

**Agency:** 147 Off of Minority & Women's Business  
**Decision Package Code/Title:** AG 92E AG Legal Services  
**Budget Period:** 2015-17  
**Budget Level:** M2 - Inflation and Other Rate Changes

### Recommendation Summary Text:

The Office of Minority and Women's Business Enterprises (OMWBE) requests funding for increased legal services provided by the Office of the Attorney General (AGO).

### Fiscal Detail

<b>Operating Expenditures</b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
453-1 OMWBE Enterprises Account-State	57,149	57,149	114,298
<b>Total Cost</b>	<b>57,149</b>	<b>57,149</b>	<b>114,298</b>

### Package Description:

The AGO provides legal support for OMWBE certification appeals, including U.S. Department of Transportation and state certification programs. RCW 39.19.090 requires OMWBE to provide a hearing under chapter 34.05 when it imposes penalties. 49 C.F.R. sec. 26.87 requires OMWBE to provide firms an opportunity for a hearing when it has determined a business no longer meets certification criteria.

The agency's legal costs are higher than the amount allocated in its current budget.

### Narrative Justification and Impact Statement

#### *What specific performance outcomes does the agency expect?*

Funding will allow OMWBE to continue its current level of legal support for appeals hearings, which are required by state and federal law. In FY 2013, OMWBE made significant changes to its business practices to ensure that firms are eligible for certification. This resulted in increased appeals from firms denied certification and an increased need from OMWBE for AGO legal services. For the 2015-2017 budget, the Office of Financial Management rebased all agency budgets using a 3-year average (FYs 2012-2014) of AGO agency billings. Because of OMWBE's change in business practices, the rebasing was not representative of OMWBE's future legal services needs (FY 12 - \$35,210; FY 13 - \$92,258; FY 14 - \$231,918).

## **Performance Measure Detail**

### **Activity:**

**Incremental Changes**

No measures submitted for package

### ***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

Without additional funding, OMWBE cannot continue its current level of legal support for appeals hearings and other related litigation which is necessary to ensure the due process required by state and federal law.

### ***Does this DP provide essential support to one or more of the Governor's Results Washington priorities?***

Yes. Compliance with the federal fair hearing regulations is required for a state to participate in federal transportation program funding. Maintaining the state's certification process allows minority and women business enterprises to grow, which creates jobs and contributes to economic growth.

Goal 5. Efficient, Effective and Accountable Government

Sub-Topic: Customer Satisfaction and Confidence

Outcome Measures:

1.1 Increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness.

1.3 Increase/maintain timely delivery for state services.

This request aligns the actual costs of legal services with the funding available to OMWBE to sustain its current workload demands. It clarifies that state resources are spent in alignment with client needs and risks, shows accountability and responsibility in spending, and offers transparency resulting in customer satisfaction and confidence in legal services provided.

### ***What are the other important connections or impacts related to this proposal?***

OMWBE has coordinated with the AGO on this request.

### ***What alternatives were explored by the agency, and why was this alternative chosen?***

The agency explored absorbing the costs, which is not feasible without reducing services to customers. OMWBE has carefully reviewed its hearings approach and has recently implemented changes and efficiencies.

### ***What are the consequences of adopting or not adopting this package?***

If OMWBE absorbed the AGO costs it would increase the risk of challenges to OMWBE actions.

Failure to follow the hearing guidelines outlined in federal regulations could lead to federal transportation funds being withheld.

### ***What is the relationship, if any, to the state's capital budget?***

None.

### ***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

### ***Expenditure and revenue calculations and assumptions***

TOTAL PROJECTED BIENNIUM 2017 AGO COST

Div.	Prev Bien AGO FTE Usage	Bien 17 AGO Rate/FTE	Proj. Cost
GCE OLY	0.9492	\$410,496	\$389,638
LPD OLY	0.0393	\$456,600	\$ 17,938
Total Proj. Bi17 Cost			\$407,576
OMWBE Central Service Model Allocation			\$293,278
Projected Shortfall			(\$114,298)

GCE = Government Compliance and Enforcement Division

LPD = Labor and Personnel Division

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

The requested level of legal services will be required for OMWBE into the foreseeable future.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
E Goods\Other Services	57,149	57,149	114,298