

GOVERNMENTAL OPERATIONS

Agency 105

**Office of Financial Management
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	266.1	23,667	115,572	139,239
Maintenance Other Changes:				
1. Transfer Capital Staffing Costs	13.0	3,679	0	3,679
2. Technical Correction	0.0	0	(1)	(1)
Maintenance -- Other Total	13.0	3,679	(1)	3,678
Maintenance Comp Changes:				
3. Move Pension Fund Shift to Agencies	0.0	(2,448)	2,448	0
4. State Public Employee Benefits Rate	0.0	0	3	3
5. Non-Rep General Wage Increase	0.0	0	26	26
6. Updated PEBB Rate	0.0	(94)	(28)	(122)
7. Paid Family Leave--Employer Premium	0.0	10	2	12
Maintenance -- Comp Total	0.0	(2,532)	2,451	(81)
Maintenance Central Services Changes:				
8. Audit Services	0.0	7	2	9
9. Legal Services	0.0	(1)	0	(1)
10. CTS Central Services	0.0	10	3	13
11. DES Central Services	0.0	3	1	4
12. OFM Central Services	0.0	4	2	6
13. Workers' Compensation	0.0	26	9	35
14. DES Rate Compensation Changes	0.0	19	5	24
Maintenance -- Central Svcs Total	0.0	68	22	90
Total Maintenance Changes	13.0	1,215	2,472	3,687
2017-19 Maintenance Level	279.1	24,882	118,044	142,926
Policy Other Changes:				
15. Critical Staffing Resources	0.0	0	12	12
16. Software Purchase - Workiva	0.0	0	55	55
17. GovDelivery Communications	0.0	28	0	28
18. Staffing Resources	5.8	56	1,854	1,910
19. One Washington Program	4.5	0	3,519	3,519

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Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
20. One Washington Prgrm Transpo	0.0	0	2,270	2,270
21. Sentencing Reform Commission	0.0	600	0	600
22. Census Planning and Coordination	1.9	464	0	464
23. OFM Enterprise Content Management	0.0	622	0	622
24. Recreational Fee Study (Phase II)	0.0	0	75	75
25. Gates Foundation Grant	0.0	0	343	343
Policy -- Other Total	12.2	1,770	8,128	9,898
Policy Comp Changes:				
26. PERS & TRS Plan 1 Benefit Increase	0.0	15	4	19
Policy -- Comp Total	0.0	15	4	19
Policy Central Services Changes:				
27. Legal Services	0.0	1	0	1
28. CTS Central Services	0.0	12	4	16
29. DES Central Services	0.0	24	8	32
30. OFM Central Services	0.0	12	3	15
31. CTS Fee for Service Adjustment	0.0	13	4	17
Policy -- Central Svcs Total	0.0	62	19	81
Total Policy Changes	12.2	1,847	8,151	9,998
2017-19 Policy Level	291.2	26,729	126,195	152,924

POLICY CHANGES

1. Transfer Capital Staffing Costs

A transfer of 13 FTE staff and associated funding is made from the capital budget to the operating budget to support capital budget staff and the facilities oversight program at the Office of Financial Management. (General Fund-State)

2. Technical Correction

Funding is adjusted to align private/local expenditures to match revenues. (General Fund-Local)

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Office of Financial Management (cont.)**Recommendation Summary****3. Move Pension Fund Shift to Agencies**

In the enacted 2017-19 budget, the legislature shifted a portion of General Fund pension costs to the Pension Funding Stabilization Account, and instructed the Office of Financial Management to allocate this change to agency budgets. This item implements that requirement. (General Fund-State; Pension Funding Stabilization Account-State)

6. Updated PEBB Rate

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. (General Fund-State; General Fund-Federal; Motor Vehicle Account-State; other accounts)

7. Paid Family Leave--Employer Premium

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. (General Fund-State; Personnel Service Account-State)

8. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

9. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

10. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

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11. 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. (General Fund-State; Personnel Service Account-State)

12. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

13. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

14. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

15. Critical Staffing Resources

Funding is provided to support staff necessary to allow the Office of Financial Management (OFM) to continue to meet increasing workload and customer demands and fulfill the priorities outlined in the OFM strategic plan. (Motor Vehicle Account-State)

16. Software Purchase - Workiva

Funding is provided to purchase a Workiva software product that will produce the Comprehensive Annual Financial Report (CAFR) and other complex fiscal reports with minimal errors and delays. (OFM Central Services-State)

17. GovDelivery Communications

Funding is provided to procure a Software as a Service (SaaS) solution that enables government organizations to connect with citizens. The GovDelivery communications cloud replaces ListSery, which is the Consolidated Technology Solutions' email communication service that is decommissioning at the end of 2017. (General Fund-State)

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Recommendation Summary

18. Staffing Resources

Funding is provided to support staff necessary to allow the Office of Financial Management (OFM) to continue to meet increasing workload and customer demands and fulfill the priorities outlined in the OFM strategic plan. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr; other accounts)

19. One Washington Program

Funding is provided for the One Washington program to purchase finance and procurement software, and to assess procurement/finance organization strategy and readiness. (Statewide IT System Development Revolving Account-State)

20. One Washington Prgrm Transpo

Funding is provided for staffing and contracts for preparation and readiness activities for the Department of Transportation (DOT) to utilize One Washington. A detailed understanding of existing business processes and system functionality and the impact to the business to identify future resource needs will ensure successful implementation. (Motor Vehicle Account-State)

21. Sentencing Reform Commission

Funding is provided for a blue ribbon commission to evaluate the adult sentencing grid. The commission will review sentencing practices across the state and make recommendations on reforms that reduce sentencing complexity, increase consistency and fairness, and reduce recidivism. (General Fund-State)

22. Census Planning and Coordination

Funding is provided for staffing and supports to prepare for the 2020 Census. Duties include, but are not limited to, creation of a comprehensive outreach campaign and public website, media outreach, assistance to local jurisdictions with Local Update of Census Address efforts, and support of other Census-related demographic services. (General Fund-State)

23. OFM Enterprise Content Management

Funding is provided to implement a Laserfiche enterprise content management system (ECMS) to provide a modern, comprehensive solution for managing the lifecycle of electronic records, from creation to eventual deletion or removal to archival storage. Primary business drivers for acquisition and implementation of an ECMS are the expensive manual processes around litigation holds, public disclosure, and records retention that are outdated and inefficient, and expose the agency to increased risk and liability. (General Fund-State)

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Office of Financial Management (cont.)**Recommendation Summary****24. Recreational Fee Study (Phase II)**

In the 2017-19 budget, the State Parks and Recreation Commission completed a report on ways to improve recreational access fee systems, including opportunities to coordinate fees for federal and state lands, specific users, as well as user fee discounts and exemptions. The report includes three options to improve the recreational fee system. One-time funding is provided to hire a consultant to analyze and estimate the fiscal impacts and revenue potential of the three options developed in the report. (Recreation Access Pass Account-State)

25. Gates Foundation Grant

Funding is provided through a grant from the Bill and Melinda Gates Foundation to increase access to longitudinal education data to help facilitate discussions around program success. The first emphasis is to load early learning data into the operational data store in the data warehouse. The second emphasis is to collect data needs and build an analytical data file. (General Fund-Local)

26. 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. (General Fund-State; General Fund-Federal; Personnel Service Account-State)

27. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (General Fund-State)

28. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

29. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

30. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

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Recommendation Summary

31. 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. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)