Strategic Reserve Account-State)

18. Orca Transit Pass-Not WFSE

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, other than those represented by the Washington Federation of State Employees. (General Fund-State; General Fund-Federal)

19. Archives/Records Management

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

20. Audit Services

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

21. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. The Attorney General's Office will work with client agencies to implement stricter policies and best practices regarding usage of legal services to achieve lower bills. (General Fund-State; General Fund-Federal; General Fund-Local; other accounts)

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22. 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)

23. 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)