

**GOVERNMENTAL OPERATIONS**

Agency 105

**Office of Financial Management**

**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>2013-15 Expenditure Authority</b>	222.4	35,481	91,595	127,076
<b>Total Maintenance Level</b>	232.9	41,992	89,417	131,409
Difference	10.5	6,511	(2,178)	4,333
Percent Change from Current Biennium	4.7%	18.4%	(2.4)%	3.4%
<b>Performance Changes</b>				
Transfer JINDEX Program		(1,000)		(1,000)
Eliminate LID Payments #		(300)		(300)
Administrative Efficiencies	(.5)	(224)		(224)
Reduce Aerospace Office Funding		(100)		(100)
Results Washington FTE Self-Funded		(120)	120	
Business Analyst Cost Recovery		(464)		(464)
Transportation Advisor Fund Shift		(160)	160	
State Human Resources Reduction	(3.0)		(646)	(646)
Performance Audit Liaison		(306)	306	
Results Washington Fund Shift		(1,800)	1,800	
OCIO Move to Jefferson Building			650	650
OCIO Vacancy Savings	(.8)		(285)	(285)
Time, Leave and Attendance Project			18,042	18,042
Transfer Small Agency Services	(19.0)		(3,690)	(3,690)
Cybersecurity Task Force	1.0		250	250
OCIO Software Licensing			474	474
Information Technology Alignment Transfer #	(23.5)		(9,834)	(9,834)
Remove Excess Expenditure Authority			(484)	(484)
Washington Business One-Stop Portal	4.0		1,660	1,660
Core Financial Systems Replacement	5.0		3,211	3,211
CTS Rate Adjustment		(38)	(20)	(58)
Legal Services		3	1	4
Office of Chief Information Officer		3	1	4
CTS Central Services		213	116	329
DES Central Services		57	31	88
Core Financial Systems Replacement		8	4	12
Time, Leave and Attendance System		11	7	18
State Public Employee Benefits Rate		141	129	270
Nonrepresented Job Class Specific Increases			12	12
General Wage Increase for State Employees		932	805	1,737
<b>Subtotal</b>	<b>(36.8)</b>	<b>(3,144)</b>	<b>12,820</b>	<b>9,676</b>
<b>Total Proposed Budget</b>	<b>196.1</b>	<b>38,848</b>	<b>102,237</b>	<b>141,085</b>
Difference	(26.3)	3,367	10,642	14,009
Percent Change from Current Biennium	(11.8)%	9.5%	11.6%	11.0%

**GOVERNMENTAL OPERATIONS**

	Annual FTEs	General Fund State	Other Funds	Total Funds
<b>Total Proposed Budget by Activity</b>				
Accounting Services for Other Agencies	5.0		3,211	3,211
Administrative Activity	(2.2)	10,640	(6,732)	3,908
Assessment Payments on State Lands				
Forecasting and Research	29.4	8,142	6,259	14,401
Enterprise Financial Systems Support			18,042	18,042
Collective Bargaining	21.0	657	5,046	5,703
Governor's Budget Development	33.6	7,767	(502)	7,265
Governor's Office for Regulatory Innovation and Assistance (ORIA)	6.0	2,694	100	2,794
Statewide Accounting Policies and Reporting	17.0	1,067	2,063	3,130
Statewide Policy Development for Governor's Office	19.3	6,071	2,095	8,166
Washington Commission for National and Community Service	16.8	1,255	33,049	34,304
Results Washington	9.0	(1,736)	4,163	2,427
State Human Resources	4.0	219	1,333	1,552
Classification and Compensation	22.8	713	5,056	5,769
Planning and Strategy	10.0	313	2,169	2,482
Office of the Chief Information Officer (OCIO)	(.9)	882	(127)	755
K-20 Education Network	.3	8	26,127	26,135
<b>Total Proposed Budget</b>	<b>191.1</b>	<b>38,692</b>	<b>101,352</b>	<b>140,044</b>

**PERFORMANCE LEVEL CHANGE DESCRIPTIONS**

**Transfer JINDEX Program**

Funding for the Justice Information Network Data Exchange (JINDEX) is transferred from the Office of Financial Management (OFM) to the Washington State Patrol. (General Fund-State)

**Eliminate LID Payments #**

OFM pays assessments against state-owned lands charged to the Washington State Patrol (WSP) and the Washington State Parks and Recreation Commission (PARKS) by local improvement districts. Funding to pay these assessments is removed from OFM's budget, and WSP and PARKS will pay assessments from available funds in each agency's respective budget.

**Administrative Efficiencies**

Funding is reduced to reflect administrative efficiencies in the Director's Office, including reducing subscriptions, training and administrative support for six months of each year.

**Reduce Aerospace Office Funding**

Funding for the Washington Aerospace partnership is reduced to reflect actual expenditures.

**Results Washington FTE Self-Funded**

Funding for one full-time equivalent staff in Results Washington is shifted to reflect a projected increase in donations and grants. (General Fund-State, General Fund-Private/Local)

## GOVERNMENTAL OPERATIONS

### **Business Analyst Cost Recovery**

Expenditure authority is reduced to reflect two information technology business analyst positions that will be funded through the enterprise systems fee charged by Consolidated Technology Services. (General Fund-State)

### **Transportation Advisor Fund Shift**

Funding for one policy advisor is shifted from General Fund-State to the transportation budget. (Motor Vehicle Account-State)

### **State Human Resources Reduction**

Funding is reduced to reflect the elimination of three vacant positions in the State Human Resources Division. (Personnel Service Account-State)

### **Performance Audit Liaison**

Funding for the Office of Financial Management's performance audit liaison position is shifted from General Fund-State to the Performance Audits of Government Account. (General Fund-State, Performance Audits of Government Account-State)

### **Results Washington Fund Shift**

Funding for Results Washington is shifted from General Fund-State to the Performance Audits of Government Account. (General Fund-State, Performance Audits of Government Account-State)

### **OCIO Move to Jefferson Building**

The Office of the Chief Information Officer (OCIO) will move from the General Administration building to the 1500 Jefferson Building. This funding provides expenditure authority for the anticipated increase in lease costs. (Data Processing Revolving Account-State)

### **OCIO Vacancy Savings**

Funding for two vacant staff positions in the Office of the Chief Information Officer (OCIO) is eliminated. In addition, staff positions in the OCIO funded by General Fund-State in support of the JINDEX program and from the Education Technology Revolving Account in support of the K-20 Network are transferred to the Data Processing Revolving Account. Support for the K-20 Network will remain with the Office of Financial Management. (General Fund-State, Data Processing Revolving Account-State, Education Technology Revolving Account-Nonappropriated)

### **Time, Leave and Attendance Project**

The Office of Financial Management will oversee and manage the time, leave and attendance project. Funding is provided for debt service and continued project implementation. (Statewide Information Technology System Development Revolving Account-State)

### **Transfer Small Agency Services**

Funding and full-time equivalent staff authority for small agency client services is transferred from OFM to the Department of Enterprise Services. (Enterprise Services Account-Nonappropriated)

### **Cybersecurity Task Force**

A chief privacy officer position is established within the Office of the Chief Information Officer to lead a cybersecurity task force. (Data Processing Revolving Account-State)

## **GOVERNMENTAL OPERATIONS**

### **OCIO Software Licensing**

Funding is provided for the OCIO to pay licensing costs for software used to prioritize the state's information technology investments. (Data Processing Revolving Account-State)

### **Information Technology Alignment Transfer #**

All funding for the Office of the Chief Information Officer is transferred to Consolidated Technology Services as part of the statewide information technology alignment. (Data Processing Revolving Account-State, Data Processing Revolving Account-Nonappropriated)

### **Remove Excess Expenditure Authority**

Excess expenditure authority is removed as part of the statewide information technology alignment transfer to Consolidated Technology Services. (Data Processing Revolving Account-Nonappropriated)

### **Washington Business One-Stop Portal**

The Office of the Chief Information Officer will continue implementation of the business one-stop portal that will provide a single, online resource for small businesses to interact with state government. (Data Processing Revolving Account-Nonappropriated)

### **Core Financial Systems Replacement**

Funding is provided for planning efforts through the One Washington project to replace the state's core financial systems. This phase of the project will start the process of replacing the state's procurement system and will embark on the business process redesign work necessary to prepare for full replacement of the enterprise resource planning (ERP) system. This funding will also be used to develop the plan and cost estimates for full ERP replacement in subsequent biennia. (Statewide Information Technology System Development Revolving Account-State)

### **CTS Rate Adjustment**

Agency budgets are adjusted to reflect changes in Consolidated Technology Services (CTS) rates. Specific changes include a reduction in metered storage rates and elimination of tailored storage rates, elimination of redundant firewalls, reduction in long distance telephone rates, a general rate reduction to reflect administrative efficiencies within CTS, and enhancements to the identity management service.

### **Legal Services**

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a reduction in legal service charges. The Attorney General's Office (AGO) will work with client agencies to implement stricter policies and best practices regarding utilization of its services to achieve lower legal bills.

### **Office of Chief Information Officer**

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

### **CTS Central Services**

Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs and a new allocated charge for state data network costs.

**DES Central Services**

Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

**Core Financial Systems Replacement**

Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

**Time, Leave and Attendance System**

Agency budgets are adjusted to align with anticipated billings for the Time, Leave and Attendance system, including debt service and project completion costs.

**State Public Employee Benefits Rate**

Health insurance funding is provided 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. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is \$913 per employee per month for Fiscal Year 2016 and \$947 per employee per month for Fiscal Year 2017. (General Fund-State, various other accounts)

**Nonrepresented Job Class Specific Increases**

Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State, various other accounts)

**General Wage Increase for State Employees**

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 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes both higher education and general government workers. (General Fund-State, various other accounts)

**ACTIVITY DESCRIPTIONS**

**Accounting Services for Other Agencies**

The Office of Financial Management (OFM) provides comprehensive, cost-effective accounting, budgeting, and payroll services to small agencies. Small Agency Client Services (SACS) serves as the fiscal officer, financial advisor, budget officer, and service coordinator for these agencies.

**Administrative Activity**

The administrative activity represents the OFM Director's Office. Staff includes the director, deputy director, legislative liaison, communications director and legal counsel

**Assessment Payments on State Lands**

OFM pays taxes and other assessments on state-owned lands in accordance with chapter 79.44 RCW.

## **GOVERNMENTAL OPERATIONS**

### **Forecasting and Research**

This office supports executive policy and budget development through expenditure, population and revenue forecasts, program evaluation and research.

### **Enterprise Financial Systems Support**

The Office of Financial Management's (OFM) Information Services Division (ISD) is the main supplier of financial and administrative systems to all of state government, particularly in its support role of the statewide accounting and budgeting processes for which OFM is responsible. ISD currently supports over 90 applications of various size, complexity and user base, including the state's general ledger accounting system, budget development and allotment systems, fiscal note system, travel and expense management system and enterprise reporting tools. This activity helps reduce the total cost of government by providing systems all agencies can use, reducing the need and cost for individual agency applications. System support activities include user training and help desk support. The division also provides internal technology support to OFM and the Governor's Office.

### **Collective Bargaining**

OFM represents the Governor in collective bargaining negotiations for wages, hours, health care and working conditions for represented classified employees, including some employees in higher education. OFM also negotiates all master contracts. Other services include contract administration, consulting, training and negotiations of mandatory subjects during the term of contracts.

### **Governor's Budget Development**

The Budget Division assists in the development of the Governor's budget proposal to the Legislature. Primary activities include evaluating budget requests from state agencies and providing the Governor with recommendations for funding levels; preparing the Governor's budget proposal; assisting the Governor in establishing financial, budget and program policies for the state; and monitoring agency implementation of executive and legislative budget objectives.

### **Governor's Office for Regulatory Innovation and Assistance (ORIA)**

ORIA helps customers navigate through Washington's regulations. It assists businesses and project proponents on business licensing and permitting issues, providing information and addressing questions on agency processes. ORIA also facilitates the permit process by coordinating interactions between the customer and the regulating agencies.

### **Statewide Accounting Policies and Reporting**

The Accounting Division develops and maintains state administrative and accounting policies for payroll, travel, federal grants, accounting and reporting. Policies incorporate federal and state regulations as well as national accounting standards. The staff consults with and provides training to state agency personnel on the policies. The Statewide Accounting unit also monitors financial data for compliance with the policies and prepares a number of reports, including the state's Comprehensive Annual Financial Report, the Audit Resolution Report, the federally mandated Single Audit Report and the SWCAP. The Accounting Division serves as business owner of statewide accounting and administrative systems and collaborates on improvement and maintenance initiatives.

### **Statewide Policy Development for Governor's Office**

The Executive Policy Office performs policy research and analyses for the Governor, and works with agencies and OFM budget staff in the development of proposed legislation and the Governor's budget proposal.

### **Washington Commission for National and Community Service**

Serve Washington (previously referred to as the Washington Commission for National and Community Service) administers federal funds from the Corporation for National and Community Service (CNCS). The goal is to improve lives, strengthen communities and foster civic participation through service and volunteering.

## GOVERNMENTAL OPERATIONS

Federal funding supports AmeriCorps national service programs which address community needs in six areas 1) disaster services; 2) economic opportunity; 3) education; 4) environmental stewardship; 5) healthy futures; and 6) veterans and military families.

Federal funding from CNCS supports AmeriCorps national service programs which address community needs in six areas identified by the Edward M. Kennedy Serve America Act: 1) Disaster Services; 2) Economic Opportunity; 3) Education; 4) Environmental Stewardship; 5) Healthy Futures; and 6) Veterans and Military Families.

Since 2003, the Commission has also served as the Washington State Citizen Corps Council. The mission of Citizen Corps is to harness the power of every citizen through education, training, and volunteer service to make individuals, families, neighborhoods and communities safer, stronger, and better prepared to respond to the threats of terrorism, crime, public health issues, and disasters of all kinds.

### **Results Washington**

Results Washington leads government transformation by driving the successful implementation of state government's Plan for Progress. It provides enterprise wide strategic direction and leadership on performance management, accountability and continuous improvement.

### **State Human Resources**

This activity serves as the state's central human resource policy-making body. The office provides leadership and support on enterprise strategic planning, collective bargaining and oversight of human resource systems, rules and policy.

### **Classification and Compensation**

State HR maintains the statewide human resource foundation, which includes the classification and compensation structures for state employees. This foundation provides sound, consistent standards within which state employers may make personnel decisions and policies. The office provides consultation, training and tools to agencies on best practices and pursues enterprise classification strategies.

### **Planning and Strategy**

The office provides leadership, expertise, tools, standards and strategies to help state agencies plan, attract, recruit and retain a diverse, qualified workforce. The office convenes enterprise stakeholder work groups and communities of practice to collaborate on enterprise human resource issues and works closely with other central service entities. The office administers the state employee survey and performance management confirmation program, and provides data metrics, analysis and monitoring on the state work force.

### **Office of the Chief Information Officer (OCIO)**

The OCIO establishes the technology strategy for the state and provides the policy, standards and decision framework for implementing this strategy. Activities include the development of statewide information technology policy, oversight of major IT projects, preparation of technical IT standards and evaluation of the technical merits of proposed projects.

### **K-20 Education Network**

OFM manages and coordinates the K-20 Education Network to deliver data and video services to universities, community and technical colleges and K-12 locations throughout the state, and provides staff support for the K-20 Education Network Board, which has policy, budget, and oversight responsibilities. (Education Technology Revolving Account-Nonappropriated)