

GOVERNMENTAL OPERATIONS

Agency 075

Office of the Governor

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	49.9	10,740	4,000	14,740
Total Maintenance Level	49.9	10,806	4,000	14,806
Difference		66		66
Percent Change from Current Biennium	0.0%	0.6%	0.0%	0.4%
Performance Changes				
Executive Operations Reduction	(1.3)	(370)		(370)
Education Ombuds Reduction	(.4)	(69)		(69)
Family and Childrens Ombuds Reduction	(.4)	(66)		(66)
CTS Rate Adjustment		(4)		(4)
CTS Central Services		25		25
DES Central Services		11		11
Core Financial Systems Replacement		2		2
Time, Leave and Attendance System		3		3
Self-Insurance Liability Premium		(1)		(1)
State Public Employee Benefits Rate		59		59
General Wage Increase for State Employees		358		358
Subtotal	(2.1)	(52)		(52)
Total Proposed Budget	47.8	10,754	4,000	14,754
Difference	(2.1)	14		14
Percent Change from Current Biennium	(4.2)%	0.1%	0.0%	0.1%
Total Proposed Budget by Activity				
Executive Operations for Governor's Office	33.6	7,761		7,761
Maintenance of Governor's Mansion	1.8	308		308
Office of the Family and Children's Ombudsman	6.4	1,305		1,305
Economic Development			4,000	4,000
Education Ombudsman	6.0	1,380		1,380
Total Proposed Budget	47.8	10,754	4,000	14,754

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Executive Operations Reduction

Funding for executive operations in the Governor's Office is reduced. A review of the workload throughout the office will be done to determine how the reduction will be implemented.

GOVERNMENTAL OPERATIONS

Education Ombuds Reduction

Funding for the Office of the Education Ombuds is reduced to reflect savings from reduced travel and fewer printed outreach publications.

Family and Childrens Ombuds Reduction

Funding for the Office of the Family and Children's Ombuds (OFCO) is reduced. OFCO will determine how the reduction will be implemented.

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.

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)

GOVERNMENTAL OPERATIONS

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

Executive Operations for Governor's Office

The Governor is the chief executive officer of the state, responsible for the overall administration of the affairs of the state of Washington. The Office of the Governor includes staff members who assist the Governor with administrative support, communicating with the public, and representing the Governor's policy recommendations to the Legislature.

Maintenance of Governor's Mansion

The Executive Mansion is provided by the state for the Governor's residential use and to fulfill ceremonial responsibilities. The Governor's personal expenses are the responsibility of the Governor and are not included in the mansion budget.

Office of the Family and Children's Ombudsman

The Office of the Family and Children's Ombudsman (OFCO) is responsible for investigating complaints against state agencies involving the protection of children from abuse and neglect, and/or the provision of child welfare services. OFCO researches issues facing the child protection/welfare system and recommends changes for improvements.

Economic Development

The Governor, upon the recommendation of the Department of Commerce and the Economic Development Commission uses the Economic Development Strategic Reserve to invest in public infrastructure or technical assistance to prevent business closure or relocation outside the state and to recruit businesses to Washington.

Education Ombudsman

The Education Ombudsman was created to advocate on behalf of elementary and secondary students and to provide information and investigative services to parents, students, and others regarding their rights and responsibilities in the state's public elementary and secondary education system, and advocating on behalf of elementary and secondary schools.

GOVERNMENTAL OPERATIONS

Agency 080

Office of Lieutenant Governor

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	6.8	1,311	95	1,406
Total Maintenance Level	6.8	1,416	95	1,511
Difference		105		105
Percent Change from Current Biennium	0.0%	8.0%	0.0%	7.5%
Performance Changes				
Staffing Reduction		(202)		(202)
Information Technology Upgrade		14		14
DES Central Services		4		4
Time, Leave and Attendance System		1		1
State Public Employee Benefits Rate		8		8
General Wage Increase for State Employees		40		40
Subtotal		(135)		(135)
Total Proposed Budget	6.8	1,281	95	1,376
Difference		(30)		(30)
Percent Change from Current Biennium	0.0%	(2.3)%	0.0%	(2.1)%
Total Proposed Budget by Activity				
Executive Operations for the Lieutenant Governor's Office	5.8	1,108	95	1,203
Operation of the Legislative Committee on Economic Development and International Relations	1.0	173		173
Total Proposed Budget	6.8	1,281	95	1,376

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Staffing Reduction

The Office of the Lieutenant Governor's budget is reduced to reflect the elimination of one vacant position.

Information Technology Upgrade

Outdated personal computers, laptops, and a printer will be replaced to meet current technology standards.

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.

GOVERNMENTAL OPERATIONS

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)

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

Executive Operations for the Lieutenant Governor's Office

The Lieutenant Governor, elected independently of the Governor, has a constitutional responsibility to act as Governor if the Governor is unable to perform his/her duties; serve as the presiding officer (President) of the Senate; and discharge other duties prescribed by law. The Lieutenant Governor represents the state at public and private functions, and serves on various executive and legislative committees. Staff assists the Lieutenant Governor with administrative support, communicating with the public, and representing the Lieutenant Governor's policy recommendations to the Legislature.

Operation of the Legislative Committee on Economic Development and International Relations

The Legislative Committee on Economic Development and International Relations was established by RCW 43.15.060 to provide responsive and consistent involvement by the Legislature in economic development in order to maintain a healthy state economy and provide employment opportunities to Washington residents. The Lieutenant Governor serves as Chair and appoints the members. Effective July 1, 2003 the Legislature transferred all operational and support responsibilities for this committee to the Office of Lieutenant Governor. Related to this, the Lieutenant Governor acts in an ambassadorial role for the state by meeting with foreign officials and others both in Washington state and abroad.

GOVERNMENTAL OPERATIONS

Agency 082

Public Disclosure Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	19.6	4,128		4,128
Total Maintenance Level	19.6	4,275		4,275
Difference		147		147
Percent Change from Current Biennium	0.0%	3.6%		3.6%
Performance Changes				
Reduce Goods and Services		(4)		(4)
Reduce Commission Meetings		(8)		(8)
Eliminate General Counsel Position	(1.0)	(180)		(180)
Reduce Outreach and Customer Assistance	(1.0)	(126)		(126)
Reduce Data Entry and Quality Functions	(1.0)	(116)		(116)
Computer Lease Program		6		6
Customer Service and Case Management System		8		8
Cloud-Based Communication System		10		10
Legal Services		3		3
Office of Chief Information Officer		1		1
CTS Central Services		5		5
DES Central Services		5		5
Core Financial Systems Replacement		1		1
Time, Leave and Attendance System		1		1
Self-Insurance Liability Premium		(6)		(6)
State Public Employee Benefits Rate		23		23
Nonrepresented Job Class Specific Increases		36		36
General Wage Increase for State Employees		113		113
Subtotal	(3.0)	(228)		(228)
Total Proposed Budget	16.6	4,047		4,047
Difference	(3.0)	(81)		(81)
Percent Change from Current Biennium	(15.3)%	(2.0)%		(2.0)%
Total Proposed Budget by Activity				
Agency Administration	1.8	626		626
Enforcement of Public Disclosure Laws	3.6	743		743
Provide Public Access to Certain Campaign, Lobbying and Financial Information	11.2	2,678		2,678
Total Proposed Budget	16.6	4,047		4,047

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Reduce Goods and Services

The Commission will achieve reductions in postage, paper, printing, and office supplies usage through efficiencies in business processes.

Reduce Commission Meetings

Commission meetings will be reduced from eleven to six regular meetings per year. To minimize impacts of this reduction, the Commission will seek alternative meeting formats such as teleconferencing or videoconferencing.

Eliminate General Counsel Position

Funding for in-house general counsel functions is eliminated.

Reduce Outreach and Customer Assistance

Funding for the Commission's outreach and customer service team is reduced by 20 percent.

Reduce Data Entry and Quality Functions

Funding for the Public Disclosure Commission's data entry/quality data team is reduced by 25 percent.

Computer Lease Program

Ongoing funding is provided for the lease of computers through the Department of Enterprise Services.

Customer Service and Case Management System

Funding is provided for a cloud-based customer service and case management system to track and manage compliance inquiries and complaints, case investigations, external customer/filer help desk requests, public records requests, and internal information technology help desk requests.

Cloud-Based Communication System

Ongoing funding is provided for a new cloud-based telephone system to enable the Commission to improve efficiencies with clients and explore alternatives for conferences and training.

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

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Time, Leave and Attendance System

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Self-Insurance Liability Premium

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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

Agency Administration

Agency Administration provides administrative and management support to the Public Disclosure Commission.

Enforcement of Public Disclosure Laws

The Public Disclosure Commission monitors whether persons subject to public disclosure laws file timely reports and comply with other provisions of the law. The agency reviews approximately 70 complaints from the public annually, the vast majority relating to provisions of the campaign financing statutes. The commission initiates investigations, produces reports, and enforces the public disclosure laws, including hearing enforcement cases and imposing penalties on violators.

GOVERNMENTAL OPERATIONS

Provide Public Access to Certain Campaign, Lobbying and Financial Information

The Public Disclosure Commission (PDC) provides full and timely public access to political finance data by maintaining a secure, comprehensive website, and developing and maintaining electronic filing alternatives for campaigns, lobbyists, lobbyist employers, and personal financial affairs filers. The agency assists filers in fulfilling statutory reporting requirements by providing training, instructional manuals, help screens, and telephone and e-mail assistance. Commission staff enters, reviews, and maintains data required of campaigns, lobbyists, lobbyist employers, and others to ensure the uniformity and accuracy of the data.

GOVERNMENTAL OPERATIONS

Agency 085

Office of the Secretary of State

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	315.1	21,253	61,344	82,597
Total Maintenance Level	315.6	31,830	61,831	93,661
Difference	.5	10,577	487	11,064
Percent Change from Current Biennium	0.2%	49.8%	0.8%	13.4%
Performance Changes				
Presidential Primary & Voters Pamphlet #		(11,497)		(11,497)
Digital Archives Hardware			538	538
Productivity Board	(4.0)		(781)	(781)
Information Technology Position Vacancy	(1.0)	(183)		(183)
Humanities Washington Pass-Through		(4)		(4)
Facility Maintenance			(80)	(80)
Archives Space			810	810
Paper Records Storage			(252)	(252)
Heritage Center Expenditures			(2,400)	(2,400)
Help America Vote Act Funds		2,000	(3,170)	(1,170)
Enhance Charitable Organization Education	(.5)		296	296
Replace TVW Capitol Campus Video Equipment		1,670		1,670
CTS Rate Adjustment		(4)	(8)	(12)
Legal Services		1	1	2
Office of Chief Information Officer		3	4	7
CTS Central Services		47	67	114
DES Central Services		41	57	98
Core Financial Systems Replacement		7	9	16
Time, Leave and Attendance System		9	14	23
State Public Employee Benefits Rate		109	177	286
WFSE General Government Master Agreement		5	293	298
Nonrepresented Job Class Specific Increases		62	14	76
General Wage Increase for State Employees		505	709	1,214
Subtotal	(5.5)	(7,229)	(3,702)	(10,931)
Total Proposed Budget	310.1	24,601	58,129	82,730
Difference	(5.0)	3,348	(3,215)	133
Percent Change from Current Biennium	(1.6)%	15.8%	(5.2)%	0.2%
Total Proposed Budget by Activity				
Library services to marginalized people	35.3	30	4,590	4,620
Serving Washington libraries	23.1	1,609	7,307	8,916
Address Confidentiality Program	4.1	627		627
Archives Collections and Services	45.7		10,608	10,608
Charitable Solicitation and Trusts Program	9.8		2,774	2,774

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Corporations, Partnerships, and Apostilles Services	51.4		10,988	10,988
State Share Election Cost Reimbursements		14,636		14,636
Executive and Administrative Services	41.1	5,555	4,146	9,701
Help America Vote Act Local Grant Program	9.3		11,976	11,976
Improve Access to State and Local Government Records	23.9		1,971	1,971
Building State Library collections of record for Washington's government and history	21.2	203	2,673	2,876
TVW (Pass Through Funds)		5,469		5,469
Preserving and Making Accessible Washington's Heritage	4.0	492	312	804
Coordinate the Cost-Effective Management of State and Local Records	22.6		4,425	4,425
Voter Information, Voter Registration, and Elections Official Training	11.4	3,258	(3,086)	172
Agency Information Technology		50	71	121
Charitable Trusts Program			2	2
Voter Registration and Initiative Services	11.4	4,169	19	4,188
Voters Pamphlet, Voter Outreach, and Legal Advertising		(11,497)		(11,497)
Productivity Board	(4.0)		(647)	(647)
Total Proposed Budget	310.1	24,601	58,129	82,730

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Presidential Primary & Voters Pamphlet #

Funding provided for the voters' pamphlet and for reimbursing counties for the state's share of the costs for the 2016 Presidential Primary is eliminated.

Digital Archives Hardware

One-time funding is provided to expand the digital archives for the increase in local and state legal and historic electronic records. (Public Records Efficiency, Preservation and Access Account-State, Local Government Archives Account-State)

Productivity Board

Operations of the Productivity Board are suspended for the 2015-17 biennium. (Personnel Service Account-State)

Information Technology Position Vacancy

Funding is eliminated for a vacant information technology position.

Humanities Washington Pass-Through

Pass-through funds for the Speakers' Bureau to provide public presentations across the state to encourage public engagement in arts and history is reduced by 15 percent.

Facility Maintenance

Expenditure authority is reduced to reflect the Secretary of State vacating one of its leased facilities for a long-term storage solution in the 2015-17 biennium. (Public Records Efficiency, Preservation and Access Account-State)

Archives Space

Additional expenditure authority from the existing fund balance is provided for short-term storage of state records until a permanent solution is available. (Public Records Efficiency, Preservation and Access Account-State)

Paper Records Storage

Agencies will reduce the number of boxes stored at the records center by ten percent. (Public Records Efficiency, Preservation and Access Account-State)

Heritage Center Expenditures

Expenditure authority is reduced to reflect lower-than-anticipated revenues. This reduction may impact funding for the State Library. (Washington State Heritage Center Account-State)

Help America Vote Act Funds

Federal funds for the maintenance and operation of the statewide voter registration database ended in the 2013-15 biennium. Partial funding from state funds is provided for ongoing staff to maintain and operate the database. (General Fund-State, Election Account-Federal)

Enhance Charitable Organization Education

Authority is provided to increase training sessions across the state to charitable organizations and nonprofit boards and staff. (Charitable Organization Education Account-State)

Replace TVW Capitol Campus Video Equipment

Funding is provided to finance the replacement and upgrade of TVW cameras and other video equipment throughout the Capitol campus. Financing costs are expected to be repaid over the next five years.

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.

GOVERNMENTAL OPERATIONS

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Library services to marginalized people

The State Library serves people who are marginalized by their inability to use print materials, providing service to the blind, visually impaired, physically handicapped and learning disabled; and to residents of the state hospitals and the state's major prisons. The Washington Talking Book & Braille (WTBBL) Library provides information and materials statewide in alternative formats, including large print, braille, and audio. WTBBL is committed to supporting Washingtonians unable to read standard print so they may continue to have access to current information, educational and pleasure reading, technology training, and quality of life. Institutional Library Services provides library materials and services in the state psychiatric hospitals and adult correctional institutions, supporting patients and inmates in their recovery and re-entry efforts by maintaining current and relevant resources. ILS branch libraries support and enhance basic adult and college education and other institution programs.

Serving Washington libraries

The State Library provides leadership, training and coordinated statewide initiatives to all libraries in the state, strengthening their capacity to serve their communities using federal funds received under the Library Services and Technology Act. The Washington State Library is the only entity in the state eligible to receive these funds. The State Library uses LSTA funding to: support group purchases and provide subsidies saving Washington libraries, and indirectly Washington residents, millions of dollars, provide statewide training initiatives to improve library staff skills, offer grant cycles that allow local libraries to develop and support library services to citizens, and coordinate statewide initiatives in areas such as early childhood learning, strengthening school libraries, and digitization of local historical materials. Because Washington does not provide General Fund-State funds for public libraries, the federal funds are critical to them.

Address Confidentiality Program

This program helps crime victims (specifically victims of domestic violence, sexual assault, or stalking) keep their addresses out of state and local government records so perpetrators cannot use public records to locate their victims and continue the abuse. The program provides participants with a substitute address that can be legally used as residence, work, and/or school addresses. It also provides confidentiality in voter registration and marriage licenses, two areas that are normally public records.

Archives Collections and Services

The primary mission of the state Archives is to preserve and make accessible the legal and historical records of the executive, legislative, and judicial branch agencies of state and local government. Collecting and making these records available, promotes transparency and accountability for government to its citizens. To make these records available and ensure citizen access, the Archives maintains a Web site and public research facilities throughout the State (Bellevue, Bellingham, Ellensburg, Cheney, and Olympia). Technical assistance is provided to state and local government agencies to ensure the preservation of records. (Other Funds: Archives and Records Management Account-State, Local Government Archive Account-State)

Charitable Solicitation and Trusts Program

This activity registers entities that solicit funds from Washington State residents and entities holding income producing assets in the name of charity. This activity also administers the Charitable Organization Education Program to educate charitable organizations, their board members, and the general public about administration, fiduciary responsibility, ethics, and other best practices. Charitable registration is used to provide information to the public about charities and their paid fundraisers and permits supervision of the administration of charitable trusts which helps to prevent deceptive and dishonest practices. This information promotes education and awareness for targeted or vulnerable citizens such as the elderly, and exposes the improper use of contributions intended for charitable purposes. (Other Funds: Secretary of State Revolving Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

Corporations, Partnerships, and Apostilles Services

This activity registers entities conducting business in the state of Washington, which include domestic and foreign (out-of-state) limited liability companies, corporations, and limited partnerships. The activity also provides the public with in-state trademark registration and authenticates notarized or public documents for international use. (Other Funds: Secretary of State Revolving Fund Nonappropriated)

State Share Election Cost Reimbursements

This activity provides primary and general election cost reimbursements to county election offices in odd-numbered election years and for the presidential primary.

Executive and Administrative Services

This activity provides the agency with management and policy direction not directly attributed to any program or service. Functions include public information, legislative affairs, policy and planning, development (seeking private donations), international relations, human resources, financial services, contracting and purchasing, facility and records management, and technology support. (Other Funds: Archives and Records Management Account-State, Secretary of State Revolving Account-Nonappropriated, Local Government Archives Account-State, Imaging Account-Nonappropriated, Election Account-Federal)

Help America Vote Act Local Grant Program

This activity was created in the 2003-05 Biennium to establish a local grant program to assist county auditors in meeting the requirements of the federal Help America Vote Act of 2002 (HAVA). The Office of the Secretary of State is responsible for administering the grant program and meeting federal audit requirements. By September 2006, all counties were in compliance with HAVA requirements. The grant activities are winding down. The Office of the Secretary of State expects funds to be depleted in the 2013-15 Biennium and no additional federal grant funding is expected. (Other Funds: Election Account-Federal)

Improve Access to State and Local Government Records

Archives provides imaging services on a cost-recovery basis to state and local agencies to ensure the high quality reproduction of essential records and documents of legal or historical significance. To promote government transparency and accountability, the Archives offers a local records grant program that provides funds for scanning and indexing records. After scanning, the records are made available on the Archives Web site. Services include imaging (filming, scanning, and digital conversion); quality review and inspection, and the creation of microfilm for the long term preservation of records. Technical assistance is provided to state and local governments to ensure the proper microfilm/imaging standards are met. (Other Funds: Imaging Account-Nonappropriated, Archives and Records Management Account-State, Local Government Archive Account-State)

Building State Library collections of record for Washington's government and history

The Washington State Library has a unique mandate to collect, preserve and make accessible materials on Washington's government, history and culture. Collections include: the only comprehensive collection of Washington state agency publications in the world; the only comprehensive collection of federal government publications in the state; a statewide collection of Washington newspapers from 1852 to the present; and a significant collection of rare books and manuscripts from our state's history. The State Library is committed to making its rare collections available to students, teachers and researchers in digital format.

TVW (Pass Through Funds)

The Secretary of State's Office provides pass through state funds to TVW for providing television coverage of statewide government events and to Humanities Washington for its community conversations program.

GOVERNMENTAL OPERATIONS

Preserving and Making Accessible Washington's Heritage

The Legacy Project publishes oral histories and biographies on former U.S. Senators, Members of Congress, Governors, influential newsmakers, and people who've influenced the political history of the State of Washington.

Coordinate the Cost-Effective Management of State and Local Records

The Archives provides services and technical assistance to state and local government agencies for the efficient and accountable management of public records. Services include a central state records center that achieves significant cost savings and the authorization to destroy, and/or transfer to the Archives, public records. Also provided is technical assistance and training to better equip state and local governments to manage the public records in its care. (Other Funds: Archives and Records Management Account-State, Local Government Archive Account-State)

Voter Information, Voter Registration, and Elections Official Training

This activity facilitates federally mandated voter registration processes, administers the constitutional right to initiative and referendum, ensures state compliance with the constitutional requirement that voters receive a voters' pamphlet for each applicable election, conducts statutorily required training and certification programs for state and local election officials, certifies voting equipment as required by state law, and maintains a publically accessible statewide elections and voter information system.

Agency Information Technology

This activity provides the agency with central oversight and coordination of technology, including the agency's information technology plan, server maintenance, hardware/software maintenance and programming, and web service development. (Archives & Records Management-State, Secretary of State Revolving Non-Appropriated, Dept of Personnel-State, Local Government Archives-State, Imaging Account Non-appropriated, Election Account-Federal)

Charitable Trusts Program

This activity registers charitable trusts relating to entities holding income-producing assets in the name of charity. Registration of charitable trusts also permits supervision of the administration of these public trusts, helps to prevent deceptive and dishonest practices, and prevents the improper use of public funds intended for charitable purposes. Information provided through registration promotes consumer education and awareness for grant seekers, grant makers, and public beneficiaries. (Secretary of State Revolving Non-appropriated)

Voter Registration and Initiative Services

This activity facilitates the filing and processing of proposed initiatives and referenda, filing of completed petitions, and verification of voter signatures on filed petitions. All qualified initiatives and referenda are certified to the county auditors. All motor-voter and mail-in registration information is processed for delivery to county auditors to ensure the maintenance of complete and accurate voter registration lists.

Voters Pamphlet, Voter Outreach, and Legal Advertising

As required by the State Constitution, this activity supplies voters with access to information about elections, candidates, and ballot measures through the voter's pamphlet, an online voter's guide, 24-hour telephone hotline, and legal advertisements. The division provides voting and election information to children, students, and young adults, and various other demographics, as well as online access to election results reported in real time by county election offices. Foreign language translation and various accessibility formats for many voter education and outreach materials are provided in print and via the Office of the Secretary of State's website.

Productivity Board

The Productivity Board improves the quality, service, and efficiency of Washington State through the implementation of cost effective employee suggestions and process improvements. The Board encourages state employees to create, innovate, and apply their good ideas for the betterment of state government.

Agency 086

Governor's Office of Indian Affairs

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	2.0	499		499
Total Maintenance Level	2.0	521		521
Difference		22		22
Percent Change from Current Biennium	0.0%	4.4%		4.4%
Performance Changes				
DES Central Services		2		2
State Public Employee Benefits Rate		3		3
General Wage Increase for State Employees		13		13
Subtotal		18		18
Total Proposed Budget	2.0	539		539
Difference		40		40
Percent Change from Current Biennium	0.0%	8.0%		8.0%
Total Proposed Budget by Activity				
Promote Government Relations	2.0	539		539
Total Proposed Budget	2.0	539		539

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Promote Government Relations

The Governor's Office of Indian Affairs assists the state in developing and implementing policies, as well as conducting its relations with federally-recognized tribes on a government-to-government basis, consistent with the principles identified and affirmed in the 1989 Centennial Accord, 1999 Millennium Agreement, and Governor's Proclamation of July 21, 1997. The office works to improve communication between the state of Washington and federally-recognized tribes and tribal organizations.

Agency 087

Commission on Asian Pacific American Affairs

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	2.0	418		418
Total Maintenance Level	2.0	436		436
Difference		18		18
Percent Change from Current Biennium	0.0%	4.3%		4.3%
Performance Changes				
DES Central Services		1		1
State Public Employee Benefits Rate		3		3
General Wage Increase for State Employees		12		12
Subtotal		16		16
Total Proposed Budget	2.0	452		452
Difference		34		34
Percent Change from Current Biennium	0.0%	8.1%		8.1%
Total Proposed Budget by Activity				
Advocacy of Asian Pacific-American Community Issues	2.0	452		452
Total Proposed Budget	2.0	452		452

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Advocacy of Asian Pacific-American Community Issues

The Commission examines issues pertaining to the rights and needs of the Asian American and Pacific Islander community and makes recommendations to the governor, state agencies and local governments for changes in programs, policies, plans, and laws. With over 674,000 Asian Americans and Pacific Islanders (2010 census) representing over 47 distinct groups speaking more than 74 various languages and dialects, the Commission is the only agency in state government performing the essential activity of ensuring the community has access to government and the services it provides. In order to define issues of importance to the community, the Commission holds public meetings, meets with the community, and develops networks with groups that serve the population. The Commission also conducts public information and outreach programs with particular emphasis on education, health, human services, economic development, as well as develops special studies and reports to address issues of concern to the Asian American and Pacific Islander community.

GOVERNMENTAL OPERATIONS

Agency 090

Office of State Treasurer

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	67.0		14,872	14,872
Total Maintenance Level	67.0		15,435	15,435
Difference			563	563
Percent Change from Current Biennium	0.0%		3.8%	3.8%
Performance Changes				
Legal Fees			400	400
CTS Rate Adjustment			(4)	(4)
Audit Services			(1)	(1)
Legal Services			5	5
Office of Chief Information Officer			3	3
CTS Central Services			25	25
DES Central Services			7	7
Core Financial Systems Replacement			3	3
Time, Leave and Attendance System			5	5
State Public Employee Benefits Rate			81	81
Nonrepresented Job Class Specific Increases			6	6
General Wage Increase for State Employees			491	491
Subtotal			1,021	1,021
Total Proposed Budget	67.0		16,456	16,456
Difference			1,584	1,584
Percent Change from Current Biennium	0.0%		10.7%	10.7%
Total Proposed Budget by Activity				
Accounting and Fiscal Services for Treasury and Trust Funds	14.8		3,034	3,034
Administration	13.0		4,130	4,130
Banking Services	19.1		3,990	3,990
Debt Management Services	11.5		2,965	2,965
Investment Services	8.6		2,337	2,337
Total Proposed Budget	67.0		16,456	16,456

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Legal Fees

The Office of the State Treasurer is provided a one-time expenditure authority increase to pay for specialized legal services related to specific and complex litigation. (Treasurer Service Account-State)

GOVERNMENTAL OPERATIONS

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.

Audit Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 5 percent reduction in charges for audit services.

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 and Fiscal Services for Treasury and Trust Funds

The State Treasurer maintains a correct and current account of all monies received and disbursed, classified by fund or account, as well as agency level accounting for investments, distributions, and debt management activity. All cash activity is accounted for and electronically interfaced to the statewide Agency Financial Reporting System (AFRS). (State Treasurer's Service Account)

Administration

The State Treasurer, a constitutional officer elected to serve a four-year term, is the state's chief fiscal officer. The Treasurer's Office provides banking, investment, debt management, and accounting services for state government, keeping the books and managing taxpayers' money from the time it is collected in taxes until it is spent on programs by the Legislature. The office receives the state's cash resources, invests the money each business day to earn interest, and disburses funds to numerous entities, including agencies, local governments, and active and retired state employees. Office business functions are supported by a fully functional information processing environment. (State Treasurer's Service Account)

Banking Services

The State Treasurer receives and deposits monies remitted to the state, and manages the disbursement of funds to state and local governments, vendors, beneficiaries, claimants, and employees. These banking services are provided to state agencies through the Cash and Warrant Management Division. The division promotes responsible financial practices to ensure the unimpeded inflow of monies to the state's bank accounts and the timely outflow of monies to payees. The warrant management section releases, redeems, and maintains the records of warrants that bear the signature of the State Treasurer. The division also is responsible for the negotiation and management of numerous financial contracts and agreements, and works in cooperation with other state agencies in support of Digital Government initiatives. (State Treasurer's Service Account)

Debt Management Services

Bond Retirement and Interest, Agency 010, is part of the Office of the State Treasurer, and is commonly referred to as Debt Management. The major functions of this activity include support to the State Finance Committee, debt issuance, the State/Local Lease Purchase Program, the School Bond Guarantee program, and payments to bondholders. (State Treasurer's Service Account)

Investment Services

The Investment Division invests a pool of the state's operating and capital cash reserves for maximum return under defined risk parameters, while still providing sufficient liquidity to meet agency cash requirements. The Investment Division also separately invests and administers the Local Government Investment Pool (LGIP), a pooled investment program which serves more than 400 local government cash managers. Pooled investments and other services allow state and local governments to share in the expertise of the State Treasurer and its investment staff, and reap the benefits of the economies of scale. (State Treasurer's Service Account)

GOVERNMENTAL OPERATIONS

Agency 095

Office of State Auditor

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	336.3	1,509	74,264	75,773
Total Maintenance Level	336.3	1,530	81,320	82,850
Difference		21	7,056	7,077
Percent Change from Current Biennium	0.0%	1.4%	9.5%	9.3%
Performance Changes				
Reduce State Audit Services			(492)	(492)
Shift Audits to Performance Audit Account		(1,586)	1,586	
Reduce Authority to 2013-15 Levels			(4,922)	(4,922)
CTS Rate Adjustment			(10)	(10)
Legal Services			7	7
Office of Chief Information Officer			3	3
CTS Central Services		2	62	64
DES Central Services			12	12
Core Financial Systems Replacement			17	17
Time, Leave and Attendance System			23	23
State Public Employee Benefits Rate		8	443	451
Nonrepresented Job Class Specific Increases			20	20
General Wage Increase for State Employees		46	2,219	2,265
Subtotal		(1,530)	(1,032)	(2,562)
Total Proposed Budget	336.3		80,288	80,288
Difference		(1,509)	6,024	4,515
Percent Change from Current Biennium	0.0%	(100.0)%	8.1%	6.0%
Total Proposed Budget by Activity				
Administrative Activity	14.5	129	10,805	10,934
Audit of K-12 Budget Drivers and State Funded Programs	6.1	(129)	1,914	1,785
Local Government Audit	196.3		45,518	45,518
State Government Audit	35.1		7,751	7,751
Whistleblower Program	5.6		1,170	1,170
Local Government Budgeting, Accounting and Reporting System and Statistics	3.0		684	684
Performance Audits	75.9		12,446	12,446
Total Proposed Budget	336.3		80,288	80,288

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Reduce State Audit Services

The State Auditor will reduce accountability audits by approximately 15 percent. (Auditing Services Revolving Account-State)

Shift Audits to Performance Audit Account

Funding for select state school district audits will be funded from the Performance Audits of Government Account rather than General Fund-State. (General Fund-State, Performance Audits of Government Account-State)

Reduce Authority to 2013-15 Levels

Expenditure authority from the Performance Audits of Government Account is set at the 2013-15 biennium level. (Performance Audits of Government 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.

GOVERNMENTAL OPERATIONS

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

Administrative Activity

This activity provides for administration of the Office of the State Auditor

Audit of K-12 Budget Drivers and State Funded Programs

The School Programs audit team assesses school district compliance with legal criteria that must be met as a condition for receiving General Fund monies. There are 295 school districts subject to this audit effort. The team also assists the Special Education Safety Net Committee, works with staff of the Office of Superintendent of Public Instruction on audit resolution, and provides training for school district staff. This audit work has been assigned to the State Auditor's Office by the Legislature via budget proviso since 1998.

Local Government Audit

The Office of the State Auditor independently audits local governments at least every three years, with the exception of self-insurance plans, which are audited on a two-year cycle. There are approximately 2,400 local government entities, including counties, cities, schools, ports, public utilities, hospital districts, fire districts and a variety of other special purpose districts. Auditors use a risk-based approach, which focuses on public resources most likely to be at risk of loss or misappropriation. For each government requiring a financial statement audit or single audit, we issue financial statement opinions and single audits. Beyond examining the financial condition, accounting and reporting by local governments, the audits assess compliance with the Constitution, state laws, and local government ordinances. Any report disclosing malfeasance, misfeasance or nonfeasance in office on the part of local government officers or employees is referred to the county prosecuting attorney or federal government for recovery of funds and prosecution. Bond rating agencies rely on these audit reports in performing their assessments.

GOVERNMENTAL OPERATIONS

State Government Audit

The office audits annually the basic financial statements prepared by the Office of Financial Management and the required audit of federal financial assistance and conduct an examination of internal controls over public resources and compliance with the Constitution and state laws and regulations. The single audit meets legal requirements contained in the Congressional Single Audit Act. There are 168 state agencies, boards, and commissions subject to this audit effort, which uses a risk-based approach to focus on public resources at highest risk of loss or misappropriation. Audits of state agencies disclosing malfeasance, misfeasance or nonfeasance on the part of any public officer or employee are referred to the Office of the Attorney General or federal government for recovery of funds and prosecution. Bond rating agencies rely on state government audits in performing their assessments.

Whistleblower Program

The Office of the State Auditor administers the state employee whistleblower program, which encourages state employees to disclose, to the extent not expressly prohibited by law, improper governmental actions. Improper governmental action means any action by an employee undertaken in the performance of the employee's official duties, which represents gross mismanagement, is a gross waste of public funds or resources, is in violation of federal or state law or rule, is of substantial and specific danger to the public health or safety, or which is gross mismanagement.

Local Government Budgeting, Accounting and Reporting System and Statistics

The Office of the State Auditor, in collaboration with local governments, sets uniform accounting standards for local governments, allowing for consistent reporting of budget and financial information, timely analysis, and greater public understanding. The office helps local governments meet these standards by providing technical assistance and training. Each year, the office works with local governments to update the Budgeting, Accounting, and Reporting Systems (BARS) for local governments. Annually, the office publishes a compilation of local government comparative statistics, a 10-year history of financial information that is used for comparing entities and analyzing programs. These statistics are available on the internet in a reporting system that allows for flexible access of this data by the citizens and other users. State and local policy makers and officials and bond rating agencies often rely on the local government financial reporting system in performing their assessments. The local government financial information is also used by our auditors in assessing risk, which helps determine the scope and frequency of these audits.

Performance Audits

Performance audits of state and local governments in Washington are conducted under the authority of Initiative 900, which was approved by voters in November 2005 and enacted as RCW 43.09.470. Since then, our Office has independently selected audit topics in response to citizen input, audit experience, requests by the Governor and the Legislature, and in response to emerging issues. The performance audits are conducted in accordance with the Government Auditing Standards published by the U.S. Government Accountability Office.

Agency 099

Citizens' Commission on Salaries for Elected Officials

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	1.3	308		308
Total Maintenance Level	1.3	320		320
Difference		12		12
Percent Change from Current Biennium	0.0%	3.9%		3.9%
Performance Changes				
DES Central Services		1		1
State Public Employee Benefits Rate		1		1
General Wage Increase for State Employees		8		8
Subtotal		10		10
Total Proposed Budget	1.3	330		330
Difference		22		22
Percent Change from Current Biennium	0.0%	7.1%		7.1%
Total Proposed Budget by Activity				
Salary Setting for Elected Officials	1.3	330		330
Total Proposed Budget	1.3	330		330

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Salary Setting for Elected Officials

The Citizens' Commission on Salaries for Elected Officials sets the salaries of the elected officials in the Executive, Legislative, and Judicial branches of state government. The salary setting process begins with the adoption of a proposed salary schedule upon which the public is invited to comment. Following a series of public hearings and work sessions, a biennial salary schedule is adopted, filed with the Secretary of State, and becomes law 90 days after filing, unless overturned by voter referendum.

GOVERNMENTAL OPERATIONS

Agency 100

Office of Attorney General

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	1,095.5	21,822	222,070	243,892
Total Maintenance Level	1,101.5	22,717	230,819	253,536
Difference	6.0	895	8,749	9,644
Percent Change from Current Biennium	0.5%	4.1%	3.9%	4.0%
Performance Changes				
Economic Crime Unit	1.5		416	416
Increased Legal Services	14.0		3,782	3,782
Consumer Protection Services	(1.8)	(269)		(269)
Legal Services to Agencies	(48.9)		(8,556)	(8,556)
CTS Rate Adjustment		(16)	(162)	(178)
Archives/Records Management		(1)	(6)	(7)
Office of Chief Information Officer		1	8	9
CTS Central Services		11	106	117
DES Central Services		6	51	57
Core Financial Systems Replacement		5	50	55
Fleet Program Rate Reduction			(2)	(2)
Time, Leave and Attendance System		7	68	75
Self-Insurance Liability Premium		(3)	(34)	(37)
State Public Employee Benefits Rate		106	1,366	1,472
Nonrepresented Job Class Specific Increases		110	1,779	1,889
General Wage Increase for State Employees		573	7,331	7,904
Subtotal	(35.2)	530	6,197	6,727
Total Proposed Budget	1,066.3	23,247	237,016	260,263
Difference	(29.2)	1,425	14,946	16,371
Percent Change from Current Biennium	(2.7)%	6.5%	6.7%	6.7%
Total Proposed Budget by Activity				
Administration	74.4	657	17,230	17,887
Civil Commitment of Sexually Violent Predators	26.5	13,568	18,051	31,619
Criminal Investigation and Prosecution	3.0	1,328		1,328
Enforcement of Anti-Trust Laws	7.0		1,612	1,612
Enforcement of Consumer Protection Laws	61.6	6,046	2,518	8,564
Executive Ethics Board	3.2		796	796
Homicide Investigation Tracking System	4.7	1,324		1,324
Investigation and Prosecution of Medicaid Fraud and Resident Abuse	37.5		9,556	9,556
Legal Services to State Agencies	840.8	(380)	187,256	186,876
Representing Ratepayers	7.6		(3)	(3)
Victims Advocacy		704		704

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	1,066.3	23,247	237,016	260,263

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Economic Crime Unit

The Attorney General is provided additional expenditure authority and staff to prosecute cases related to the Department of Labor and Industries' investigations into the underground economy (businesses that evade regulations and hide their full tax liability from the state). (Legal Services Revolving Account-State)

Increased Legal Services

Increased billing authority is provided to the Attorney General for increased legal caseloads for the Health Care Authority, Department of Natural Resources, and University of Washington. (Legal Services Revolving Account-State)

Consumer Protection Services

Funding for the Consumer Protection Division at the Office of the Attorney General is reduced.

Legal Services to Agencies

Funding for legal services to agencies is reduced. The Attorney General will work with client agencies to implement stricter policies and best practices regarding utilization of Attorney General services to achieve lower legal bills. (Legal Services 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

GOVERNMENTAL OPERATIONS

ACTIVITY DESCRIPTIONS

Administration

Administrative functions of the AGO includes the Attorney General's Core Leadership Team, the Solicitor General, executive support, financial services, human resources, IT services, and facilities staff. An administrative function of the AGO is the Solicitor General's issuance of Attorney General Opinions, which answer questions from members of the state Legislature, state elected officials, appointed heads of state agencies, boards and commissions, and county prosecuting attorneys. AGO opinions clarify the interpretation of statutes and regulations when the meaning is in doubt.

Civil Commitment of Sexually Violent Predators

The Sexually Violent Predator Unit (SVPU) protects the public by ensuring that the most dangerous and violent sexual predators in the state are detained, evaluated, and treated until they no longer meet Sexually Violent Predator (SVP) criteria. When a sexual offender is about to be released from confinement and appears to meet SVP criteria, the SVPU acts as the prosecuting agency to classify them as a SVP resulting in Civil commitment. Once committed, the SVPU oversees the extensive post-commitment responsibilities to ensure that SVPs are not being released before being rehabilitated. These responsibilities include appeals, annual reviews, less restrictive alternative placements, and re-commitment hearings and trials.

Criminal Investigation and Prosecution

The Criminal Litigation Unit (CLU) investigates and prosecutes all levels of criminal cases when requested by the Governor or county prosecuting attorneys. The types of cases commonly handled by the CLU include homicide, sexual assault, multi-jurisdictional crime, white-collar crime, governmental corruption cases, environmental crimes, tax fraud cases on behalf of the Department of Revenue, licensing fraud on behalf of the Department of Licensing, insurance fraud on behalf of the Office of the Insurance Commissioner, and fraudulent workers' compensation claims and wage and hour violations on behalf of the Department of Labor and Industries. The CLU assists local prosecutors when they have a conflict of interest or need additional resources for major prosecutions. The CLU occasionally assumes responsibility for the appellate review of a criminal case that were originally brought by a county prosecutor if the case involves fundamental issues affecting the public interest and the administration of justice.

Enforcement of Anti-Trust Laws

The AGO's Antitrust Division (ANT) division protects the residents of Washington State from price-fixing, illegal mergers, monopolization, and other illegal, anticompetitive activities. ANT holds entities accountable when they break the law and engage in unfair competition, and ensures that consumers benefit from a competitive marketplace. By enforcing antitrust laws, ANT ensures that businesses compete fairly with each other. ANT files enforcement actions, responds to consumer complaints, provides advice to state agencies, and provides consumer education and outreach. Through these efforts, ANT ensures that consumers' problems are addressed, money overpaid due to illegal activity is recovered, illegal activity is prevented, and businesses are educated about their responsibilities under the antitrust laws.

Enforcement of Consumer Protection Laws

The AGO's Consumer Protection Division (CPR) protects Washington consumers from deception, scams, and abusive practices. CPR provides a fair marketplace through vigorous civil law enforcement of the Consumer Protection Act (CPA) including education and outreach to consumers. CPR's Consumer Resource Center fields calls and complaints from consumers around the state, informally resolving complaints and recovering millions of dollars for consumers. CPR attorneys promote compliance with the CPA by obtaining injunctions and monetary judgments against violators including direct consumer restitution. CPR's Foreclosure Compliance Program enforces the Foreclosure Fairness Act to help homeowners. CPR also houses the Lemon Law program which promotes timely and effective new motor vehicle warranty service through mandatory arbitration. CPR's Manufactured House Dispute Resolution Unit fosters compliance with the Manufactured Housing Landlord Tenant Act.

Executive Ethics Board

The Executive Ethics Board (EEB) is an independent board with five members appointed by the Governor. The EEB promotes integrity, confidence, and public trust in state government through education, interpretation, and enforcement of the Ethics in compliance with the Public Service Act (Act). The AGO provides staff and administrative support for the EEB. EEB members meet on a regular basis to interpret the Act for all state agencies, provide advice to agencies regarding ethical issues, promulgate rules to implement the Act, and take enforcement action against state employees who violate the Act. EEB staff investigate complaints filed by public employees and citizens, provide ethics training to state agencies, and provide advice regarding ethics in the workplace. Ethics training enables state officers and employees to perform their public responsibilities and conduct the business of the state appropriately.

Homicide Investigation Tracking System

The Homicide Investigation Tracking System (HITS) system provides assistance to law enforcement by providing them with greater access to information, advice, and assistance resulting in enhanced and speedier investigation of violent crimes. As a result, suspects are pursued more quickly leading to better public protections.

Investigation and Prosecution of Medicaid Fraud and Resident Abuse

The Medicaid Fraud Control Unit (MFCU) is federally mandated and 75% federally funded for this investigative and prosecutorial unit staffed by Attorneys, Auditors, Investigators, Paralegals and support personnel. MFCU's mission is to protect patients and taxpayers through civil (including qui tam action) and criminal law enforcement. MFCU investigates and prosecutes fraud by health care providers that illegally divert Medicaid funds. These enforcement efforts curtail and deter similar criminal activity and lead to recoveries for the state and federal government. MFCU also prosecutes the abuse and neglect of residents in Medicaid-funded facilities. MFCU provides valuable assistance to local law enforcement in investigating and prosecuting crimes committed against vulnerable adults. MFCU helps coordinate the efforts of local vulnerable adult task forces, enforces the law, holds criminals accountable, increases public safety, deters fraud, and recovers money for the state. The addition of the Medicaid False Claims Act (FCA) in 2012 allows whistleblower qui tam actions. This increases MFCU's capacity to aggressively combat fraud through civil and criminal means, benefits our state by expanding the AGO's capacity to address fraud, neglect and abuse. This is essential as more Washingtonians become eligible for Medicaid under the Affordable Care Act, and as more people are entering the long-term care system.

Legal Services to State Agencies

By providing high quality legal assistance and representation to Washington's state agencies, boards, and commissions, the AGO improves government services, increases government efficiency, and prevents costly lawsuits. The legal services provided by the AGO saves taxpayer dollars, promotes the public interest, and ensures agencies are able to fulfill their essential missions. The AGO offers excellent, option-based legal advice to help the state promote the public good. In the litigation context, the AGO initiates, defends, and resolves cases effectively and efficiently for the benefit of the state, its agencies, and its citizens.

Representing Ratepayers

The AGO's Public Counsel Unit (PCU) represents residential and small business customers (ratepayers) of electric, natural gas, and telecommunications utilities regulated by the Washington Utilities & Transportation Commission (UTC). PCU advocates on behalf of customers in UTC cases involving utility rates, mergers, energy efficiency programs, service quality, and other policy matters. PCU investigates company requests and retains experts to analyze areas such as accounting, economics, finance, engineering, rate spread/rate design, and service quality. In a rate case or merger evidentiary hearings, PCU will cross-examine other parties' expert witnesses, present its own witnesses, and file legal briefs. In addition to participating as a statutory party in major rate and merger cases, PCU may also present policy recommendations in UTC rulemakings or at bi-weekly UTC business meetings. PCU participates in technical policy and advisory groups, and may provide information to the Legislature and other policymakers.

GOVERNMENTAL OPERATIONS

Victims Advocacy

The Washington Coalition of Crime Victim Advocates (WCCVA) provides training, certification and support to community-based victim service organizations. This training provides an overview of victim rights and the mandated pre-service core training for crime victim advocates before working professionally with victims of crime in Washington State. In addition, by maintaining web-based resources and ensuring the availability of an electronic distribution list for relevant crime victim advocacy issues and victim rights, WCCVA educates advocates, victims and the community relating to their rights and available services. WCCVA works to educate the public of the impact of crime to individuals and society in order to deter crimes and improve public and private efforts to prevent crimes.

Agency 101

Caseload Forecast Council

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	12.0	2,490		2,490
Total Maintenance Level	12.0	2,639		2,639
Difference		149		149
Percent Change from Current Biennium	0.0%	6.0%		6.0%
Performance Changes				
CTS Central Services		7		7
DES Central Services		3		3
Core Financial Systems Replacement		1		1
Time, Leave and Attendance System		1		1
State Public Employee Benefits Rate		11		11
General Wage Increase for State Employees		71		71
Subtotal		94		94
Total Proposed Budget	12.0	2,733		2,733
Difference		243		243
Percent Change from Current Biennium	0.0%	9.8%		9.8%
Total Proposed Budget by Activity				
Caseload Forecasting	8.4	1,986		1,986
Sentencing Data Maintenance and Research	3.6	747		747
Total Proposed Budget	12.0	2,733		2,733

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

GOVERNMENTAL OPERATIONS

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)

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

Caseload Forecasting

The Caseload Forecast Council prepares November, February and June caseload forecasts of entitlement programs including: public assistance, state correctional institutions, state correctional non institutional supervision, state institutions for juvenile offenders, the common school system, the College Bound Scholarship Program, long term care, medical assistance, foster care, and adoption support.

Sentencing Data Maintenance and Research

The Caseload Forecast Council publishes adult felony and juvenile offender sentencing manuals; maintains computerized adult and juvenile sentencing databases on all adult felony sentences and juvenile dispositions; and publishes statistical summaries and ad hoc analyses of adult and juvenile sentencing.

GOVERNMENTAL OPERATIONS

Agency 102

Department of Financial Institutions

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	190.9		47,960	47,960
Total Maintenance Level	194.1		49,214	49,214
Difference	3.2		1,254	1,254
Percent Change from Current Biennium	1.7%		2.6%	2.6%
Performance Changes				
Enhance Consumer Services Exams	3.5		601	601
Enhance Licensing Oversight	1.2		282	282
CTS Rate Adjustment			(236)	(236)
Archives/Records Management			(1)	(1)
Legal Services			11	11
Office of Chief Information Officer			3	3
CTS Central Services			49	49
DES Central Services			5	5
Core Financial Systems Replacement			10	10
Time, Leave and Attendance System			13	13
State Public Employee Benefits Rate			234	234
Nonrepresented Job Class Specific Increases			698	698
General Wage Increase for State Employees			1,292	1,292
Subtotal	4.7		2,961	2,961
Total Proposed Budget	198.8		52,175	52,175
Difference	7.9		4,215	4,215
Percent Change from Current Biennium	4.1%		8.8%	8.8%
Total Proposed Budget by Activity				
Agency Management and Administrative Services	8.1		3,445	3,445
Chartering, Licensing and Registration	32.9		6,854	6,854
Education and Public Outreach	2.2		1,846	1,846
Enforcement	46.5		13,147	13,147
Examinations	109.1		26,883	26,883
Total Proposed Budget	198.8		52,175	52,175

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Enhance Consumer Services Exams

Additional expenditure authority is provided to meet the mandated number of examinations conducted each year to maintain Conference of State Bank Supervisors accreditation and improve consumer protections. (Financial Services Regulation Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

Enhance Licensing Oversight

The department will address the increasing number of licensees and unfamiliar business models to help maintain Conference of State Bank Supervisors accreditation. (Financial Services Regulation 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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

Agency Management and Administrative Services

The Division of Administration provides administrative and advisory services for the Department of Financial Institutions. These services include policy and legal advice, human resources, financial and budgeting functions.

Chartering, Licensing and Registration

The Department of Financial Institutions evaluates and approves new applications, mergers, conversions, branches, and corporate governance changes for banks and credit unions. The department also conducts licensing, registration, and exemption activities for financial entities, such as broker dealers, investment advisers, securities issuers, escrow officers, mortgage brokers and loan originators, payday lenders, money transmitters, currency exchangers, and consumer loan companies.

Education and Public Outreach

The Department conducts education and outreach activities for consumers and stakeholders. Activities include presentations, town meetings, and press conferences addressing consumer and industry concerns; Internet-based information; and interactive programs.

Enforcement

The Department conducts various types of supervisory, surveillance, and enforcement activities to detect and take corrective action for violations of the regulatory and anti-fraud statutes applicable to financial institutions. Activities include processing complaints, doing investigations, and taking appropriate actions against banks, credit unions, and other financial entities. Additional enforcement functions include coordination and assistance to other law enforcement agencies and prosecutors and providing testimony in courts of law.

Examinations

The department performs several types of examinations. The three primary examinations are compliance and for-cause examinations of financial entities; safety and soundness examinations of banks, credit unions, debenture companies, money transmitters, trust companies, Small Business Association (SBA) lenders, and industrial development corporations; and information system examinations of banks and credit unions.

GOVERNMENTAL OPERATIONS

Agency 103

Department of Commerce

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	274.0	126,940	392,861	519,801
Total Maintenance Level	269.0	127,993	345,244	473,237
Difference	(5.0)	1,053	(47,617)	(46,564)
Percent Change from Current Biennium	(1.8)%	0.8%	(12.1)%	(9.0)%
Performance Changes				
Eliminate Advanced Planning Grant	(.3)	(2,500)		(2,500)
Reduce Communications and Outreach	(.6)	(132)		(132)
Shift Local Government Fiscal Note Program		(643)	643	
Eliminate Evergreen Jobs Program Coordination	(.1)	(26)		(26)
Shift Family Prosperity Account		(468)	468	
Eliminate State Drug Task Forces		(1,275)		(1,275)
Reduce Associate Development Organization Funding		(296)		(296)
Shift Homeless Assistance Funding		(1,130)	1,130	
Shift Energy Office Funding		(972)	972	
Growth Management Act to Public Works Assistance Account		(4,539)	4,539	
Program Administration Savings		(1,200)		(1,200)
Crisis Residential Centers, Hope Beds and, Street Youth #		1,023	10,741	11,764
Office of Youth Homelessness #	1.0	1,300	2,000	3,300
Cancer Research		10,000		10,000
Reduce Public Works Administration			(300)	(300)
Startup Washington		250		250
Forest Products/Community Mitigation #		20,000		20,000
Addressing Family Homelessness		4,000		4,000
Sector Economic Development	1.0	258	200	458
Tribal Economic Development Specialist	1.1	307		307
Growth Management Plan Updates			1,898	1,898
CTS Rate Adjustment		(10)	(14)	(24)
Legal Services		2	2	4
Office of Chief Information Officer		1	1	2
CTS Central Services		20	34	54
DES Central Services		24	45	69
Core Financial Systems Replacement		6	9	15
Fleet Program Rate Reduction		(2)	(2)	(4)
Time, Leave and Attendance System		14	7	21
State Public Employee Benefits Rate		121	61	182
WFSE General Government Master Agreement		246	733	979
Nonrepresented Job Class Specific Increases		32	10	42
General Wage Increase for State Employees		684	304	988
Subtotal	2.1	25,095	23,481	48,576

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	271.1	153,088	368,725	521,813
Difference	(2.9)	26,148	(24,136)	2,012
Percent Change from Current Biennium	(1.1)%	20.6%	(6.1)%	0.4%
Total Proposed Budget by Activity				
Streamline Housing and Community Development	.7	7,663	(1,579)	6,084
Economic Development - Business Loans	1.9	91	1,387	1,478
Community Services Block Grant	10.7	3,142	9,969	13,111
Developmental Disabilities Council and Endowment	8.7		3,503	3,503
Services to Crime Victims	10.4	17,694	20,708	38,402
Strengthening Criminal Justice Response to Victims of Crime	7.0	4,524	8,928	13,452
Long-Term Care Ombudsman Program		1,922		1,922
Low-Income Home Energy Assistance Program	5.1		72,918	72,918
Train and Maintain Volunteers Supporting Community Capacity	6.8	1,600	8,651	10,251
Agency Administration	58.4	5,233	9,141	14,374
Community Economic Revitalization Board and Program	2.3	(452)	596	144
State Energy Policy	6.7	(222)	7,019	6,797
Broadband Capacity Building	2.5		(171)	(171)
Lead-Based Paint Hazard Mitigation	3.4		3,926	3,926
Improve and Preserve the Affordability of Housing	20.4		43,837	43,837
Mobile Home Relocation Assistance	1.1		737	737
Bond Cap Allocation Program for Tax Exempt Financing Authorization	1.0		209	209
Community Development Block Grant (CDBG)	8.9	512	49,414	49,926
Drinking Water System Grants and Loans	1.2		508	508
Growth Management	13.0	192	6,490	6,682
Local Government Fiscal Notes	2.8	(146)	643	497
Public Works Infrastructure Grants and Loans	11.0		2,774	2,774
Farm Worker Housing			846	846
Homeless Housing and Assistance	24.1	65,534	56,939	122,473
Affordable Housing Development	26.1		40,955	40,955
Business Development	17.7	40,712	2,822	43,534
Asset Building for Working Families		(1)	468	467
Global Trade and Investment Services	9.2	3,493	823	4,316
Criminal Justice Investments	3.2	(11)	10,207	10,196
New Americans	.1	588		588
American Recovery Act Funding	.3		256	256
Municipal Research and Services Center (MRSC)	2.7		5,329	5,329
Public Facilities District Independent Financial Feasibility Reviews	.1		76	76
Sector Leads	4.2	1,020	396	1,416
Total Proposed Budget	271.1	153,088	368,725	521,813

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Eliminate Advanced Planning Grant

Grants to counties and cities for the costs of preparing an environmental analysis that advances permitting activities around manufacturing sites for aerospace and other key economic growth centers is eliminated.

Reduce Communications and Outreach

Funding is reduced for department communications and outreach activities for special events and trade missions.

Shift Local Government Fiscal Note Program

Funding for the Local Government Fiscal Note program is shifted from General Fund-State to the Liquor Excise Tax Account-State. (General Fund-State, Liquor Excise Tax Account-State)

Eliminate Evergreen Jobs Program Coordination

Funding for the department's coordination and grant-writing activities with the Evergreen Jobs Initiative is eliminated. The agency's participation in the Evergreen Jobs Leadership Team is not affected.

Shift Family Prosperity Account

Funding for the Family Prosperity Account is shifted from General Fund-State to the Financial Services Regulation Account. (General Fund-State, Financial Services Regulation Account-State)

Eliminate State Drug Task Forces

The Department of Commerce provides grants to local law enforcement for multi-jurisdictional state drug task forces. Funding for these task forces is eliminated.

Reduce Associate Development Organization Funding

Funding for associate development organizations is reduced by five percent.

Shift Homeless Assistance Funding

All General Fund-State grants to prevent homelessness and secure permanent housing for households that are homeless or at imminent risk of becoming homeless is shifted to the Affordable Housing for All Account. (General Fund-State, Affordable Housing for All Account-State)

Shift Energy Office Funding

Funding for the State Energy Policy Office is shifted from General Fund-State to the Energy Freedom Account. (General Fund-State, Energy Freedom Account-State)

Growth Management Act to Public Works Assistance Account

Grants and technical assistance provided to local jurisdictions to update comprehensive growth management plans are shifted from General Fund-State to the Public Works Assistance Account. This includes funding for the Columbia River Gorge Scenic Area grants to Skamania and Clark counties, and for the Walla Walla Community College Water and Environmental Center. (General Fund-State, Public Works Assistance Account-State)

Program Administration Savings

Program administration is reduced for the department. Savings will be achieved through vacancies, staff reductions or direct charges to non-General Fund-State sources.

GOVERNMENTAL OPERATIONS

Crisis Residential Centers, Hope Beds and, Street Youth #

Contract funding for services provided to runaway youth who are not state dependents is transferred from the Department of Social and Health Services to the newly created Office of Youth Homelessness (OYH) within the Department of Commerce. Services include secure and semi-secure residential facilities and outreach to youth living on the streets. (General Fund-State, Home Security Fund Account-State)

Office of Youth Homelessness #

The Office of Youth Homelessness (OYH) is created to prevent and end homelessness and to end the commercial sexual exploitation of youth. Funding is provided for operations and to provide staff training on identifying and engaging youth who have been victims of exploitation. Amounts provided from the Housing Trust Fund Account will be used for the Washington Youth and Families Fund that provides innovative housing models and research that assists the state's rapid rehousing initiatives. (General Fund-State, Washington Housing Trust Account-State)

Cancer Research

The department will provide grant funding to a National Cancer Institute-designated comprehensive cancer center that focuses on the prevention, diagnosis, and treatment of cancer and related diseases.

Reduce Public Works Administration

The Public Works Board will reduce its administrative costs to reflect 4 percent of the new 2015-17 capital appropriation for the Public Works Assistance Account. (Public Works Account-State)

Startup Washington

Funding is provided to establish the Startup Washington 365 program. This program will provide and manage grants, with local match, for up to two pilot Centers for Entrepreneurial Success; provide businesses and entrepreneurs with technical assistance; create a virtual networking and resource platform that is focused on entrepreneurship, startups and best practices; and expand Global Entrepreneurship Week events statewide.

Forest Products/Community Mitigation #

A portion of revenue from the Carbon Pollution Accountability Act will be used to provide financial assistance to create or expand new market opportunities for Washington forest products, to mitigate the impacts of on transporters of wood and food products, and to assist rural communities with economic impacts of the Act.

Addressing Family Homelessness

The Ending Family Homelessness Initiative uses a rapid rehousing model to enable families to move into stable permanent housing through temporary rent assistance. Funding is provided to expand this program.

Sector Economic Development

Sector leads coordinate public and state resources for a specific industry to establish a strategic approach to national and international business development. Funding is provided to expand the program.

Tribal Economic Development Specialist

Funding is provided for dedicated technical assistance and a policy position to support tribal economic development and to coordinate a tribal-state economic development committee.

Growth Management Plan Updates

One-time funding is provided for technical assistance staff to support local government updates and implementation of comprehensive plans including infrastructure planning and finance, management of geographically hazardous areas, and implementation of the Puget Sound Action Agenda. (Public Works Assistance 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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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.

GOVERNMENTAL OPERATIONS

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Streamline Housing and Community Development

This activity includes new initiatives, short-term efforts and other services designed to enhance the cooperation of programs and improve the effectiveness of community housing and community development programs.

Economic Development - Business Loans

This activity allows the state to provide direct financing to private businesses without violating the constitutional prohibition of lending the state's credit. Federally funded programs in this activity (Rural Washington Loan Fund, Brownfields Loan Fund, Coastal Loan Fund) assist businesses in rural communities each year with loans of up to \$1 million. The loans leverage substantial local resources from governments, banks, and the businesses receiving the loans. As a result of these investments, businesses are retained, able to expand, and/or move to Washington State. This activity also provides loans from the state-funded Manufacturing Innovation and Modernization and Hanford Economic Investment programs.

Community Services Block Grant

The Community Services Block Grant (CSBG) is authorized by the federal Omnibus Reconciliation Act of 1981 (PL 97 35, as amended) for the benefit of people with incomes at or below 125 percent of the poverty line. CSBG allows communities to develop and provide anti poverty services and community development activities that best meet their local needs. Funds can be used for direct services such as employment readiness and training, emergency services, and housing, to raise other funds, and to support certain capital investments. Commerce contracts with 30 community action agencies to fund social and economic challenges and provide ongoing training and technical assistance, board training and development, strategic planning, and problem solving with community action agency staff.

Developmental Disabilities Council and Endowment

The Washington State Developmental Disabilities Council is mandated by federal law, public law 106-402. The purpose of the Council is to plan, advocate for, and develop comprehensive services/supports for individuals with developmental disabilities so that they can live independent productive and integrated lives in local communities throughout the state. The Council is funded with federal funds provided through P.L. 106-402. The Developmental Disabilities Endowment Trust Fund is established in RCW 43.330.210. The purpose of the Governing Board is to design and establish all policies to administer the Developmental Disabilities Endowment Trust Fund program. The Governing Board and the operation of the Developmental Disabilities Endowment Trust Fund are funded by fees generated by the program.

Services to Crime Victims

The Office of Crime Victims Advocacy (OCVA) ensures that every county in Washington can provide services to help victims recover and return to normal life. Victim services include information and referral, crisis intervention, legal advocacy, medical advocacy, general advocacy and support, support groups, and therapy. OCVA provides funding to Community Sexual Assault programs and other community agencies so victims can access local services and resources during their recovery.

Strengthening Criminal Justice Response to Victims of Crime

Victims look to the criminal justice system to provide offender accountability and a sense of justice. The criminal justice system depends on the cooperation of crime victims for reporting, investigation, and sometimes prosecution and corrections. This interdependence has been recognized by both state and federal legislation and funding, resulting in specific programs within the Office of Crime Victims Advocacy. These programs improve coordination and response to victims as they interact with law enforcement, prosecution, courts, and crime victim services. This activity also funds services that support victim safety and support victim participation in the criminal justice system.

Long-Term Care Ombudsman Program

States are required by the federal Older Americans Act to have a Long-term Care Ombudsman Program. Commerce administers our state's program under Chapter 43.190 RCW using multiple funding sources, including an interagency agreement with the Department of Social and Health Services (DSHS) for Older Americans Act (Titles III B and VII) funds, State General Fund, and some local dollars. The Long-term Care Ombudsman Program ensures the safety and quality of care of long-term care facility residents by intervening when complaints and situations of possible abuse, neglect, or exploitation arise. Over 500 volunteer ombudsmen are trained, certified, and assigned to nursing homes, boarding homes, and adult family homes. Commerce contracts with a nonprofit organization to run the program, which subcontracts with 13 regional programs and two legal services contractors. Commerce's staff negotiates funding with DSHS, develops the statewide Long-term Care Ombudsman contract, monitors expenditures and performance, provides technical assistance, and approves plans and policies.

GOVERNMENTAL OPERATIONS

Low-Income Home Energy Assistance Program

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program authorized by the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of PL 97 35, as amended). LIHEAP helps households with incomes below 125 percent of the federal poverty level meet the cost of home heating, avoid utility shut off, and reduce the use of unsafe heating alternatives. Commerce contracts with 26 community based organizations and local governments to provide funds directly to utility companies on behalf of eligible households. Contractors also provide energy education, furnace repair or replacement, and referrals for other services. Commerce is required to create a LIHEAP State Plan with participation from nonprofit organizations, low-income representatives, utility companies, and other community members. The agency administers contracts, monitors compliance, reimburses expenditures, provides technical assistance, establishes policies and procedures, operates a secure website for on line data entry and reporting, and evaluates contractor performance.

Train and Maintain Volunteers Supporting Community Capacity

This activity supports organizations that recruit, train, and maintain volunteers, mediators, and counselors who provide free or low cost services to low-income communities, children, and homeowners. Volunteers, mediators, and counselors allow organizations to expand their capacity to reach more vulnerable citizens and improve individual and community well-being. The Washington State Foreclosure Fairness Act Mediation Program provides homeowner foreclosure mediation. Retired judges, employees and volunteers of dispute resolution centers, attorneys and experienced mediators approved through the Foreclosure Mediation Program mediate in-person discussions between homeowners and representatives of financial institutions to reach an agreeable resolution after a referral. Dispute resolution centers train volunteer mediators so that all citizens have access to low-cost alternatives to litigation regardless of the clients' ability to pay. Dispute resolution centers also provide training and education related to mediation, communication, conflict resolution, and negotiation. The Retired and Senior Volunteer Program (RSVP) uses the talents and experience of volunteers over age 55 to help with diverse community needs. Local RSVP coordinators recruit, screen, and work with city, county, and nonprofit programs throughout the state to place volunteers where needed. State funds count toward the 30 percent match required to receive federal RSVP support.

Agency Administration

Agency Administration represents less than 2 percent of Commerce's total operating and capital budgets, and includes the services and costs which provide effective direction, management, and support of the agency. The Director's Office is responsible for the overall management and leadership of Commerce, including strategic policy development and research, communications, and government relations. Administrative Services provides information technology, human resources, facility management, purchasing/inventory, mail processing services, budgeting, accounting, contracting, and audit review services. Commerce's Agency Administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments. The agency negotiates an annual indirect cost rate with the cognizant federal agency.

Community Economic Revitalization Board and Program

The Community Economic Revitalization Board (CERB) makes strategic investments in local public infrastructure to foster high-wage job growth. CERB awards must generate either significant job creation or significant private investment. CERB provides local governments and federally recognized Indian tribes with financial assistance, primarily in the form of low-interest loans to achieve this. The infrastructure may be either basic, such as water, sewer, and roads; or more specialized as in port facilities, energy, and telecommunications.

State Energy Policy

The Energy Office (EO) provides energy policy support, analysis, and information for the Governor, Legislature, Commerce, and other energy decision makers (Chapters 43.21F and 19.29A RCW). The Energy Office analyzes key energy issues including natural gas, alternative fuels, energy efficiency, renewable energy development, greenhouse gas emissions, and energy supply and price. The Energy Office also provides technical and policy support to Washington members of the NW Power and Conservation Council, other state agencies, and state congressional officials on federal and regional energy policies and legislation. Working with an advisory committee, stakeholders, and the public, EO develops and implements the State Energy Strategy. It also produces energy use, electricity, and other reports, and represents the state's policy interests in regional and national organizations. The Energy Office ensures statewide energy security and preparedness by protecting the state's energy infrastructure (especially electricity, petroleum, and natural gas). During energy supply or other energy emergencies, it provides assistance to the state emergency operations center, Governor's office, energy companies, utilities, local governments, and others. As needed, it implements emergency actions set forth in RCW 43.21G. The Energy Office also administers grants from the U.S. Department of Energy and others.

Broadband Capacity Building

Broadband capacity building supports Washington State's transition to a digitally-based economy. The program does this by collecting data and initiating activities that identify opportunities and issues in the broadband arena; monitoring, tracking and encouraging statewide broadband deployment; and supporting the creation of programs that effectively promote access and adoption of broadband services around the state. The program delivers services through a mix of contracts and direct engagement. Per statute, the program contracts with a private company (Sanborn) to provide data collection and mapping services. Reporting (annually to the legislature) and community outreach services are provided by program office staff. In FY13 the program staff will begin sub-grants or procurements to support 2 new activities: local/regional technology planning and an applications contest.

Lead-Based Paint Hazard Mitigation

The Lead-Based Paint Program provides services to ensure work performed in homes and buildings with young children will be done in a safe and healthy manner. The program is responsible for processing certification and accreditation applications, tracking licensees, reviewing training and program effectiveness, providing technical assistance, investigating potential violators, enforcing rules, conducting outreach, maintaining the lead-safe housing registry for low-income housing, and reporting to federal, state, and interested parties.

Improve and Preserve the Affordability of Housing

These programs improve and preserve affordability of housing through energy conservation investments (such as insulating attics, walls, and floors; air sealing the home diagnostically; modifying or replacing inefficient furnaces), conservation-related health and safety actions (including indoor air quality, mold and lead paint hazard remediation), and other cost-effective necessary conservation-related repairs and retrofits (such as roof repair or replacement, plumbing and electrical fixes, ramp replacement). Program resources include U. S. Department of Energy, U. S. Department of Health and Human Services Low Income Housing Energy Assistance Program, Bonneville Power Administration, and state capital funds. Private and other non-state resources are leveraged through utility companies, rental housing owners, federal and state resources, and private grants. Commerce provides technical assistance to local, public, and private nonprofit agencies that deliver these services and coordinates program and technical training to maintain a qualified workforce.

Mobile Home Relocation Assistance

The Mobile Home Relocation Assistance Program provides the only financial assistance available to low-income homeowners forced to move their homes as a result of mobile home park closures. Reimbursement of actual, documented eligible expenses, up to the published maximums, is paid directly to qualified homeowners.

GOVERNMENTAL OPERATIONS

Bond Cap Allocation Program for Tax Exempt Financing Authorization

The Bond Cap Allocation Program provides authorization for tax-exempt financing through private activity bond sales for environmental protection, low-to middle-income housing, student loans, industrial development, job creation, and infrastructure facilities. The bond cap is the maximum level of tax-exempt Private Activity Bonds that can be issued in the state in a given year. Under federal tax law, the 2011 cap for Washington State was equal to \$90 per capita (based on resident population) to create a maximum amount of \$638,831,300. This ceiling is adjusted annually in response to changes in the state's population and the IRS' cost-of-living index. The Bond Users Clearinghouse program is mandated by RCW 39.44.210 to report on the municipal debt issued by jurisdictions throughout the state. The program produces the "Public Debt Update" twice a year.

Community Development Block Grant (CDBG)

The CDBG program invests federal resources in communities through grants for planning, construction, facility upgrades and services in the areas of housing, general infrastructure, community facilities, and economic development that benefit low- and moderate- income households. The state CDBG program serves counties with populations under 200,000 and cities with populations under 50,000. The rest of the state receives direct funding from the Department of Housing and Urban Development

Drinking Water System Grants and Loans

The Public Works Board, in collaboration with the Department of Health, invests in public and private water systems to meet standards established by the Federal Safe Drinking Water Act. The Drinking Water State Revolving Fund program provides low-interest loans and grants for capital improvements to water systems. This activity also includes technical assistance to water systems that do not have the managerial or financial capacity to adequately plan for or maintain the system. This assistance is provided through the Public Works Technical Assistance team and the Small Communities Initiative Program (SCI). SCI provides intense technical assistance to water and waste water systems that are under state order to upgrade their systems to comply with Department of Health or Ecology standards. Chapter 79.119A RCW pertains to the state drinking water program.

Growth Management

Growth Management Services (GMS) provides technical and financial assistance on growth management issues, as required by RCW 36.70A.190, so that 320 Washington cities and counties can effectively plan for future growth and economic development. It offers grants, data, training, technical publications, direct consultation, and guidance to help local governments plan under the Growth Management Act (GMA) and other planning statutes. GMS assistance helps reduce litigation over GMA compliance issues, avoiding costs to state and local governments. Staff also extensively supports other state priorities that depend on local land use planning, such as economic development strategies, infrastructure funding, affordable housing, the Puget Sound Action Agenda, and energy planning.

Local Government Fiscal Notes

The Local Government Fiscal Note Program produces objective analysis of the financial impacts of proposed state legislation on counties, cities, and all special purpose districts except for schools and courts. This program produces the largest number of fiscal notes of any state agency, 14 percent of total notes during the last decade. Local government fiscal notes cover a broad range of issues, such as taxes, criminal justice, natural resources, economic development, social services, energy, land use, and government operations. This program has been in operation for 32 years and is mandated by statute (Chapter 42.132 RCW).

Public Works Infrastructure Grants and Loans

The Public Works Trust Fund provides loans for the repair, replacement, rehabilitation, and expansion of local infrastructure systems to ensure public health and safety, preserve the environment, promote economic sustainability, and ensure proper system performance. In-depth technical assistance on funding acquisition, system management, and financial sustainability are provided by the Public Works Board staff (RCW 43 155.020).

Farm Worker Housing

This activity supports the development and preservation of affordable housing for low-income farm workers. Grants and loans are made available to nonprofit housing providers, public housing authorities and local governments using capital and operating resources from the Housing Trust Fund. Activities include capital investments in permanent (year-round) housing, capital and operating investments in seasonally-occupied housing, and emergency assistance for homeless migrant workers. Agricultural employers receive technical assistance to help them develop seasonal housing for migrant workers.

Homeless Housing and Assistance

This activity reduces homelessness and related social and economic costs, and helps people achieve their maximum level of employment and self-sufficiency. Homeless housing and assistance are provided through a range of services including short-term rent assistance to prevent evictions, emergency shelter, short-term rent assistance to move homeless and special needs people into stable housing, longer term transitional housing (up to two years), and permanent supportive housing. Local nonprofit organizations carry out this activity with funds that Commerce distributes through formula and competitive grants. Program resources include the state's Consolidated Homeless Grant, Housing and Essential Needs Grant, Washington Families Fund, and Independent Youth Housing Program. Federal resources include the Tenant Based Rental Assistance Program, Emergency Solutions Grant and the Continuum of Care Program. Operating assistance for housing projects is available from the state Housing Assistance Program for the Mentally Ill and federal Housing Opportunities for Persons with AIDS.

Affordable Housing Development

Low-income and special needs households benefit from housing that is developed or preserved through this activity. Capital resources from the Housing Trust Fund and the federal HOME program provide grants and loans to eligible organizations to construct, acquire, and rehabilitate affordable housing. Grants are also available for down payment assistance programs. Funds are awarded on a competitive basis and successful projects must be maintained as affordable housing for persons at or below 80 percent of area median income for a period of 40 years. Operating and maintenance (O&M) subsidies are also available to projects that serve households at or below 30 percent of area median income. Funds for O&M grants are generated through a surcharge on document recording fees.

Business Development

As the state's primary economic development agency, the Department of Commerce coordinates local economic development projects with state, federal, and private sector resources, proactively identifying and facilitating business recruitment, expansion, and retention opportunities to increase or preserve business investment. The department manages grants awarded to Associate Development Organizations (ADOs) and other economic development focused organizations and ensures grants meet legislative intent; funds, convenes, and facilitates the commercialization of technologies through Innovation Partnership Zones; develops and maintains a business website to promote Washington State as a place to do business; provides a branded platform for the state in communications, marketing, and online to consistently position Washington's innovative business environment; delivers support to ADO network through providing marketing tools, economic data, and access to capital; creates opportunities and forums for Washington companies to develop and promote their products and services; educates national site selectors on benefits of doing business in Washington; and provides marketing kits to third parties to promote Washington State.

Asset Building for Working Families

Asset building means improving financial education, planning, and outcomes for working families. Commerce is working with and helping fund the Washington Asset Building Coalition and local coalitions to promote savings and smart borrowing and spending by low and moderate-income residents. One program element is Individual Development Accounts, authorized by RCW 43.31.450 485, which contracts with providers and uses account matching funds to help low-income residents save and make major asset purchases like a home, higher education, or a small business. Additionally, Commerce promotes the Earned Income Tax Credit (EITC) and use of volunteer tax preparation services to increase EITC filing.

GOVERNMENTAL OPERATIONS

Global Trade and Investment Services

Global Trade and Investment Services (GTIS) prepares companies to begin or expand exports, facilitates business introductions; identifies international business opportunities for Washington exporters, staffs high-level trade missions to identify key business opportunities for the state, actively pursues strategic foreign direct investment projects, and reports results against the statewide export initiative targets. Also, GTIS provides "new-to-export" training, assistance and support to Washington businesses to optimize their global supply chains, and a branded marketing platform for the state in print and online to consistently position Washington's innovative business environment globally.

Criminal Justice Investments

This activity provides federal funds for local crime prevention, crime investigation, and the prosecution of crime. These programs increase communication and cooperation between governments, businesses, and community organizations in order to increase public safety. The Justice Assistance Grant Program funds multi jurisdictional drug/gang task forces, drug courts, youth violence prevention, crime victim advocacy, criminal records improvements, and tribal law enforcement coordination. The Financial Fraud and Identity Theft Program provides funds to King, Pierce, and Spokane counties for task forces, prosecutors, law enforcement, and other support to reduce financial fraud and identity crimes. The Financial Fraud and Identity Theft Program's funds are matched dollar-for-dollar by private sector sources.

New Americans

The New Americans Program was created in 2008, consistent with the Governor's Executive Order 08 01 that affirmed the value new Americans bring to the workforce and state economy. The program provides naturalization assistance for the many legal permanent residents who come to Washington to work in high demand occupations in science and technology. This program funds U.S. citizenship preparation so the State of Washington can retain high demand workers. The program requires that participants are not receiving public assistance and meet all other U.S. citizenship requirements. This contract requires a 25 percent match of non-state funds.

American Recovery Act Funding

Commerce administers federal programs funded under the American Recovery and Reinvestment Act. The purpose of these funds is to create and retain jobs, continue vital services at risk due to the economy's downgraded fiscal condition, and position the state's communities and workforce for economic recovery.

Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center of Washington (MRSC) is a private nonprofit agency that provides local government officials with research, information, and advice under a personal services contract with Commerce pursuant to RCW 43.110. MRSC responds to requests for information on municipal law, finance, growth management, public works, management, and operations from Washington's 281 cities and 39 counties. The MRSC's library holds the state's largest collection of municipal reference materials, with over 12,000 volumes. MRSC also publishes many research articles and operates a web site that receives over 3 million visits per year. These consolidated services reduce the need for local staff and are especially crucial to smaller units of local government. The MRSC is principally funded through a small portion of the cities' distributions of the state liquor profits and the counties' distribution of the liquor excise tax.

Public Facilities District Independent Financial Feasibility Reviews

The Public Facilities District (PFD) Independent Financial Feasibility Review Program is required by RCWs 36.100.025 and 35.57.025, which provide that an independent review must take place before: a new public facilities district is formed; the issuance of new debt by a PFD; or the long-term lease, purchase, or development of a facility by a PFD. The reviews examine the potential costs to be incurred by the PFD and the adequacy of revenues or expected revenues to meet those costs, and are conducted by qualified private consulting firms, state agencies, or educational institutions under contract with Department of Commerce.

Sector Leads

Sector leads serve as the link between government and key industries in Washington State. The Department of Commerce, Office of Economic Development and Competitiveness has sector leads in the advanced manufacturing, aerospace, clean technology, Information and Communications Technology (ICT), life science, maritime and military industries. They work with other Commerce staff and local partners to improve business recruitment, retention and expansion opportunities.

Agency 104

Economic and Revenue Forecast Council

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	6.1	1,563	50	1,613
Total Maintenance Level	6.1	1,625	50	1,675
Difference		62		62
Percent Change from Current Biennium	0.0%	4.0%	0.0%	3.8%
Performance Changes				
Administrative Efficiencies		(50)		(50)
DES Central Services		2		2
State Public Employee Benefits Rate		6		6
General Wage Increase for State Employees		47		47
Subtotal		5		5
Total Proposed Budget	6.1	1,630	50	1,680
Difference		67		67
Percent Change from Current Biennium	0.0%	4.3%	0.0%	4.2%
Total Proposed Budget by Activity				
Revenue Forecasting	6.1	1,630	50	1,680
Total Proposed Budget	6.1	1,630	50	1,680

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Administrative Efficiencies

The Council will reduce administrative costs, including travel.

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.

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)

GOVERNMENTAL OPERATIONS

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

Revenue Forecasting

The Economic and Revenue Forecast Council (ERFC) is an independent body that prepares state economic and general fund and near general fund revenue forecasts for the Governor and the Legislature. It monitors changes in the economic outlook throughout the year to anticipate shifts in revenue collections. This allows both the legislative and executive branches of state government to plan for the most likely revenue projections in preparation of the state budget.

Additionally, the agency actively disseminates information about the state economy and revenues through its outreach program which involves in person presentations by staff to both public organizations and private business associations; a user-friendly and regularly updated website; and accessibility to both print and broadcast media.

The ERFC also partners with the Office of the State Treasurer to provide information to bond rating agencies and potential investors.

GOVERNMENTAL OPERATIONS

Agency 105

Office of Financial Management

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	222.4	35,481	91,595	127,076
Total Maintenance Level	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%
Performance Changes				
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
Subtotal	(36.8)	(3,144)	12,820	9,676
Total Proposed Budget	196.1	38,848	102,237	141,085
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
Total Proposed Budget by Activity				
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
Total Proposed Budget	191.1	38,692	101,352	140,044

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)

GOVERNMENTAL OPERATIONS

Agency 110

Office of Administrative Hearings

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	170.8		38,061	38,061
Total Maintenance Level	170.8		35,826	35,826
Difference			(2,235)	(2,235)
Percent Change from Current Biennium	0.0%		(5.9)%	(5.9)%
Performance Changes				
Mailing of Hearing Notices			164	164
Cap Hourly Rate			(1,866)	(1,866)
CTS Rate Adjustment			(28)	(28)
Legal Services			1	1
CTS Central Services			78	78
DES Central Services			13	13
Core Financial Systems Replacement			9	9
Withdrawal from DES Small Agency Services			460	460
Time, Leave and Attendance System			13	13
Self-Insurance Liability Premium			(5)	(5)
State Public Employee Benefits Rate			208	208
WFSE General Government Master Agreement			210	210
Nonrepresented Job Class Specific Increases			179	179
General Wage Increase for State Employees			1,168	1,168
Subtotal			604	604
Total Proposed Budget	170.8		36,430	36,430
Difference			(1,631)	(1,631)
Percent Change from Current Biennium	0.0%		(4.3)%	(4.3)%
Total Proposed Budget by Activity				
Administrative Hearings	170.8		36,430	36,430
Total Proposed Budget	170.8		36,430	36,430

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Mailing of Hearing Notices

The Employment Security Department mails appeals hearing notices to unemployment insurance clients. Funding for this activity is shifted to the Office of Administrative Hearings, where the hearings are held. (Administrative Hearings Revolving Account-State)

GOVERNMENTAL OPERATIONS

Cap Hourly Rate

The hourly rate for the Office of Administrative Hearings is fixed at \$120 per hour. The agency will absorb any costs (such as compensation or central service adjustments) that would cause this rate to increase. (Administrative Hearings 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.

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.

Withdrawal from DES Small Agency Services

The agency is no longer a subscriber of Small Agency Financial Services at the Department of Enterprise Services. Expenditure authority previously allocated through the central services model is returned to the agency's base budget to manage its back office financial functions.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Administrative Hearings

The Office of Administrative Hearings (OAH) resolves administrative disputes between members of the public and most state agencies. Issues that come before OAH include requests for unemployment insurance or public assistance benefits, child and vulnerable adult abuse concerns, child support liability, business and professional licensing (ranging from electrical contractors to nursing homes and daycare facilities), special education, whistleblower cases for local governments, and other disputes in which due process of law requires a hearing. At hearing, the participants present evidence and testimony. At the conclusion of the hearing, an administrative law judge issues a written order containing findings of fact and conclusions of law on all contested issues. The agency's services are funded by payments made by the affected client agency.

GOVERNMENTAL OPERATIONS

Agency 116

State Lottery

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	142.9		810,427	810,427
Total Maintenance Level	142.9		954,911	954,911
Difference			144,484	144,484
Percent Change from Current Biennium	0.0%		17.8%	17.8%
Performance Changes				
Advertising Reduction			(1,000)	(1,000)
District Sales Representative Funding				
Gaming Vendor Contract			690	690
CTS Rate Adjustment			(80)	(80)
Legal Services			1	1
Office of Chief Information Officer			4	4
CTS Central Services			84	84
DES Central Services			10	10
Core Financial Systems Replacement			7	7
Fleet Program Rate Reduction			(20)	(20)
Time, Leave and Attendance System			10	10
Self-Insurance Liability Premium			(7)	(7)
State Public Employee Benefits Rate			125	125
WFSE General Government Master Agreement			335	335
Nonrepresented Job Class Specific Increases			26	26
General Wage Increase for State Employees			567	567
Subtotal			752	752
Total Proposed Budget	142.9		955,663	955,663
Difference			145,236	145,236
Percent Change from Current Biennium	0.0%		17.9%	17.9%
Total Proposed Budget by Activity				
Washington's Lottery	142.9		956,663	956,663
Marketing, Research, and Communications			(1,000)	(1,000)
Total Proposed Budget	142.9		955,663	955,663

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Advertising Reduction

The Lottery will reduce advertising expenses which will increase distributions to the Washington Opportunity Pathways Account. (State Lottery Account-Nonappropriated, Shared Game Lottery Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

District Sales Representative Funding

Funding for district sales representatives is shifted from the administrative account to the game accounts. (State Lottery Account-Nonappropriated, Lottery Administrative Account-State, Shared Game Lottery Account-Nonappropriated)

Gaming Vendor Contract

Funding is provided to continue temporary project staff and other resources to facilitate the replacement of the Lottery's gaming systems vendor contract. The current contract will expire June 30, 2016. (Lottery Administrative 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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Washington's Lottery

Washington's Lottery generates revenue for various education, cultural, and community beneficiaries by earning profits from the sale of creative and entertaining Lottery products. Beneficiaries of Lottery profits include; the Washington Opportunity Pathways Account, the General Fund Account, the Stadium and Exhibition Center Account (Qwest Field), the Baseball Stadium Account - King County (Safeco Field), the Economic Development Reserve Account, and the Problem Gambling Account.

Marketing, Research, and Communications

The Marketing activity, through analysis, innovation, and design, captures the attention of new customers and maintains the involvement of our core customer base. The activity includes research, advertising, public relations, community events, sports sponsorship, promotions, winning numbers hotline, and the Lottery website.

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.

Agency 118

Commission on Hispanic Affairs

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	2.0	473		473
Total Maintenance Level	2.0	493		493
Difference		20		20
Percent Change from Current Biennium	0.0%	4.2%		4.2%
Performance Changes				
DES Central Services		1		1
State Public Employee Benefits Rate		3		3
General Wage Increase for State Employees		11		11
Subtotal		15		15
Total Proposed Budget	2.0	508		508
Difference		35		35
Percent Change from Current Biennium	0.0%	7.4%		7.4%
Total Proposed Budget by Activity				
Advocacy and Coordination of Hispanic Community Issues	2.0	508		508
Total Proposed Budget	2.0	508		508

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Advocacy and Coordination of Hispanic Community Issues

The Commission on Hispanic Affairs provides advice and information to the Governor, Legislature, and state and local agencies to promote and advocate for the rights and needs of Hispanics in Washington State. Particular emphasis is given to equal opportunity in education, housing, health, and economic development. To define the issues of importance to Hispanics, the Commission holds public meetings with the community six times each year, meets with community groups on an ad hoc basis, and develops networks with groups that serve the Hispanic population.

Agency 119

Commission on African-American Affairs

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	2.0	471		471
Total Maintenance Level	2.0	489		489
Difference		18		18
Percent Change from Current Biennium	0.0%	3.8%		3.8%
Performance Changes				
DES Central Services		1		1
State Public Employee Benefits Rate		3		3
General Wage Increase for State Employees		12		12
Subtotal		16		16
Total Proposed Budget	2.0	505		505
Difference		34		34
Percent Change from Current Biennium	0.0%	7.2%		7.2%
Total Proposed Budget by Activity				
Advocacy and Coordination of Issues for African-American Community	2.0	505		505
Total Proposed Budget	2.0	505		505

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Advocacy and Coordination of Issues for African-American Community

The African-American Affairs Commission's primary purpose is to improve public policy development for, and government services delivery to, the African-American community. The commission was created as an effort to fulfill the duty of the state to improve the status of African Americans who find themselves disadvantaged or isolated from the benefits of equal opportunity. The commission examines issues pertaining to the rights and needs of the African-American community, and makes recommendations to the Governor, Legislature, and state agencies for changes in programs and laws. The commission has conducted public information and outreach programs in support of educational achievement, as well as developed special studies and proposed legislation to address issues of concern to the African-American community.

GOVERNMENTAL OPERATIONS

Agency 124

Department of Retirement Systems

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	251.7		57,149	57,149
Total Maintenance Level	248.7		55,362	55,362
Difference	(3.0)		(1,787)	(1,787)
Percent Change from Current Biennium	(1.2)%		(3.1)%	(3.1)%
Performance Changes				
Upgrade Employer Reporting System	1.7		4,844	4,844
Audit Compliance			535	535
PSERS Membership #	1.2		240	240
CTS Rate Adjustment			(84)	(84)
Archives/Records Management			(1)	(1)
Legal Services			1	1
Office of Chief Information Officer			12	12
CTS Central Services			41	41
DES Central Services			7	7
Core Financial Systems Replacement			13	13
Fleet Program Rate Reduction			(2)	(2)
Time, Leave and Attendance System			17	17
Self-Insurance Liability Premium			(1)	(1)
State Public Employee Benefits Rate			303	303
Nonrepresented Job Class Specific Increases			55	55
General Wage Increase for State Employees			1,361	1,361
Subtotal	2.9		7,341	7,341
Total Proposed Budget	251.5		62,703	62,703
Difference	(.2)		5,554	5,554
Percent Change from Current Biennium	(0.1)%		9.7%	9.7%
Total Proposed Budget by Activity				
Administration	24.3		5,336	5,336
Deferred Compensation Management for Public Employees	19.0		4,992	4,992
Member Data Services	17.5		3,093	3,093
One-Time Projects	2.9		5,085	5,085
Retirement Customer Services	113.0		20,053	20,053
Retirement Information Systems	52.9		16,038	16,038
Trust Fund Accounting	20.8		7,252	7,252
Old Age and Survivors Insurance (OASI) Program	1.3		854	854
Total Proposed Budget	251.5		62,703	62,703

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Upgrade Employer Reporting System

Funding is provided for an upgrade to the Department of Retirement Systems' (DRS) Employer Information System (EIS). This system processes retirement data for 291,000 active members from over 1,300 employers who participate in the state's pension and deferred compensation programs. EIS collects and processes more than one million transactions each month, which contain the critical data that is used to calculate and distribute benefits. EIS was created in 1992 and it is now costly to maintain and adapt to increasingly complex business requirements. The upgrade will also allow changes contemplated by policymakers, such as capturing additional pay and job types for analysis and support in decision making. (Department of Retirement Systems Expense Account-State, Deferred Compensation Account-Nonappropriated)

Audit Compliance

For financial statements to comply with standards issued by the Governmental Accounting Standards Board (GASB) and audit recommendations from the American Institute of Certified Public Accountants, pension data must be audited at employer locations. GASB statements 67 and 68 will require employers participating in the state's retirement systems to recognize their proportionate share of the net pension liability. This expenditure authority covers the cost of these new audit requirements. (Department of Retirement Systems Expense Account-State)

PSERS Membership #

This funding supports the costs of proposed changes in the eligibility criteria in the Public Safety Employees' Retirement System. (Department of Retirement Systems Expense 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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

Administration

Agency management activities include executive leadership, budget, fiscal and legal services, and policy and planning support to the Governor on pension issues, personnel, and other administrative support services. The authority for the Department of Retirement Systems (DRS) is established by RCW 41.50.

GOVERNMENTAL OPERATIONS

Deferred Compensation Management for Public Employees

This program enables eligible public employees to defer a portion of their earnings under a series of before tax investment plans until retirement or termination of public employment. At the end of Fiscal Year 2012, the program had \$2.9 billion in assets, serving approximately 53,000 employees of state government, higher education, and political subdivisions. This activity also includes a supplemental retirement program serving more than 180 judges. Authority for the Deferred Compensation Plan is contained in RCW 41.50 and Section 457 of the Internal Revenue Code, while authority for the Judges program is contained in RCW 2.12.

Member Data Services

This activity receives and processes essential member information submitted by more than 1,300 public employers. It also contains the unit responsible for conducting field audits of and providing training to those public employers, to ensure their compliance with state laws and regulations. Authority for DRS is established in RCW 41.50.

One-Time Projects

This activity contains the one-time costs associated with legislative projects approved and funded each session, which are then removed in the carry-forward level calculation process each biennium.

Retirement Customer Services

The Department of Retirement Systems (DRS) serves over half a million active, retired, and inactive members of the Public Employees, School Employees, Teachers, Law Enforcement and Firefighters, Washington State Patrol, Public Safety Employees, and Judicial retirement systems. Services include determining eligibility for retirement, educating and counseling prospective retirees, processing disability and death adjustments, and computing retirement benefits, deductions, and benefit adjustments. Authority for administering the retirement systems is established in RCW 2.10, 2.12, 41.26, 41.32, 41.34, 41.35, 41.37, 41.40, and 43.43. DRS also must conform to legislative mandates established in RCW 28.B10, 41.44, 41.45, 41.54, and 44.44.

Retirement Information Systems

DRS receives and manages essential information and records for members and retirees. Information services support includes database management, systems development, electronic communications support, system maintenance and troubleshooting, data collection and processing, and disbursement processing. Authority for DRS is established in RCW 41.50.

Trust Fund Accounting

DRS administers retirement benefits for state and local government employees. At the end of Fiscal Year 2012, the pension trust funds contained \$63 billion in assets, contributions last fiscal year totaled \$2.1 billion, and disbursements exceeded \$3.4 billion to an average of over 144,000 retirees each month. This activity contains the costs associated with all phases of accounting for the pension/trust funds, including collection of contributions, withdrawals and monthly pension disbursements, and IRS reporting. Authority for DRS is established in RCW 41.50.

Old Age and Survivors Insurance (OASI) Program

This activity administers the Social Security and Medicare coverage program, also known as Old Age Survivor Insurance (OASI), for all state and local (public) government employers throughout the state of Washington, by serving as a facilitator and communication bridge between those employers and the Social Security Administration and Internal Revenue Service.

Agency 126

State Investment Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	91.4		35,967	35,967
Total Maintenance Level	95.4		38,107	38,107
Difference	4.0		2,140	2,140
Percent Change from Current Biennium	4.4%		5.9%	5.9%
Performance Changes				
Investment Officer Compensation			2,064	2,064
Public Equity Investment Strategies	1.0		723	723
Investment Compliance Staff	1.0		515	515
CTS Rate Adjustment			(120)	(120)
Audit Services			(1)	(1)
Legal Services			6	6
Office of Chief Information Officer			2	2
CTS Central Services			34	34
DES Central Services			2	2
Core Financial Systems Replacement			4	4
Time, Leave and Attendance System			6	6
State Public Employee Benefits Rate			116	116
Nonrepresented Job Class Specific Increases			20	20
General Wage Increase for State Employees			1,086	1,086
Subtotal	2.0		4,457	4,457
Total Proposed Budget	97.4		42,564	42,564
Difference	6.0		6,597	6,597
Percent Change from Current Biennium	6.6%		18.3%	18.3%
Total Proposed Budget by Activity				
Investment Activities	97.4		42,564	42,564
Total Proposed Budget	97.4		42,564	42,564

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Investment Officer Compensation

This item provides a competitive compensation structure allowing the Washington State Investment Board (WSIB) to recruit and retain highly skilled investment officers. The budget incrementally narrows the investment officer compensation gap to an average of 9 percent below the 2012 peer average by fiscal year 2017, in compliance with RCW 43.33A.100. (Washington State Investment Board Administrative Account-State)

GOVERNMENTAL OPERATIONS

Public Equity Investment Strategies

Funding is provided to enable the WSIB's Public Equity Unit to continue to improve and institutionalize manager monitoring and to pursue new strategies. The WSIB's objective is to effectively construct and oversee investment portfolios for state retirement systems and other public funds. Additional staff positions will allow the WSIB to attain the high level of return set by the Legislature. (Washington State Investment Board Administrative Account-State)

Investment Compliance Staff

The WSIB will hire an investment officer to enable the Risk and Compliance Unit to build a back-office review monitoring program. It will examine the WSIB's real estate partners' risk management, internal controls, and governance oversight processes. This new position will enhance the current due diligence process for investments to provide assurance that the partners' control structures are in place and operating effectively, within a reasonable period of time upon investing and periodically thereafter. (Washington State Investment Board Administrative 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.

Audit Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 5 percent reduction in charges for audit services.

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.

GOVERNMENTAL OPERATIONS

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

Investment Activities

The Washington State Investment Board (WSIB) manages investments for retirement, industrial insurance, permanent and other trust funds, including the defined benefit and defined contribution pension plans for teachers, school employees, law enforcement officers, firefighters, and public employees. The WSIB also manages investments for the Deferred Compensation Plan, Guaranteed Education Tuition program, and the Developmental Disabilities Endowment Trust. The duty of the Board is to diversify investments and maximize returns, at a prudent level of risk, for the exclusive benefit of fund beneficiaries.

Agency 135

Innovate Washington

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority			3,383	3,383
Total Maintenance Level				
Difference			(3,383)	(3,383)
Percent Change from Current Biennium			(100.0)%	(100.0)%
Total Proposed Budget				
Difference			(3,383)	(3,383)
Percent Change from Current Biennium			(100.0)%	(100.0)%
Total Proposed Budget by Activity				
Economic Development				
Total Proposed Budget				

ACTIVITY DESCRIPTIONS

Economic Development

Innovate Washington develops and strengthens academic-industry relationships through research and assistance that is primarily of interest to existing small and medium-sized Washington-based companies, facilitates company growth through early stage financing and business support services, and leverages state investments in sector-focused, innovation-based economic development initiatives.

GOVERNMENTAL OPERATIONS

Agency 140

Department of Revenue

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	1,193.7	213,626	38,662	252,288
Total Maintenance Level	1,184.3	219,149	27,853	247,002
Difference	(9.4)	5,523	(10,809)	(5,286)
Percent Change from Current Biennium	(0.8)%	2.6%	(28.0)%	(2.1)%
Performance Changes				
Reduce Information Technology Services		(240)		(240)
Increase Electronic Communications	(1.0)	(430)		(430)
Program Changes	(3.4)	(500)		(500)
Reduce Property Tax Program	(3.0)	(244)		(244)
Reduce Tax Administration Activities	(5.6)	(662)		(662)
Revenue Implementation Funding		7,146	91	7,237
Reduce Audit Services		(1,000)		(1,000)
Working Families Tax Exemption		106,447		106,447
Tax and Licensing System Replacement	9.0	18,680	9,222	27,902
Headquarters Office Relocation		880	220	1,100
Enhance Field Office Security		392		392
CTS Rate Adjustment		(104)	(12)	(116)
Archives/Records Management		(1)		(1)
Audit Services		(1)		(1)
Legal Services		44	5	49
Office of Chief Information Officer		31	4	35
CTS Central Services		211	27	238
DES Central Services		233	30	263
Core Financial Systems Replacement		54	7	61
Fleet Program Rate Reduction		(6)		(6)
Time, Leave and Attendance System		75	9	84
Self-Insurance Liability Premium		(9)	(1)	(10)
State Public Employee Benefits Rate		266	27	293
Nonrepresented Job Class Specific Increases		94	18	112
WPEA General Government Master Agreement		6,753	575	7,328
General Wage Increase for State Employees		1,557	144	1,701
Subtotal	(4.0)	139,666	10,366	150,032
Total Proposed Budget	1,180.3	358,815	38,219	397,034
Difference	(13.4)	145,189	(443)	144,746
Percent Change from Current Biennium	(1.1)%	68.0%	(1.1)%	57.4%
Total Proposed Budget by Activity				
Administration	78.3	26,610	7,271	33,881
Property Tax Administration	53.3	14,899		14,899

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
State and Local Revenue Collection and Distribution	573.2	242,101	4,924	247,025
Tax Auditing	309.1	55,220	144	55,364
Tax Policy Research, Analysis, and Interpretation	50.9	14,303	9	14,312
Taxpayer Appeals	26.1	5,682		5,682
Unclaimed Property Management	33.9		8,828	8,828
Business Licensing Services	55.5		17,043	17,043
Total Proposed Budget	1,180.3	358,815	38,219	397,034

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Reduce Information Technology Services

The department currently contracts for information technology services to provide support for technology issues that may arise with third party software. Funding will be reduced for these contract services.

Increase Electronic Communications

The department will generate savings by issuing up to 60 percent of their tax assessments electronically and eliminating printing and mailing forms and notices to electronic filers.

Program Changes

The department will reduce funding for the collection of unpaid wages and realize savings by moving the collection of the commercial vessel tax to the Department of Licensing.

Reduce Property Tax Program

Funding is reduced for the administration of the property tax program. This reduction is not intended to impact grant or deferral programs.

Reduce Tax Administration Activities

Funding for administrative functions is reduced for taxpayer assistance and education, human resources, executive team, log export program, internal auditing, and development of policies and procedures.

Revenue Implementation Funding

Funding is provided for the implementation costs associated with proposals to raise revenue from a capital gains tax, tobacco taxes, and repeal or modification of tax preferences.

Reduce Audit Services

Funding is reduced for audit services within the Tax Collection division. Savings will be achieved through efficiencies in vacancies, staff reductions, or reductions in travel or goods and services.

Working Families Tax Exemption

The Working Families' Tax Exemption program was enacted in 2008 to provide refunds to qualified taxpayers for the prior year equal to, or greater than, ten percent of the federal earned income tax credit or fifty dollars. A portion of the Carbon Pollution Accountability Act revenue will be used to implement and administer this program.

Tax and Licensing System Replacement

Funding is provided for Certificate of Participation (COP) financing to complete the next phase of the tax and licensing system. (General Fund-State, Business License Account-State)

Headquarters Office Relocation

Headquarters staff will be moved to an energy efficient building located closer to other department staff.

Enhance Field Office Security

Funding is provided to maintain current security measures implemented in the 2013-15 biennium due to increased tax collections paid with cash.

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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

Audit Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 5 percent reduction in charges for audit services.

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.

GOVERNMENTAL OPERATIONS

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

WPEA General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Public Employees Association (WPEA), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; an additional in-service day for the Washington State School for the Blind and Center for Childhood Deafness and Hearing Loss; and employee insurance. (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

Administration

Internal administrative services support activities to effectively carryout agency operations and the strategic business plan. These services include the overall management of the agency through executive oversight, internal auditing, accounting and budgeting, payroll administration, facilities management, purchasing, human resources, organizational development, and legal services provided by the Attorney General's Office.

Property Tax Administration

The Department of Revenue has a statutory obligation to ensure uniformity within the state's property tax system and oversee the administration of property taxes at both the state and local levels. The Department also determines the state school levy; conducts complex appraisals on commercial, industrial, and special use properties; administers property tax exemptions and deferral programs; and provides guidance, training, and assistance on property tax issues to county officials. The Department also performs appraisals throughout the state on inter-county and inter-state utility companies. These activities have a combined assessed value in excess of \$15 billion and provide over \$179 million dollars in property tax each year for local government and state schools.

State and Local Revenue Collection and Distribution

The Department of Revenue is responsible for the fair, efficient, and uniform administration of state tax laws. Primary activities include taxpayer registration, tax return processing collection activities, accounting for and distributing state and local tax revenues, promotion of voluntary compliance through taxpayer education, information and assistance, and enforcement. These activities are conducted from offices throughout the state and are supported by a statewide computer network.

Tax Auditing

Audit Division activities support the voluntary reporting and payment of taxes and the administration of the tax system. Audit Division staff are assigned to field offices across the state and other locations throughout the United States, or as roving out-of-state auditors based out of Washington. Auditors conduct audits of businesses that have activity in Washington State, working directly with taxpayers to verify the accuracy of taxes reported, and to identify and correct improper reporting, leveling the tax burden on Washington State businesses. Audit Division activities also include educating taxpayers about tax reporting through business outreach seminars, consultation visits, and other speaking engagements. Internally, the Audit Division assists the Department in understanding the practical application of tax law by identifying changes in technology, business activities, and industries. Externally, the Audit Division is, in many cases, a face for the Department and often serves as a taxpayer's first and only primary contact with the Department.

Tax Policy Research, Analysis, and Interpretation

Tax policy activities focus on providing timely and accurate information for policy decision makers, clear guidance to taxpayers, employees, and the public regarding tax law and policy application, and coordinating interdivisional policy analysis and studies. Specific functions include coordinating interdepartmental policy analysis and studies; preparing fiscal notes; analyzing and drafting legislation; reviewing and drafting rule revisions; providing technical policy advice to operating divisions; forecasting non-general fund revenues; and analyzing proposed changes to tax statutes on small business.

Taxpayer Appeals

The Department receives over 900 taxpayer appeals each year. These appeals are comprised of five case types: small claims (single issue, up to \$50,000 in tax, penalties, and interest); executive (first impression, industry wide significance); maintenance (regular appeals); revocations (business registration revocations), and Board of Tax Appeals (BTA) informal appeals from agency final decisions. When an appeal is concluded the Department issues written determinations, renders confidential tax law interpretations, negotiates settlements of tax disputes, executes settlement closing agreements when appropriate, and publishes select determinations. When these cases are appealed to the BTA, the Appeals Division presents the agency case during informal proceedings. The BTA renders the final decision.

GOVERNMENTAL OPERATIONS

Unclaimed Property Management

The Department administers the provisions of the State Uniform Unclaimed Property Act. The unclaimed property program is a consumer protection program charged to return abandoned property to the property owner. The Department receives the transfer of abandoned property to the state and attempts to locate the owners through advertising and by providing public access to abandoned property information. The Department's role is to act in the interest of the property owners and return the abandoned property to the rightful owners whenever possible. Examples of abandoned property include utility deposits, insurance policies, safety deposit box contents, dividends, and savings accounts. Unclaimed property does not include real estate, vehicles, and most other physical property. (Unclaimed Personal Property Account-Nonappropriated)

Business Licensing Services

The Business Licensing Service within the Department of Revenue provides one-stop licensing services for more than 200 state endorsements and 70 city licenses. This service provides assistance with business registration, license renewals, change of ownership, change in business locations, registration and change of trade names, obtaining minor work permits, optional insurance coverage or hiring people to work in or around private residences

GOVERNMENTAL OPERATIONS

Agency 142

Board of Tax Appeals

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	11.2	2,377		2,377
Total Maintenance Level	11.2	2,458		2,458
Difference		81		81
Percent Change from Current Biennium	0.0%	3.4%		3.4%
Performance Changes				
DES Central Services		3		3
Core Financial Systems Replacement		1		1
Time, Leave and Attendance System		1		1
State Public Employee Benefits Rate		13		13
Nonrepresented Job Class Specific Increases		20		20
General Wage Increase for State Employees		73		73
Subtotal		111		111
Total Proposed Budget	11.2	2,569		2,569
Difference		192		192
Percent Change from Current Biennium	0.0%	8.1%		8.1%
Total Proposed Budget by Activity				
Adjudication of Tax Appeals	11.2	2,569		2,569
Total Proposed Budget	11.2	2,569		2,569

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

GOVERNMENTAL OPERATIONS

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

Adjudication of Tax Appeals

The Board of Tax Appeals maintains public confidence in the state tax system. The Board is the final administrative authority for resolving disputes of property, excise, and other taxes in the state of Washington. As an integral part of the state's tax system, the Board provides a convenient and inexpensive forum for both taxing authorities and taxpayers. The Board processes 4,000 new appeals annually, many presenting complex legal and valuation issues. The Board conducts hearings throughout the state and issues comprehensive, timely written decisions based upon generally accepted appraisal practices, Washington statutes and constitution, case law, and board precedents.

GOVERNMENTAL OPERATIONS

Agency 147

Office of Minority and Women's Business Enterprises

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	19.0		3,999	3,999
Total Maintenance Level	19.0		3,833	3,833
Difference			(166)	(166)
Percent Change from Current Biennium	0.0%		(4.2)%	(4.2)%
Performance Changes				
Federal Certification Program	3.5		508	508
Move to Capital Court			180	180
Legal Services			2	2
CTS Central Services			1	1
DES Central Services			12	12
Core Financial Systems Replacement			1	1
Time, Leave and Attendance System			1	1
Self-Insurance Liability Premium			(5)	(5)
State Public Employee Benefits Rate			6	6
WFSE General Government Master Agreement			144	144
General Wage Increase for State Employees			44	44
Subtotal	3.5		894	894
Total Proposed Budget	22.5		4,727	4,727
Difference	3.5		728	728
Percent Change from Current Biennium	18.4%		18.2%	18.2%
Total Proposed Budget by Activity				
Administration	1.9		596	596
Agency Support	.9		180	180
Certification	18.3		3,672	3,672
Minority and Women Business Development	1.5		279	279
Total Proposed Budget	22.5		4,727	4,727

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Federal Certification Program

The Office of Minority and Women's Business Enterprises (OMWBE) will expand the federal Disadvantaged Business Enterprise (DBE) certification program. This will allow OMWBE to expand outreach to businesses owned by women and minorities, process applications for businesses applying for federal DBE certification, and investigate businesses for allegations of improper behavior. Funding for this item derives from a fee charged for using the federal certification database. (OMWBE Enterprises Account-State)

GOVERNMENTAL OPERATIONS

Move to Capital Court

OMWBE will relocate its office space from the General Administration building to Capital Court. (OMWBE Enterprises Account-State)

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.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

GOVERNMENTAL OPERATIONS

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

Administration

The Office of Minority and Women's Business Enterprises (OMWBE) promotes the participation, in public contracting and procurement, of all qualified and available small businesses owned and controlled by minorities, women and all others who may be socially and economically disadvantaged.

Agency Support

OMWBE partners with state agencies, local governments, and private corporations to increase the participation of certified businesses in procurement opportunities.

Certification

The office provides state of Washington and other certification to companies who meet regulatory requirements for certification.

Minority and Women Business Development

OMWBE works with government and small business organizations to build a healthy statewide economic plan that includes successful, growing minority and women-owned businesses.

GOVERNMENTAL OPERATIONS

Agency 160

Office of Insurance Commissioner

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	235.0	527	54,809	55,336
Total Maintenance Level	232.4	527	55,646	56,173
Difference	(2.6)		837	837
Percent Change from Current Biennium	(1.1)%	0.0%	1.5%	1.5%
Performance Changes				
Access to Health Care Providers	2.0		398	398
Fighting Insurance Fraud	3.0		528	528
CTS Rate Adjustment			(22)	(22)
Legal Services			7	7
Office of Chief Information Officer			5	5
CTS Central Services			55	55
DES Central Services			10	10
Core Financial Systems Replacement			12	12
Time, Leave and Attendance System			17	17
Self-Insurance Liability Premium			(14)	(14)
State Public Employee Benefits Rate			90	90
WFSE General Government Master Agreement			1,335	1,335
Nonrepresented Job Class Specific Increases			64	64
General Wage Increase for State Employees			574	574
Subtotal	5.0		3,059	3,059
Total Proposed Budget	237.4	527	58,705	59,232
Difference	2.5		3,896	3,896
Percent Change from Current Biennium	1.0%	0.0%	7.1%	7.0%
Total Proposed Budget by Activity				
Agency Administration	48.9		15,296	15,296
Monitoring Insurance Company Solvency	58.5		12,119	12,119
Consumer Information and Advocacy	29.0		5,069	5,069
Health Insurance Benefit Advisors	14.0		5,233	5,233
Policy and Enforcement	45.1	527	12,266	12,793
Producer Licensing and Oversight	12.0		2,261	2,261
Regulation of Insurance Rates and Forms	30.0		6,461	6,461
Total Proposed Budget	237.4	527	58,705	59,232

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Access to Health Care Providers

Under the Affordable Care Act (ACA), the number and complexity of innovative health care provider networks has increased, driving the need for ongoing comprehensive review. The "narrow networks" are designed to reduce premium costs by limiting in-network providers, yet they must still maintain sufficient provider access to meet consumer needs. Funding is provided for two positions necessary to address the additional workload for the regulatory review of these provider networks, ensuring consumer access to medically necessary covered services. (Insurance Commissioner's Regulatory Account-State)

Fighting Insurance Fraud

Fraud referrals to the Office of Insurance Commissioner (OIC) run the gamut, from false insurance claims to allegations of producer misconduct and suspected fraud by unlicensed insurance companies. Fraud referrals from consumers, insurance companies and law enforcement exceed 2,000 each year. The lack of resources to properly investigate referrals allows criminal enterprises to conduct illegal activities in Washington. Early detection and action are critical to effectively combat fraud. Funding for one detective, one investigator and one research analyst is provided to supplement the work of the agency's criminal and civil fraud units. (Insurance Commissioner's Regulatory 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.

GOVERNMENTAL OPERATIONS

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Agency Administration

The Office of the Insurance Commissioner (OIC) is responsible for regulating the insurance industry in Washington State and protecting consumers through education and timely communications. The activities of the OIC are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance; it also provides the administrative support necessary for other divisions within the agency to carry out their functions.

Monitoring Insurance Company Solvency

This activity includes monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, certified health plans, and self-funded Multiple Employer Welfare Arrangements authorized to conduct business in Washington State. Solvency issues may be identified through market conduct oversight activities, financial examinations, or financial analysis of statements filed by insurers.

GOVERNMENTAL OPERATIONS

Consumer Information and Advocacy

Staff members respond to oral and written complaints and inquiries from consumers regarding insurance companies, and act as advocates when appropriate. Assistance is rendered to enforce the various provisions of the insurance code with the primary function of ensuring that consumer rights have not been violated.

Health Insurance Benefit Advisors

A statewide network of trained volunteers and paid staff educate, assist, and advocate for consumers regarding public and private health insurance and health care access issues.

Policy and Enforcement

Staff handle enforcement actions against insurance companies, health carriers, insurance producers, and others; identify and investigate consumer complaints, violations of the insurance code and criminal insurance fraud; provide information and counsel to other agency divisions; and support the public policy activities of the agency.

Producer Licensing and Oversight

This activity ensures compliance with all requirements applicable to insurance producers, surplus line brokers, adjusters, life settlement brokers, and other licensees including determination of eligibility for license issuance and renewal; performance of financial examinations of licensees; and compliance with the requirements applicable to their post-licensure activities including those relating to continuing education.

Regulation of Insurance Rates and Forms

Staff review and approve the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to ensure that rates are neither excessive, inadequate, nor unfairly discriminatory. Staff also review policy forms and provider contracts to ensure that the terms and conditions of the insurance contract comply with state and federal laws before they are sold in Washington State.

GOVERNMENTAL OPERATIONS

Agency 163

Consolidated Technology Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	290.4		230,086	230,086
Total Maintenance Level	294.9		244,421	244,421
Difference	4.5		14,335	14,335
Percent Change from Current Biennium	1.5%		6.2%	6.2%
Performance Changes				
Align Expenditures with Revenues			(11,732)	(11,732)
Storage Efficiencies			(2,468)	(2,468)
Long Distance Technology Efficiencies			(930)	(930)
Equipment Maintenance Contracts #			(200)	(200)
Eliminate Online Directory			(178)	(178)
Discontinue Unisys Mainframe			(4,400)	(4,400)
End Software Assurance and Vitalnet Services			(368)	(368)
Reduce 24/7 Support	(11.0)		(1,533)	(1,533)
Identity Management	4.0		889	889
Financial and Application Support	14.0			
Information Technology Alignment Transfer #	251.0		92,182	92,182
Information Alignment Technical Correction #			22,509	22,509
Information Alignment Savings #	(9.0)		(2,397)	(2,397)
State Data Network			9,082	9,082
Disaster Recovery	1.0		3,240	3,240
CTS Rate Adjustment			(590)	(590)
Legal Services			1	1
Office of Chief Information Officer			65	65
CTS Central Services			1,724	1,724
DES Central Services			62	62
Core Financial Systems Replacement			14	14
Time, Leave and Attendance System			20	20
State Public Employee Benefits Rate			129	129
WFSE General Government Master Agreement			1,483	1,483
General Wage Increase for State Employees			884	884
Subtotal	250.0		107,488	107,488
Total Proposed Budget	544.9		351,909	351,909
Difference	254.5		121,823	121,823
Percent Change from Current Biennium	87.7%		52.9%	52.9%
Total Proposed Budget by Activity				
Administrative Activity	71.0		88,580	88,580
Data Network Services	66.0		37,028	37,028
Enterprise Server Technology	165.5		95,640	95,640

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Enterprise Security Services	40.9		21,678	21,678
Enterprise Mainframe Computing	79.5		57,041	57,041
Voice Telephony Services	122.0		51,942	51,942
Total Proposed Budget	544.9		351,909	351,909

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Align Expenditures with Revenues

Expenditure authority for Consolidated Technology Services (CTS) is reduced to align expenditures with anticipated revenues. (Data Processing Revolving Account-Nonappropriated)

Storage Efficiencies

The agency is terminating tailored storage agreements with the Department of Enterprise Services and Department of Labor and Industries, requiring those customers to switch to the standard metered rate. As a result of the rate conversion and a switch to cheaper storage technology, the agency will reduce rates for nearline and backup storage for all client agencies. (Data Processing Revolving Account-Nonappropriated)

Long Distance Technology Efficiencies

The agency has changed long distance telephone technologies, resulting in lower costs and lower rates for client agencies. (Data Processing Revolving Account-Nonappropriated)

Equipment Maintenance Contracts

The agency will reduce annual costs by negotiating equipment maintenance contracts for up to five years instead of the current one-year limitation. (Data Processing Revolving Account-Nonappropriated)

Eliminate Online Directory

Expenditure authority for the online directory assistance service (dial.wa.gov) is eliminated. (Data Processing Revolving Account-Nonappropriated)

Discontinue Unisys Mainframe

The agency will discontinue the Unisys mainframe service. The current mainframe is nearing the end of its useful life and will not be replaced. Expenditure authority and associated revenue are removed from the agency's budget. (Data Processing Revolving Account-Nonappropriated)

End Software Assurance and Vitalnet Services

The agency will terminate the Microsoft Software Assurance and Vitalnet services. (Data Processing Revolving Account-Nonappropriated)

Reduce 24/7 Support

State data center staffing outside regular business hours will be reduced to achieve savings. (Data Processing Revolving Account-Nonappropriated)

Identity Management

The agency will establish a new enterprise identity management service to enable state agencies to use cloud services. (Data Processing Revolving Account-Nonappropriated)

Financial and Application Support

Expenditure authority is provided for staff who will perform in-house financial, desktop, network and application support for the agency, rather than purchasing these from the Department of Enterprise Services. (Data Processing Revolving Account-Nonappropriated)

Information Technology Alignment Transfer #

As part of the statewide information technology alignment, the Office of the Chief Information Officer and the Department of Enterprise Services' Enterprise Technology Solutions Division are transferred to Consolidated Technology Services. In addition, expenditure authority from the Data Processing Revolving Account is transferred to three new accounts. (Data Processing Revolving Account-Nonappropriated, Consolidated Technology Services Revolving Account-State, Consolidated Technology Services Revolving Account-Nonappropriated, Shared Information Technology Systems Revolving Account-Nonappropriated, Statewide Information Technology Systems Maintenance and Operations Revolving Account-Nonappropriated)

Information Alignment Technical Correction #

As a result of the statewide information technology alignment, expenditure authority is adjusted to account for desktop and network support activities transferred to Consolidated Technology Services from the Department of Enterprise Services. (Consolidated Technology Services Revolving Account-Nonappropriated)

Information Alignment Savings #

The statewide information technology alignment will combine the Office of the Chief Information Officer, Department of Enterprise Services' Enterprise Technology Solutions Division, and Consolidated Technology Services. Savings will be realized from fewer management positions and lower administrative costs. (Consolidated Technology Services Revolving Account-State, Consolidated Technology Services Revolving Account-Nonappropriated)

State Data Network

Expenditure authority is increased to reflect the full cost of the state data network, intragovernment network, and public government network. The agency will take over responsibility from agencies for management of and connectivity to these networks, enabling it to more efficiently manage enterprise network resource needs. The full cost of the networks will be allocated across state agency, local government, and other public entity users. (Data Processing Revolving Account-Nonappropriated).

Disaster Recovery

The agency will migrate its disaster recovery service from its current location in Spokane to a private site in Eastern Washington. This initial investment will allow CTS to enhance disaster recovery for services such as mainframe, tape backup, Enterprise Active Directory, shared service email, Secure Access Washington, managed firewalls and Domain Name Services. This funding will also establish a redundant internet connection for clients. (Data Processing 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.

GOVERNMENTAL OPERATIONS

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Administrative Activity

Consolidated Technology Services (CTS) was established in 2011. CTS provides telecommunications and computer services to state, local, and tribal governments, educational institutions, and nonprofit organizations. This activity supports the following functions: agency management, internal application development and support, administrative support, legislative coordination, and performance management. (Data Processing Revolving Account-Nonappropriated)

Data Network Services

Data Network Services plans, implements, and manages data communication networks that provide connectivity between computers and customers who require access to the applications and data residing on those computers. CTS supports three governmental data networks on the statewide backbone. These include the Campus Fiber Network on the capitol campus in Olympia; the State Governmental Network (SGN) of state government agencies; and the Intergovernmental Network (IGN) that links cities and counties with state agencies. (Data Processing Revolving Account-Nonappropriated)

Enterprise Server Technology

CTS provides a broad range of server-based enterprise business solutions. These services improve efficiency for state government by providing hardware and software, staff expertise and support, data center facilities, and data storage. Specific services include server hosting, server management, electronic mailing lists, Web site hosting, data transfer security, content management for Web sites, portable digital assistants, online payment processing, video/audio streaming, and billing support. With these technologies customers can facilitate communications, integrate applications, gain quality and reliable server management, utilize report and document management capabilities, transfer sensitive data securely between organizations, and manage electronic mailing lists. (Data Processing Revolving Account-Nonappropriated)

Enterprise Security Services

CTS secures and protects the state's critical assets and information by providing statewide Internet protection, secure access services, and security consulting. (Data Processing Revolving Account-Nonappropriated)

Enterprise Mainframe Computing

CTS provides 24-hour, year-round shared and dedicated mainframe processing services for customers on IBM System/390 and Unisys computing platforms. These mainframe platforms process millions of transactions each day for state agencies and the public in the areas of social services, employment, corrections, business regulation, finance and retirement systems, health care, and natural resources. Computing services on both mainframe platforms include technical support services for shared and agency software products and output in multiple media formats. (Data Processing Revolving Account-Nonappropriated)

Voice Telephony Services

CTS offers a wide range of telecommunications services, including: local and long distance telephone service, Voice over Internet Protocol, long distance calling card service (SCAN Plus), conference calling services, interactive voice recognition, call center technical support, operator services and directory assistance, and advanced digital switching services in support of video conferencing. (Data Processing Revolving Account-Nonappropriated)

Agency 165

Board of Accountancy

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	11.3		2,680	2,680
Total Maintenance Level	11.3		2,717	2,717
Difference			37	37
Percent Change from Current Biennium	0.0%		1.4%	1.4%
Performance Changes				
Legal Services			1	1
CTS Central Services			3	3
DES Central Services			6	6
Core Financial Systems Replacement			1	1
Time, Leave and Attendance System			1	1
Self-Insurance Liability Premium			(2)	(2)
State Public Employee Benefits Rate			12	12
Nonrepresented Job Class Specific Increases			6	6
General Wage Increase for State Employees			58	58
Subtotal			86	86
Total Proposed Budget	11.3		2,803	2,803
Difference			123	123
Percent Change from Current Biennium	0.0%		4.6%	4.6%
Total Proposed Budget by Activity				
Regulation of Public Accountants	5.0		1,216	1,216
Investigation of Public Accountants	4.0		1,009	1,009
CPA Consumer Protection Information	2.3		578	578
Total Proposed Budget	11.3		2,803	2,803

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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.

GOVERNMENTAL OPERATIONS

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

Regulation of Public Accountants

As required by Chapter 18.04 RCW, the Board of Accountancy administers exams and issues licenses to certified public accountants (CPAs), CPA firms, and firm owners to ensure public protection and the reliability of financial information. The board establishes and audits compliance with education, examination, good character, ethics, and experience requirements prior to licensure. To continue to meet established performance standards and ethics requirements, the Board reviews and monitors charges against CPAs and firms, and audits compliance with continuing professional education requirements. The Board is funded by license fees paid by CPAs, firms, and firm owners.

GOVERNMENTAL OPERATIONS

Investigation of Public Accountants

The Board of Accountancy investigates complaints related to the compliance of certified public accountants (CPAs), CPA firms, and firm owners with technical and ethical standards. These standards are established in state and federal laws, board rules, and by various accounting standards boards; U.S. General Accounting Office; federal Office of Management and Budget; Securities and Exchange Commission; Internal Revenue Service; and American Institute of Certified Public Accountants. The board also investigates and takes action against individuals illegally posing as CPAs.

CPA Consumer Protection Information

The Board of Accountancy provides general and specific consumer protection information and is funded by license fees paid by CPAs, firms, and firm owners.

Agency 167

Forensic Investigations Council

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority			498	498
Total Maintenance Level			507	507
Difference			9	9
Percent Change from Current Biennium			1.8%	1.8%
Total Proposed Budget			507	507
Difference			9	9
Percent Change from Current Biennium			1.8%	1.8%
Total Proposed Budget by Activity				
State Toxicology Lab Management and Crime Lab Management			507	507
Total Proposed Budget			507	507

ACTIVITY DESCRIPTIONS

State Toxicology Lab Management and Crime Lab Management

The Forensic Investigations Council is composed of law enforcement personnel and pathologists. The Council reviews, recommends, and promotes improvements to the criminal justice and death investigation systems in Washington State. In conjunction with the University of Washington, the Council monitors the operations of the State Toxicology Laboratory and manages a State Forensic Pathology Fellowship Program. In addition, the Council reviews and monitors the budgets of the State Toxicology Laboratory and the Washington State Patrol Crime Laboratory, and appoints the State Toxicologist. (Death Investigations Account-State)

GOVERNMENTAL OPERATIONS

Agency 179

Department of Enterprise Services

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	1,054.3	9,524	444,507	454,031
Total Maintenance Level	1,044.8	7,304	404,799	412,103
Difference	(9.5)	(2,220)	(39,708)	(41,928)
Percent Change from Current Biennium	(0.9)%	(23.3)%	(8.9)%	(9.2)%
Performance Changes				
Reduce Debt for Certain Facilities			(2,715)	(2,715)
Reduce Commercial Insurance Premiums			(1,630)	(1,630)
Transfer Program Support Activities to CTS	(14.0)		(3,560)	(3,560)
Capital Budget Support Transfer	(2.0)		(437)	(437)
Fill Vacated Space with OCIO			(650)	(650)
Close State-Owned Buildings			(461)	(461)
Conserve Energy on Capitol Campus			(250)	(250)
Eliminate Paper Warrants and Remittances	.5		(823)	(823)
Reduce Personnel Services	(4.0)		(1,130)	(1,130)
Eliminate Enterprise Risk Management FTE Position	(1.0)		(216)	(216)
Reduce 1500 Jefferson Building Common Space Rent			(2,738)	(2,738)
Move Small Agency Services to DES			4,288	4,288
Shift Tivoli Fountain and Bulb Fund				
Electricity Purchasing		4,500		4,500
Legislative Agency Facility Fund Shift		(1,524)	1,584	60
Transfer Time, Leave, and Attendance			(2,996)	(2,996)
Technology Leasing Program Transfer				
Information Technology Alignment Transfer #	(227.5)		(82,348)	(82,348)
CTS Rate Adjustment			1,396	1,396
Archives/Records Management			(1)	(1)
Legal Services			10	10
Office of Chief Information Officer			56	56
CTS Central Services			311	311
DES Central Services			263	263
Core Financial Systems Replacement			56	56
Fleet Program Rate Reduction			(28)	(28)
Time, Leave and Attendance System			78	78
Self-Insurance Liability Premium			(11)	(11)
State Public Employee Benefits Rate			788	788
WFSE General Government Master Agreement			1,873	1,873
Nonrepresented Job Class Specific Increases			182	182
The Coalition of Unions Agreement			140	140
General Wage Increase for State Employees			4,277	4,277
Subtotal	(248.0)	2,976	(84,692)	(81,716)

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	796.8	10,280	320,107	330,387
Difference	(257.5)	756	(124,400)	(123,644)
Percent Change from Current Biennium	(24.4)%	7.9%	(28.0)%	(27.2)%
Total Proposed Budget by Activity				
Printing and Imaging	88.2		20,351	20,351
Surplus Operations	56.0		13,203	13,203
Consolidated Mail	106.4		55,840	55,840
Production Services	24.7		10,340	10,340
Fleet Operations	6.3		3,189	3,189
Risk Management	30.0		30,184	30,184
Regulating Local Government Self-Insurance Programs	1.8		672	672
Contracting Support Services	69.6		16,440	16,440
Enterprise Systems Support	(25.9)		502	502
Website Support Services for State Agencies	5.7		2,241	2,241
Technology Equipment Leasing	9.2		16,148	16,148
Network And Desktop Support Services to State Agencies	22.9		8,083	8,083
State Capitol Visitor Services	14.8		1,649	1,649
Facilities Operation Maintenance	222.0	2,280	31,643	33,923
Capital Project Management	15.3	133	6,159	6,292
Housing State Government	100.3	7,867	89,596	97,463
Small Agency Support Services	8.7		5,850	5,850
Support the Development of State Building Codes	4.4		1,278	1,278
Training and Development Services	13.7		1,958	1,958
Recruitment Support Services	18.9		4,008	4,008
Employee Assistance	4.2		773	773
Total Proposed Budget	796.8	10,280	320,107	330,387

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Reduce Debt for Certain Facilities

Reduced rent costs from refinancing of debt service by the State Treasurer will result in savings to agency tenants of certain buildings owned and managed by the agency.

Reduce Commercial Insurance Premiums

Commercial insurance premiums are reduced for client agencies as a result of a lower renewal rate from the state's master property insurance broker. (Risk Management Administrative Account-Nonappropriated)

Transfer Program Support Activities to CTS

The department currently provides financial and application support to Consolidated Technology Services (CTS). Effective July 1, 2015, these services (with the exception of payroll support) will be performed by CTS. (Data Processing Revolving Account-Nonappropriated, Enterprise Services Account-Nonappropriated)

Capital Budget Support Transfer

Costs for staff who directly support capital projects are transferred from the operating budget to the capital budget. (Enterprise Services Account-Nonappropriated)

Fill Vacated Space with OCIO

Vacant space in the 1500 Jefferson building currently paid for by the agency will be occupied by the Office of the Chief Information Officer starting in the 2015-17 biennium. This will result in rent savings for the agency. (Building Code Council Account-State, Data Processing Revolving Account-Nonappropriated, Enterprise Services Account-Nonappropriated, Risk Management Administrative Account-Nonappropriated)

Close State-Owned Buildings

The cost to maintain state-owned buildings at 1063 Capitol Way and 120 Union Avenue is higher than the rent the state could reasonably collect for the space. To achieve savings, these buildings will be closed and no longer available for lease. (Enterprise Services Account-Nonappropriated)

Conserve Energy on Capitol Campus

To reduce energy costs on the Capitol campus, the department will reduce the temperature in buildings during unoccupied times. Additionally, the department will coordinate with tenant agencies on the Capitol campus to reduce non-essential plug loads (such as mini-refrigerators and heaters). (Enterprise Services Account-Nonappropriated)

Eliminate Paper Warrants and Remittances

Current law allows payments to vendors to be made either by paper warrant or by electronic transfer. To achieve cost savings, the department will discontinue printing and distributing paper warrants to vendors. (Data Processing Revolving Account-Nonappropriated, Enterprise Services Account-Nonappropriated)

Reduce Personnel Services

The department provides human resources services to state agencies and employees, including training, support of the Human Resources Management System, support for the state job site (careers.wa.gov), and the Employee Assistance Program. To achieve ongoing savings for client agencies, funding and staff are reduced in this program. (Enterprise Services Account-Nonappropriated)

Eliminate Enterprise Risk Management FTE Position

To provide savings to client agencies, the Enterprise Risk Management program at the Department of Enterprise Services will reduce one staff position that supports state agency efforts to manage risk. (Risk Management Administration Account-Nonappropriated)

Reduce 1500 Jefferson Building Common Space Rent

Rent paid by the Department of Enterprise Services (DES) for the 1500 Jefferson building is reduced. Client agencies that pay for DES services may see a minor reduction in rates as a result. (State Vehicle Parking Account-Nonappropriated, Building Code Council Account-State, Data Processing Revolving Account-Nonappropriated, Enterprise Services Account-Nonappropriated, Risk Management Administration Account-Nonappropriated)

Move Small Agency Services to DES

In the 2014 supplemental budget, the Legislature shifted the Small Agency Financial Services (SAFS) program from the Department of Enterprise Services (DES) to the Office of Financial Management (OFM). The Governor vetoed the shift, but the funding remained in OFM's budget. Expenditure authority for SAFS is shifted to DES to align with the current location of the program. (Enterprise Services Account-Nonappropriated)

GOVERNMENTAL OPERATIONS

Shift Tivoli Fountain and Bulb Fund

State funding to operate the Tivoli Fountain and plant flower bulbs on the Capitol campus is replaced with funding from private donors. The department shall solicit donations for funding from interested organizations, but may not supplant state jobs with volunteers. Recognition of donations for these activities will be made in a manner consistent with the character of the Capitol campus. (General Fund-Private/Local, Enterprise Services Account-Nonappropriated)

Electricity Purchasing

Funding is provided to facilitate the purchasing of electricity for use in state government operations from in-state alternative power sources. The department may solicit proposals from local electric utilities that currently serve state operations.

Legislative Agency Facility Fund Shift

Funding for legislative agencies' facility services and campus rent costs is partially shifted on a one-time basis. This shift will save General Fund-State expenditures by utilizing existing fund balance from the Master Contract Vendor Service Fee. (General Fund-State, Enterprise Services Account-Nonappropriated)

Transfer Time, Leave, and Attendance

The debt service expenditure authority for the Time, Leave and Attendance system is transferred to the Office of Financial Management which is managing the project. This shift will consolidate project costs in one agency. (Data Processing Revolving Account-Nonappropriated)

Technology Leasing Program Transfer

As part of the statewide information technology alignment, expenditures for the technology leasing program managed by the Department of Enterprise Services are shifted from the Data Processing Revolving Account to the Enterprise Services Account. This shift will consolidate most of the agency's business into a single revolving account. (Data Processing Revolving Account-Nonappropriated, Enterprise Services Account-Nonappropriated)

Information Technology Alignment Transfer #

As part of the statewide information technology alignment, expenditure authority and staff for the Enterprise Technology Solutions program are transferred to Consolidated Technology Services. (Data Processing 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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.

GOVERNMENTAL OPERATIONS

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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)

GOVERNMENTAL OPERATIONS

The Coalition of Unions Agreement

Funding is provided for a collective bargaining agreement with The Coalition of Unions, which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; annual payments for physicians and psychiatrists with board certifications; salary adjustments for targeted classifications; and employee insurance. (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

Printing and Imaging

Printing and Imaging provides a broad range of print, communication, consultation and design services to state, local and tribal government, and qualified non-profit organizations. Services include traditional offset, bindery and digital printing; on-demand copy services; graphic design services and prepress services. The bindery offers a full range of finishing operations such as cutting, folding, collating, padding, and stapling. Numbering, perforating, or scoring can also be provided. Expert print buyers help customers develop product specifications, manage the competitive bidding process and provide guidance to ensure deadlines and quality expectations are met.

Surplus Operations

The Surplus Program handles used goods from state and federal government programs ranging from furniture and computers to vehicles and equipment that are made available for sale to government agencies, non-profit entities and the public. Proceeds from the sales pay for the program operations and also result in financial returns to state and local government agencies.

Items can be purchased in person or via the internet. Surplus also works with the Department of Corrections and the Superintendent of Public Instruction to refurbish computers for use by school districts across the state. The sale, reuse and recycling of goods also keeps hundreds of thousands of pounds of materials from being dumped in landfills.

Consolidated Mail

Consolidated Mail Services (CMS) provides a full range of mail services to state agencies and local governments. Millions of mailings are presorted to obtain postage discounts, which saves customers on postage costs. Each day, CMS provides:

- Pick-up and delivery service for interagency documents and packages,
- Dispatches drivers across Washington State,
- Makes over a thousand separate deliveries and pickups,
- Handles hundreds of thousands of pieces of mail, ranging from one ounce letters to 150 pound boxes,
- Offers mail design assistance for automation to achieve postal discounts, in addition to other no-charge mail consultations, and
- Ensures safe delivery by x-raying all incoming mail to the 98504 ZIP Code.

Production Services

Located in a secure facility on the Capitol Campus in Olympia, Production Services is a 24/7 operation that prints highly sensitive materials including unemployment checks, warrants, license renewals and confidential documents. The production and delivery of these documents to the citizens of Washington is guided by state and federal laws. Total monthly production averages between 6 and 8 million pages.

Fleet Operations

Fleet Operations manages thousands of vehicles assigned to agencies on a permanent basis and a daily trip fleet for short term rental. The customer base spans dozens of agencies, boards, commissions, and universities. The program maintains and repairs its vehicles in Thurston County, as well as vehicles owned by other state agencies. Fleet Operations manages the maintenance of its vehicles statewide, collects and monitors fuel consumption data, compiles data for mandated reporting, and directs the replacement of fleet vehicles as they reach the end of their useful, economic lifecycle.

Risk Management

The Department of Enterprise Services (DES) provides services to reduce harm, limit losses and fairly compensate those injured by state actors. To help state agencies achieve their goals, DES assists with loss prevention, assesses insurance needs and buys insurance when cost effective, processes, investigates and resolves tort claims, pays legal fees, and maintains a central claims database as required by statute.

Other activities include reporting loss history data to the legislative and executive branches of government, reporting closed medical malpractice claims to the Office of Insurance Commissioner, and reporting settlement data to the Centers for Medicare & Medicaid Services as required by state and federal laws.

Regulating Local Government Self-Insurance Programs

DES provides approval and oversight of joint self-insured local government property/liability programs and individual and joint self-insured local government employee health/welfare (medical) benefit programs. The mission of LGSi is to protect taxpayer resources by ensuring that local government owner/members are informed about the program's financial condition, participate in decisions which affect insurance services for entities they represent, and ensure compliance with laws and regulations designed to foster financially sound management practices. (RCW 48.62)

Contracting Support Services

A Master Contract is a contract established and administered by the Department of Enterprise Services (DES) for use by state and local government entities, institutions of higher education, tribal governments and qualifying non-profits to purchase products and services directly from contractors. The DES Master Contracts & Consulting team (MCC) meets the state's competitive procurement requirements. In addition to providing training on best practices, DES leads master contract procurements, manages vendor relationships, and tracks contract performance for all master contracts. The Legal Services unit provides contract review, responds to vendor protests, audits master contracts, and assist with customer and market research to identify opportunities to procure master contracts that will help our customers reduce costs, optimize resources, and meet their contracting needs. They also provide training on contracting best practices.

Enterprise Systems Support

DES provides enterprise financial and administrative systems to state government. DES currently supports dozens of applications of various size, complexity and user base, including the state's general ledger accounting system, HR/payroll system, budget development and allotment systems, fiscal note system, travel and expense management system procurement and contracts systems and enterprise reporting and business intelligence 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.

GOVERNMENTAL OPERATIONS

Website Support Services for State Agencies

State government's Access Washington Web portal <http://access.wa.gov>, the Ask George search tool, and the state's intranet portal "Inside Washington" are developed and supported by DES. The statewide Web portals deliver the single face of WA government. This team also provides agencies with Web site development services using the latest technologies.

Technology Equipment Leasing

DES Technology Leasing program leases IT hardware such as desktops, laptops, servers, backup storage units, touchpads, and networking hardware. DES Technology Leasing also provides expert guidance to decision makers regarding IT hardware, IT procurement, and IT strategic deployment strategies.

Network And Desktop Support Services to State Agencies

DES provides desktop, helpdesk and network support to OFM, Governor's Office, CTS and a number of small agencies. The resource support for these organizations resides within DES.

State Capitol Visitor Services

DES provides event management and public information and access for the capitol campus, including information about state agencies, the Legislature, and tourist attractions on campus, in the local area, and throughout the state. Educational tours are provided to the visiting public, school children, and dignitaries. Free speech and assembly events, such as rallies, demonstrations, and other formal gatherings, are permitted and coordinated by Visitor Services.

Facilities Operation Maintenance

DES ensures its owned facilities are functional, clean and safe. Services include preventative and break and fix maintenance involving the following trades: Heating Ventilation and Air Conditioning (HVAC), Electrical, Carpentry, Custodial, etc. DES provides maintenance and operation, environmental, and building support system services for state owned and managed facilities within Thurston County, including the Capitol Campus. Services include preventative building maintenance, cleaning and preservation of historical building exteriors, care of Capitol Campus grounds and state owned parks within Olympia. In its facilities, DES manages the mechanical/electrical locks, asbestos and hazardous waste, building control systems, utilities, campus fire protection, and security camera services. The agency provides daily custodial services for over three million square feet of building space. In addition, the program manages the collection of solid waste, refuse and recyclable materials.

Capital Project Management

DES supports the design, construction, and capital project management needs of public facilities for many state agencies and the state's community and technical colleges through comprehensive, professional project management services and energy management. Licensed architects and engineers manage the design and construction of projects. They are assisted by contract specialists, dispute resolution, claims mitigation, cost engineering, and other technical and administrative support. DES provides engineering services to agencies on a fee-for-service basis to assist agencies in conserving energy and reducing their energy costs. Engineers also conduct energy life cycle cost reviews, assist with sustainable design, and support building commissioning. Agencies incur no direct costs as all costs are paid for with energy savings.

Housing State Government

DES serves as the landlord for office facilities on the capitol campus and other state owned locations in Thurston, Cowlitz, Pierce, Skagit, King, and Yakima counties. The agency is responsible for overall property management, long range planning, space planning, stewardship, historic preservation, and parking management. The Property Management program is responsible for efficiently and cost-effectively housing state government in 4.6 million square feet of owned office and support facilities. The activity manages parking spaces at the State Capitol and other DES facilities located around the state, providing parking to agencies, employees, and the visiting public. Parking is provided on a monthly, hourly, and special permit basis. The DES Real Estate Services team is responsible for providing real estate services to state elected officials, state agencies, boards, commissions, and educational institutions in accordance with RCW 43.82. State agency housing functions include comprehensive leasing and architectural services, including construction management, the purchase or sale of state owned properties, and various other real estate transactions.

Small Agency Support Services

The Department provides support services to agencies, particularly small agencies in the areas of human resources, finance, payroll and budget. Economies of scale enable DES an affordable way to provide a full range of financial and human resource management expertise to small agencies.

Support the Development of State Building Codes

The State Building Code Council provides independent analysis and objective advice to the legislature and the Governor's Office on state building code issues. The Council establishes the minimum building, mechanical, fire, plumbing and energy code requirements necessary to promote the health, safety and welfare of the people of the state of Washington.

Training and Development Services

Responsible for planning, developing, providing, and monitoring training for state employees. The primary focus is professional development, risk management, and state mandatory subjects. Services include classroom instruction, e-learning instruction, records keeping, and course development. Additionally DES maintains the statewide learning management system and training records archives.

Recruitment Support Services

DES provides expertise, training, tools, and assistance to help state agencies attract, recruit and select diverse, qualified candidates for state jobs. The Department's services include recruitment outreach and consultation, workforce diversity support, candidate search assistance, maintenance of statewide layoff lists and the general government transition pool, and job seeker support. The Department also maintains the state's single point of entry for job seekers to find state employment opportunities.

Employee Assistance

Personal or work related problems may affect job performance. The Department's Employee Assistance Program (EAP) offers employees no-cost, confidential, and professional help. Managers and supervisors can also consult with EAP regarding workplace and performance issues. EAP provides training on health, wellness and workplace topics. EAP provides Critical Incident Stress Management (CISM) support and assistance to agencies and individuals when a critical incident or traumatic event occurs.

Agency 185

Horse Racing Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	28.5		5,608	5,608
Total Maintenance Level	28.5		5,721	5,721
Difference			113	113
Percent Change from Current Biennium	0.0%		2.0%	2.0%
Performance Changes				
License and Background Check Fees			30	30
Legal Services			1	1
DES Central Services			7	7
Core Financial Systems Replacement			1	1
Time, Leave and Attendance System			1	1
Self-Insurance Liability Premium			(4)	(4)
State Public Employee Benefits Rate			6	6
WFSE General Government Master Agreement			55	55
General Wage Increase for State Employees			34	34
Subtotal			131	131
Total Proposed Budget	28.5		5,852	5,852
Difference			244	244
Percent Change from Current Biennium	0.0%		4.4%	4.4%
Total Proposed Budget by Activity				
Promotion of Horse Racing			2,172	2,172
Regulation of Horse Racing	28.5		3,680	3,680
Total Proposed Budget	28.5		5,852	5,852

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

License and Background Check Fees

The Washington Horse Racing Commission recently increased horse racing licensing fees by 5 percent per year and background check fees by \$1 per year to recover the actual costs of performing these activities. Increased expenditure authority is provided to the commission to spend the new revenue. (Horse Racing Administration Account-State)

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.

GOVERNMENTAL OPERATIONS

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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

Promotion of Horse Racing

The Horse Racing Commission is responsible for encouraging the training and development of the equine industry and promoting the economic benefits derived from the industry. It annually provides purse funds to nonprofit racetracks, collects and distributes the Washington bred owners' bonus funds, and provides funds to nonprofit racetracks for the maintenance and upgrade of racecourses and equine quartering areas.

GOVERNMENTAL OPERATIONS

Regulation of Horse Racing

The Horse Racing Commission is responsible for regulating pari-mutuel horse racing. It licenses, regulates, and supervises pari-mutuel horse race meets and licenses individuals who participate in pari-mutuel horse racing to ensure public confidence in the integrity of racing and pari-mutuel wagering.

GOVERNMENTAL OPERATIONS

Agency 195

Liquor Control Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	297.9		66,470	66,470
Total Maintenance Level	314.5		76,384	76,384
Difference	16.6		9,914	9,914
Percent Change from Current Biennium	5.6%		14.9%	14.9%
Performance Changes				
Eliminate Vacancies	(11.0)		(1,606)	(1,606)
Information Technology Funding	(1.0)		(1,487)	(1,487)
Administrative Expenditures	(4.5)		(871)	(871)
Finance Division Staff Reduction	(4.0)		(882)	(882)
Modernize Regulatory Systems *			3,321	3,321
Maintain Traceability System			460	460
CTS Rate Adjustment			(36)	(36)
Archives/Records Management			(1)	(1)
Legal Services			21	21
Office of Chief Information Officer			6	6
Administrative Hearings			5	5
CTS Central Services			70	70
DES Central Services			8	8
Core Financial Systems Replacement			15	15
Fleet Program Rate Reduction			(36)	(36)
Time, Leave and Attendance System			21	21
Self-Insurance Liability Premium			(70)	(70)
State Public Employee Benefits Rate			105	105
WFSE General Government Master Agreement			1,500	1,500
Nonrepresented Job Class Specific Increases			40	40
WPEA General Government Master Agreement			623	623
The Coalition of Unions Agreement			337	337
General Wage Increase for State Employees			539	539
Subtotal	(20.5)		2,082	2,082
Total Proposed Budget	294.0		78,466	78,466
Difference	(3.9)		11,996	11,996
Percent Change from Current Biennium	(1.3)%		18.0%	18.0%
Total Proposed Budget by Activity				
Administration	80.7		30,006	30,006
Enforcement of Liquor, Tobacco and Recreational Marijuana Laws	132.7		28,519	28,519
Liquor and Marijuana Licensing and Permits	74.9		15,819	15,819

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Total Proposed Budget	288.3		74,344	74,344

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Eliminate Vacancies

The Liquor Control Board will achieve savings by eliminating 11 vacant FTE staff positions. (Liquor Revolving Account-State)

Information Technology Funding

The Liquor Control Board will reduce expenditures on information technology goods and services. (Liquor Revolving Account-State)

Administrative Expenditures

The Liquor Control Board will reduce certain administrative positions, eliminate agency motor pool vehicles, and reduce training and facilities expenditures. (Liquor Revolving Account-State)

Finance Division Staff Reduction

Four fiscal and audit staff positions are eliminated at the Liquor Control Board. (Liquor Revolving Account-State)

Modernize Regulatory Systems *

The Liquor Control Board will replace its legacy licensing, enforcement, imaging and related applications with an integrated solution built around a commercial off-the-shelf product managed in a cloud environment. Revenue to support the project will come from a two-year, 11 percent surcharge applied to new and renewal license fees. (Licensing and Enforcement System Modernization Project Account-Nonappropriated)

Maintain Traceability System

Additional funding is provided to maintain and pay for license costs related to the Marijuana Seed-To-Sale Traceability System. (Dedicated Marijuana 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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.

Administrative Hearings

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a cap on the hourly rate charged for services at \$120 per hour.

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

GOVERNMENTAL OPERATIONS

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)

WPEA General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Public Employees Association (WPEA), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; an additional in-service day for the Washington State School for the Blind and Center for Childhood Deafness and Hearing Loss; and employee insurance. (General Fund-State, various other accounts)

The Coalition of Unions Agreement

Funding is provided for a collective bargaining agreement with The Coalition of Unions, which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; annual payments for physicians and psychiatrists with board certifications; salary adjustments for targeted classifications; and employee insurance. (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

Administration

The Liquor Control Board (LCB) establishes policies for the regulation of alcoholic beverages, tobacco products, and recreational marijuana throughout the state. Activities funded in this category include costs for the overall management of agency employees, and oversight of administrative and policy duties.

Enforcement of Liquor, Tobacco and Recreational Marijuana Laws

The Enforcement Division protects and serves the public by striving to ensure legal acquisition and responsible use of alcohol, tobacco, and recreational marijuana. This is achieved primarily through educational efforts and enforcement operations. Educational efforts include: liquor and recreational marijuana law briefing materials and education for licensees and staff; technical assistance visits; liquor and recreational marijuana law training for law enforcement officers; partnerships with community/prevention groups; and licensing support. Enforcement operations include: premises visits; compliance checks; undercover operations; joint patrols with local law enforcement; emphasis at locations of strategic interest; regulatory enforcement; investigation of citizen/law enforcement complaints; alcohol and recreational marijuana related serious injury accident investigation; enforcement of payment of taxes for beer, wine, and marijuana; enforcement of payment of spirit fees; and acting as a contractor of the FDA to inspect tobacco retailers.

GOVERNMENTAL OPERATIONS

Liquor and Marijuana Licensing and Permits

The Program Administration, License Investigation, License Processing, and Customer Service Units review and report on all license applications, permit applications, and business modification requests from current license holders; approve all liquor and recreational marijuana license and permit applications and renewals except those involving extensive investigation or requiring a board decision; maintain official licensing records and make documents available for court, administrative action, and public records requests; and provide licensing information for applicants and the general public.

GOVERNMENTAL OPERATIONS

Agency 215

Utilities and Transportation Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	166.2		53,057	53,057
Total Maintenance Level	165.7		60,232	60,232
Difference	(.5)		7,175	7,175
Percent Change from Current Biennium	(0.3)%		13.5%	13.5%
Performance Changes				
Federal Funding Rate Increase			960	960
Utility Damage Prevention Awareness			(1,250)	(1,250)
Increased Workload	2.0		2,000	2,000
Oil by Rail Safety *	8.0		2,488	2,488
CTS Rate Adjustment			(22)	(22)
Archives/Records Management			(1)	(1)
Legal Services			37	37
Office of Chief Information Officer			2	2
CTS Central Services			37	37
DES Central Services			5	5
Core Financial Systems Replacement			8	8
Fleet Program Rate Reduction			(4)	(4)
Time, Leave and Attendance System			11	11
State Public Employee Benefits Rate			71	71
WFSE General Government Master Agreement			1,026	1,026
General Wage Increase for State Employees			456	456
Subtotal	10.0		5,824	5,824
Total Proposed Budget	175.7		66,056	66,056
Difference	9.5		12,999	12,999
Percent Change from Current Biennium	5.7%		24.5%	24.5%
Total Proposed Budget by Activity				
Protect Customers of Utility and Transportation Companies	18.9		24,877	24,877
Site New Energy Facilities	14.1		534	534
Safety Regulation of Utility and Transportation Companies	70.6		14,193	14,193
Economic Regulation of Utility and Transportation Companies	72.1		26,452	26,452
Total Proposed Budget	175.7		66,056	66,056

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Federal Funding Rate Increase

The Federal Pipeline and Hazardous Liquids Safety Administration increased funding to state pipeline safety programs starting in 2010. The state did not qualify for an increase in funding until it certified a three-year average increase in expenditures to confirm program growth. The reimbursement rate will increase from 40 percent federal participation to approximately 60 percent federal participation for states that expanded their program. (Pipeline Safety Account-Federal)

Utility Damage Prevention Awareness

Excavation is the leading cause of damage to natural gas pipelines, accounting for 65 percent of damages. Each event poses a risk of explosion, damage to buildings and pipeline facilities, and injuries and death to workers and members of the public. The Utilities and Transportation Commission had a one-time expenditure from the pipeline safety fund for a campaign to increase awareness and use of the 811 one-call utility location service to protect Washington residents, infrastructure and property. This campaign was funded with accrued penalties paid by pipeline companies. Because these surplus penalties have been spent, the agency no longer needs the enhanced level of appropriation authority. (Pipeline Safety Account-State)

Increased Workload

Over the past two biennia the Utilities and Transportation Commission has assumed significant workload as a result of legislative action, absorbed increased costs for shared services and retirement buyouts, and experienced high vacancy rates in key job classes. This has impacted the Commission's ability to devote sufficient time and resources to address both core business and emerging issues in the energy sector, rail safety program, and general operations. Increased expenditure authority is provided to hire two additional FTE staff and increase the salaries of existing employees. (Public Service Revolving Account-State)

Oil by Rail Safety *

The Department of Ecology issued a draft study in December 2014 with findings and recommendations designed to improve the safety of oil transported across Washington land and waters by rail and new marine routes. Contingent on passage of Governor-request legislation, railroad safety inspectors will be hired to increase the number of inspections of railroad facilities. This will result in fewer violations of safety rules, prevent potentially unsafe railroad operations, and increase public safety. (Pipeline Safety 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.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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)

GOVERNMENTAL OPERATIONS

ACTIVITY DESCRIPTIONS

Protect Customers of Utility and Transportation Companies

The UTC's consumer specialists respond to more than a 1,000 calls each month from consumers. They provide information about utilities and transportation services and the companies that provide those services and investigate and resolve service complaints. If, after an investigation, staff determine a company exhibits a pattern of behavior that is fraudulent, misleading, deceptive or generally harmful to consumers, they may recommend the UTC issue a complaint against the company. This typically results in a financial penalty and a plan to come into compliance with the UTC's consumer rules.

Site New Energy Facilities

The UTC is home to the Energy Facility Site Evaluation Council which conducts environmental reviews related to the siting new energy facilities to ensure that significant environmental and socioeconomic impacts are understood before an energy facility is built and appropriately mitigated.

Safety Regulation of Utility and Transportation Companies

The UTC is the state agency responsible for pipeline and rail safety. It is also responsible for the safe operation of the private transportation companies it licenses. The work involved in this activity includes conducting inspections of equipment and facilities operated by regulated companies; auditing company records to ensure maintenance is completed timely, employees are qualified to do the work and that they are monitored for drug and alcohol use; and investigating accidents involving equipment or vehicles of regulated companies. The UTC also approves changes to railroad-highway grade crossings and inspects crossings to ensure they are safe. All UTC inspectors are federally certified to carry-out this work and apply state and federal rules.

Economic Regulation of Utility and Transportation Companies

The UTC sets the rates privately-owned utility and transportation companies may charge their customers, including gas and electric, telephone, water, solid-waste and bus companies. The UTC audits these companies' operations to ensure they provide reliable service to customers at reasonable rates, while allowing them the opportunity to earn a fair profit. As a part of this the UTC ensures the companies invest in new facilities to ensure it can provide reliable service now and in the future. The UTC strives to lighten regulation where consumers have a choice of service providers such as for telecommunications and bus companies.

Agency 220

Board for Volunteer Firefighters and Reserve Officers

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	4.0		959	959
Total Maintenance Level	4.0		1,000	1,000
Difference			41	41
Percent Change from Current Biennium	0.0%		4.3%	4.3%
Performance Changes				
CTS Rate Adjustment			(10)	(10)
Legal Services			1	1
State Public Employee Benefits Rate			6	6
General Wage Increase for State Employees			23	23
Subtotal			20	20
Total Proposed Budget	4.0		1,020	1,020
Difference			61	61
Percent Change from Current Biennium	0.0%		6.4%	6.4%
Total Proposed Budget by Activity				
Benefits to Volunteer Firefighters and Reserve Law Enforcement Officers	4.0		1,020	1,020
Total Proposed Budget	4.0		1,020	1,020

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

GOVERNMENTAL OPERATIONS

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)

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

Benefits to Volunteer Firefighters and Reserve Law Enforcement Officers

The Board for Volunteer Firefighters administers the Volunteer Firefighters' Relief and Pension Act, which provides medical, disability, and survivors' benefits to volunteer firefighters who are injured or killed in the performance of duty. In addition, the Board provides a pension plan for both volunteer firefighters and reserve law enforcement officers as an incentive to keep them active for longer periods of time. This program provides essential support that enables citizens to volunteer in protecting their communities. (Volunteer Firefighters' and Reserve Officers' Relief and Pension Administrative Account)

GOVERNMENTAL OPERATIONS

Agency 245

Military Department

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	323.4	3,473	292,059	295,532
Total Maintenance Level	323.4	14,865	244,258	259,123
Difference		11,392	(47,801)	(36,409)
Percent Change from Current Biennium	0.0%	328.0%	(16.4)%	(12.3)%
Performance Changes				
Environmental Funding Shift		(22)	22	
Staffing Reductions	(3.0)	(442)		(442)
Enhanced 911 Network Modernization			5,000	5,000
Emergency Operations Fund Shift		(8,000)	8,000	
Hazardous Materials Planning *	10.0		2,487	2,487
Emergency Management Division Catastrophic Planner	1.0		178	178
Continuity of Operations Coordinator	1.0		178	178
CTS Rate Adjustment			(30)	(30)
Legal Services			5	5
Office of Chief Information Officer			3	3
CTS Central Services			71	71
DES Central Services			11	11
Core Financial Systems Replacement			17	17
Fleet Program Rate Reduction			(4)	(4)
Time, Leave and Attendance System			24	24
Self-Insurance Liability Premium			(5)	(5)
State Public Employee Benefits Rate		9	99	108
WFSE General Government Master Agreement		124	1,150	1,274
Nonrepresented Job Class Specific Increases			34	34
WPEA General Government Master Agreement		83	379	462
General Wage Increase for State Employees		40	502	542
Subtotal	9.0	(8,208)	18,121	9,913
Total Proposed Budget	332.4	6,657	262,379	269,036
Difference	9.0	3,184	(29,680)	(26,496)
Percent Change from Current Biennium	2.8%	91.7%	(10.2)%	(9.0)%
Total Proposed Budget by Activity				
Hazard Mitigation (Supports Prevention)	7.0		34,549	34,549
Overhead and Administration	60.4	11,514	(108,650)	(97,136)
Washington Youth Academy	48.0		7,943	7,943
Disaster Preparedness/Readiness	84.0	(4,308)	98,202	93,894
Disaster Response and Recovery	21.0	(4,000)	155,123	151,123
Enhanced 911	8.0		56,288	56,288
Facilities Management	104.0	3,473	18,902	22,375

GOVERNMENTAL OPERATIONS

	Annual FTEs	General Fund State	Other Funds	Total Funds
Environmental Management		(22)	22	
Total Proposed Budget	332.4	6,657	262,379	269,036

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Environmental Funding Shift

A portion of the funding for the department's environmental programs manager is shifted from state funds to federal funds. (General Fund-State, General Fund-Federal)

Staffing Reductions

Funding for three staff in the Director's Office and the Emergency Management Division is eliminated.

Enhanced 911 Network Modernization

The State Enhanced 911 Coordinator's Office will continue to upgrade the 911 telephone network to meet Next Generation 911 technology standards. Financial assistance will be provided to an estimated 16 counties to replace analog 911 telephone equipment that is at the end of its useful life and no longer supported by the manufacturer with Next Generation 911 capable telephone equipment. (Enhanced 911 Account-State)

Emergency Operations Fund Shift

Funding for the Emergency Management Division is shifted from General Fund-State and the Worker and Community Right-to-Know Account to the Enhanced 911 Account. (General Fund-State, Worker and Community Right-to-Know Account-State, Enhanced 911 Account-State)

Hazardous Materials Planning *

The Department of Ecology issued a draft study in December 2014 with findings and recommendations designed to improve the safety of oil transported across Washington land and waters by rail and new marine routes. Contingent upon passage of executive request legislation, the Emergency Management Division will add ten full-time equivalent staff to facilitate development and review of local emergency planning response plans for compliance with the requirements in the federal Emergency Planning and Community Right-to-Know Act. (Oil Spill Prevention Account-State)

Emergency Management Division Catastrophic Planner

The department will establish a statewide catastrophic event planning program to work with state and local governments and non-governmental organizations to develop plans for catastrophic events, such as major earthquakes, tsunamis, volcanic eruptions and terrorist attacks. (Enhanced 911 Account-State)

Continuity of Operations Coordinator

The department will establish a statewide continuity of operations program to be managed by a state continuity program manager. (Enhanced 911 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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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)

GOVERNMENTAL OPERATIONS

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (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)

WPEA General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Public Employees Association (WPEA), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; an additional in-service day for the Washington State School for the Blind and Center for Childhood Deafness and Hearing Loss; and employee insurance. (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

Hazard Mitigation (Supports Prevention)

The Military Department Emergency Management Division (EMD) coordinates and manages educational and outreach programs that support hazard mitigation. Objectives of these programs are to enhance public knowledge of the hazards they face, and encourage homeowners, private businesses, non-profit organizations, and state and local governments to take appropriate hazard mitigation measures. These activities reduce the impact of hazards on the people, economy, environment, and property in Washington. EMD develops and coordinates the State Hazard Mitigation Plan, which is required to maintain eligibility for Federal Disaster Relief funds. EMD also assists local jurisdictions develop hazard mitigation plans, which makes them eligible to apply for Federal Emergency Management Agency mitigation grant funding opportunities.

Overhead and Administration

The Executive Management Team and administrative functions support all of the activities of the department. The range of services/support includes executive oversight and direction, policy development, strategic planning, public disclosure, records management, quality initiatives, budgeting, accounting services, procurement, inventory control, risk management, information technology/telecommunications, and human resource management.

Washington Youth Academy

The Washington Youth Academy (WYA) is a state administered high school for 16-19 year old high school drop outs. The goal of the program is to give at risk youth a second chance to become responsible, productive citizens by helping them improve their life skills, education levels, and employment potential. The program is voluntary and students attend a 22 week residential academy followed by a 12 month post-residential mentoring program. The WYA is an academic institution with credentialed staff supporting the education goals and priorities of the Governor and the citizens of Washington State.

Disaster Preparedness/Readiness

The Emergency Management Division (EMD) manages public information, educational and outreach programs that support local and state preparedness, and readiness initiatives. These programs engage businesses, the public, non-profit organizations, local governments, and state agencies to prepare for emergencies or disasters, and to respond and recover with minimal disruption. Objectives of these programs are to enhance public knowledge of the hazards they face; instruct the public on how to prepare, and the correct actions to take during and after a disaster; and ensure state and local government essential emergency services remain available, which reduces the impact of disasters and emergencies on the people, economy, environment, and property in Washington. Military Support to Civil Authorities is a key component of this function and the National Guard readiness to assist in disasters is a core mission of the agency. Nearly 90 percent of all federal non-disaster related grants managed by the EMD are passed through to local jurisdictions to enhance their preparedness and response programs.

Disaster Response and Recovery

The Emergency Management Division (EMD) manages and maintains the State Emergency Operations Center (EOC), to effectively communicate and coordinate action with state agencies and local jurisdictions for effective response during an emergency. The State Alert and Warning Center, located in the state EOC, is a central point of contact for incident notification and information dissemination (24 hours a day, 365 days a year), which begins the state response to emergencies. The state EOC requires trained staff and effective and redundant communication and information systems to coordinate with and assist local jurisdictions and state agencies during emergencies and disasters. Local jurisdiction governments collect and process information from multiple sources and communicate status to the state EOC, which allows the state to coordinate state agency response and recovery actions (including resource assignment) and request assistance from the federal government when necessary. EMD administers federal disaster relief funds after a federal declaration of major disaster or emergency and coordinates the state recovery efforts. Over 90 percent of funds managed by the activity are passed through to local jurisdictions to enhance their preparedness and response programs.

Enhanced 911

The Enhanced 911 (E-911) program works with other state agencies, counties, and communications companies to ensure that residents of the state of Washington have access to emergency assistance through an enhanced 911 system. The E-911 state coordinator has the responsibility to provide oversight of statewide 911 wire line and wireless systems including working with national and state regulators, establishing statewide performance standards, influencing national standards, and establishing rules and policies for reimbursement of 911 expenses. Assistance includes the following areas: network, technical, database/GIS, national issues, financial, operations, training, administration, accessibility, contingency planning, wireless, and public education. Over 90 percent of the Enhanced 911 funds received by the Military Department are passed through or provide direct support to local jurisdictions E-911 systems.

GOVERNMENTAL OPERATIONS

Facilities Management

The Military Department is responsible for a variety of facility management functions which include facility operations and maintenance, facility planning and capital budget development, property management services, security services, and environmental management for all facilities and properties under the jurisdiction of the agency. These management functions cover a wide range of activities such as routine maintenance, repair, and daily caretaker services that preserve existing facilities to ensure the National Guard and the Military Department have well maintained and operational facilities from which to operate and to respond to an emergency or major disaster. The security force provides security to Camp Murray and provides for the protection of state officials, including the Governor, while at Camp Murray during times of emergency.

Environmental Management

The Environmental program's missions are to ensure the agency meets its statutory obligations for compliance with federal, state, and local regulations, and mitigate impacts to natural, cultural, and human resources through aggressive resource protection programs. To assist in fulfilling this mission, the program provides environmental awareness and regulatory training to National Guard and state personnel; ensures proper disposal of hazardous wastes by monitoring water stream generators for regulatory compliance; evaluates land use activities of proposed developments through the NEPA/SEPA (National and State Environmental Protection Act) process and prepares mitigation plans to support development; and assists in resolving environmental/occupational health issues to protect agency personnel while providing for safe work environments.

GOVERNMENTAL OPERATIONS

Agency 275

Public Employment Relations Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	41.3	4,051	3,840	7,891
Total Maintenance Level	41.3	4,235	3,993	8,228
Difference		184	153	337
Percent Change from Current Biennium	0.0%	4.5%	4.0%	4.3%
Performance Changes				
Reduce Labor Relations Support		(138)	(129)	(267)
Higher Education Workload Adjustment		(590)	590	
CTS Central Services		11	10	21
DES Central Services		6	6	12
Core Financial Systems Replacement		1	1	2
Fleet Program Rate Reduction		(2)		(2)
Time, Leave and Attendance System		2	1	3
Self-Insurance Liability Premium		(2)	(2)	(4)
State Public Employee Benefits Rate		19	19	38
Nonrepresented Job Class Specific Increases		14	12	26
General Wage Increase for State Employees		122	117	239
Subtotal		(557)	625	68
Total Proposed Budget	41.3	3,678	4,618	8,296
Difference		(373)	778	405
Percent Change from Current Biennium	0.0%	(9.2)%	20.3%	5.1%
Total Proposed Budget by Activity				
Dispute Resolution of Public Employer Labor Disputes	41.3	3,678	4,618	8,296
Total Proposed Budget	41.3	3,678	4,618	8,296

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Reduce Labor Relations Support

The Public Employment Relations Commission will eliminate one Labor Relations Adjudicator Mediator position. This will reduce the state's resources for resolving labor disputes and grievances. (General Fund-State, Personnel Services Account-State, Higher Education Personnel Services Account-State)

Higher Education Workload Adjustment

Appropriations are adjusted to reflect the distribution of workload between higher education employers and those services supported by General Fund-State funding. (General Fund-State, Higher Education Personnel Services Account-State)

GOVERNMENTAL OPERATIONS

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.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

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

ACTIVITY DESCRIPTIONS

Dispute Resolution of Public Employer Labor Disputes

It is the mission of the Public Employment Relations Commission to prevent or minimize disruptions to public services by the uniform, impartial, efficient and expert resolution of labor-management disputes. Approximately 300,000 public employees in Washington have collective bargaining rights, including workers for the state, cities, counties, ports, school districts, community colleges, ferry systems, universities, home care, family care, and public utilities. The agency offers mediation, fact-finding, and arbitration services; training in collective bargaining; is responsible for processing representation and unit clarification cases, and adjudicating unfair labor practice cases. All services are provided to our clientele at no cost.

GOVERNMENTAL OPERATIONS

Agency 341

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	7.0		2,257	2,257
Total Maintenance Level	7.0		2,380	2,380
Difference			123	123
Percent Change from Current Biennium	0.0%		5.4%	5.4%
Performance Changes				
DES Central Services			2	2
State Public Employee Benefits Rate			8	8
General Wage Increase for State Employees			52	52
Subtotal			62	62
Total Proposed Budget	7.0		2,442	2,442
Difference			185	185
Percent Change from Current Biennium	0.0%		8.2%	8.2%
Total Proposed Budget by Activity				
Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board	7.0		2,442	2,442
Total Proposed Budget	7.0		2,442	2,442

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

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.

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)

GOVERNMENTAL OPERATIONS

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

Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board

Develop policy recommendations, adopt contribution rates, and oversee the administration of the Law Enforcement Officers' and Fire Fighters' Plan 2. Ombudsman services provide information, advice, and assistance to members and survivors in identifying and obtaining the federal, state, local, private, and other benefits and services for which they qualify.

GOVERNMENTAL OPERATIONS

Agency 355

Department of Archaeology and Historic Preservation

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	20.3	2,529	2,700	5,229
Total Maintenance Level	19.8	2,555	2,437	4,992
Difference	(.5)	26	(263)	(237)
Percent Change from Current Biennium	(2.5)%	1.0%	(9.7)%	(4.5)%
Performance Changes				
Eliminate Cartographer Position	(1.0)	(136)		(136)
Reduce Goods and Services		(20)		(20)
Close Seattle Office & Reduce Travel		(10)		(10)
Reduce Information Technology Costs		(30)		(30)
Part-Time Office Assistant	(.5)	(50)		(50)
Increased Lease Costs		308	30	338
Assistant State Physical Anthropologist	1.0		218	218
Rebury Non-Native Human Remains			9	9
CTS Rate Adjustment		(46)		(46)
Legal Services		1		1
CTS Central Services		3		3
DES Central Services		6		6
Core Financial Systems Replacement		1		1
Time, Leave and Attendance System		1		1
State Public Employee Benefits Rate		13	9	22
General Wage Increase for State Employees		65	44	109
Subtotal	(0.5)	106	310	416
Total Proposed Budget	19.3	2,661	2,747	5,408
Difference	(1.0)	132	47	179
Percent Change from Current Biennium	(4.9)%	5.2%	1.7%	3.4%
Total Proposed Budget by Activity				
Creation and Management of Cultural Resource Data	6.8	1,117	745	1,862
Protecting Archaeological and Historic Resources	6.5	990	1,061	2,051
Preserving and Enhancing Historic Places	6.0	554	941	1,495
Total Proposed Budget	19.3	2,661	2,747	5,408

GOVERNMENTAL OPERATIONS

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Eliminate Cartographer Position

The Department of Archaeology and Historic Preservation will eliminate a cartographer position. This will impact implementation of the human remains program and reduce assistance to other agencies attempting to meet regulatory review requirements.

Reduce Goods and Services

The department will reduce printing costs and office supply purchases on an ongoing basis.

Close Seattle Office & Reduce Travel

The agency will close its Seattle office to achieve operational savings.

Reduce Information Technology Costs

The agency will reduce maintenance of its information technology systems and applications.

Part-Time Office Assistant

The department will reduce its office assistant position to part-time.

Increased Lease Costs

Funding is provided for the department to pay increased lease costs resulting from moving from the 1063 Capitol Way Building to the Capitol Court Building in fiscal year 2015. (General Fund-State, General Fund-Federal, Motor Vehicle Account-State)

Assistant State Physical Anthropologist

One-time funding is provided for an assistant state physical anthropologist position to eliminate the existing backlog of case reports and assist the state physical anthropologist with meeting statutory timelines on new cases. (Skeletal Human Remains Assistance Account-Nonappropriated)

Rebury Non-Native Human Remains

Funding is provided to the department to purchase a cemetery plot and rebury unidentified, non-forensic, non-Indian human skeletal remains. (Skeletal Human Remains Assistance 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.

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.

GOVERNMENTAL OPERATIONS

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)

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

Creation and Management of Cultural Resource Data

State and federal law mandates that DAHP be the central repository of cultural resource data. The agency manages 10 databases, such as the State Archaeological Site and Historic Property Inventory databases, and 3 official registers of historic places: National Register of Historic Places, Washington Heritage Register, and the Washington Heritage Barn Register. These inventories and registers are used by: federal and state agencies and Tribes for compliance with federal and state cultural resource management laws and regulations. Tribes and government agencies at all levels use this data for compliance with the State Environmental Policy Act and Section 106. Planning and environmental consulting firms use the information for project development as well as property owners, developers, and the general public. The Department of Natural Resources uses the Archaeological Site database as part of the Forest and Fish requirement to ensure that archaeological sites are not impacted by forest practices.

GOVERNMENTAL OPERATIONS

Protecting Archaeological and Historic Resources

Under state and federal law, the agency reviews all proposals that receive state or federal funding assistance or require a federal license or permit. These project reviews by the agency are performed to assess potential impacts on archaeological sites, human remains, and historic buildings and structures. In cases where project sponsors must apply to DAHP for an archaeological permit, or fulfill mitigation measures as required by a memorandum of agreement (MOA), the agency reviews the applications, establishes appropriate archaeological methodologies, and identifies required conditions that must be met during construction. The agency coordinates closely with affected Tribes, and as applicable, issues a state permit or signs an MOA. When archaeological sites or burials have been disturbed, the agency conducts investigations and takes enforcement action. In cases where federally funded, licensed or permitted undertakings result in the demolition or alteration of a historic building, structure or district, the agency is consulted to identify appropriate mitigation tasks. Adverse effects to historic and archaeological resources result in a negotiated MOA with the federal agency, tribes and other interested parties. The agency also works with Tribes on balancing cultural resource protection with project construction. Finally, the agency proactively works to minimize review times so that project sponsors receive responses in a timely and efficient manner.

Preserving and Enhancing Historic Places

Under the National Historic Preservation Act of 1966 and complimentary authority under state law, the agency provides technical assistance to 50 local governments certified by the National Park Service as eligible to receive federal assistance. The agency also conducts the technical review and approval of applications for federal tax incentives related to the rehabilitation of historic properties. In addition, the Department of Archaeology and Historic Preservation develops a statewide historic preservation plan every five years and reviews historic preservation and shoreline management plans developed under the Growth Management and Shoreline Management Acts. The agency also administers the Main Street© program in Washington. This economic development initiative focuses on small business growth and retention in downtowns through the B&O tax credit program, business training and maintenance of the physical environment.