

Department of Labor & Industries

Contingency Plan for Budget Impasse (July 1, 2017)

As requested by the Governor, the Department of Labor & Industries (L&I) has developed a contingency plan in the event of a budgetary impasse on July 1, 2017. After careful review and consultation with the department's assistant attorney general in 2013, L&I provides services that fall into two of the four categories as outlined in the Governor's memo (bolded below):

- 1.) Services funded by appropriations in the enacted transportation budget.
- 2.) Services that do not require an appropriation, e.g., from non-appropriated funds.**
- 3.) Services to continue based on certain constitutional mandates and federal law.**
- 4.) Services that are necessary for the immediate response to issues of public safety, or to avoid catastrophic loss of state property.**

This plan provides for the absolute minimal amount of staff required to ensure non-appropriated payments for workers' compensation benefits and medical services are continued, and that L&I can respond to concerns for public safety.

L&I has approximately 2,890 FTEs – this plan assumes only 71 employees (just over 2 percent) are included in this contingency plan:

- 9 staff would be from non-appropriated funds
- 1 staff would be full-time
- 9 staff would be part-time
- 52 staff would be "on call"

Services that do not require an appropriation: Automatic issuance of time loss payments (partial wage replacement)

Crime Victims Compensation Program

The Crime Victims Compensation Program provides financial assistance to victims recovering from violent crimes. The program provides financial compensation to crime victims for such expenses as medical bills, loss of financial support, and funeral expenses.

In 2016, L&I processed over 37,000 bills for 8,800 crime victims.

Resources required: 5 staff (Just over 1 percent) will continue to process a portion of the crime victims' payments utilizing non-appropriated funds only.

Worker Compensation payments

In 2016, L&I paid approximately \$1.91 billion in workers' compensation benefits on 93,824 claims. The money to pay for medical (treatment/medications), time-loss, partial or permanent disability payments are non-appropriated; however, the funding to pay for staff who manage claims **does** require an appropriation.

Therefore, this plan includes **only** the payment of existing claims that can be processed "automatically" and **would not** require intervention from claims staff. All claims that require staff to process will be on hold until the impasse is resolved.

This plan relies on the medical community to ensure that claimants receive emergent medical care; and L&I's 'first fill' rule will ensure prescriptions are filled. (The "first fill" rule enables an injured worker to get their initial prescription filled as long as they have a claim number which is provided by their doctor or an emergency room physician.)

Resources required:

- **Ensure non-appropriated account has adequate cash flow:**
 - 1 part-time accounting staff needed to ensure adequate cash is available. Every three days one person would spend a few hour calculating the cash flow needs and instruct the State Investment Board (presumed to be open) to sell or buy stocks.

- **Ensure systems continue to process payments and receive revenue:**
 - 5 part-time Information Technology staff to monitor and respond to issues for the medical payment, benefit payment, pension payment, and premium collection systems
 - Fiscal Analyst will receive an email from the Electronic Benefit Payment system and files are electronic benefit payments are created. We would need to input into the Treasury Management System (TMS) each morning before 9:00am total benefit payment and total transaction count. This would take approximately half an hour each day. If this information is not entered, the Office of State Treasurer will not process the electronic benefit payment.
 - The Revenue Accounting Unit would require one person, approximately four hours per day, to perform the minimum functions to process the credit card and ACH transactions, including creating transmittal registers in the Treasury Management System which gives OST authorization to transmit the ACH deposits to the bank each day.

Services that are necessary for the immediate response to issues of public safety, or to avoid catastrophic loss of state property.

Protecting the safety of Washington's workers

L&I is responsible for ensuring the occupational safety and health of Washington state workers. Even during a government shutdown, L&I must continue to respond 24 hours a day, 7 days a week, to imminent danger complaints, fatalities, and catastrophes regarding workers' safety (i.e. explosives, asbestos, high voltage, etc). During 2016, L&I inspected over 4,000 workplaces and addressed over 28,000 safety hazards.

This plan includes only the minimal amount of staff required to perform this function. Should a catastrophic event occur or if the numbers of complaints of imminent danger are greater than assumed, L&I would immediately increase staffing levels as appropriate.

Resources required:

- 46 staff deployed throughout the state to respond to public safety issues.
 - 1 bilingual staff to answer the 1-800 number for safety fatalities, catastrophes and hospitalizations.
 - 9 staff to take reports, dispatch investigators and or conduct inspections themselves as appropriate and to respond to imminent danger complaints, worker fatalities, hospitalizations, amputations, catastrophic events and referrals from Federal OSHA.
 - 36 staff to immediately investigate these events including specialty knowledge areas and to continue critical investigations.
 - More staff will be called back to work as needed to meet our state's federal obligations if the shutdown is lengthy.

Protecting the safety of the public

L&I protects the safety of the public, in part by shutting down dangerous elevators and escalators that pose an immediate threat to the public. In the previous 12 months alone, L&I shut down 80 elevators deemed to be dangerous until the building owners made repairs. L&I will ensure staff are on-call to continue to respond to emergency issues.

Resources required:

- 6 statewide responders will be "on call" and available to take action on emergency situations, such as shutting down equipment that is deemed unsafe. The 6 responders will be dispersed throughout the state to ensure coverage:
 - 2 "on call" staff for the Electrical program.
 - 2 "on call" staff for the Elevator program.
 - 2 "on call" staff for the Boiler/Pressure Vessel program.

Responding to imminent building danger complaints.

Regarding critical workers' safety in L&I Facilities (i.e. HVAC failure, toilet overflow lights outage, etc.), facilities maintenance operations staff would need to respond to building emergency calls.

- 1 facilities maintenance operations staff will be on-call to respond to building emergency calls.

Administrative support to ensure L&I employees are paid appropriately.

In order to ensure staff are paid appropriately, the following resources would be required.

Resources required:

- 2 part-time staff will be needed for two hours a month to ensure the payroll is processed for staff who are authorized to work during the shutdown.