

Agency 540

Employment Security Department

Recommendation Summary

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2013-15 Expenditure Authority	2,312.5		693,978	693,978
Total Maintenance Level	1,505.4		607,364	607,364
Difference	(807.1)		(86,614)	(86,614)
Percent Change from Current Biennium	(34.9)%		(12.5)%	(12.5)%
Performance Changes				
Disability Employment Initiative	1.5	795		795
New Unemployment Tax and Benefits System	20.5		19,135	19,135
CTS Rate Adjustment			(370)	(370)
Archives/Records Management			(3)	(3)
Audit Services			(7)	(7)
Legal Services			27	27
Office of Chief Information Officer			55	55
Administrative Hearings			607	607
CTS Central Services			641	641
DES Central Services			565	565
Core Financial Systems Replacement			118	118
Fleet Program Rate Reduction			(14)	(14)
Time, Leave and Attendance System			165	165
Self-Insurance Liability Premium			(30)	(30)
State Public Employee Benefits Rate			216	216
WFSE General Government Master Agreement			9,837	9,837
Nonrepresented Job Class Specific Increases			8	8
General Wage Increase for State Employees			1,349	1,349
Subtotal	22.0	795	32,299	33,094
Total Proposed Budget	1,527.4	795	639,663	640,458
Difference	(785.1)	795	(54,315)	(53,520)
Percent Change from Current Biennium	(34.0)%	100.0%	(7.8)%	(7.7)%
Total Proposed Budget by Activity				
Administrative Overhead Costs	84.3		17,913	17,913
One-Stop WorkSource System	608.0		350,063	350,063
Labor Market and Economic Analysis	41.6		14,103	14,103
Unemployment Insurance Benefits	653.6		222,625	222,625
Unemployment Insurance Taxation	124.6		20,895	20,895
Washington Service Corps	15.4	795	14,064	14,859
Total Proposed Budget	1,527.4	795	639,663	640,458

HUMAN SERVICES - OTHER

PERFORMANCE LEVEL CHANGE DESCRIPTIONS

Disability Employment Initiative

To increase employment for working age individuals with disabilities, state general funds are provided for the Disability Employment Initiative. Ongoing funding will support technical assistance, guidance, and problem-solving for agencies regarding reasonable accommodation; centralized funding for reasonable accommodation costs in small agencies; and a leadership academy for high school students with disabilities.

New Unemployment Tax and Benefits System

Continued funding is provided for increasing the efficiency of the unemployment insurance system through the Unemployment Tax and Benefit (UTAB) new benefits system project. (Unemployment Compensation Administration Account-Federal)

CTS Rate Adjustment

Agency budgets are adjusted to reflect changes in Consolidated Technology Services (CTS) rates. Specific changes include a reduction in metered storage rates and elimination of tailored storage rates, elimination of redundant firewalls, reduction in long distance telephone rates, a general rate reduction to reflect administrative efficiencies within CTS, and enhancements to the identity management service.

Archives/Records Management

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 10 percent reduction in the number of boxes submitted for records storage.

Audit Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a 5 percent reduction in charges for audit services.

Legal Services

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a reduction in legal service charges. The Attorney General's Office (AGO) will work with client agencies to implement stricter policies and best practices regarding utilization of its services to achieve lower legal bills.

Office of Chief Information Officer

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect increased billing levels for software subscriptions and office relocation.

Administrative Hearings

Agency budgets are adjusted to update each agency's allocated share of charges and to reflect a cap on the hourly rate charged for services at \$120 per hour.

CTS Central Services

Agency budgets are adjusted to update each agency's allocated share of charges from Consolidated Technology Services (CTS) to reflect an increase in business continuity/disaster recovery costs and a new allocated charge for state data network costs.

DES Central Services

Agency budgets are adjusted to update each agency's allocated share of charges and to align with anticipated billing levels from the Department of Enterprise Services (DES) in the 2015-17 biennium, including changes to the enterprise systems fee, personnel services, and small agency financial services.

Core Financial Systems Replacement

Agency budgets are adjusted to align with anticipated billings from the Office of Financial Management in the 2015-17 biennium for core financial systems replacement planning through the One Washington project.

Fleet Program Rate Reduction

Agency budgets are adjusted to reflect efficiencies and reduced costs for the Department of Enterprise Services' fleet program.

Time, Leave and Attendance System

Agency budgets are adjusted to align with anticipated billings for the Time, Leave and Attendance system, including debt service and project completion costs.

Self-Insurance Liability Premium

Agency budgets are adjusted to reflect updated premium rates and a reduction in billings for the 2015-17 biennium.

State Public Employee Benefits Rate

Health insurance funding is provided 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. Insurance for employees covered by the health insurance coalition is included in funding for their respective collective bargaining agreements. The insurance funding rate is \$913 per employee per month for Fiscal Year 2016 and \$947 per employee per month for Fiscal Year 2017. (General Fund-State, various other accounts)

WFSE General Government Master Agreement

Funding is provided for a collective bargaining agreement with Washington Federation of State Employees (WFSE), which includes a general wage increase of 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for all employees who earn \$2,500 a month or more, effective July 1, 2016; a general wage increase of 1 percent plus a \$20 per month increase for all employees who earn less than \$2,500 per month, effective July 1, 2016; salary adjustments for targeted classifications; hazard pay for designated night crews; assignment pay in designated areas; and employee insurance. (General Fund-State, various other accounts)

Nonrepresented Job Class Specific 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, various other accounts)

General Wage Increase for State Employees

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 3 percent, effective July 1, 2015; a general wage increase of 1.8 percent for employees who earn \$2,500 a month or more, effective July 1, 2016; and a general wage increase of 1 percent plus a \$20 per month increase for employees who earn less than \$2,500 per month, effective July 1, 2016. This item includes both higher education and general government workers. (General Fund-State, various other accounts)

HUMAN SERVICES - OTHER

ACTIVITY DESCRIPTIONS

Administrative Overhead Costs

Administrative Overhead consists of the core functions essential to operate the Employment Security Department. Resources dedicated to these functions include the Commissioner's Office and the agency's executive policy staff. Also included are the centralized functions for Information Technology, Human Resources, Fiscal and Budget, Contracts, Communications, and Office Services. (General Fund-Federal, General Fund-Local, Administrative Contingency Account-State, Employment Services Admin Account-State, Unemployment Compensation Admin Account-Federal).

One-Stop WorkSource System

This activity matches employers who need workers with people seeking jobs. Services provided to businesses include assessing employer needs, listing employer job openings, screening and referring applicants, providing a database of job seekers, assisting with recruitment efforts, and working with local economic development councils on potential new businesses. Services for job seekers include doing skills assessments, offering workshops on resume writing and job skills development, making referrals to local training and education programs, providing an automated job bank, offering reemployment services for unemployment claimants, and meeting local area job skills in demand. Some of the federal funds pay for job training programs to improve employment prospects of economically disadvantaged adults, youth, and dislocated workers. (General Fund-State, General Fund- Federal, General Fund-Local, Unemployment Compensation Admin Account-Federal, Administrative Contingency Account-State and Employment Services Administrative Account-State).

Labor Market and Economic Analysis

Labor Market and Economic Analysis provides economic data to businesses, private planners, educators, legislators, government agencies, media, and the general public. Some of this information includes industry and occupational employment and earnings, labor supply and demand, economic forecasts, unemployment rates, and wage statistics. It is the primary source of labor market information supplied to key decision-makers throughout Washington State. (General Fund-Federal, Administrative Contingency Account-State, Employment Services Admin Account-State, Unemployment Compensation Admin Account-Federal)

Unemployment Insurance Benefits

Established in 1935 by the federal Social Security Act, the unemployment insurance program provides partial replacement of wages to workers unemployed through no fault of their own. Unemployed residents receive benefits each week while they are searching for new employment. Agency staff administer benefits, detect and collect money for overpayments, manage the unemployment trust fund, and administer the Old Age Survivors Insurance. (Unemployment Compensation Admin Account-Federal, Administrative Contingency Account-State, Employment Services Administrative Account-State)

Unemployment Insurance Taxation

Established in 1935 by the federal Social Security Act, unemployment benefits are paid for and financed by a tax on employers. The department administers the state's unemployment tax law, ensuring that all employers pay their unemployment taxes. Staff are also responsible for maintaining systems that deposit and record employers' tax filings and statements in an accurate and timely manner. (Unemployment Compensation Admin Account- Federal)

Washington Service Corps

Established under RCW 50.65, the Washington Service Corps addresses locally identified needs through community service in five priority areas: education, environment, homeland security, human needs, and public safety. In exchange for successfully completing their term of service, program participants earn a \$4,725 education award to help pay the cost of attending institutions of higher education or to repay qualified student loans. In addition, the Washington Service Corps administers the Washington Reading Corps program to improve the reading skills of 16,000 struggling readers in grades K-6 across Washington State. (General Fund-Federal, General Fund-Local, Administrative Contingency Account-State)