

GOVERNMENTAL OPERATIONS

Agency 095

Office of the State Auditor
Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|--|--------------|--------------------|---------------|---------------|
| 2017-19 Original Appropriations | 336.3 | 60 | 85,283 | 85,343 |
| Maintenance Comp Changes: | | | | |
| 1. Updated PEBB Rate | 0.0 | 0 | (244) | (244) |
| 2. Paid Family Leave--Employer Premium | 0.0 | 0 | 22 | 22 |
| Maintenance -- Comp Total | 0.0 | 0 | (222) | (222) |
| Maintenance Central Services Changes: | | | | |
| 3. Legal Services | 0.0 | 0 | (1) | (1) |
| 4. CTS Central Services | 0.0 | 0 | (3) | (3) |
| 5. OFM Central Services | 0.0 | 0 | 8 | 8 |
| 6. Workers' Compensation | 0.0 | 0 | (20) | (20) |
| 7. DES Rate Compensation Changes | 0.0 | 0 | 3 | 3 |
| Maintenance -- Central Svcs Total | 0.0 | 0 | (13) | (13) |
| Total Maintenance Changes | 0.0 | 0 | (235) | (235) |
| 2017-19 Maintenance Level | 336.3 | 60 | 85,048 | 85,108 |
| Policy Other Changes: | | | | |
| 8. State Audit Increase | 0.0 | 0 | 700 | 700 |
| Policy -- Other Total | 0.0 | 0 | 700 | 700 |
| Policy Comp Changes: | | | | |
| 9. PERS & TRS Plan 1 Benefit Increase | 0.0 | 0 | 31 | 31 |
| Policy -- Comp Total | 0.0 | 0 | 31 | 31 |
| Policy Central Services Changes: | | | | |
| 10. Legal Services | 0.0 | 0 | 1 | 1 |
| 11. CTS Central Services | 0.0 | 0 | 23 | 23 |
| 12. DES Central Services | 0.0 | 0 | 8 | 8 |
| 13. OFM Central Services | 0.0 | 0 | 22 | 22 |
| 14. CTS Fee for Service Adjustment | 0.0 | 0 | 29 | 29 |
| Policy -- Central Svcs Total | 0.0 | 0 | 83 | 83 |
| Total Policy Changes | 0.0 | 0 | 814 | 814 |
| 2017-19 Policy Level | 336.3 | 60 | 85,862 | 85,922 |

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Office of the State Auditor (cont.)

Recommendation Summary

| Dollars in Thousands | Annual FTEs | General Fund State | Other Funds | Total Funds |
|---|-------------|-----------------------|-------------|-------------|
| POLICY CHANGES | | | | |
| 1. Updated PEBB Rate | | | | |
| <p>The funding rate for the Public Employees' Benefits Board (PEBB) insurance program is adjusted for fiscal year 2019 to reflect updated actuarial projections, administrative costs and payments to third-party administrators. The funding is sufficient for a new virtual diabetes prevention program and a change in the waiting period for dental crown replacements in the Uniform Dental Program (UDP) from seven to five years. The change would bring UDP into alignment with the current waiting period in the managed dental plans. This reduces the fiscal year 2019 funding rate from \$957 per month to \$906. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-State; other accounts)</p> | | | | |
| 2. Paid Family Leave--Employer Premium | | | | |
| <p>A paid family and medical leave program was created by Chapter 5, Laws of 2017, 3rd Special Session. Beginning January 1, 2019, the state, as an employer, will be responsible for payment of employer premiums for employees not covered by a collective bargaining agreement. This item provides funding for this obligation. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)</p> | | | | |
| 3. Legal Services | | | | |
| <p>Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Municipal Revolving Account-Non-Appr)</p> | | | | |
| 4. CTS Central Services | | | | |
| <p>Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)</p> | | | | |
| 5. OFM Central Services | | | | |
| <p>Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)</p> | | | | |
| 6. Workers' Compensation | | | | |
| <p>Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)</p> | | | | |

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Office of the State Auditor (cont.)**Recommendation Summary****7. DES Rate Compensation Changes**

Funding is provided to cover compensation and central service cost increases that were included in the 2017-19 biennial budget in lines of business at the Department of Enterprise Services that have a fee for service structure. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)

8. State Audit Increase

Funding will allow the State Auditor's Office to hire 6.4 FTE staff to conduct ten additional program or agency audits. (Performance Audits of Government Account-State)

9. PERS & TRS Plan 1 Benefit Increase

For eligible Public Employees' and Teachers' Retirement System Plan 1 members, this item provides a one-time ongoing increase of 3%, up to a maximum of \$62.50 per month. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)

10. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Municipal Revolving Account-Non-Appr)

11. CTS Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Consolidated Technology Services Agency (WaTech) for the Office of the Chief Information Officer, Office of Cyber Security, state network, enterprise systems, security gateways and geospatial imaging services. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)

12. DES Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Department of Enterprise Services (DES) for campus rent, utilities, parking and contracts; a capital project surcharge; financing cost recovery; public and historic facilities; real estate services; risk management services; small agency financial and human resource services; personnel service rates; the Perry Street child care center; and the department's enterprise applications. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)

13. OFM Central Services

Agency budgets are adjusted to reflect each agency's allocated share of charges from the Office of Financial Management for the One Washington project. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-Non-Appr)

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Recommendation Summary

14. CTS Fee for Service Adjustment

Rates for wireless, virtual private network, and server infrastructure services are increased effective January 1, 2018 to align revenues with WaTech's cost of providing services. Monthly rates per device or service will increase for wireless to \$50, Centrex services to \$45 and virtual private network to \$285 per tunnel per month with a \$500 setup fee. (Municipal Revolving Account-Non-Appr; Auditing Services Revolving Account-State; Performance Audits of Government Account-State; other accounts)