

Recommendation Summary

Agency: 235 Department of Labor and Industries

Version: AR1921V2 L&I Agency Budget Request 2019-2021

Dollars in Thousands

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CB T0PL Current Biennium Base	2,998.5	15,798	791,836	807,634
2017-19 Current Biennium Total	2,998.5	15,798	791,836	807,634
CL 1022 Crime Victim Participation	0.0	0	(45)	(45)
CL 1673 Public Works Training	0.0	0	(618)	(618)
CL 1723 Hanford Occupational Disease	0.4	0	14	14
CL 1906 Farm Internship Program	0.0	0	(96)	(96)
CL 6245 Spoken Language Interpreter	0.0	0	(26)	(26)
CL 6WMS Management Reduction	0.0	(37)	(1,135)	(1,172)
CL 8L Lease Adjustments < 20,000 sq. ft.	0.0	0	84	84
CL 8Y Cost Allocation Adjustment	0.0	(35)	35	0
CL 92A State Data Center	0.0	0	0	0
CL 92C Archives/Records Management	0.0	0	4	4
CL 92D Audit Services	0.0	0	83	83
CL 92E Legal Services	0.0	3	290	293
CL 92G Administrative Hearings	0.0	7	19	26
CL 92J CTS Central Services	0.0	(1)	(14)	(15)
CL 92K DES Central Services	0.0	(1)	3	2
CL 92R OFM Central Services	0.0	2	220	222
CL 92U1 OFM Human Resource Services	0.0	0	1	1
CL 92X Self-Insurance Liability Premium	0.0	(1)	(1)	(2)
CL 9D Pension and DRS Rate Changes	0.0	0	14	14
CL 9F Federal Funding Adjustment	(0.8)	0	(920)	(920)
CL BSA Move Pension Fund Shift to Agencies	0.0	1	(1)	0
CL BT01 Replace L&I Website	(3.2)	0	(1,445)	(1,445)
CL BT02 Business Transformation Office	0.0	0	(1,926)	(1,926)
CL BT03 Technology Work Streams	(2.9)	0	(5,319)	(5,319)
CL CM Enhancing Claims Management	6.9	0	103	103
CL CV Crime Victims Provider Rates	0.0	1,681	0	1,681
CL EL Improving Language Access	0.6	0	31	31
CL EP Self-Insurance Program	0.0	0	(15)	(15)
CL EW Electrical Inspection Workload	2.9	0	419	419
CL FA Factory Assembled Structures	5.1	0	1,117	1,117
CL FACU Facilities Utilization and Planning	(2.0)	0	(1,121)	(1,121)
CL G05 Biennialize Employee PEB Rate	0.0	4	100	104
CL G09 WFSE General Government	0.0	299	8,729	9,028
CL GAE Apprenticeship Expansion Grant	0.0	0	(1,670)	(1,670)
CL GL7 The Coalition of Unions Agreement	0.0	149	717	866
CL GL9 Non-Rep General Wage Increase	0.0	31	1,098	1,129
CL GLA Facility Debt Service	0.0	0	70	70
CL GLJ Initiative 1433 Minimum Wage	(1.1)	0	(1,130)	(1,130)
CL GLU PERS & TRS Plan 1 Benefit Increase	0.0	5	99	104
CL GTA Technology Apprenticeships	0.0	0	(4,000)	(4,000)
CL GZC CTS Fee for Service Adjustment	0.0	0	12	12
CL GZF Paid Family Leave--Employer Premium	0.0	0	39	39
CL GZH DES Rate Compensation Changes	0.0	0	36	36
CL JANI Injuries to Janitors Study	0.0	0	500	500

Recommendation Summary

Agency: 235 Department of Labor and Industries

Version: AR1921V2 L&I Agency Budget Request 2019-2021

Dollars in Thousands

	Average Annual FTEs	General Fund State	Other Funds	Total Funds
CL LS Complex WISHA Litigation	0.0	0	1	1
CL LX Network Infrastructure	0.0	0	(30)	(30)
CL MM Mainframe Migration Project LINIIS	0.0	0	(1,332)	(1,332)
CL NB CRI Account Transfer	0.0	(180)	180	0
CL PIPA Provider Credentialing Cost Avoid	0.0	0	(74)	(74)
CL PIPC Automated Provider Credentialing	0.0	0	74	74
CL PW Prevailing Wage Technology Project	(0.6)	0	(2,165)	(2,165)
CL PX Public Works Apprenticeships	0.6	0	123	123
CL RF Relocate Field Offices	0.0	0	(700)	(700)
CL WP Workplace Safety and Health	3.8	0	827	827
Total Carry Forward Level	3,008.1	17,725	783,095	800,820
Percent Change from Current Biennium	.3%	12.2%	(1.1)%	(8)%
Maintenance – Other Changes				
ML 8L Lease Adjustments < 20,000 sq. ft.	0.0	0	451	451
ML 8Y Cost Allocation Adjustment	0.0	(33)	33	0
ML 9F Federal Funding Adjustment	0.0	0	1,275	1,275
ML 9Z Recast to Activity	0.0	0	0	0
ML AG Attorney General's Office Workload	0.0	0	3,291	3,291
ML AW Apprenticeship Workload Increase	4.3	0	928	928
ML CM Enhancing Claims Management	26.1	0	6,149	6,149
ML CS Customer Service Workload	10.4	0	1,876	1,876
ML GP Gender Pay Equity	1.1	0	278	278
ML MV Office Moves	0.0	0	1,614	1,614
ML PC Provider Credentialing System	0.0	0	2,872	2,872
ML WP Workplace Safety and Health	14.7	0	4,038	4,038
Maintenance – Other Total	56.6	(33)	22,805	22,772
Maintenance – Transfers Changes				
ML 9T Transfers	20.3	0	596	596
Maintenance – Transfers Total	20.3	0	596	596
Total Maintenance Level	3,085.0	17,692	806,496	824,188
Percent Change from Current Biennium	2.9%	12.0%	1.9%	2.0%
Policy – Other Changes				
PL AR Apprenticeship Replacement System	1.3	0	482	482
PL BC Workers' Comp Replacement	80.6	0	81,974	81,974
PL CN Conveyance Management System	1.6	0	1,450	1,450
PL CV Crime Victims Provider Rates	0.0	6,768	0	6,768
PL CW Company-wide Wage Investigations	5.3	0	2,896	2,896
PL PH Preventing Worker Hospitalizations	2.1	0	546	546
PL PM Prevailing-wage Improvements	6.8	0	1,794	1,794
PL SB Small-business Outreach	3.8	0	2,448	2,448
Policy – Other Total	101.4	6,768	91,590	98,358

Recommendation Summary**Agency: 235 Department of Labor and Industries****Version: AR1921V2 L&I Agency Budget Request 2019-2021**

Subtotal - Policy Level Changes	101.4	6,768	91,590	98,358
2019-21 Total Proposed Budget	3,186.4	24,460	898,086	922,546
Percent Change from Current Biennium	6.3%	54.8%	13.4%	14.2%

Recommendation Summary**Agency: 235 Department of Labor and Industries****Version: AR1921V2 L&I Agency Budget Request 2019-2021****CL 9D Pension and DRS Rate Changes**

Biennialize Pension Funding

CL GZF 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.

ML 8L Lease Adjustments < 20,000 sq. ft.

The Department of Labor & Industries (L&I) requests funding for the increased costs of leased office space in the 2019-21 biennium.

ML 8Y Cost Allocation Adjustment

The Department of Labor & Industries (L&I) requests a change in appropriation level by fund to distribute direct and indirect costs to more equitably and fairly reflect costs of support to L&I's direct and indirect service programs.

ML 9F Federal Funding Adjustment

The Department of Labor and Industries (L&I) administers several federal grants. Because these federal grants extend into the 2019-21 biennium, this package seeks increased appropriation for the costs attributed to the 2019-21 biennium.

ML AG Attorney General's Office Workload

The Department of Labor & Industries (L&I) is seeking funding to reimburse the Attorney General's Office (AGO) to sustain the current caseload volumes, which has increased significantly since 2007.

ML AW Apprenticeship Workload Increase

Interest in apprenticeship has surged in the wake of legislative and governor attention. The Department of Labor and Industries (L&I) Apprenticeship Section registers and tracks all apprentices and helps in setting up new training programs. Due to rapid workload growth, L&I is requesting additional FTEs to respond to inquiries and to process registrations.

ML CM Enhancing Claims Management

The Department of Labor & Industries (L&I) is seeking to fully implement the recommendations of the Joint Legislative Audit & Review Committee (JLARC) aimed at improving outcomes for injured workers while also reducing workers' compensation costs. To fulfill the recommendations, L&I must reduce claim managers' caseloads. This request builds on the funded 2017-19 biennial request.

ML CS Customer Service Workload

Recommendation Summary**Agency: 235 Department of Labor and Industries****Version: AR1921V2 L&I Agency Budget Request 2019-2021**

The Department of Labor and Industries (L&I) is experiencing rising workloads and employee burn-out among customer-service specialists (CSS) who staff the front desks in several field offices. Also, within the Factory Assembled Structures (FAS) Program, inspectors currently schedule all inspections themselves, which takes about 15 percent of their time. L&I proposes to increase CSSes in six of its 19 field offices, and to create CSS positions in the FAS Program to schedule inspections and handle routine customer questions, thus increasing the inspectors' timeliness and productivity.

ML GP Gender Pay Equity

Legislation adopted in 2018 (2SHB 1506) seeks to achieve gender pay equity. That law added investigative duties to the Department of Labor & Industries (L&I). L&I submitted a fiscal note describing the resources required to implement the legislation, but no additional funding was provided in the 2018 Supplemental Budget.

ML MV Office Moves

The Department of Labor & Industries (L&I) is relocating its Seattle field office due to safety issues, high lease costs, parking limitations and declining customer traffic and its Yakima field office due the landlord's desire to terminate the lease at the end of the current term.

ML PC Provider Credentialing System

In the 2017-19 budget, the Legislature directed the Department of Labor & Industries to collaborate with the Health Care Authority to implement a single-platform provider-credentialing software system to provide automated enrollment and credentialing for all providers who deliver services to injured workers. However, insufficient funding was provided for the project. L&I is seeking funding to complete the software integration and configuration in the second quarter of the 2019-21 biennium, as well as maintenance costs for the balance of the biennium.

ML WP Workplace Safety and Health

The Department of Labor & Industries (L&I) is requesting to maintain its ability to investigate workplace accidents and to reverse a steep decline in the number of inspections and consultations aimed at preventing workplace injuries and deaths. Without additional personnel, Washington could lose its ranking as one of the safest states in which to work.

ML 9T Transfers

Department of Enterprise Services employees responsible for maintaining the L&I Tumwater Headquarters Building were transferred to L&I on July 1, 2018. This request is to provide funding to accommodate this transfer above the funding L&I has available for the previous inter-agency agreement.

PL AR Apprenticeship Replacement System

The Department of Labor and Industries (L&I) is requesting state funding to cover about one-quarter of the cost to replace the aging computer system that supports Washington's apprenticeship system. The agency has received federal grants to cover the rest of the cost. The project is on track to be completed in January 2020.

PL BC Workers' Comp Replacement

The Department of Labor & Industries seeks funding to replace the very large, very old computer system that supports Washington's workers' compensation program. L&I has completed extensive research, developed cost and timeline estimates, and produced a business case that details the findings and proposed approach. The proposed seven-year project will simplify the program's technology architecture, replace manual and paperwork processes with electronic features, and free up staff time to focus on further improving service to injured workers and employers.

Recommendation Summary**Agency: 235 Department of Labor and Industries****Version: AR1921V2 L&I Agency Budget Request 2019-2021****PL CN Conveyance Management System**

Replace the Department of Labor and Industries (L&I) Elevator Program's computer system (Conveyance Management System), which is used for managing customer accounts, issuing invoices and permits, storing inspection and violation records, scheduling inspections, etc. The existing system is aging and failing, and cannot be cost-effectively modified to support program improvements recommended by an independent audit requested by legislators.

PL CV Crime Victims Provider Rates

Legislation (HB 1739) adopted in 2017 increased the provider reimbursement rate in the Crime Victims Compensation (CVC) Program to 100 percent of the workers' compensation fee schedule. The Department of Labor & Industries (L&I) requested additional funding in the FY2018 supplemental budget to accommodate this requirement. The supplemental budget provided only enough funding to reimburse providers at 70 percent of the workers' comp schedule. L&I is requesting that this be restored to 100 percent.

PL CW Company-wide Wage Investigations

The Department of Labor and Industries (L&I) is seeking capacity to conduct company-wide investigations into unpaid wages. A 2006 law requires L&I to investigate all wage complaints filed by workers; this resulted in a large wage-investigations workload that continues to climb. This has left L&I without sufficient capacity to take on "optional" company-wide investigations, even when evidence from individual complaints suggests there are wider problems. L&I proposes to create a special unit, with commensurate support from the Attorney General's Office, to pursue company-wide reviews where it appears workers are not receiving the wages, breaks and/or paid sick leave they're owed.

PL PH Preventing Worker Hospitalizations

The Department of Labor & Industries' (L&I's) Safety & Health Assessment & Research for Prevention (SHARP) Program will conduct research aimed at preventing the types of work-related injuries that require immediate hospitalization. This effort will build on SHARP's successful fatality-prevention efforts by extending those same methods to this new area of research. Those methods include developing and promoting evidence-based, actionable information for employers and workers to reduce workplace hazards that lead to injuries that result in immediate hospitalization.

PL PM Prevailing-wage Improvements

This proposal would improve the overall quality of the Department of Labor and Industries (L&I) prevailing-wage investigations, add outreach capacity to inform awarding agencies and contractors about prevailing wage and reduce an unnecessarily high balance in the Public Works Administrative Fund by cutting intent and affidavit fees in half for two years.

PL SB Small-business Outreach

Provide funding to contract with customer-trusted groups to develop and deliver information to small businesses and their workers about many of the workplace rights, regulations and services administered by L&I. The agency would create a small unit to issue and manage the contracts and to ensure goals are met.