

**Office of Financial Management  
Recommendation Summary**

| Dollars in Thousands                    | Annual FTEs  | General<br>Fund State | Other Funds    | Total Funds    |
|---|--------------|-----------------------|----------------|----------------|
| <b>2015-17 Estimated Expenditures</b>   | <b>201.8</b> | <b>38,853</b>         | <b>117,314</b> | <b>156,167</b> |
| <b>2017-19 Maintenance Level</b>        | <b>205.6</b> | <b>43,253</b>         | <b>87,622</b>  | <b>130,875</b> |
| Difference from 2015-17                 | 3.8          | 4,400                 | -29,692        | -25,292        |
| % Change from 2015-17                   | 1.9%         | 11.3%                 | -25.3%         | -16.2%         |
| <b>Policy Other Changes:</b>            |              |                       |                |                |
| 1. One Washington Program               | 7.0          | 0                     | 4,503          | 4,503          |
| 2. Career Connected Learning            | 0.0          | 0                     | 6,000          | 6,000          |
| 3. Computer Science K-12 Expansion      | 0.0          | 0                     | 6,000          | 6,000          |
| 4. SGC Sentencing Review                | 0.0          | 400                   | 0              | 400            |
| 5. Shellfish Initiative Advisor         | 0.0          | 224                   | 0              | 224            |
| 6. Implement Bargaining Provision       | 0.3          | 70                    | 0              | 70             |
| 7. Cost Allocation Contract             | 0.0          | 500                   | 0              | 500            |
| 8. Change Management Contract           | 0.0          | 500                   | 0              | 500            |
| 9. TRAINS One Washington                | 0.0          | 0                     | 300            | 300            |
| <b>Policy -- Other Total</b>            | <b>7.3</b>   | <b>1,694</b>          | <b>16,803</b>  | <b>18,497</b>  |
| <b>Policy Comp Changes:</b>             |              |                       |                |                |
| 10. State Public Employee Benefits Rate | 0.0          | 410                   | 120            | 530            |
| 11. Non-Rep General Wage Increase       | 0.0          | 1,117                 | 298            | 1,415          |
| <b>Policy -- Comp Total</b>             | <b>0.0</b>   | <b>1,527</b>          | <b>418</b>     | <b>1,945</b>   |
| <b>Policy Central Services Changes:</b> |              |                       |                |                |
| 12. Archives/Records Management         | 0.0          | 1                     | 0              | 1              |
| 13. Legal Services                      | 0.0          | 6                     | 2              | 8              |
| 14. CTS Central Services                | 0.0          | 27                    | 7              | 34             |
| 15. DES Central Services                | 0.0          | 41                    | 12             | 53             |
| <b>Policy -- Central Svcs Total</b>     | <b>0.0</b>   | <b>75</b>             | <b>21</b>      | <b>96</b>      |
| <b>Total Policy Changes</b>             | <b>7.3</b>   | <b>3,296</b>          | <b>17,242</b>  | <b>20,538</b>  |
| <b>2017-19 Policy Level</b>             | <b>212.8</b> | <b>46,549</b>         | <b>104,864</b> | <b>151,413</b> |
| Difference from 2015-17                 | 11.0         | 7,696                 | -12,450        | -4,754         |
| % Change from 2015-17                   | 5.5%         | 19.8%                 | -10.6%         | -3.0%          |

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### **POLICY CHANGES**

#### **1. One Washington Program**

One Washington is a comprehensive business transformation program to modernize and improve aging administrative systems and related business processes that are common across state government. This item funds readiness activities related to data business warehouse planning and system integrations and contracting with a strategic partner for the design of the long-term program blueprint detailing the readiness, planning and implementation activities for the next four biennia. One Washington will help ensure we have access to data that is accurate, available in a timely fashion, and meets the business needs of decision makers. (Statewide IT System Development Revolving Account-State)

#### **2. Career Connected Learning**

The Career Connected Learning program is a public-private partnership that will engage students and youth in learning experiences essential for preparing them for high-demand family-wage jobs in Washington state. OFM will contract with a statewide nonprofit organization with expertise in promoting and supporting science, technology, engineering and mathematics (STEM) education from early learning through postsecondary education to manage Career Connected Learning. The nonprofit will provide implementation grants to local partnership networks delivering career-connected learning services. The program incorporates relationships between higher education, business and industry, apprenticeships, workforce development councils, and schools to facilitate industry design challenges, worksite visits, mentorships, internships, and registered youth apprenticeships. The nonprofit organization will commit to generating matching funds to double the state's investment. (Education Legacy Trust Account-State)

#### **3. Computer Science K-12 Expansion**

The computer science education grant program will increase K-12 student access across the state to computer science education, a cutting-edge skillset that prepares students for high-demand jobs and supports critical thinking, problem solving and mastery of state math and science standards. OFM will contract with a statewide nonprofit organization with expertise in promoting and supporting STEM education from early learning through postsecondary education to manage the grant program. Grants will support teacher training, technology purchases and access for historically underserved and underrepresented students, including girls and students from low-income, rural and ethnic minority communities. The nonprofit will commit to generating matching funds to double the state's investment and provide technical assistance. (Education Legacy Trust Account-State)

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### 4. SGC Sentencing Review

Funding is provided for the Sentencing Guidelines Commission (SGC) to evaluate adult sentencing guidelines. The commission will review sentencing practices across the state and make recommendations on reforms that improve public safety, reduce sentencing complexity, increase consistency and fairness, and reduce recidivism. (General Fund-State)

### 5. Shellfish Initiative Advisor

Funding is provided for a policy advisor to oversee the implementation of the Washington Shellfish Initiative regarding response to ocean acidification, restoration and recovery of shellfish-growing areas on the coast. (General Fund-State)

### 6. Implement Bargaining Provision

This item funds the implementation of a provision of the Washington Federation of State Employees' collective bargaining agreement covering public service loan forgiveness, and includes a temporary human resource consultant. (General Fund-State)

### 7. Cost Allocation Contract

Contract expertise is required to develop predictive cost modeling related to administrative functions necessary to support the behavioral health integration and creation of a new Department of Children, Youth and Families. In addition to predictive cost modeling, the contractor will provide expertise on federal cost allocation methods and state plan amendments. (General Fund-State)

### 8. Change Management Contract

A change management contractor will assist in the transition and alignment of organizations, individuals, programs and workplace cultures in order to successfully implement behavioral health integration and creation of a new Department of Children, Youth and Families. (General Fund-State)

### 9. TRAINS One Washington

Funding is provided to the One Washington program to support activities associated with transitioning the Washington State Department of Transportation's (WSDOT) Transportation Reporting and Accounting Information System (TRAINS) to a single statewide accounting platform. (Motor Vehicle Account-State)

### 10. State Public Employee Benefits Rate

Health insurance funding is provided for state employees who are not represented by a union, who are covered by a bargaining agreement that is not subject to financial feasibility determination, or who are not part of the coalition of unions for health benefits. The insurance funding rate is \$970 per employee per month for fiscal year 2018 and \$1029 per employee per month for fiscal year 2019. (General Fund-State; General Fund-Federal; Motor Vehicle Account-State; other accounts)

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### 11. Non-Rep General Wage Increase

Funding is provided for wage increases for state employees who are not represented by a union or who are covered by a bargaining agreement that is not subject to financial feasibility determination. It is sufficient for a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; and a general wage increase of 2 percent, effective January 1, 2019. This item includes both higher education and general government workers. (General Fund-State; General Fund-Federal; Economic Development Strategic Reserve Account-State; other accounts)

### 12. Archives/Records Management

Agency budgets are adjusted to reflect each agency's allocated share of charges for the state archives and state records center (General Fund-State)

### 13. Legal Services

Agency budgets are adjusted to reflect each agency's anticipated share of legal service charges. The Attorney General's Office will work with client agencies to implement stricter policies and best practices regarding usage of legal services to achieve lower bills. (General Fund-State; Personnel Service Account-State; OFM's Labor Relations Service Account-Non-Appr)

### 14. 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)

### 15. 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)