

Agency 107

Washington State Health Care Authority

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	1,176.4	3,883,404	12,839,884	16,723,288
Supplemental Changes				
Inpatient Cost Avoidance		(4,154)	(4,354)	(8,508)
IFS Health Care Costs		15,074	15,102	30,176
Medicare Parts A and B		29,644	29,805	59,449
Medicare Part D Clawback		35,923		35,923
Managed Care - Family		106,303	85,828	192,131
Managed Care - Disabled		82,176	110,329	192,505
Managed Care Expansion		2,465	113,166	115,631
Managed Care Calendar Year 2017		13,155	33,429	46,584
Apple Health Rate		(6,505)	(313,752)	(320,257)
Lean Management Practices		(7,335)		(7,335)
CPE Adjustment		6,925		6,925
Hospital Safety Net Adjustment			3,373	3,373
Lease Rate Increase		271	438	709
Healthier WA Savings Restoration		42,738	54,312	97,050
Waiver Savings Restoration		16,737	18,483	35,220
Costs for IRS 1095-B Forms		896	1,610	2,506
ProviderOne SSAE-16 Audit		60	170	230
Growth in Client ID Card Issuance		120	208	328
Interpreter Services Cost Increase		848	1,310	2,158
Health Benefit Exchange Financial System Improvement		500		500
Access to HealthPlanFinder			376	376
Transfer FQHC Costs to HCA		23	23	46
Hepatitis C Treatment Adjustment		(10,797)	(33,629)	(44,426)
HBE Cost Allocation		2,863	8,873	11,736
Individual and Family Services		10,073	10,093	20,166
Bariatric Surgery - HTA		712	1,490	2,202
Home Health Nursing Rate Increase		151	308	459
Medically Intensive Care Program Rate Increase		3,120	3,162	6,282
Private Duty Nursing Rate Increase		883	884	1,767
Workers' Compensation Changes		42	58	100
Audit Services		(130)	(179)	(309)
Legal Services		(9)	(13)	(22)
Administrative Hearings		(477)	(659)	(1,136)
CTS Central Services		24	33	57
DES Central Services		4	5	9
Time, Leave and Attendance System		47	5	52
Self-Insurance Liability Premium		(1)	(2)	(3)
Mandatory Caseload Adjustments		15,897	627,196	643,093
Utilization Changes		(86,027)	(1,228,747)	(1,314,774)
Nonappropriated Fund Adjustment			54	54

HUMAN SERVICES - OTHER

	Annual FTEs	General Fund State	Other Funds	Total Funds
Transfers				
Subtotal - Supplemental Changes		272,239	(461,212)	(188,973)
Total Proposed Budget	1,176.4	4,155,643	12,378,672	16,534,315
Difference		272,239	(461,212)	(188,973)
Percent Change	0.0%	7.0%	(3.6)%	(1.1)%

SUPPLEMENTAL CHANGES

Inpatient Cost Avoidance

The Health Care Authority will achieve savings by increasing access to skilled home registered nurses and licensed practical nurses which will result in prompt hospital discharges and prevent hospital inpatient admissions. (General Fund-State, General Fund-Federal)

IFS Health Care Costs

Legislation was enacted in 2014 that directed the Department of Social and Health Services to convert 2,500 existing state-only Individual and Family Services (IFS) program clients to a Medicaid waiver, and expand services to an additional 4,000 clients with developmental disabilities. This brings the IFS waiver caseload to 6,500 clients with a phase-in of clients beginning in June 2015 and to be completed prior to June 30, 2017. Under the new Medicaid program, an estimated 4,600 clients are eligible for health care services, which were not previously accounted for in the enacted budget. Funding is provided for these clients to be enrolled in managed care at an actuarially adjusted rate of \$825.89 per member per month. (General Fund-State, General Fund-Federal)

Medicare Parts A and B

Funding is provided for projected Medicare inpatient hospital (Part A) and physician and outpatient hospital (Part B) premiums paid by the state for dually eligible Medicaid and Medicare clients. Part A and Part B premiums are set by the Social Security Administration trustees and projected expenditures are based upon the November 2015 Medical Assistance forecast. (General Fund-State, General Fund-Federal)

Medicare Part D Clawback

States are financially responsible for their share of outpatient prescription drug costs for dual-eligible clients. This is known as Medicare Part D clawback. The Centers for Medicare and Medicaid Services has notified states that the Medicare Part D clawback inflation factor is set at 11.61 percent. Based upon forecasted caseloads and expenditures from the November 2015 forecast, funding is provided for the clawback provision.

Managed Care - Family

Funding is provided for actuarially adjusted rates, effective January 2016, for Medicaid eligible groups including an 11.3 percent rate increase for categorically needy children, a 22.7 percent increase for the State Children's Health Insurance program, and a 4.9 percent decrease for categorically needy Temporary Assistance for Needy Families in managed care and for the pregnant women category. (General Fund-State, General Fund-Federal)

Managed Care - Disabled

Funding is provided for actuarially adjusted rates for Medicaid clients enrolled in the Apple Health Blind and Disabled program. Rate increases are largely driven by high prescription drug costs. These costs are expected to increase by 12.6 percent, effective January 2016. (General Fund-State, General Fund-Federal)

Managed Care Expansion

Funding is provided for actuarially adjusted rates for Medicaid clients enrolled as a result of Affordable Care Act expansion. Rates are expected to increase by 3.7 percent, effective January 2016. (General Fund-State, General Fund-Federal)

Managed Care Calendar Year 2017

The November 2015 Medical Assistance expenditure forecast assumes a 2 percent rate increase in calendar year 2017 for the Apple Health Family, Blind and Disabled, and Expansion programs. (General Fund-State, General Fund-Federal)

Apple Health Rate

Beginning in July 2015, Apple Health rates were actuarially adjusted to reflect enacted policy changes and to incorporate provider rate adjustments as a result of more recent actual experience. (General Fund-State, General Fund-Federal)

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

CPE Adjustment

The Certified Public Expenditure (CPE) program allows the state of Washington to use public hospital expenditures, including government-operated hospitals that are not critical access nor state psychiatric hospitals, to earn federal funds. It is the state's policy that a hospital will not be paid less under the CPE methodology than it would have been paid under the hospital payment methodology in place at the time services are provided. This is known as hold-harmless. Funding is provided to hold-harmless hospitals that participate in the CPE program.

Hospital Safety Net Adjustment

Funding for the Hospital Safety Net Assessment (HSNA) program is adjusted based upon the November 2015 Medical Assistance forecast. The funding changes are necessary to support Safety Net payments on Managed Care premiums for clients covered under the Affordable Care Act. (General Fund-Federal, Hospital Safety Net Assessment Account-State)

Lease Rate Increase

The lease rate for the Cherry Street Plaza building will increase, effective March 1, 2016. This item funds the increase through the end of the 2015-17 biennium. (General Fund-State, General Fund-Federal)

Healthier WA Savings Restoration

Healthier Washington is a project that allows the Health Care Authority and the Department of Social and Health Services to establish integrated clinical models of physical and behavioral health care, thereby improving the effectiveness of health care purchasing and transforming the health care delivery system. Due to delayed efforts to integrate clinical models of physical and behavioral health care, savings assumed in the budget will not be realized this biennium. (General Fund-State, General Fund-Federal)

HUMAN SERVICES - OTHER

Waiver Savings Restoration

Legislation was enacted in 2011 that directed the Health Care Authority to submit a request to the Centers for Medicare and Medicaid Innovation Center for a Section 1115 demonstration waiver. The waiver request, if approved, would reduce state expenditures through establishment of an eligibility group per capita, streamlined eligibility determinations, and enforceable cost-sharing requirements. The waiver request will not be approved; therefore, the savings assumed in the budget will not be realized. (General Fund-State, General Fund-Federal)

Costs for IRS 1095-B Forms

The Internal Revenue Service requires the Health Care Authority to send approximately 1.1 million 1095-B forms annually to Medicaid recipients beginning in January 2016. Funding is included for ProviderOne data preparation and production, printing and mailing costs, and the generation of electronic files for the Internal Revenue Service. (General Fund-State, General Fund-Federal)

ProviderOne SSAE-16 Audit

The Statement on Standards for Attestation Engagements No. 16 (SSAE-16) Service Organization is a widely recognized auditing standard developed by the American Institute of Certified Public Accountants. Currently, the ProviderOne contract includes a bi-annual SSAE-16 audit. The State Auditor's Office has notified the Health Care Authority that the audit is now required annually. Funding is provided for annual audits. (General Fund-State, General Fund-Federal)

Growth in Client ID Card Issuance

A ProviderOne magnetic identification card is issued to Medicaid clients and is used as a form of identification when a client visits a doctor, hospital, or other provider. Funding is provided to address caseload growth and an increase of nearly 300,000 new magnetic identification cards. (General Fund-State, General Fund-Federal)

Interpreter Services Cost Increase

The interpreter services administrative rate is funded at 15 percent of the total interpreter service program cost. This increase will allow the service provider to continue support for two offices and meet required administrative activities, including outreach for difficult-to-fill rare language needs, hard-to-serve rural regions, and same day urgent requests. (General Fund-State, General Fund-Federal)

Health Benefit Exchange Financial System Improvement

Funding is provided for the Health Benefit Exchange to develop and implement new financial software that will improve fiscal reporting, responsiveness, and accountability.

Access to HealthPlanFinder

Chapter 4, Laws of 2015, 3rd Special Session directs the Department of Social and Health Services and the Health Care Authority to access the Washington Healthplanfinder (HPF) online Medicaid application and to assist clients with obtaining a Medicaid eligibility determination. The HPF is operated by the Health Benefit Exchange (HBE). Funding is provided to reimburse the HBE for data/file servers and support services necessary to add an additional 2,000 users within DSHS. (General Fund-Federal)

Transfer FQHC Costs to HCA

Funding is transferred from the Department of Social and Health Services to the Health Care Authority to align funding with expenditures for physician exam services provided to Developmental Disabilities Administration clients, including those services received in a Federally Qualified Health Center (FQHC). This transfer has a net zero impact on the budget. (General Fund-State, General Fund-Federal)

Hepatitis C Treatment Adjustment

Funding is reduced due to lower-than-anticipated treatment costs for the hepatitis C virus (HCV). The Health Care Authority originally projected that HCV treatment would be provided to approximately 3,600 Medicaid patients by June 2015. Treatment has been provided to approximately 1,200 Medicaid patients to date. (General Fund-State, General Fund-Federal)

HBE Cost Allocation

Over 1.4 million Medicaid and Children's Health Insurance Program clients have their eligibility records maintained through the HealthPlanFinder website and related systems. Funding adjustments are made to the cost allocation plan that attributes state and federal funds for operational expenses incurred by the Health Benefit Exchange (HBE). (General Fund-State, General Fund-Federal)

Individual and Family Services

Legislation was enacted in 2014 that directed the Department of Social and Health Services to convert 2,500 existing state-only Individual and Family Services (IFS) program clients to a Medicaid waiver, and expand services to an additional 4,000 clients with developmental disabilities. This brings the IFS waiver caseload to 6,500 clients, with a phase-in of clients beginning in June 2015 and to be completed prior to June 30, 2017. Under the new Medicaid program, an estimated 2,000 clients are eligible for health care services, which were not previously accounted for in the enacted budget. Funding is provided for these clients to be enrolled in managed care at an actuarially adjusted rate of \$825.89 per member per month. (General Fund-State, General Fund-Federal)

Bariatric Surgery - HTA

RCW 70.14.120 requires state agencies to implement recommendations from the Health Technology Assessment (HTA) Committee. The HTA Committee recommends coverage for bariatric surgery when an individual's body mass index is greater than or equal to 40, or between 35 and 40 with at least one obesity related co-morbidity. This recommendation is not currently a Medicaid-covered service. Funding is provided to add bariatric surgery as a covered service beginning July 1, 2016. (General Fund-State, General Fund-Federal)

Home Health Nursing Rate Increase

The reimbursement rate for registered nurses and licensed practical nurses working as intermittent skilled home health nurses is increased by \$10. Skilled home health nurses work with individuals who have been recently released from a hospital or in lieu of a hospital admission. (General Fund-State, General Fund-Federal)

Medically Intensive Care Program Rate Increase

The reimbursement rate for registered nurses and licensed practical nurses working in a home setting for children who require four to sixteen hours of medically intensive care is increased by \$10. Access to this type of skilled nursing care supports prompt hospital discharge and prevents hospital admissions. (General Fund-State, General Fund-Federal)

Private Duty Nursing Rate Increase

The reimbursement rate for private duty nurses working in a home setting for adults who require four to sixteen hours of skilled nursing care is increased by \$10. Access to this type of skilled nursing care supports prompt hospital discharge and prevents hospital admissions. (General Fund-State, General Fund-Federal)

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

Administrative Hearings

The agency's budget is adjusted to reflect updated estimates of expected usage of the Office of Administrative Hearings services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

Mandatory Caseload Adjustments

Funding is provided for a projected 1.8 million Medicaid-eligible individuals in state fiscal year 2016 and state fiscal year 2017. Caseloads are forecasted to increase by approximately 40,000 for categorically needy children and by over 50,000 for newly eligible adults. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Utilization Changes

Funding is adjusted to align costs with projected utilization changes of medical services for Medicaid-eligible clients as identified in the November 2015 Medical Assistance forecast. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Nonappropriated Fund Adjustment

Funding adjustments are made to align revenue and expenditures for the Northwest Drug Consortium administered by the Health Care Authority. Established by the legislature in 2005, the NW Drug Consortium was created to lower the price of prescription drugs for uninsured and underinsured residents, state purchasers, and private employers throughout Washington. The consortium brings together businesses, labor organizations, and local governments to pool the state's purchasing power to get the best prescription drug prices. (Prescription Drug Consortium Account-Nonappropriated)

Transfers

Within the Health Care Authority, appropriations from the State Health Care Authority Administrative Account that were made in the 2015-17 biennial budget are transferred from the agency's Other Program to the Public Employees' Benefits Program, without changing the amount appropriated. The agency will still be able to use these funds for activities in other programs that support public employees' benefits. (State Health Care Authority Administrative Account-State)

HUMAN SERVICES - OTHER

Agency 120

Human Rights Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	34.2	4,168	2,308	6,476
Supplemental Changes				
Workers' Compensation Changes		(7)		(7)
Audit Services		(3)		(3)
Legal Services		198		198
Administrative Hearings		1		1
CTS Central Services		1		1
DES Central Services		61		61
Time, Leave and Attendance System		1		1
Self-Insurance Liability Premium		(1)		(1)
Subtotal - Supplemental Changes		251		251
Total Proposed Budget	34.2	4,419	2,308	6,727
Difference		251		251
Percent Change	0.0%	6.0%	0.0%	3.9%

SUPPLEMENTAL CHANGES

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

Administrative Hearings

The agency's budget is adjusted to reflect updated estimates of expected usage of the Office of Administrative Hearings services. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Agency 190

Board of Industrial Insurance Appeals

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	161.0		41,724	41,724
Supplemental Changes				
Workers' Compensation Changes			(10)	(10)
Audit Services			14	14
Legal Services			2	2
CTS Central Services			26	26
DES Central Services			(26)	(26)
Time, Leave and Attendance System			8	8
Subtotal - Supplemental Changes			14	14
Total Proposed Budget	161.0		41,738	41,738
Difference			14	14
Percent Change	0.0%		0.0%	0.0%

SUPPLEMENTAL CHANGES

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Agency 227

Criminal Justice Training Commission

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	39.4	35,870	13,197	49,067
Supplemental Changes				
Training Reimbursement		(150)	150	
Peace Officer Proceedings		61		61
Auto Theft Prevention Account		1,000	(1,000)	
Basic Law Enforcement Instructors	1.0			
Firearms Certificate Program		20		20
Lean Management Practices		(68)		(68)
Prosecuting Attorney Training		50		50
Workers' Compensation Changes		6		6
Audit Services		(10)		(10)
Legal Services		(1)		(1)
CTS Central Services		12		12
DES Central Services		12		12
Time, Leave and Attendance System		2		2
Self-Insurance Liability Premium		2		2
Subtotal - Supplemental Changes	1.0	936	(850)	86
Total Proposed Budget	40.4	36,806	12,347	49,153
Difference	1.0	936	(850)	86
Percent Change	2.5%	2.6%	(6.4)%	0.2%

SUPPLEMENTAL CHANGES

Training Reimbursement

Funding is adjusted to reflect the 25 percent local reimbursement for Basic Law Enforcement Academy classes for correctional officer training. (General Fund-State, General Fund-Private/Local)

Peace Officer Proceedings

Additional funding is provided for increased legal expenses associated with peace officer decertification proceedings.

Auto Theft Prevention Account

One-time General Fund-State funding is provided to maintain current funding of programs supported by the Auto Theft Prevention Account. (General Fund-State, Auto Theft Prevention Account-State)

Basic Law Enforcement Instructors

To provide stabilization, consistency, savings, and efficiencies, the Commission will shift two positions from contract staff to FTE staff.

Firearms Certificate Program

Increased expenditure authority is provided for the Firearms Certificate program to meet increased demand.

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

Prosecuting Attorney Training

Funding is provided for mandatory continuing legal education training for prosecuting attorneys statewide.

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Agency 235

Department of Labor and Industries

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	2,879.7	33,971	670,133	704,104
Supplemental Changes				
Prevailing Wage Technology	.6		1,130	1,130
Early Contact with Employers	5.2		1,009	1,009
Wage Complaint Workload	2.3		451	451
Elevator Pre-Design and Study			353	353
Updating Industrial Classification Codes #			33	33
Headquarters Maintenance			500	500
Lean Management Practices		(64)		(64)
Field Office Relocation			630	630
Best Practices Reducing Disability	1.9		738	738
Prevailing Wage Electronic Survey			140	140
Workers' Compensation Changes		(1)	(101)	(102)
Audit Services		1	113	114
Legal Services		40	3,050	3,090
CTS Central Services		1	143	144
DES Central Services			13	13
Time, Leave and Attendance System		1	126	127
Self-Insurance Liability Premium			(9)	(9)
Mental Health Supplemental Agreements			82	82
Subtotal - Supplemental Changes	10.0	(22)	8,401	8,379
Total Proposed Budget	2,889.6	33,949	678,534	712,483
Difference	10.0	(22)	8,401	8,379
Percent Change	0.3%	(0.1)%	1.3%	1.2%

SUPPLEMENTAL CHANGES

Prevailing Wage Technology

Building on existing technological improvements in the Prevailing Wage program, the Department of Labor and Industries (L&I) will complete a year-long project to expand web-based customer service features and back-end functionality that will create efficiencies and save time for customers and staff in the program. (Public Works Administration Account-State)

Early Contact with Employers

A performance audit of the workers' compensation system, as reported by the Joint Legislative Audit and Review Committee (JLARC), generated multiple recommendations for improvement to the claims management process. L&I plans to implement JLARC's recommendations in phases. To improve injured worker outcomes, L&I will hire additional staff to increase the number of early contact calls to employers who have employees with injury claims that may incur time-loss benefits. L&I will also expand and coordinate the use of predictive analytics as a means to reduce long-term disability in the first phase of implementing JLARC's recommendations. (Accident Account-State, Medical Aid Account-State)

Wage Complaint Workload

The Department of Labor and Industries will hire additional staff to conduct investigations and process citations and determinations to accommodate an increased volume of complaints around possible wage theft. This additional capacity will enable L&I to address an ongoing backlog of complaints by completing investigations faster, bringing resolution for both workers and employers. (Accident Account-State, Medical Aid Account-State)

Elevator Pre-Design and Study

Elevators in the L&I headquarters building have had no significant upgrades in the 23-year life of the building, including several safety features required under today's building codes. L&I will work with a contractor to scope and conduct pre-design work for modernizing the building's elevators. (Accident Account-State, Medical Aid Account-State)

Updating Industrial Classification Codes

One-time funding is provided for the Department of Labor and Industries to update information technology systems and billing forms to accommodate moving from Standard Industrial Classification codes to the North American Industrial Classification System (NAICS). The NAICS will increase accuracy and efficiency of employer assessments in the Worker and Community Right-to-Know program. (Worker and Community Right-to-Know Account-State)

Headquarters Maintenance

The Department of Labor and Industries' headquarters building is nearly a quarter-century old and is estimated to house over 2,000 employees by the end of the 2015-17 biennium. Over the past two biennia, regular maintenance costs and emergency repairs have resulted in over-expenditures and deferred building maintenance. The department's headquarters building maintenance budget is increased and expected to be offset by the elimination of \$4.1 million per year in bond payments that were paid off in October 2015. (Accident Account-State, Medical Aid Account-State)

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

Field Office Relocation

Due to poor maintenance and/or safety and other problems, the Bremerton and Port Angeles field offices will relocate in the same locales to office space that better suits customer needs. (Accident Account-State, Medical Aid Account-State)

HUMAN SERVICES - OTHER

Best Practices Reducing Disability

Eight percent of all injured workers account for approximately 85 percent of workers' compensation costs. Many of these workers have mild to moderate injuries that should not necessarily result in long-term disability. The Department of Labor and Industries has demonstrated success in reducing disability by up to 30 percent when providers adopt best practices. Based on recommendations by the Joint Legislative Audit and Review Committee, L&I will hire 3.7 FTE staff and further expand the use of evidence-based best practices to help reduce disability among injured workers and save workers' compensation funds. (Medical Aid Account-State)

Prevailing Wage Electronic Survey

Chapter 40, Laws of 2015 made changes to how the Department of Labor and Industries establishes a prevailing wage rate, which includes creating an electronic option for employers to submit wage surveys. Funding is provided for implementation because it was not included in the enacted 2015-17 budget. (Public Works Administration Account-State)

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Mental Health Supplemental Agreements

This item reflects the cost of fiscal year 2017 adjustments for positions that would be covered by a separate collective bargaining agreement. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

HUMAN SERVICES - OTHER

Agency 303

Department of Health

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	1,662.5	116,806	1,034,870	1,151,676
Supplemental Changes				
Charity Care	.5		100	100
Drinking Water Authority			1,996	1,996
Attorney General Costs for MQAC			313	313
Adjust Funds to Revenue			(2,000)	(2,000)
Suicide Prevention	.1	280		280
Online Licensing Project			1,195	1,195
Lean Management Practices		(220)		(220)
Public Health Reporting for Schools		511		511
Rulemaking and Discipline Backlog	18.1	28	3,061	3,089
Workers' Compensation Changes		14	64	78
Audit Services		6	49	55
Legal Services		49	256	305
CTS Central Services		14	109	123
DES Central Services		1	7	8
Time, Leave and Attendance System		51	24	75
Self-Insurance Liability Premium		(1)	(6)	(7)
Federal Funding Adjustment	34.2		15,481	15,481
Subtotal - Supplemental Changes	52.9	733	20,649	21,382
Total Proposed Budget	1,715.4	117,539	1,055,519	1,173,058
Difference	52.9	733	20,649	21,382
Percent Change	3.2%	0.6%	2.0%	1.9%

SUPPLEMENTAL CHANGES

Charity Care

Expenditure authority is aligned with available funds within the Hospital Data Collection Account to ensure that hospitals are complying with charity care laws and rules. This request will not result in an increase in the hospital assessment fee. (Hospital Data Collection Account-State)

Drinking Water Authority

Federal grant guidelines for the drinking water program have changed, requiring previously awarded grants to be used in two years instead of five years as originally planned. (Drinking Water Assistance Account-Federal)

Attorney General Costs for MQAC

The Office of the Attorney General (AGO) will provide increased legal support to the Medical Quality Assurance Commission (MQAC) within the Department of Health (DOH). This funding will allow the AGO to more aggressively and expeditiously defend cases in which the MQAC suspended doctors due to allegations of putting patients at risk of harm. (Legal Services Revolving Account-State)

Adjust Funds to Revenue

Expenditure authority is reduced in the Emergency Medical Services and Trauma Care Systems Trust Account to align authority with revenue projections. (Emergency Medical Services and Trauma Care Systems Trust Account-State)

Suicide Prevention

Funding is provided for a statewide internet and radio campaign to help connect those who are struggling with suicidal thoughts with existing community resources.

Online Licensing Project

Funding is provided for the completion of the Online Licensing and Information Collection project, which was originally scheduled to be complete by June 2016. Difficulty in filling key project staff resulted in project delays and underspending in the previous biennium. Expenditure authority is provided so that the Department can move its health profession credentialing program online and better serve the industries it regulates. (Health Professions Account-State)

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

Public Health Reporting for Schools

The Department will invest in a medical record validation tool for schools to check the state's immunization information system. This tool will electronically determine if a child meets all immunization requirements for school entry using data from the child's immunization records.

Rulemaking and Discipline Backlog

Funding is provided to address the rulemaking backlog (which resulted from the four-year rulemaking moratorium) and health professions disciplinary cases that have grown 14 percent over the past two years. No fee increases will be required to address this workload. (General Fund-State, Health Professions Account-State)

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

Federal Funding Adjustment

Expenditure authority is adjusted to align with current federal grant funding and to eliminate American Recovery and Reinvestment Act authority that is no longer needed. (General Fund-Federal)

Agency 305

Department of Veterans Affairs

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	771.8	16,058	119,210	135,268
Supplemental Changes				
Local Fund Adjustment			(531)	(531)
Lean Management Practices		(30)		(30)
Military Downsizing Impact/Outreach	.5	110		110
Workers' Compensation Changes		68	462	530
Audit Services		13	92	105
Legal Services		7	46	53
CTS Central Services		4	30	34
Time, Leave and Attendance System		23	8	31
Self-Insurance Liability Premium			3	3
Mental Health Supplemental Agreements		19	64	83
Mental Health Compensation		23	73	96
Subtotal - Supplemental Changes	0.5	237	247	484
Total Proposed Budget	772.3	16,295	119,457	135,752
Difference	.5	237	247	484
Percent Change	0.1%	1.5%	0.2%	0.4%

SUPPLEMENTAL CHANGES

Local Fund Adjustment

Expenditure authority is reduced in the Veteran Estate Management Account to maintain account solvency. (Veteran Estate Management Account-Private/Local)

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

Military Downsizing Impact/Outreach

Funding is provided to establish a position to serve as a representative to the Washington State Military Transition Council (WSMTC) Employment Tract. The unemployment rate for new veterans is higher than that of non-veterans, despite numerous programs, benefits and services targeted to help transitioning veterans. This position will be responsible for creating partnerships; collaborating with existing agencies, councils and programs; and helping connect transitioning veterans to their earned benefits and employment opportunities.

HUMAN SERVICES - OTHER

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

Mental Health Supplemental Agreements

This item reflects the cost of fiscal year 2017 adjustments for positions that would be covered by a separate collective bargaining agreement. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Mental Health Compensation

This item reflects targeted fiscal year 2017 compensation adjustments for certain classified state employee job classifications. (General Fund-State, General Fund-Federal, General Fund-Private/Local)

Agency 310

Department of Corrections

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	8,269.2	1,857,764	13,653	1,871,417
Supplemental Changes				
Reynolds Work Release	20.1	987		987
Technical Corrections	11.0	2,892		2,892
Cost of Supervision Staffing		1,374		1,374
Critical Security Electronics		153		153
Retain Bellingham Work Release Beds	1.2	789		789
Relocation Costs		1,192		1,192
Network Circuit Compliance		26		26
ISRB Board Member Alignment	.4	96		96
ISRB Forensic Evaluations		25		25
Tenant Improvement Costs		77		77
McNeil Stewardship Shortfall		450		450
DES Rate Increase for Vehicles		48		48
Snohomish County Violators	17.9			
Facility Maintenance		1,355		1,355
Supervision of Offenders #	(13.8)	(2,268)		(2,268)
Concurrent Supervision #	(10.5)	(1,538)		(1,538)
Hepatitis C Treatment Adjustment		(4,040)		(4,040)
Lean Management Practices		(3,508)		(3,508)
Lease Adjustments < 20,000 Square Feet		109		109
Utility Rate Adjustments		50		50
Workers' Compensation Changes		(245)		(245)
Audit Services		(85)		(85)
Legal Services		(480)		(480)
CTS Central Services		205		205
DES Central Services		(34)		(34)
Time, Leave and Attendance System		369		369
Self-Insurance Liability Premium		(478)		(478)
Mandatory Caseload Adjustments	36.7	23,068		23,068
Medical Inflation		1,665		1,665
Equipment Maintenance/Software Licenses		152		152
Equipment Replacement Costs		1,462		1,462
Transfers		(110)	110	
Mental Health Supplemental Agreements		736		736
Mental Health Compensation		454		454
Subtotal - Supplemental Changes	63.0	24,948	110	25,058
Total Proposed Budget	8,332.2	1,882,712	13,763	1,896,475
Difference	63.0	24,948	110	25,058
Percent Change	0.8%	1.3%	0.8%	1.3%

HUMAN SERVICES - OTHER

SUPPLEMENTAL CHANGES

Reynolds Work Release

In July 2015, Pioneer Human Services chose not to renew its contract with the department to run the daily operations at the Reynolds Work Release facility. Funding will cover costs to operate Reynolds as a state-run facility, as well as the one-time emergency operations costs incurred in fiscal year 2016 to ensure safety, security and continuity of operations.

Technical Corrections

Adjustments are made to realign funding for the actual calculated average daily population for the prison swift and certain reduction, to fund dentist positions that joined the Teamsters union, and to fund the increase for the State Board for Community and Technical Colleges' contracted services with DOC.

Cost of Supervision Staffing

The community supervision caseload staffing model has been fully funded since its inception in fiscal year 2002 with funding from both General Fund-State (GF-S) and the Cost of Supervision (COS) Account. In recent years, expenditure authority for the COS Account was increased to reduce the existing surplus. There is now a shortfall in the account, and funding is provided to backfill the COS Account with GF-S with the same amount reduced in the 2015-17 budget.

Critical Security Electronics

Funding is provided to repair, upgrade and maintain essential security electronic systems at the Coyote Ridge, Mission Creek, Olympic, Stafford Creek and Larch Corrections centers. These systems include security cameras to maintain PREA compliance, technical equipment room ventilation, fire suppression system upgrades and radio communication systems.

Retain Bellingham Work Release Beds

Funding is provided for a 20-bed expansion at the Bellingham work release facility. These beds serve as a bridge between life in prison and life in the community. The cost of this expansion is offset by a prison savings of \$11.78 per day per offender.

Relocation Costs

Funding is provided for one-time relocation costs at nine community corrections field offices, located in Olympia, Centralia, Puyallup, Yakima, Colville, Marysville, Mt. Vernon, Okanogan, Goldendale and West Richland. These targeted relocations were identified and approved in the Six-Year Facilities Plan.

Network Circuit Compliance

Funding is provided to upgrade the network circuit at the Larch Corrections Center in Yacolt with a 100MB Ethernet connection to comply with WaTech standards, eliminate slow network response times, and prevent the loss of network connectivity.

ISRB Board Member Alignment

Funding is provided for a newly appointed Indeterminate Sentencing Review Board (ISRB) member who was increased from part-time (0.6 FTE) to full-time (1 FTE) status. This will allow the ISRB to move forward with identification, planning, and implementation of best practices for releasing authorities as well as help manage the increase in violation hearings.

ISRB Forensic Evaluations

Forensic psychological evaluations (FPEs) are provided by an independent expert who determines if the offender continues to meet criteria in Chapter 71.09 RCW for civil commitment as a sexually violent predator. Funding is provided to conduct five additional FPEs for offenders being considered for release by the Indeterminate Sentence Review Board.

Tenant Improvement Costs

Funding is provided for one-time tenant improvement costs at community corrections field offices in Olympia, Port Angeles, Shelton and West Seattle, as approved in the Six-Year Facilities Plan.

McNeil Stewardship Shortfall

Funding is provided to cover the costs of non-budgeted incidents related to the stewardship of McNeil Island. These unanticipated expenditures include major marine vessel repairs, high-voltage electrical system repairs, replacement of failing power poles, and equipment replacement at the water distribution and wastewater treatment plant.

DES Rate Increase for Vehicles

Funding is provided to cover rate increases, monthly and per mile, for the department's leased motor pool vehicles as charged by the Department of Enterprise Services.

Snohomish County Violators

Resources are realigned between programs so the department can house the detention of community custody violators in Snohomish County and the surrounding area after the county cancelled its contract with DOC.

Facility Maintenance

One-time funding is provided for equipment, goods and services to resolve building component and grounds deficiencies beyond the scope of ordinary maintenance but lower than the threshold for capital projects.

Supervision of Offenders

A supervision caseload reduction achieved by reverting to the length of community supervision that is required to be served, pursuant to a recent Washington State Supreme Court decision, to the period of time offenders were supervised prior to the decision.

Concurrent Supervision

Offender caseload in community supervision is reduced through a sentencing change that requires multiple terms of supervision be served concurrently, rather than consecutively.

Hepatitis C Treatment Adjustment

Funding is reduced due to lower-than-anticipated costs for the Harvoni medication used to treat the hepatitis C virus.

HUMAN SERVICES - OTHER

Lean Management Practices

Chapter 4, Laws of 2015, 3rd Special Session directs the Office of Financial Management to reduce agency allotments in the 2015-17 biennium to reflect efficiency savings. The reduced appropriations associated with the efficiency savings are reflected in agency budgets, and the corresponding reduction in the back of the budget is reversed.

Lease Adjustments < 20,000 Square Feet

Funding is provided for the incremental cost of legally binding lease obligations, as approved in the Six-Year Facilities Plan.

Utility Rate Adjustments

Funding is provided for water, sewage, garbage and other utility rate increases in various community corrections and work release facilities.

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

Mandatory Caseload Adjustments

Funding is adjusted to reflect the forecasted population for offenders at Department of Corrections (DOC) institutions and community facilities. Major drivers include an upsurge in community violators, related to a change in data source for better reporting accuracy and significant growth in community supervision, accelerated by the Washington State Supreme Court's Bruch decision.

Medical Inflation

An inflationary adjustment, based on three-year historical spending in prison and community corrections, is provided to cover the higher costs associated with prescription drugs (excluding Hepatitis C prescription costs) that exceed base funded level.

Equipment Maintenance/Software Licenses

Funding is provided for software maintenance contract increases to support DOC's information technology (IT) application infrastructure. Contracts include the Offender Supervision Plan System used to calculate the recidivism rates of offenders, the Automated Time and Labor Advanced scheduling system, the OnBase electronic imaging system, and the EasyVista software used by IT staff to track help tickets and work orders.

Equipment Replacement Costs

Funding is provided to replace aging medical, food service and other equipment necessary to maintain the safety and security of inmates and staff at DOC facilities. Major equipment purchases include portable X-ray machines, dental chairs, a garbage truck and electric transport vehicles.

Transfers

Transfer of funding and staff, with a net effect of zero, between department programs to reflect where costs are incurred. (General Fund-State, Washington Auto Theft Prevention Authority Account-State)

Mental Health Supplemental Agreements

This item reflects the cost of fiscal year 2017 adjustments for positions that would be covered by a separate collective bargaining agreement.

Mental Health Compensation

This item reflects targeted fiscal year 2017 compensation adjustments for certain classified state employee job classifications.

HUMAN SERVICES - OTHER

Agency 315

Department of Services for the Blind

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	80.0	4,587	25,196	29,783
Supplemental Changes				
Cost Recovery Assessment		430		430
Workers' Compensation Changes		1	5	6
Audit Services		(3)	(12)	(15)
Legal Services			1	1
CTS Central Services		4	16	20
DES Central Services		10	48	58
Time, Leave and Attendance System		3		3
Subtotal - Supplemental Changes		445	58	503
Total Proposed Budget	80.0	5,032	25,254	30,286
Difference		445	58	503
Percent Change	0.0%	9.7%	0.2%	1.7%

SUPPLEMENTAL CHANGES

Cost Recovery Assessment

The U.S. Department of Education found that indirect costs paid out of federal vocational rehabilitation grant funds through a procedural error by the Department of Services for the Blind were not qualified expenditures. Funding is provided to pay the balance of the assessment.

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

Agency 540

Employment Security Department

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Expenditure Authority	1,519.1		649,860	649,860
Supplemental Changes				
Workers' Compensation Changes			25	25
Audit Services			(430)	(430)
Legal Services			(639)	(639)
Administrative Hearings			(1,474)	(1,474)
CTS Central Services			144	144
DES Central Services			142	142
Time, Leave and Attendance System			106	106
Self-Insurance Liability Premium			24	24
Federal Funding Adjustment			(23,505)	(23,505)
Subtotal - Supplemental Changes			(25,607)	(25,607)
Total Proposed Budget	1,519.1		624,253	624,253
Difference			(25,607)	(25,607)
Percent Change	0.0%		(3.9)%	(3.9)%

SUPPLEMENTAL CHANGES

Workers' Compensation Changes

The agency's budget is adjusted to reflect increased workers' compensation rates. (General Fund-State, various other accounts)

Audit Services

The agency's budget is adjusted to update anticipated charges for state audit services and to shift funding between fiscal years to reflect the State Auditor's audit schedule. (General Fund-State, various other accounts)

Legal Services

The agency's budget is adjusted to reflect updated estimates of anticipated usage of Attorney General's Office legal services. (General Fund-State, various other accounts)

Administrative Hearings

The agency's budget is adjusted to reflect updated estimates of expected usage of the Office of Administrative Hearings services. (General Fund-State, various other accounts)

CTS Central Services

The agency's budget is adjusted to update its share of the state network, security gateways, enterprise security infrastructure, and secure file transfer charges from the Consolidated Technology Services Agency. (General Fund-State, various other accounts)

DES Central Services

The agency's budget is adjusted to update its allocated share of the following charges from the Department of Enterprise Services: small agency financial services, capital project surcharge, campus utilities, campus employee parking, financing cost recovery, public and historic facilities, and risk management administration. Additionally, small agency human resources clients are provided expenditure authority to pay for human resources services. (General Fund-State, various other accounts)

Time, Leave and Attendance System

The agency's budget is increased to pay the remaining debt service for the Time, Leave and Attendance system. (General Fund-State, various other accounts)

Self-Insurance Liability Premium

Based on a new actuarial report, updated risk factors were applied to agency self-insurance premiums, causing some to rise and some to fall. (General Fund-State, various other accounts)

Federal Funding Adjustment

The Department has expenditure authority in General Fund-Federal and the Unemployment Compensation Administration Account that is larger than current estimates of federal revenue. A technical adjustment is made to reflect expected revenues. (General Fund-Federal, Unemployment Compensation Administration Account-Federal)