

**Fiscal Year 2013-15 Biennial Budget  
Comparison of Governor Inslee vs. Senate Passed vs. House Passed Budgets**

Dollars in Thousands

	Governor Inslee's 2013-15 Budget			Senate Passed 2013-15 Budget			House Passed 2013-15 Budget		
	Average Biennial FTEs	General Fund State	Other Funds	Average Biennial FTEs	General Fund State	Other Funds	Average Biennial FTEs	General Fund State	Other Funds
<b>2013-15 Carryforward Level</b>	<b>2,784.4</b>	<b>34,204</b>	<b>601,418</b>	<b>2,784.4</b>	<b>34,204</b>	<b>601,418</b>	<b>2,784.4</b>	<b>34,204</b>	<b>601,418</b>
8Y Cost Allocation Adjustment		(388)	388		(388)	388		(388)	388
0D Nonappropriated Fund Adjustment			(3,433)			(3,433)			(3,433)
0F Electrical Inspection Workload			3,407			3,407			3,407
0VR Vocational Rehabilitation Pilot				(7.5)		(1,636)	(7.5)		(1,636)
91 Workers Compensation Adjustment			152			152			152
92A State Data Center		20	2,076		20	2,076		20	2,076
92B CTS Rate Reduction		(6)	(550)		(6)	(550)		(6)	(550)
92C SOS-Archives Records Management			10			9			9
92D Audit Services			8			8			8
92E AG Legal Services		(25)	(1,846)		(28)	(2,072)		(28)	(2,072)
92F OFM Office of Chief Info Officer			8			8			8
92G Administrative Hearings		147	150		8	7		8	7
92H Women/Minority-Owned Business			(19)			(19)			(19)
92J CTS Central Services		5	537			48			48
92K DES Central Services			(68)		1	92		1	92
9D Pension and DRS Rate Change		257	5,923		257	5,923		257	5,923



WIS Employee Protections/WISHA							1.1		232
<b>Sub-Total Policy Level</b>	<b>29.1</b>	<b>914</b>	<b>18,726</b>	<b>18.0</b>	<b>(767)</b>	<b>5,241</b>	<b>39.8</b>	<b>885</b>	<b>15,670</b>
<b>2013-15 Total Proposed Budget</b>	<b>2,813.5</b>	<b>35,285</b>	<b>629,666</b> <b>664,951</b>	<b>2,794.9</b>	<b>33,301</b>	<b>611,067</b> <b>644,368</b>	<b>2,816.7</b>	<b>34,953</b>	<b>621,496</b> <b>656,449</b>

**0A Lab Space Move**

One-time funding is provided for tenant improvements and associated moving costs to establish the Department of Labor and Industries (L&I) Division of Occupational Safety and Health (DOSH) laboratory within one of the 1500 Jefferson Building data hall shells. The new space will accommodate changes in testing and material handling methods. The relocation will be take place in FY 2014. (Accident Account-State, Medical Aid Account-State)

**0B Office and Training Space Move**

Funding is provided to relocate training space for the Division of Occupational Safety and Health and office space for the Safety and Health Investment project. (Accident Account-State, Medical Aid Account-State)

**0C Vancouver Office Move**

Funding is provided for tenant improvements and other move-related costs for L&I 's Region 4 field office to backfill excess state-owned space that is managed by the Department of Transportation in the Vancouver area. (Accident Account-State, Medical Aid Account-State)

**0D Nonappropriated Fund Adjustment**

Funding is reduced to reflect actual revenues generated by the Electrical License Account from electrical licenses and permits due to a slow down in construction activity. (Electrical License Account-State)

**0F Electrical Inspection Workload**

Increased housing starts in 2013-15 will drive the need for more electrical inspections. (Electrical License Account-Appropriated)

**0G Crime Victims Compensation Savings**

The state will save State General Funds associated with crime victims' medical expenses with the implementation of the Affordable Care Act (ACA), since crime victims whose incomes fall within 138% of the federal poverty level will be covered through the ACA.

**0VR Vocational Rehabilitation Pilot**

The 2007 Legislature required the Department to create an industrial insurance vocational rehabilitation pilot program from January 1, 2008, until June 30, 2013. This item reflects the removal of appropriation authority and FTEs for the pilot program after the June 30, 2013 expiration date.

**8Y Cost Allocation Adjustment**

Agency administrative (indirect) costs are redistributed to other agency programs and associated accounts because of past budget reductions to crime victims compensation and contractor licensing and inspection activities. Consequently, less of the agency's funding will come from the General Fund, the Electrical License, Asbestos, and Worker/Community Right to Know Accounts. This redistribution of agency indirect costs results in a more equitable and fair reflection of the costs of support to the department's direct service programs. (General Fund-State, various other accounts)

**91 Workers' Compensation Changes**

Adjustments are made to reflect updated estimates from the Department of Labor and Industries for the employer share of medical aid and industrial insurance for state employees. (General Fund-State, Other Funds)

**92A State Data Center**

Funding is provided for this agency's share of costs associated with the debt service for the State Data Center. This allocation is distributed based upon each agency's percentage share of actual statewide Fiscal Years 2011 and 2012 information technology expenditures.

**92B CTS Rate Reduction**

Customer agency rates are reduced in 2013-15 for Consolidated Technology Services' storage (disk-based and vault), telephone services (Private Branch Exchange and Centrex voicemail), and network services (Virtual Private Network).

**92C SOS-Archives/Records Management**

Adjust agency budgets to align with expected billing levels for Archives/Records Management in 2013-15.

**92D Audit Services**

Adjust agency budgets to align with expected billing levels for Audit Services in 2013-15.

**92E AG Legal Services**

Adjust agency budgets to align with expected billing levels for Agency Legal Services in 2013-15.

**92F OFM Office of Chief Info Officer**

Funding is provided for this agency's share of information technology policy oversight services provided by the Office of Chief Information Officer. This allocation is distributed based upon each agency's percentage share of actual statewide information technology full time equivalent employees.

**92G Administrative Hearings**

Adjust agency budgets to align with expected billing levels for the Office of Administrative Hearings in 2013-15.

**92H Women/Minority-Owned Business**

Agencies will no longer be billed for these services, so funding is removed.

**92J CTS Central Services**

Funding is provided for this agency's share of enterprise information technology security services provided by Consolidated Technology Services. This allocation is distributed based upon each agency's percentage share of actual statewide information technology full-time equivalent employees.

**92K DES Central Services**

Adjust agency budgets to align with expected billing levels for Department of Enterprise Services in 2013-15.

**9D Pension and DRS Rate Changes**

New 2013-15 contribution rates for state pension systems have been adopted by the Pension Funding Council and the Law Enforcement Officers' and Firefighters' Retirement System Plan 2 Board. This item reflects the new cost to agency budgets of employer contributions to the pension funds and a 0.02% increase in the Department of Retirement System administrative fee. (General Fund - State, Other Funds)

**AE3 Reduce Specialty Compliance**

Funding for specialty compliance services is reduced by 10 percent. The Department of Labor and Industries shall limit the impact of these reductions by prioritizing activities which generate revenue and improve workplace safety.

**B02 Unpaid Wages Collection**

Expenditure authority and staff are provided for L&I to implement Engrossed Substitute House Bill 1467 (unpaid wages collection), which permits L&I to

electronically serve a financial institution with a Notice and Order to Withhold and Deliver by providing a list of outstanding warrants to the Department of Revenue. (Medical Aid Account-State, Accident Account-State)

#### **B04 Construction service payments**

Expenditure authority and staff are provided for L&I to implement Engrossed House Bill 1473 (construction service payments), which requires entities that regularly contract for construction services to report to L&I when the entity pays a construction service provider \$600 or more in a taxable year for construction services. (Accident Account-State, Medical Aid Account-State)

#### **B05 Occupational diseases**

Expenditure authority is provided for L&I to implement Substitute House Bill 1884 (occupational diseases). The L&I will update systems and processes to allow for an alternate calculation of workers' compensation benefits for workers with terminal occupational diseases. (Accident Account-State, Medical Aid Account-State)

#### **EB Electronic Benefit Payments #**

Funding is provided to implement two new electronic benefit payment methods for injured workers and crime victims: direct deposit into the claimants' bank accounts and prepaid debit cards. About 34,400 injured workers are expected to make use of this new service. Benefits include improved customer service, easier and safer access to funds, no mail delays, and no lost or stolen mailed checks. Funding will pay for information technology (IT) project staff to reconfigure current IT systems to process and reconcile the new electronic payment options; build a web-based system so injured workers and crime victims can apply for the two options online; and conduct customer outreach. Legislative changes are required to allow benefit payment methods other than checks. (Accident Account-State, Medical Aid Account-State)

#### **EG Customer Web Portal (My L&I)**

Funding is provided for information technology project staff to build a customized entity management system and acquire and install a user interface framework for an online service called "My L&I." The new service will allow customers to log in and see a dashboard of information and services tailored specifically for them for all 31 L&I insurance, regulatory, and consumer protection activities. This service is also part of a larger project called "My Account" which will create an integrated, single portal for business interaction with state agencies. (General Fund-State, Various Other Funds)

#### **EL Elevator Program Staff**

Funding is provided for five additional elevator program staff to ensure that all elevators and other conveyances are annually inspected and that review of plans for alterations and installations are completed within the required timeframes. The additional staff are funded by a fee increase.

#### **FL Farm Labor Technical Correction**

Substitute House Bill 1057, enacted in 2012, placed the Farm Labor Account in the State Treasury. This technical correction moves the appropriation authority from a local bank account to a state Treasury Account. (Farm Labor Account-Local, Farm Labor Account-State)

#### **G06 New StepM for Classified-Yr 1 Implm**

Funding is provided in agency budgets for classified employees who have been at their top step for at least six years to move to a new top step during Fiscal Year 2014. Funding is also included to continue that pay increase for only those employees through Fiscal Year 2015. A new top step was included as part of several 2011-13 collective bargaining agreements. (General Fund - State, Other Funds)

#### **G07 New Step M for Classified-Yr 2 Impl**

A new top step is included in several 2013-15 collective bargaining agreements. Funding is provided for additional classified employees to move to the new top step during Fiscal Year 2014. The increase would affect those who reach six years at the current top step during Fiscal Year 2015 and were not yet eligible for the increase during Fiscal Year 2014.

#### **GZG State Employee Health Insurance**

Funding for state employee health insurance is changed from \$800/month per employee to \$782/month in the first fiscal year and \$791/month in the second fiscal year. (General Fund - State, Other Funds)

**IS1 Interpreter Services**

Staff and expenditure authority are provided to implement Engrossed Substitute House Bill 1753 (interpreter services), which requires the Health Care Authority and the departments of Social and Health Services, L&I, and Enterprise Services to purchase spoken language interpreter services directly from language access providers through scheduling and coordinating delivery organizations and establishes the Interpreter Advisory Group. (Medical Aid Account-State)

**KM Knowledge Management**

Funding is provided for a new knowledge management system that will replace the current online reference system. It will provide claims managers, third party administrators, and self-insured employers with expedited electronic access to policies and procedures, guidelines, medical management, technical reference material, and other pertinent information. Funding pays for an online reference system from a commercial software vendor and information technology staff to implement the new system. (Accident Account-State, Medical Aid Account-State)

**MM Medical Management Best Practices**

Funding is provided for additional clinical expert resources (11 Occupational Nurse Consultants (ONCs) and an occupational medicine physician) to bring the current ratio of ONCs to claim managers closer to industry standards. Additional funding will allow for more timely processing of worker compensation claims. (Accident Account-State, Medical Aid Account-State)

**RR2 Federal Medicaid Expansion**

The Department of Labor and Industries (L&I) Crime Victims Compensation Program provides services, including medical care for crime victims. Funding is reduced to reflect the anticipated shift of clients to expanded Medicaid when it becomes available under the Affordable Care Act (ACA) in January 2014. Funding is retained for services to: 1) clients who are ineligible for Medicaid or the Health Benefit Exchange (HBE) due to citizenship status; 2) clients who cannot afford to pay HBE cost-sharing requirements and receive a financial hardship exemption, and; 3) Medicare clients, Dual-eligible clients, and clients enrolled in the Healthcare for Workers with Disabilities (HWD) program.

**SE3 Farm Internship Program**

Expenditure authority is provided for the implementation of Substitute Senate Bill 5123 (farm internship program), which creates a farm internship pilot program in sixteen counties and requires certification by the Department. (Accident Account-State, Medical Aid Account-State)

**SE7 Worker Compensation**

Expenditure authority is provided for the implementation of either Engrossed Substitute Senate Bill 5127 (structured settlement for workers) or Engrossed Substitute Senate Bill 5128 (injured worker compensation), which modifies existing structured settlement options. (Accident Account-State, Medical Aid Account-State)

**TIP Transportation improvement projects**

Expenditure authority is provided for L&I to implement the provisions of Substitute House Bill 1420 (transportation improvement projects), which exempts public improvement contracts that are funded in whole or in part by federal transportation funds from the contract retainage requirement. (Public Works Administration Account-State, Medical Aid Account-State, Accident Account-State)

**WIS Employee protections/WISHA**

Expenditure authority and staff are provided for the implementation of Engrossed House Bill 1891 (employee protections/WISHA), which increases protections for employees under the Washington industrial safety and health act of 1973 (WISHA). The L&I anticipates an increase in workplace discrimination investigations due to a provision of the bill that increases the allowable filing period for complaints from 30 days to 180 days after an alleged violation. (Medical Aid Account-State, Accident Account-State)