

GOVERNMENTAL OPERATIONS

Agency 110

**Office of Administrative Hearings
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2017-19 Original Appropriations	161.8	0	38,948	38,948
Maintenance Other Changes:				
1. Lease Adjustments < 20,000 sq. ft.	0.0	0	62	62
Maintenance -- Other Total	0.0	0	62	62
Maintenance Comp Changes:				
2. Updated PEBB Rate	0.0	0	(102)	(102)
3. Paid Family Leave--Employer Premium	0.0	0	9	9
Maintenance -- Comp Total	0.0	0	(93)	(93)
Maintenance Central Services Changes:				
4. Audit Services	0.0	0	15	15
5. CTS Central Services	0.0	0	(1)	(1)
6. OFM Central Services	0.0	0	6	6
7. Workers' Compensation	0.0	0	(7)	(7)
8. DES Rate Compensation Changes	0.0	0	5	5
Maintenance -- Central Svcs Total	0.0	0	18	18
Total Maintenance Changes	0.0	0	(13)	(13)
2017-19 Maintenance Level	161.8	0	38,935	38,935
Policy Other Changes:				
9. Fee Structure/Billing Method Study	0.0	0	250	250
10. Lease Adjustments < 20,000 sq. ft.	0.0	0	(17)	(17)
11. Appeals Workload Increases	1.7	0	417	417
12. One-Time Relocation	0.0	0	78	78
Policy -- Other Total	1.7	0	728	728
Policy Comp Changes:				
13. PERS & TRS Plan 1 Benefit Increase	0.0	0	13	13
Policy -- Comp Total	0.0	0	13	13
Policy Central Services Changes:				
14. Legal Services	0.0	0	1	1

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Office of Administrative Hearings (cont.)

Recommendation Summary

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
15. CTS Central Services	0.0	0	12	12
16. DES Central Services	0.0	0	2	2
17. OFM Central Services	0.0	0	12	12
18. CTS Fee for Service Adjustment	0.0	0	6	6
Policy -- Central Svcs Total	0.0	0	33	33
Total Policy Changes	1.7	0	774	774
2017-19 Policy Level	163.4	0	39,709	39,709

POLICY CHANGES

1. Lease Adjustments < 20,000 sq. ft.

Funding is provided for increased costs due to the renewal of the Olympia office lease. (Administrative Hearings Revolving Account-State)

2. 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. (Administrative Hearings Revolving Account-State)

3. 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. (Administrative Hearings Revolving Account-State)

4. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (Administrative Hearings Revolving Account-State)

5. 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. (Administrative Hearings Revolving Account-State)

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Office of Administrative Hearings (cont.)**Recommendation Summary****6. 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. (Administrative Hearings Revolving Account-State)

7. Workers' Compensation

Agency budgets are adjusted to reflect each agency's estimated charges from the Department of Labor and Industries for workers' compensation. (Administrative Hearings Revolving Account-State)

8. 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. (Administrative Hearings Revolving Account-State)

9. Fee Structure/Billing Method Study

Funding is provided through the central services model for the Office of Administrative Hearings (OAH), in conjunction with the Office of Financial Management, to perform a review of the fee structure, billing methodology and employee productivity assumptions used for the cost allocation and billing of services. (Administrative Hearings Revolving Account-State)

10. Lease Adjustments < 20,000 sq. ft.

Funding is reduced for cost savings related to the relocation of the Yakima office. These savings are effective October 2018. (Administrative Hearings Revolving Account-State)

11. Appeals Workload Increases

Funding is provided for new or increased appeals workload for the Department of Social and Health Services, Department of Labor and Industries and Washington State University. (Administrative Hearings Revolving Account-State) (Administrative Hearings Revolving Account-State)

12. One-Time Relocation

One-time funding is required to support the relocation of Office of Administrative Hearings staff at the Yakima office. This relocation will save approximately \$26,000 per year in lease costs. (Administrative Hearings Revolving Account-State)

13. 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. (Administrative Hearings Revolving Account-State)

14. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. (Administrative Hearings Revolving Account-State)

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Office of Administrative Hearings (cont.)

Recommendation Summary

15. 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. (Administrative Hearings Revolving Account-State)

16. 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. (Administrative Hearings Revolving Account-State)

17. 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. (Administrative Hearings Revolving Account-State)

18. 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. (Administrative Hearings Revolving Account-State)