

**Department of Revenue
Recommendation Summary**

Dollars in Thousands	Annual FTEs	General Fund State	Other Funds	Total Funds
2015-17 Estimated Expenditures	1,215.8	239,899	50,627	290,526
2017-19 Maintenance Level	1,221.3	263,210	40,008	303,218
Difference from 2015-17	5.5	23,311	-10,619	12,692
% Change from 2015-17	0.5%	9.7%	-21.0%	4.4%
Policy Other Changes:				
1. GenTax Maintenance	0.0	1,329	46	1,375
2. Litigation Costs	0.0	380	0	380
3. Business License Support	0.0	-22,700	22,700	0
4. State Data Center Migration	0.0	663	0	663
5. Revenue Legislation *	0.0	9,454	0	9,454
Policy -- Other Total	0.0	-10,874	22,746	11,872
Policy Comp Changes:				
6. State Public Employee Benefits Rate	0.0	631	72	703
7. State Represented Emp Benefits Rate	0.0	2,306	253	2,559
8. WPEA General Government	0.0	5,954	495	6,449
9. Non-Rep General Wage Increase	0.0	1,617	168	1,785
10. Non-Rep Targeted Pay Increases	0.0	22	8	30
11. Orca Transit Pass-Not WFSE	0.0	200	2	202
Policy -- Comp Total	0.0	10,730	998	11,728
Policy Central Services Changes:				
12. Archives/Records Management	0.0	3	0	3
13. Audit Services	0.0	5	0	5
14. Legal Services	0.0	82	10	92
15. CTS Central Services	0.0	163	20	183
16. DES Central Services	0.0	130	13	143
Policy -- Central Svcs Total	0.0	383	43	426
Total Policy Changes	0.0	239	23,787	24,026
2017-19 Policy Level	1,221.3	263,449	63,795	327,244
Difference from 2015-17	5.5	23,550	13,168	36,718
% Change from 2015-17	0.5%	9.8%	26.0%	12.6%

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POLICY CHANGES

1. GenTax Maintenance

Funding is provided for the ongoing maintenance and support of Gen Tax, the department's new tax collection system. (General Fund-State; Timber Tax Distribution Account-State; Unclaimed Personal Property Account-Non-Appr)

2. Litigation Costs

Funding is provided for extraordinary legal costs associated with ongoing tax litigation. (General Fund-State)

3. Business License Support

One-time General Fund-State support is shifted to the Business License Account. (General Fund-State; Business License Account-State)

4. State Data Center Migration

Funding is provided for the Department of Revenue to move its servers into the State Data Center. (General Fund-State)

5. Revenue Legislation *

Funding is provided for implementation of the costs associated with proposals to raise revenue. (General Fund-State)

6. 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; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

7. State Represented Emp Benefits Rate

This provides health insurance funding as part of the master agreements for employees who bargain as 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; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

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8. WPEA General Government

Funding is provided for a collective bargaining agreement with Washington Public Employees Association (WPEA), which includes a general wage increase of 2 percent, effective July 1, 2017; a general wage increase of 2 percent, effective July 1, 2018; a general wage increase of 2 percent, effective January 1, 2019; salary adjustments for targeted classifications; and changes to vacation leave accruals. Employee insurance included in the agreement is displayed in a separate item. (General Fund-State; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

9. 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; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

10. Non-Rep Targeted Pay Increases

Funding is provided for classified state employees who are not represented by a union for pay increases in specific job classes in alignment with other employees. (General Fund-State; Unclaimed Personal Property Account-Non-Appr)

11. Orca Transit Pass-Not WFSE

This funds transit passes (ORCA cards) for state employees outside of higher education who work in King County, other than those represented by the Washington Federation of State Employees. (General Fund-State; Unclaimed Personal Property Account-Non-Appr)

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. Audit Services

Agency budgets are adjusted to reflect each agency's allocated share of charges for state government audits. (General Fund-State)

14. 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; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

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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. (General Fund-State; Timber Tax Distribution Account-State; Business License Account-State; other accounts)

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. (General Fund-State; Timber Tax Distribution Account-State; Business License Account-State; other accounts)