

GOVERNMENTAL OPERATIONS

Agency 117

Washington State Gambling Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	146.5		29,969	29,969
Total Maintenance Level	134.0		28,753	28,753
Difference	(12.5)		(1,216)	(1,216)
Percent Change from Current Biennium	(8.5)%		(4.1)%	(4.1)%
Performance Changes				
Staffing Reduction	(8.0)		(1,625)	(1,625)
Shift Expenditures to Seizure Funds				
CTS Rate Adjustment			(2)	(2)
Legal Services			6	6
Office of Chief Information Officer			2	2
CTS Central Services			58	58
DES Central Services			4	4
Core Financial Systems Replacement			7	7
Time, Leave and Attendance System			10	10
Self-Insurance Liability Premium			(6)	(6)
State Public Employee Benefits Rate			167	167
Nonrepresented Job Class Specific Increases			10	10
General Wage Increase for State Employees			763	763
Subtotal	(8.0)		(606)	(606)
Total Proposed Budget	126.0		28,147	28,147
Difference	(20.5)		(1,822)	(1,822)
Percent Change from Current Biennium	(14.0)%		(6.1)%	(6.1)%
Total Proposed Budget by Activity				
Gambling Licensing, Background and Financial Investigations	29.9		7,786	7,786
General Enforcement and Criminal Intelligence Investigation	44.7		9,652	9,652
Tribal-State Compact Negotiation, Regulation Program, and Investigations	51.5		10,709	10,709
Total Proposed Budget	126.0		28,147	28,147

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Staffing Reduction

Eight staff positions are reduced due to an anticipated shortfall in the Gambling Revolving Account. (Gambling Revolving Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

Shift Expenditures to Seizure Funds

The Gambling Commission will shift certain expenditures to its state and federal seizure accounts. (Federal Seizure Account-Nonappropriated, State Seizure Account-Nonappropriated, Gambling Revolving Account-Nonappropriated)

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.

Self-Insurance Liability Premium

Agency budgets are adjusted to reflect updated premium rates and a reduction in billings for the 2015-17 biennium.

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

Gambling Licensing, Background and Financial Investigations

The Washington State Gambling Commission is statutorily charged to enforce the provisions of the Gambling Act of 1973. The commission carries out this responsibility through a system of regulation and enforcement consisting of several interrelated activities. The commission requires that individuals and businesses apply for and obtain a license before conducting authorized gambling activities. The application and approval process includes an extensive investigation of fund sources and criminal records to prevent criminal interests from gaining a foothold in Washington gambling businesses to protect the public from being victimized.

The licensing process is required by statute to generate the funds necessary to cover all costs of licensing and enforcement.

General Enforcement and Criminal Intelligence Investigation

The Washington State Gambling Commission uses a combination of undercover and overt investigations to identify and seek prosecution of illegal gambling activities, cheating, theft, and racketeering.

The commission uses administrative rules and regulatory enforcement to ensure gambling is legal and honest, and requires that licensees maintain records that accurately document all gambling activity. Local jurisdictions rely on the commission's regulatory authority and these records to substantiate the millions in taxes collected annually. Absent the commission's activity in this area, this burden would fall entirely to local law enforcement.

Tribal-State Compact Negotiation, Regulation Program, and Investigations

Federal law requires the state to negotiate in good faith with Indian tribes to provide these sovereign nations the opportunity to engage in casino-type gambling activities that are allowed in some form in the state of Washington. The tribes are only allowed to engage in these activities through a compact with the state that is negotiated and regulated by the commission. The Washington State Gambling Commission provides training, tests gambling equipment, and completes inspections and investigations in cooperation with the tribes to assure gambling is conducted fairly and honestly.