

OFFICE OF THE
ATTORNEY GENERAL





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September 9, 2016

David Schumacher, Director
Office of Financial Management
P.O. Box 43113
Olympia, WA 98504-3113

Dear Mr. Schumacher:

David -

Enclosed please find the 2017-2019 Budget Request from the Attorney General's Office (AGO) addressing critical agency and complex litigation needs. We are mindful of the continuing limitations on state resources, and continue to provide the best possible legal services for our clients and the residents of the state of Washington working within these constraints.

As in recent years, our number one priority continues to be additional funding to address recruitment and retention issues for our attorneys serving our state agency clients and the public. The agency continues to experience turnover due to salaries that are not competitive with our public sector peers. Retention remains a critical problem and is challenging our ability to provide efficient and effective legal services. We are currently conducting a salary survey to more precisely identify the gap between our attorney salaries and their public sector counterparts. The results of this study are forthcoming.

Our biennial budget request is limited to those needs that arise directly from significant litigation, legislative mandate, or increased workload. The funding requested for these items will allow us to mitigate risk, protect tax dollars, and serve the legal needs of the state and its residents. These include:

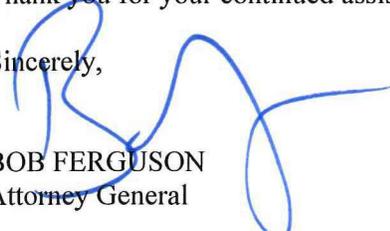
- Litigation support for Tobacco Diligent Enforcement and Labor and Industry complex worker safety cases;
- Sustained funding to support our child permanency and child welfare litigation caseload;
- Funding to support the increased workload and ratepayer advocacy by the Public Counsel Unit; and
- Funding to support clients with increased legal services needs including the Public Disclosure Commission, the Liquor and Cannabis Board and the University of Washington.

Our request also includes a technical correction to appropriately fund a job classification study for our employees providing legal support services, as approved by the Legislature in 2015.

I look forward to working with you and your office in the coming months, and stand ready to provide information to assist you as you prepare the Governor's budget proposal. If you have questions about this budget request, please contact Mark Melroy, Chief Financial Officer, at (206) 402-7224.

Thank you for your continued assistance.

Sincerely,


BOB FERGUSON
Attorney General

Thanks!

RWF/jlg
Enclosure



OFFICE OF THE ATTORNEY GENERAL
2017-19 Biennial Budget Request
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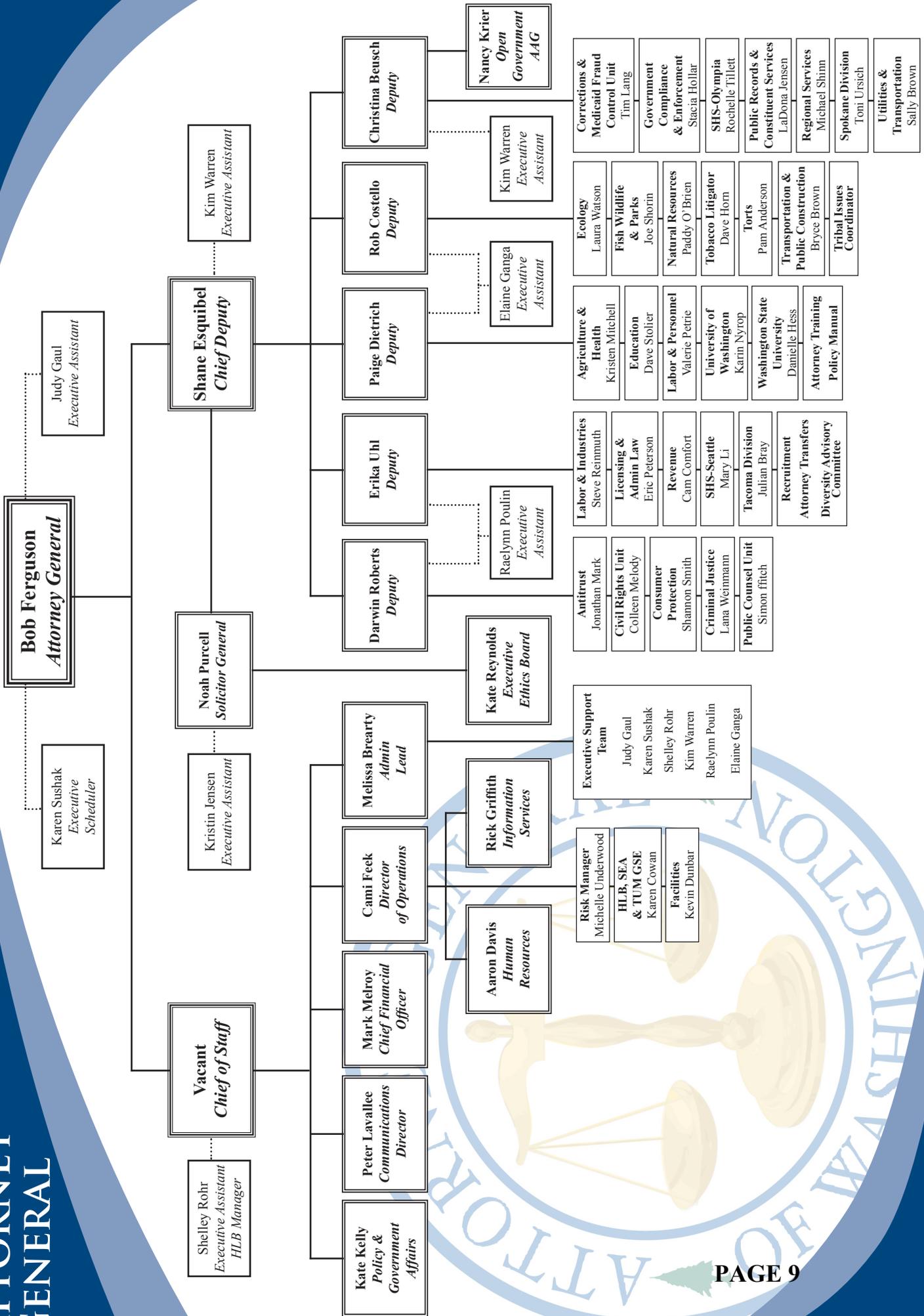
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TAB A

OVERVIEW



OFFICE OF THE ATTORNEY GENERAL



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100 - Office of Attorney General

A001 Administration

Administrative functions of the AGO includes the Attorney General's Core Leadership Team, the Solicitor General, executive support, financial services, human resources, IT services, and facilities staff. An administrative function of the AGO is the Solicitor General's issuance of Attorney General Opinions, which answer questions from members of the state Legislature, state elected officials, appointed heads of state agencies, boards and commissions, and county prosecuting attorneys. AGO opinions clarify the interpretation of statutes and regulations when the meaning is in doubt.

Appropriation Period: 2017-19 Activity Version: BS - 2017-19 Bien Budget Request UPDATED Sort By: Activity

Account	FY 2018	FY 2019	Biennial Total
FTE			
424-6 Non-Appropriated	0.3	0.3	0.3
996-Z Other	0.3	0.0	0.2
17L-6 Non-Appropriated	0.1	0.1	0.1
001-1 State	3.5	3.5	3.5
001-2 Federal	1.1	1.1	1.1
405-1 State	49.0	48.7	48.9
12F-6 Non-Appropriated	0.1	0.1	0.1
19A-1 State	0.4	0.4	0.4
154-1 State	0.2	0.2	0.2
111-1 State	0.3	0.3	0.3
828-1 State	0.1	0.1	0.1
FTE Total	55.4	54.8	55.1
424 Anti-Trust Revolving Account			
424-6 Non-Appropriated	\$42,978	\$41,844	\$84,822
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$13,512	\$13,381	\$26,893
001 General Fund			
001-1 State	\$(2,224)	\$(38,409)	\$(40,633)
001-2 Federal	\$130,805	\$130,788	\$261,593
001 Account Total	\$128,581	\$92,379	\$220,960
405 Legal Services Revolving Account			
405-1 State	\$6,020,355	\$5,907,248	\$11,927,603
12F Manufactured/Mobile Home Dispute Resolution Program Account			
12F-6 Non-Appropriated	\$17,709	\$17,237	\$34,946
19A Medicaid Fraud Penalty Account			
19A-1 State	\$56,651	\$59,459	\$116,110
154 New Motor Vehicle Arbitration Account			
154-1 State	\$19,316	\$19,958	\$39,274
111 Public Service Revolving Account			
111-1 State	\$42,262	\$42,409	\$84,671
828 Tobacco Prevention and Control Account			
828-1 State	\$6,934	\$6,985	\$13,919

Statewide Result Area: Efficient, Effective and Accountable Government
Statewide Strategy: Provide data, information, and analysis to support decision-making

Expected Results

Administration provides the issuance of Attorney General opinions which answer questions from members of the state Legislature, state elected officials, appointed heads of state agencies, boards and commissions, and county prosecuting attorneys. These questions seek clarification relating to the interpretation of statutes and regulations when the meaning is in doubt.

A002 Civil Commitment of Sexually Violent Predators

The Sexually Violent Predator Unit (SVPU) protects the public by ensuring that the most dangerous and violent sexual predators in the state are detained, evaluated, and treated until they no longer meet Sexually Violent Predator (SVP) criteria. When a sexual offender is about to be released from confinement and appears to meet SVP criteria, the SVPU acts as the prosecuting agency to classify them as a SVP resulting in Civil commitment. Once committed, the SVPU oversees the extensive post-commitment responsibilities to ensure that SVPs are not being released before being rehabilitated. These responsibilities include appeals, annual reviews, less restrictive alternative placements, and re-commitment hearings and trials.

Account	FY 2018	FY 2019	Biennial Total
FTE			
001-1 State	25.3	25.3	25.3
001 General Fund			
001-1 State	\$6,129,209	\$6,084,981	\$12,214,190

Statewide Result Area: Healthy and Safe Communities
Statewide Strategy: Confine and rehabilitate offenders

Expected Results

The most dangerous and violent sexual predators in the state are detained, evaluated, and treated until they no longer constitute a threat. Consequently, fewer people are victimized, and the public is protected from those sex offenders who are most likely to reoffend.

002535 As a result of the efforts to detain, evaluate and treat sex offenders who are most likely to reoffend, fewer people are victimized and the public is protected from those individuals.				
Biennium	Period	Actual	Target Min	Target Max
2015-17	A3			
	A2	7	14	17
2013-15	A3	10	14	17
	A2	10	14	17
Performance Measure Status: Approved				

A003 Criminal Investigation and Prosecution

The Criminal Litigation Unit (CLU) investigates and prosecutes all levels of criminal cases when requested by the Governor or county prosecuting attorneys. The types of cases commonly handled by the CLU include homicide, sexual assault, multi-jurisdictional crime, white-collar crime, governmental corruption cases, environmental crimes, tax fraud cases on behalf of the Department of Revenue, licensing fraud on behalf of the Department of Licensing, insurance fraud on behalf of the Office of the Insurance Commissioner, and fraudulent workers’ compensation claims and wage and hour violations on behalf of the Department of Labor and Industries. The CLU assists local prosecutors when they have a conflict of interest or need additional resources for major prosecutions. The CLU occasionally assumes responsibility for the appellate review of a criminal case that were originally brought by a county prosecutor if the case involves fundamental issues affecting the public interest and the administration of justice.

Account	FY 2018	FY 2019	Biennial Total
FTE			
001-1 State	2.9	2.9	2.9
001 General Fund			
001-1 State	\$997,091	\$1,007,843	\$2,004,934

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

When a county prosecutor has a conflict of interest or needs assistance for other reasons, there are competent, highly-skilled AGO prosecutors available to represent the county resulting in greater public protection. The AGO’s Criminal Litigation Unit (CLU) reviews important appeals and provides additional legal assistance upon request. The CLU also reviews and approves (or defends against) claims filed by persons claiming to have been wrongfully convicted and imprisoned. Crimes of fraud involving state agencies are properly investigated and prosecuted so that state agencies and other victims can recover their losses, and similar criminal activity against state agencies can be curtailed and deterred.

002536				
When a county prosecutor has a conflict of interest or needs assistance for other reasons, there are competent, highly-skilled AGO prosecutors available to represent the county resulting in greater public protection. The AGO’s Criminal Litigation Unit (CLU) reviews important appeals and provides additional legal assistance upon request. The CLU also reviews and approves (or defends against) claims filed by persons claiming to have been wrongfully convicted and imprisoned. Crimes of fraud involving state agencies are properly investigated and prosecuted so that state agencies and other victims can recover their losses, and similar criminal activity against state agencies can be curtailed and deterred.				
Biennium	Period	Actual	Target	
2015-17	Q8			
	Q7			
	Q6			
	Q5			
	Q4	19	23	
	Q3	15	22	
	Q2	17	22	
	Q1	15	22	
2013-15	Q8	21	23	
	Q7	19	23	
	Q6	16	23	
	Q5	19	22	
	Q4	21	23	
	Q3	20	22	
	Q2	22	23	
	Q1	11	22	
Performance Measure Status: Approved				

A004 Enforcement of Anti-Trust Laws

The AGO’s Antitrust Division (ANT) division protects the residents of Washington State from price-fixing, illegal mergers, monopolization, and other illegal, anticompetitive activities. ANT holds entities accountable when they break the law and engage in unfair competition, and ensures that consumers benefit from a competitive marketplace. By enforcing antitrust laws, ANT ensures that businesses compete fairly with each other. ANT files enforcement actions, responds to consumer complaints, provides advice to state agencies, and provides consumer education and outreach. Through these efforts, ANT ensures that consumers’ problems are addressed, money overpaid due to illegal activity is recovered, illegal activity is prevented, and businesses are educated about their responsibilities under the antitrust laws.

Account	FY 2018	FY 2019	Biennial Total
FTE			
424-6 Non-Appropriated	6.7	6.7	6.7
424 Anti-Trust Revolving Account			
424-6 Non-Appropriated	\$1,293,822	\$1,267,360	\$2,561,182

Statewide Result Area: Prosperous Economy

Statewide Strategy: Regulate the economy to ensure fairness, security and efficiency

Expected Results

The AGO’s Antitrust Division (ANT) enforces antitrust laws, protects consumers from illegal and harmful practices, and ensures a fair, efficient, and competitive marketplace for businesses. ANT enforcement actions prevent monopolies, price-fixing, and illegal mergers, and recover money for injured consumers and state agencies. Through outreach efforts, ANT educates businesses in order to prevent antitrust violations and protects Washington consumers

<p>000011 The AGO’s Antitrust Division (ANT) enforces antitrust laws, protects consumers from illegal and harmful practices, and ensures a fair, efficient, and competitive marketplace for businesses. ANT enforcement actions prevent monopolies, price-fixing, and illegal mergers, and recover money for injured consumers and state agencies. Through outreach efforts, ANT educates businesses in order to prevent antitrust violations and protects Washington consumers.</p>			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	\$12,222,846	\$700,000
2013-15	A3	\$51,378,684	\$700,000
	A2	\$2,000,000	\$700,000
<p>Performance Measure Status: Approved</p>			

A005 Enforcement of Consumer Protection Laws

The AGO’s Consumer Protection Division (CPR) protects Washington consumers from deception, scams, and abusive practices. CPR provides a fair marketplace through vigorous civil law enforcement of the Consumer Protection Act (CPA) including education and outreach to consumers. CPR’s Consumer Resource Center fields calls and complaints from consumers around the state, informally resolving complaints and recovering millions of dollars for consumers. CPR attorneys promote compliance with the CPA by obtaining injunctions and monetary judgments against violators including direct consumer restitution. CPR’s Foreclosure Compliance Program enforces the Foreclosure Fairness Act to help homeowners. CPR also houses the Lemon Law program which promotes timely and effective new motor vehicle warranty service through mandatory arbitration. CPR’s Manufactured House Dispute Resolution Unit fosters compliance with the Manufactured Housing Landlord Tenant Act.

Account	FY 2018	FY 2019	Biennial Total
FTE			
17L-6 Non-Appropriated	2.6	2.3	2.5
001-1 State	50.7	51.3	51.0
12F-6 Non-Appropriated	3.7	3.7	3.7
154-1 State	4.3	4.3	4.3
FTE Total	61.3	61.6	61.5
424 Anti-Trust Revolving Account			
424-6 Non-Appropriated	\$22,169	\$(415)	\$21,754
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$351,923	\$352,678	\$704,601
001 General Fund			
001-1 State	\$3,723,718	\$3,818,923	\$7,542,641
12F Manufactured/Mobile Home Dispute Resolution Program Account			
12F-6 Non-Appropriated	\$473,831	\$457,563	\$931,394
19A Medicaid Fraud Penalty Account			
19A-1 State	\$(253)	\$0	\$(253)
154 New Motor Vehicle Arbitration Account			
154-1 State	\$532,850	\$532,244	\$1,065,094

Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

The AGO’s Consumer Protection Division’s (CPR) activities are expected to foster a fair, competitive and non-deceptive marketplace, prevent consumer harm, promote voluntary compliance with economic regulation by businesses, and resolve disputes between buyers and sellers in the marketplace. CPR is expected to recover a portion of operational costs through its litigation activity. CPR is expected to promote timely and effective new motor vehicle warranty service through mandatory arbitration, and foster compliance with the Manufactured Housing Landlord Tennant Act.

000014			
<p>The division’s activities are expected to foster a fair, competitive and non-deceptive market place, prevent consumer harm, promote voluntary compliance with economic regulation by business, and resolve disputes between buyers and sellers in the marketplace. The division is also expected to recover a portion of the costs of its operation through its litigation activity. Finally, the Division is expected to promote timely and effective new motor vehicle warranty service through mandatory arbitration and foster compliance with the Manufactured Housing Landlord Tennant Act.</p>			
Biennium	Period	Actual	Target
2013-15	A3		\$2.15
	A2		\$2.15
Performance Measure Status: Approved			

002534			
<p>The division’s activities are expected to foster a fair, competitive and non-deceptive market place, prevent consumer harm, promote voluntary compliance with economic regulation by business, and resolve disputes between buyers and sellers in the marketplace. The division is also expected to recover a portion of the costs of its operation through its litigation activity. Finally, the Division is expected to promote timely and effective new motor vehicle warranty service through mandatory arbitration and foster compliance with the Manufactured Housing Landlord Tennant Act.</p>			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	\$17,241,222	\$13,000,000
2013-15	A3	\$8,325,490	\$8,500,000
	A2	\$9,900,000	\$8,500,000
Performance Measure Status: Approved			

A006 Executive Ethics Board

The Executive Ethics Board (EEB) is an independent board with five members appointed by the Governor. The EEB promotes integrity, confidence, and public trust in state government through education, interpretation, and enforcement of the Ethics in compliance with the Public Service Act (Act). The AGO provides staff and administrative support for the EEB. EEB members meet on a regular basis to interpret the Act for all state agencies, provide advice to agencies regarding ethical issues, promulgate rules to implement the Act, and take enforcement action against state employees who violate the Act. EEB staff investigate complaints filed by public employees and citizens, provide ethics training to state agencies, and provide advice regarding ethics in the workplace. Ethics training enables state officers and employees to perform their public responsibilities and conduct the business of the state appropriately.

Account	FY 2018	FY 2019	Biennial Total
FTE			
405-1 State	3.1	3.1	3.1
424 Anti-Trust Revolving Account			
424-6 Non-Appropriated	\$(5)	\$0	\$(5)
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$(1)	\$0	\$(1)
001 General Fund			
001-1 State	\$(17)	\$0	\$(17)
001-2 Federal	\$(4)	\$0	\$(4)
001 Account Total	(\$21)	\$0	(\$21)
405 Legal Services Revolving Account			
405-1 State	\$509,740	\$521,229	\$1,030,969
12F Manufactured/Mobile Home Dispute Resolution Program Account			
12F-6 Non-Appropriated	\$(1)	\$0	\$(1)
19A Medicaid Fraud Penalty Account			
19A-1 State	\$(3)	\$0	\$(3)
154 New Motor Vehicle Arbitration Account			
154-1 State	\$(1)	\$0	\$(1)
111 Public Service Revolving Account			
111-1 State	\$(2)	\$0	\$(2)

Statewide Result Area: Efficient, Effective and Accountable Government

Statewide Strategy: Support democratic processes and government accountability

Expected Results

The Executive Ethics Board investigates complaints filed by public employees and citizens regarding ethical violations established in the Public Service Act, and prosecutes cases to completion. By completing investigations and resolving cases in a timely manner, state agencies, state employees, and the public are better served, and public trust and confidence in state government increases.

000018 The Executive Ethics Board investigates complaints filed by public employees and citizens regarding ethical violations established in the Public Service Act, and prosecutes cases to completion. By completing investigations and resolving cases in a timely manner, state agencies, state employees, and the public are better served, and public trust and confidence in state government increases.			
Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	370	180
	Q3	326	180
	Q2	196	180
	Q1	269	180
2013-15	Q8	168	180
	Q7	158	180
	Q6	136	180
	Q5	132	180
	Q4	76	180
	Q3	114	180
	Q2	92	180
	Q1	167	180
Performance Measure Status: Approved			

A007 Homicide Investigation Tracking System

The Homicide Investigation Tracking System (HITS) system provides assistance to law enforcement by providing them with greater access to information, advice, and assistance resulting in enhanced and speedier investigation of violent crimes. As a result, suspects are pursued more quickly leading to better public protections.

Appropriation Period: 2017-19 Activity Version: BS - 2017-19 Bien Budget Request UPDATED Sort By: Activity

Account	FY 2018	FY 2019	Biennial Total
FTE			
001-1 State	4.5	4.5	4.5
001 General Fund			
001-1 State	\$594,112	\$594,288	\$1,188,400

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Enforce the law

Expected Results

Homicide Investigation Tracking System (HITS) investigators and its data warehouse provide resources to local, state, and federal law enforcement agencies by giving them access to violent crime data and analyses across jurisdictions. The HITS unit provides law enforcement analysis of crime data related to murder, rape, and other serious offenses. The usefulness of the HITS system is directly affected by the quality and quantity of crime data entered into the system, and HITS investigators work closely with law enforcement to ensure all information is correctly captured. HITS provides direct investigative assistance, including case reviews and search results, to law enforcement agencies upon their request. As a result, violent offenders are identified and apprehended improving public safety and preventing crime.

000021 Homicide Investigation Tracking System (HITS) investigators and its data warehouse provide resources to local, state, and federal law enforcement agencies by giving them access to violent crime data and analyses across jurisdictions. The HITS unit provides law enforcement analysis of crime data related to murder, rape, and other serious offenses. The usefulness of the HITS system is directly affected by the quality and quantity of crime data entered into the system. HITS investigators work closely with law enforcement to ensure all information is correctly captured. HITS provides direct investigative assistance that includes case reviews and search results to law enforcement agencies upon their request. As a result, violent offenders are identified and apprehended improving public safety and preventing crime.

Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	240	253
	Q3	310	253
	Q2	208	253
	Q1	271	253
2013-15	Q8	254	254
	Q7	241	253
	Q6	227	253
	Q5	250	253
	Q4	185	254
	Q3	231	253
	Q2	243	253
	Q1	239	253
Performance Measure Status: Approved			

A008 Investigation and Defense of Tort Lawsuits

The AGO’s Torts Division protects taxpayers by providing high quality and effective legal defense to the state in tort claims and lawsuits. Torts improves government efficiency by measuring the speed with which lawsuits resolve, and measuring success in resolving cases through early resolution. Torts also tracks “zero-payout cases” and appellate outcomes. Torts maintains a high rate of case appeal litigation success.

Account	FY 2018	FY 2019	Biennial Total
405 Legal Services Revolving Account			
405-1 State	\$983,653	\$983,653	\$1,967,306

Statewide Result Area: Efficient, Effective and Accountable Government
Statewide Strategy: Provide data, information, and analysis to support decision-making

Expected Results

The AGO’s Torts Division protects taxpayers by vigorously defending tort claims and lawsuits against the state, state agencies, boards, commissions, and officers and employees acting within the scope of their employment. Torts consists of experienced litigators and trained legal professionals who provide high quality and efficient legal services to the state. Torts promotes government efficiency by employing concerted efforts to resolve claims and lawsuits at the earliest possible stages through the early resolution program, motions practice, direct negotiation and mediated settlement. Torts maintains a high rate of litigation success with many lawsuits dismissed with zero payout. Torts also maintains a high rate of case appeal litigation success.

002537 The AGO’s Torts Division protects taxpayers by vigorously defending tort claims and lawsuits against the state, state agencies, boards, commissions, and officers and employees acting within the scope of their employment. The AGO Torts Division consists of experienced litigators and trained legal professionals who provide high quality and efficient legal services to the state. The provided legal services promotes government efficiency by employing concerted efforts to resolve claims and lawsuits at the earliest possible stages through the early resolution program, motions practice, direct negotiation and mediated settlement. The AGO Torts Division maintains a high rate of litigation success (including case appeal litigation) with many lawsuits dismissed with zero payout

Biennium	Period	Actual	Target
2015-17	A3		
	A2	47%	50%
2013-15	A3	59%	50%
	A2	59%	50%

Performance Measure Status: Approved

A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse

The Medicaid Fraud Control Unit (MFCU) is federally mandated and 75% federally funded for this investigative and prosecutorial unit staffed by Attorneys, Auditors, Investigators, Paralegals and support personnel. MFCU’s mission is to protect patients and taxpayers through civil (including qui tam action) and criminal law enforcement. MFCU investigates and prosecutes fraud by health care providers that illegally divert Medicaid funds. These enforcement efforts curtail and deter similar criminal activity and lead to recoveries for the state and federal government. MFCU also prosecutes the abuse and neglect of residents in Medicaid-funded facilities. MFCU provides valuable assistance to local law enforcement in investigating and prosecuting crimes committed against vulnerable adults. MFCU helps coordinate the efforts of local vulnerable adult task forces, enforces the law, holds criminals accountable, increases public safety, deters fraud, and recovers money for the state. The addition of the Medicaid False Claims Act (FCA) in 2012 allows whistleblower qui tam actions. This increases MFCU’s capacity to aggressively combat fraud through civil and criminal means, benefits our state by expanding the AGO’s capacity to address fraud, neglect and abuse. This is essential as more Washingtonians become eligible for Medicaid under the Affordable Care Act, and as more people are entering the long-term care system.

Account	FY 2018	FY 2019	Biennial Total
FTE			
001-2 Federal	27.1	27.1	27.1
405-1 State	0.1	0.1	0.1
19A-1 State	9.0	9.0	9.0
FTE Total	36.2	36.2	36.2
001 General Fund			
001-2 Federal	\$3,413,699	\$3,417,685	\$6,831,384
19A Medicaid Fraud Penalty Account			
19A-1 State	\$1,542,763	\$1,540,025	\$3,082,788

Statewide Result Area: Healthy and Safe Communities
Statewide Strategy: Provide access to health care

Expected Results

Medicaid funds are returned to the State through appropriation to combat fraud, provide Medicaid services, and monitor prescription drug abuse. The 2012 legislature created the False Claims Act (FCA) and the Medicaid Penalty Account (MPA) which is the state funding source for the AGO’s Medicaid Fraud Control Unit (MFCU), and for the Medicaid program integrity responsibilities managed by the Washington State Health Care Authority. Through MFCU’s civil efforts, recovered money that was illegally obtained in violation of either the federal or state FCA is returned to the State and placed into the MPA. This includes restitution, interest and penalties. The 2013 legislature authorized the Prescription Drug Monitoring Program, also funded from the MPA. Through MFCU’s criminal and non-false claims act civil efforts, additional money is returned to the State. These cases generally contain a restitution portion, and have generated interest. In these cases, the restitution recoveries are returned directly to the Medicaid program and not to the MPA. Any interest earned and recovered goes to the State General Fund.



002538			
<p>The state share of Medicaid recoveries is utilized to combat fraud, provide Medicaid services, and monitor prescription drug abuse. The 2012 legislature created the False Claims Act (FCA) and the Medicaid Penalty Account (MPA). These acts create the state funding source for the AGO’s Medicaid Fraud Control Unit (MFCU), and for the Medicaid program integrity responsibilities managed by the Washington State Health Care Authority. Through MFCU’s civil efforts, recovered money that was illegally obtained in violation of either the federal or state FCA is returned to the State and placed into the MPA. The recovered money includes restitution, interest and penalties. The 2013 legislature authorized the Prescription Drug Monitoring Program that is also funded from the MPA. Through MFCU’s criminal and non-false claims act civil efforts under this program, additional money is returned to the State.</p>			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	\$52,231,255	\$21,000,000
2013-15	A3	\$7,963,780	\$21,000,000
	A2	\$24,421,188	\$21,000,000
Performance Measure Status: Approved			

A010 Legal Services to State Agencies

Appropriation Period: 2017-19 Activity Version: BS - 2017-19 Bien Budget Request UPDATED Sort By: Activity

By providing high quality legal assistance and representation to Washington’s state agencies, boards, and commissions, the AGO improves government services, increases government efficiency, and prevents costly lawsuits. The legal services provided by the AGO saves taxpayer dollars, promotes the public interest, and ensures agencies are able to fulfill their essential missions. The AGO offers excellent, option-based legal advice to help the state promote the public good. In the litigation context, the AGO initiates, defends, and resolves cases effectively and efficiently for the benefit of the state, its agencies, and its citizens.

Account	FY 2018	FY 2019	Biennial Total
FTE			
001-1 State	7.7	7.7	7.7
405-1 State	962.4	953.3	957.9
828-1 State	2.4	1.9	2.2
FTE Total	972.5	962.9	967.7
424 Anti-Trust Revolving Account			
424-6 Non-Appropriated	\$26,639	\$19,355	\$45,994
17L Foreclosure Fairness Account			
17L-6 Non-Appropriated	\$3,289	\$2,390	\$5,679
001 General Fund			
001-1 State	\$1,684,452	\$1,647,880	\$3,332,332
001-2 Federal	\$21,321	\$15,491	\$36,812
001 Account Total	\$1,705,773	\$1,663,371	\$3,369,144
405 Legal Services Revolving Account			
405-1 State	\$122,613,667	\$122,632,377	\$245,246,044
12F Manufactured/Mobile Home Dispute Resolution Program Account			
12F-6 Non-Appropriated	\$4,299	\$3,123	\$7,422
19A Medicaid Fraud Penalty Account			
19A-1 State	\$14,400	\$10,463	\$24,863
154 New Motor Vehicle Arbitration Account			
154-1 State	\$4,891	\$3,554	\$8,445
111 Public Service Revolving Account			
111-1 State	\$10,430	\$7,578	\$18,008
828 Tobacco Prevention and Control Account			
828-1 State	\$129,066	\$130,015	\$259,081

Statewide Result Area: Efficient, Effective and Accountable Government
Statewide Strategy: Provide data, information, and analysis to support decision-making

Expected Results

The AGO provides legal advice and representation to nearly 200 state agencies, boards, and commissions and sustains about 25,000 open cases at all times. As legal counsel for the state, the AGO represents the state in litigation, and provides legal advice on personnel, contracts, public records, specialized program advice, and risk management. Program responsibilities supported by the AGO include state and federal benefit programs administered by state agencies, licensing and regulatory programs, agency custodial programs, higher education institutions, natural resources programs, capital construction and equipment acquisitions, state agency revenue and collection programs, and economic development and enterprise activities. The AGO protects taxpayer dollars by providing sound legal advice and risk management services to clients thus avoiding costly lawsuits. The AGO assists agencies with civil enforcement efforts – for example, working with the Department of Ecology to hold polluters accountable, the Department of Labor and Industries to promote fair labor practices, and Department of Social Health and Services to protect children and other vulnerable populations from abuse and neglect.

002539 By providing high quality legal assistance and representation to Washington’s state agencies, boards, and commissions, the AGO improves government services, increases government efficiency, and prevents costly lawsuits. The legal services provided by the AGO saves taxpayer dollars, promotes the public interest, and ensures agencies are able to fulfill their essential missions. The AGO provides excellent, option-based legal advice to help the state promote the public good. In the litigation context, the AGO initiates, defends, and resolves cases effectively and efficiently for the benefit of the state, its agencies, and its citizens.

Biennium	Period	Actual	Target
2015-17	A3		
	A2	27,364	25,000
2013-15	A3	25,472	25,000
	A2	24,256	25,000

Performance Measure Status: Approved

A011 Representing Ratepayers

The AGO’s Public Counsel Unit (PCU) represents residential and small business customers (ratepayers) of electric, natural gas, and telecommunications utilities regulated by the Washington Utilities & Transportation Commission (UTC). PCU advocates on behalf of customers in UTC cases involving utility rates, mergers, energy efficiency programs, service quality, and other policy matters. PCU investigates company requests and retains experts to analyze areas such as accounting, economics, finance, engineering, rate spread/rate design, and service quality. In a rate case or merger evidentiary hearings, PCU will cross-examine other parties’ expert witnesses, present its own witnesses, and file legal briefs. In addition to participating as a statutory party in major rate and merger cases, PCU may also present policy recommendations in UTC rulemakings or at bi-weekly UTC business meetings. PCU participates in technical policy and advisory groups, and may provide information to the Legislature and other policymakers.

Account	FY 2018	FY 2019	Biennial Total
FTE			
111-1 State	10.2	10.2	10.2
111 Public Service Revolving Account			
111-1 State	\$1,814,490	\$1,809,924	\$3,624,414

Statewide Result Area: Prosperous Economy
Statewide Strategy: Provide consumer protection

Expected Results

The AGO’s Public Counsel Unit (PCU) protects consumers and businesses by advocating fair, just, reasonable, and sufficient utility rates, and by ensuring that customers pay only for reasonable and cost-effective programs. PCU’s efforts have helped save consumers nearly \$100 million over the past four years and will continue to save Washingtonians money on utility rates.

002531 The AGO’s Public Counsel Unit (PCU) protects consumers and businesses by advocating fair, just, reasonable, and sufficient utility rates, and by ensuring that customers pay only for reasonable and cost-effective programs. PCU’s efforts have helped save consumers nearly \$150 million over the past four years and will continue to save Washingtonians money on utility rates.			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	\$47,000,000	\$20,000,000
2013-15	A3	\$86,700,000	\$20,000,000
	A2	\$39,000,000	\$20,000,000
Performance Measure Status: Approved			

A012 Victims Advocacy

The Washington Coalition of Crime Victim Advocates (WCCVA) provides training, certification and support to community-based victim service organizations. This training provides an overview of victim rights and the mandated pre-service core training for crime victim advocates before working professionally with victims of crime in Washington State. In addition, by maintaining web-based resources and ensuring the availability of an electronic distribution list for relevant crime victim advocacy issues and victim rights, WCCVA educates advocates, victims and the community relating to their rights and available services. WCCVA works to educate the public of the impact of crime to individuals and society in order to deter crimes and improve public and private efforts to prevent crimes.

Account	FY 2018	FY 2019	Biennial Total
19P Child Rescue Fund			
19P-1 State	\$250,000	\$250,000	\$500,000
001 General Fund			
001-1 State	\$360,552	\$353,152	\$713,704

Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Protect and support victims of crime

Expected Results

The AGO will support those who provide direct services to victims of crime, increase quality services for victims of crime in Washington State, protect victims' rights, enhance public awareness, and provide crime specific education opportunities for communities throughout our state. Consequently, Washingtonians will utilize the services necessary for recovery and lessen their chances for repeated victimization. Victims and victims' advocates will receive the support and services they need.

Grand Total

	FY 2018	FY 2019	Biennial Total
FTE's	1,178.1	1,168.2	1,173.2
GFS	\$13,486,893	\$13,468,658	\$26,955,551
Other	\$140,367,194	\$140,195,601	\$280,562,795
Total	\$153,854,087	\$153,664,259	\$307,518,346

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**Agency Performance Measure
Incremental Estimates for the Biennial Budget**

Agency: 100 Office of Attorney General Budget Period: 2017-19

Activity: A001 Administration

M2 8L Lease Rate Adjustments No measures linked to decision package

Outcome Measures 000001 PM0001/ADM - Percentage of Mandatory Training Completed.

			<u>FY 2018</u>	<u>FY 2019</u>
M2	MC	Move Servers to State Data Center	0.00%	0.00%
M2	MI	Traffic Fines (SSB 6360)	0.00%	0.00%

Activity: A002 Civil Commitment of Sexually Violent Predators

M2 8L Lease Rate Adjustments No measures linked to decision package

Outcome Measures 002535 As a result of the efforts to detain, evaluate and treat sex offenders who are

			<u>FY 2018</u>	<u>FY 2019</u>
M2	MD	AGO Legal Support Shortfall	0.00	0.00

Results Washington: Healthy and Safe Communities: Keep people safe in their homes, on their jobs and in their communities. AGO Strategic Plan: Serve the State – Goal 3 Proactively engage in risk management efforts to reduce the state’s liability and improve outcomes for the public. 1-3-3 Play a statewide leadership role in risk management.

Activity: A003 Criminal Investigation and Prosecution

M2 8L Lease Rate Adjustments No measures linked to decision package

Activity: A004 Enforcement of Anti-Trust Laws

M2 8L Lease Rate Adjustments No measures linked to decision package

**Agency Performance Measure
Incremental Estimates for the Biennial Budget**

Agency: 100 Office of Attorney General Budget Period: 2017-19

Activity: A005 Enforcement of Consumer Protection Laws

M2 8L Lease Rate Adjustments No measures linked to decision package

Output Measures 002534

M2	MD	AGO Legal Support Shortfall	<u>FY 2018</u>	<u>FY 2019</u>
			0.00	0.00

AGO Strategic Plan: Protect the People – Protect the legal rights of the people of the state of Washington. 2-1-1: Expand Consumer Protection enforcement.

Activity: A006 Executive Ethics Board

M2 8L Lease Rate Adjustments No measures linked to decision package

Activity: A007 Homicide Investigation Tracking System

M2 8L Lease Rate Adjustments No measures linked to decision package

Activity: A008 Investigation and Defense of Tort Lawsuits

Output Measures 002537 The AGO’s Torts Division protects taxpayers by vigorously defending tort

M2	MD	AGO Legal Support Shortfall	<u>FY 2018</u>	<u>FY 2019</u>
			0.00%	0.00%

Results Washington: Effective, Efficient and Accountable Government: Resource Stewardship: Cost Effective Government. AGO Strategic Plan: Goal 2: Serve the people – protect the legal rights of the people of the state of Washington;. Goal 3: Serve our Employees – Create a positive work environment that recognizes employees as it’s most valuable resource and fosters integrity, professionalism, civility and transparency.

**Agency Performance Measure
Incremental Estimates for the Biennial Budget**

Agency: 100 Office of Attorney General Budget Period: 2017-19

Activity: A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse

M2 8L Lease Rate Adjustments No measures linked to decision package

Outcome Measures 002538

M2	MD	AGO Legal Support Shortfall	<u>FY 2018</u>	<u>FY 2019</u>
			0.00	0.00

Results Washington: Effective, Efficient and Accountable Government: Customer Satisfaction and Confidence: 1.1 Increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness.

AGO Strategic Plan: Protect the People – Protect the legal rights of the people of the state of Washington. 2-1-6: Combat health care fraud by maintaining the Civil Section of the Medicaid Fraud Control Unit.

Activity: A010 Legal Services to State Agencies

M2 8L Lease Rate Adjustments No measures linked to decision package

Outcome Measures 000030 PM0010 - The number of litigation cases open at the end of each Fiscal Yea

M2	MD	AGO Legal Support Shortfall	<u>FY 2018</u>	<u>FY 2019</u>
			0.00	0.00

Outcome Measures 002539 By providing high quality legal assistance and representation to Washingto

M2	MA	Tobacco Diligent Enforcement	<u>FY 2018</u>	<u>FY 2019</u>
M2	MB	LCB Legal Services (2SSB 5052)	0.00	0.00
M2	MD	AGO Legal Support Shortfall	0.00	0.00
M2	ME	PDC Legal Services	0.00	0.00
M2	MF	Mental Health Workload Increase	0.00	0.00
M2	MG	Charter Schools Litigation	0.00	0.00
M2	MH	Vapor Products (ESSB 6328)	0.00	0.00
PL	PB	Child Permanency & Child Welfare	0.00	0.00
PL	PC	L&I WISHA Complex Litigation	0.00	0.00
PL	PE	UW (Bothell) Legal Services	0.00	0.00

Results Washington: Effective, Efficient and Accountable Government: Customer Satisfaction and Confidence: 1.1 Increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness. AGO Strategic Plan: Serve the State – Goal 1: Provide excellent, independent, and ethical legal advice and representation to our client, the state of Washington. Goal 1 Deliver high quality, timely, and efficient legal services.

State of Washington
Agency Performance Measure
Incremental Estimates for the Biennial Budget

Agency: 100 Office of Attorney General Budget Period: 2017-19

Activity: A011 Representing Ratepayers

M2 8L Lease Rate Adjustments No measures linked to decision package

Outcome Measures 002531 The AGO's Public Counsel Unit (PCU) protects consumers and businesses

			<u>FY 2018</u>	<u>FY 2019</u>
M2	MD	AGO Legal Support Shortfall	0.00	0.00
PL	PD	Public Counsel - Ratepayer Advocacy	0.00	0.00

Results Washington: Effective, Efficient and Accountable Government: Customer Satisfaction and Confidence: 1.1 Increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness.

AGO Strategic Plan: Protect the People – Protect the legal rights of the people of the state of Washington. 2-1-7: Protect Washington Ratepayers.

Indirect Cost Allocation to Activities Description

- Not Applicable -

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OFFICE OF THE ATTORNEY GENERAL STRATEGIC PLAN

FY 2015 – 2017

Attorney General Bob Ferguson

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A Letter from Attorney General Ferguson

If you want to accomplish something, write it down. My father gave me this advice as a young man. It applies not only to reaching one's personal goals, but it is applicable to every organization. The act of collectively writing down goals and objectives is an invaluable tool for any organization as it sets out to achieve its mission and live out its vision.

At the Attorney General's Office, our vision is to be the best public law office in the United States. For decades, we have been a leader among states. Every day, our employees fulfill our mission to provide excellent, independent, and ethical legal services to the State of Washington and to protect the rights of its people.

However, every organization can do better. That is what this strategic plan represents. As an office, we are writing down our priorities, goals, and objectives – the things that we want to accomplish to bring us closer to our aspiration of being the very best law office for the people of Washington.

This strategic plan adopts specific goals and objectives that we seek to meet over the course of this biennium in our three priority areas - Serving the State, Protecting the People, and Empowering our Employees. For each goal, we identify deliverables and key indicators to allow us to track our progress and assess our performance.

We developed this strategic plan collaboratively – pulling together the best ideas from throughout the office. It will require collaboration and teamwork to successfully execute. We will all have to work together, reaching across divisional lines and breaking down silos, to achieve the ambitious goals we are setting for ourselves.

I know we are up for the challenge.



Bob Ferguson
Washington State Attorney General
Fall 2015

Our Guiding Principles

All of the work that we do is guided by our shared mission, our vision for what we strive to become, and the collective values we practice every day. The priorities, goals, and objectives established in this Strategic Plan describe how we plan to further our mission, vision, and values in the current biennium.

MISSION

The Office of the Attorney General will provide excellent, independent, and ethical legal services to the State of Washington and protect the rights of its people.

VISION

The Office of the Attorney General will be the best public law office in the United States.

VALUES

All staff in the Office of the Attorney General are guided by the following core values:

1. We will deliver high quality legal services and remember that we serve the people of Washington.
2. We will conduct ourselves with integrity, professionalism, civility, and transparency.
3. We will promote a collegial, diverse, and inclusive workplace that values, respects, and supports our employees.

OVERVIEW: STRATEGIC PRIORITIES AND GOALS

A Culture of Service

The Attorney General's Office has three strategic priorities in the advancement of our mission to provide excellent, independent, and ethical legal services to the State of Washington and protect the rights of its people.

SERVE THE STATE

Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington.

PROTECT THE PEOPLE

Protect the legal rights of the people of the State of Washington.

EMPOWER OUR EMPLOYEES

Create a positive work environment that recognizes employees as our most valuable resource and fosters integrity, professionalism, civility, and transparency.



OVERVIEW: STRATEGIC PRIORITIES AND GOALS

FY 2015-17 Goals

To meet our three strategic priorities, we established the following goals for the FY 2015-17 biennium. Within each of these goals, we adopted a number of strategic objectives – the specific actions that we will undertake at the agency level to help us meet our goals. These objectives are laid out in greater detail in the following sections.

SERVE THE STATE

Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington.

FY 2015-17 Goals:

1. Deliver high quality, timely, and efficient legal services.
2. Improve internal efficiency and effectiveness through organizational alignment, technology solutions, and improved use of data.
3. Proactively engage in risk management efforts to reduce the state's liability and improve outcomes for the public.

PROTECT THE PEOPLE

Protect the legal rights of the people of the State of Washington.

FY 2015-17 Goals:

1. Fight fraud and protect Washingtonians' pocketbooks.
2. Defend the civil rights of all Washington residents, improve public health, and protect Washington's environment.
3. Hold criminals accountable and protect the safety of Washington's youth and vulnerable adults.
4. Provide an excellent experience to the public in all interactions with the Attorney General's Office.

OVERVIEW: STRATEGIC PRIORITIES AND GOALS

EMPOWER OUR EMPLOYEES

Create a positive work environment that recognizes employees as its most valuable resource and fosters integrity, professionalism, civility, and transparency.

FY 2015-17 Goals:

1. Recruit and retain a high quality, highly skilled, and highly effective workforce to meet the legal needs of the people and state of Washington.
2. Promote diversity, inclusiveness, and cultural competency throughout the organization.
3. Ensure employees have the skills and knowledge they need to be successful.
4. Ensure employees have the tools and work space they need to be efficient and effective.
5. Promote the health, safety, and well-being of all employees in the workplace.

FY 2015-17 Strategic Objectives

SERVE THE STATE

Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington.

GOAL 1: DELIVER HIGH QUALITY, TIMELY, AND EFFICIENT LEGAL SERVICES.

1-1-1 Develop and implement a plan to improve client service based on client feedback.

In order to ensure outstanding client service, complete an electronic client satisfaction survey. Compare data with results of prior surveys and identify trends and areas of improvement. Based on results of survey, develop and implement a plan to improve client services.

1-1-2 Revise standards for when and how we retain SAAGs and how we supervise their work.

Complete agency wide review of the business needs related to hiring and supervising SAAGs. Develop updated protocols and procedures for when and how they are retained and to ensure the appropriate supervisory and transitional relationship with the AGO is maintained.

1-1-3 Develop consistent templates for use in tribal government contracts.

To ensure consistency, efficiency and best practices, develop standard clauses for contracts with tribal governments.

1-1-4 Identify new ways to more easily reallocate resources to meet workload demands.

To improve our legal services, develop and implement a plan that allows the AGO to shift resources to appropriately staff and resource complex and high-stakes cases and meet temporary spikes in workload.

SERVE THE STATE

GOAL 1: EQUIP ATTORNEYS AND PROFESSIONAL STAFF TO DELIVER HIGH QUALITY, TIMELY, AND EFFICIENT LEGAL SERVICES.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
1-1-1 Develop and implement a plan to improve service based on client feedback.	Darwin Roberts, Erika Uhl (Dave Horn)	<ul style="list-style-type: none"> Conduct survey. (November 2015) Report on survey results. (December 2015) Plan on improving client service. (February 2016) 	<ul style="list-style-type: none"> Level of client satisfaction. Level of client understanding of our roles and the services we provide.
1-1-2 Revise standards for when and how we retain SAAGs and how we supervise their work.	Bryce Brown, Karin Nyrop, Marci Phillips (Rob Costello)	<ul style="list-style-type: none"> Updated protocols governing the use and management of SAAGs. (December 2015). 	<ul style="list-style-type: none"> Number of SAAG contracts. Costs associated with the use of SAAG contracts.
1-1-3 Develop consistent templates/forms manual for use in tribal contracts.	Frona Woods, Joe Panesko (Rob Costello)	<ul style="list-style-type: none"> New templates/forms available. (January 2016) 	<ul style="list-style-type: none"> Use of new templates and forms.
1-1-4 Identify new ways to more easily reallocate resources to meet workload demands.	Rob Costello, Division Chiefs (Noah Purcell)	<ul style="list-style-type: none"> Resource sharing program. (April 2016) On call list of staff developed in concert with mentorship and succession plans. (June 2016) 	<ul style="list-style-type: none"> Track number of cross divisional assignments.

GOAL 2: IMPROVE INTERNAL EFFICIENCY AND EFFECTIVENESS THROUGH ORGANIZATIONAL ALIGNMENT, TECHNOLOGY SOLUTIONS, AND IMPROVED USE OF DATA.

1-2-1 Centralize agency contracting.

To ensure responsible management, accurate data collection, and compliance with DES requirements, centralize contracting functions in financial services, including contracts for Special Assistant Attorneys General. Update contracting policies and protocols, and develop a system to monitor SAAG contracts centrally.

SERVE THE STATE

1-2-2 Improve the use of data in agency assessment and decision making.

In order to effectively assess how well we are meeting our strategic priorities, identify trends, and support decision-making, review current data collection and use. Provide a recommendation to CLT on how to update collection, measurement, and reporting of data.

1-2-3 Update critical events calendaring processes.

Using consultant recommendations as a framework, reduce any potential areas of risk by strengthening back-up processes, updating office policy, ensuring division policies meet best practices, developing training model and plan, and maximize functional use of Law Manager.

1-2-4 Implement electronic discovery software and processes to improve records management.

In order to reduce risk and improve litigation practice and public records production, complete the roll-out, training, and implementation of the Exterro eDiscovery tool to assist with records management for litigation and public disclosure.

1-2-5 Analyze the feasibility of creating an open government division or unit.

In order to ensure effective, consistent advice and representation on public records issues, explore the feasibility of forming an open government division or unit that could be operational beginning FY 2017. Analyze the budget, organizational, facility, workload, and staffing implications as well as the impacts on public records compliance and improved litigation outcomes for state agency clients.

GOAL 2: IMPROVE INTERNAL EFFICIENCY AND EFFECTIVENESS THROUGH ORGANIZATIONAL ALIGNMENT, TECHNOLOGY SOLUTIONS, AND IMPROVED USE OF DATA.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
1-2-1 Centralize agency contracting in FIS.	Marci Phillips (Mark Melroy)	<ul style="list-style-type: none"> Centralized contracting office established. (December 2015) Reports on agency contracts. (Quarterly) 	<ul style="list-style-type: none"> Compliance with DES requirements. Data on contract usage, costs, and compliance.
1-2-2 Improve the use of data in agency assessment and decision making.	Operations Committee (Mamie Marcuss)	<ul style="list-style-type: none"> Assessment of current use of data. Plan for updating agency data usage. 	<ul style="list-style-type: none"> Use of key indicators.

SERVE THE STATE

1-2-3 Update critical events calendaring processes.	Tim Lang, Toni Ursich (Erika Uhl)	<ul style="list-style-type: none"> • Revise AGO policy; update CEC routing; update division business rules template; create best practice for back up; training program. (February 2016) 	<ul style="list-style-type: none"> • Increased uniformity of practice. • Heightened awareness of priorities. • Improved accuracy and effectiveness of backup. • Reduced CE errors.
1-2-4 Implement electronic discovery software and processes to improve records management.	Rick Griffith (Cami Feek)	<ul style="list-style-type: none"> • Phase 1 Deployment of production system (ediscovery). (October 2015) • P1 Training to champions/power users. (November 2015) • Refresh and redeploy paralegal electronic discovery litigation support training. (February 2016) • P1 Division onboarding. (March 2016) • Phase 2 deployment of production system (public records). (May 2016) • P2 Training champions/power users. (June 2016) • P2 Division onboarding. (August 2016) 	<ul style="list-style-type: none"> • Percentage of divisions using system for litigation. • Percentage of divisions using system. • Number of training sessions scheduled.
1-2-5 Analyze the feasibility of creating an open government division or unit.	Linda Dalton (Christina Beusch)	<ul style="list-style-type: none"> • Feasibility plan including analysis of budget, organizational, facility, workload, and staffing implications. (January 2016) 	<ul style="list-style-type: none"> • Number of FTEs/ hours spent on public records cases. • Adverse public records rulings involving the state.

GOAL 3: PROACTIVELY ENGAGE IN RISK MANAGEMENT EFFORTS TO REDUCE THE STATE'S LIABILITY AND IMPROVE OUTCOMES FOR THE PUBLIC.

1-3-1 Improve compliance with public records and open public meetings laws.

Provide updated and easily accessible free materials that describe agencies' obligations under the Public Records Act and the Open Public Meetings Act so that agencies have resources enabling them to better understand and comply with the laws. Update, publish and distribute the online Open Government Manual for requesters, agencies, attorneys and media. Update other open government training materials and resources on AGO Open Government webpage. Establish a process to update Public Records Act Model Rules.

1-3-2 Develop and implement a plan to strengthen protection of HIPAA, HITECH, and other confidential data.

Using the HIPAA/HITECH risk assessment completed in 2015, identify and address policies and practices that can be improved to further ensure the protection of confidential information, particularly information governed by HIPAA/HITECH. The HIPAA Workgroup will bring its risk assessment report to the Operations Committee for consideration by November 2015. Additionally, as a part of ensuring that the AGO divisions are implementing administrative, physical, and technical safeguards for protecting personally identifiable health information and other confidential data, each division shall conduct a review of its implementation of AGO policies and division business rules.

1-3-3 Play a statewide leadership role in risk management.

Work with state agency clients and coordinate across divisions to identify and assess sources of potential risk and develop options to reduce and manage risk across state government.

1-3-4 Improve data security.

In order to safeguard all sensitive data stored on AGO electronic systems, review and implement: preferred options for enhanced security controls; improved security awareness through best practice trainings; updated incident response and testing; multi-factor authentication in applications with sensitive data; PC/laptop encryption for loss prevention; and enterprise management password system.

SERVE THE STATE

GOAL 3: PROACTIVELY ENGAGE IN RISK MANAGEMENT EFFORTS TO REDUCE THE STATE'S LIABILITY AND IMPROVE OUTCOMES FOR THE PUBLIC.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
1-3-1 Improve compliance with public records and open public meetings laws.	Nancy Krier (Christina Beusch)	<ul style="list-style-type: none"> Update, publish and distribute online Open Government Manual. (October 2015) Update other open government training materials and resources on AGO Open Government Webpage. (December 2015) Establish a process to update Public Records Act Model Rules (June 2016). 	<ul style="list-style-type: none"> Number of internet "hits" on AGO Open Government Page. Number of contacts to Open Government AAG. Number of attendees at trainings.
1-3-2 Develop and implement a plan to strengthen protection of HIPAA, HITECH, and other confidential data.	Christina Beusch, Michelle Underwood, HIPAA Workgroup, Division Chiefs (Christina Beusch)	<ul style="list-style-type: none"> Provide guidance for division implementation review. (January 2016) Divisions complete implementation review. (May 2016) Improvements made, as necessary. (June 2016) 	<ul style="list-style-type: none"> No data breaches due to failure to follow agency policies and business division rules.
1-3-3 Play a statewide leadership role in risk management.	Pam Anderson, Toni Ursich (Rob Costello)	<ul style="list-style-type: none"> Develop a "roadmap" to state torts liability outlining the areas of greatest risk to the state and meet with the new state risk manager to provide information and answer questions about torts defense of state agencies and employees. (January 2016) Present the "roadmap" of state 	<ul style="list-style-type: none"> Identification of specific risk avoidance/mitigation opportunities for select client agencies. Inform cabinet regarding opportunities for risk mitigation and actions to achieve same. Key agency heads will have data needed and prioritize risk management

- torts liability to the governor’s cabinet. (March 2016)
- Develop and provide quarterly reports on torts claims, cases, and outcomes to key state agency heads, including the secretaries of DSHS, DOC, and DOT and meet, as requested with agency executive leadership to discuss torts risk. (March 2016)
- In coordination with DSHS children’s administration provide training to DCFS local offices on torts liability and lessons learned from prior cases. Provide training for presenters who provide orientation for incoming social workers.
- measures.
- Local DSHS/CA offices will receive practical information and guidance on reducing liability exposure.

1-3-4 Improve data security.

Rick Griffith
(Cami Feek)

- Implement IT Security Controls based on industry best practices. (June 2016)
- Provide frequent IT Security training and awareness tools. (October 2015)
- Update incident response and test quarterly with tabletop exercises. (December 2015)
- Implement multi-factor authentication on system with sensitive data. (June 2016)
- Percent of best practices security controls implemented.
- Percent increase of available IT Security Training classes.
- Incident response tested quarterly.
- Percent of systems with multi-factor authentication installed.
- Project completion of enterprise password management tool.

- 2017)
 - Implement encryption technology on all PC/Laptops. (March 2016)

FY 2015-17 Strategic Objectives

PROTECT THE PEOPLE

Protect the legal rights of the people of the State of Washington.

GOAL 1: FIGHT FRAUD AND PROTECT WASHINGTONIANS' POCKETBOOKS.

2-1-1 Expand consumer protection enforcement.

Develop and execute a work plan that expands consumer protection enforcement in Washington, prioritizing actions that have a lasting deterrent effect on illegal behavior in the marketplace, support consumers who face unequal access to justice, and recover restitution for harmed consumers. Identify and file cases to establish case law in the consumer protection arena in Washington. Devise litigation tactics and policies that will maximize the potential for consumer restitution, civil penalties, and recovery of costs and fees. File amici briefs that advance consumer protection law. Identify ways to enhance the effectiveness of the informal complaint resolution services and to more effectively share information with consumers and businesses.

2-1-2 Improve consumer awareness and track education efforts.

Educate consumers with a particular emphasis on vulnerable communities to ensure state residents are armed with the information they need to avoid scams, assert their consumer rights, and access resources to assist when they believe the law has been violated. Track consumer complaints received, consumers reached through Consumer Alerts, consumers reached through public forums attended, and efforts to educate communities of color.

2-1-3 Combat unlawful anticompetitive activity that harms Washingtonians.

Expand protection of Washington consumers and businesses from price-fixing, collusion, coordination, monopolization and anticompetitive mergers likely to lead to unlawfully inflated prices. Increase the AGO's capacity to investigate and take action to stop violations of state and federal antitrust laws. Increase the number of investigations and file appropriate enforcement actions to compensate consumers and state agencies, deter illegal activity and level the playing field for all businesses. Conduct several outreach and training events for client agencies and

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members of the public to raise awareness of antitrust laws. Strategically file amici briefs that advance fair, free market competition.

2-1-4 Investigate and prosecute economic crime.

Dedicate resources to investigate and prosecute economic crime and fraud. Ensure staff have the skills and experience to successfully criminally prosecute financially motivated non-violent crime that harms Washingtonians. Investigate and prosecute at least two cases per year.

2-1-5 Combat worker exploitation.

Launch an initiative to combat wage theft and other forms of worker exploitation. Form a Wage Theft Prosecution Unit to criminally investigate and prosecute wage theft violations. Coordinate with local law enforcement agencies to improve enforcement of worker exploitation. Increase training by AGO personnel for the Department of Labor and Industries in quality wage theft investigations and referrals. Track unpaid and stolen wages recovered to workers through criminal and civil actions. Work with the Department of Labor and Industries to develop a plan to conduct company-wide investigations of wage theft complaints. Look for opportunities to combat worker exploitation through legislation, amici briefs, and partnerships with other states through NAAG.

2-1-6 Combat health care fraud by maintaining the Civil Section of the Medicaid Fraud Control Unit.

Ensure passage of Attorney General-request legislation to continue the Medicaid Fraud False Claims Act to maintain AGO authority to civilly prosecute Medicaid provider fraud.

2-1-7 Protect Washington ratepayers.

Vigorously represent the public interest in the full range of proceedings before the Utilities and Transportation Commission. Advocate for additional resources from the state legislature to ensure that the public interest is appropriately represented in these proceedings. Represent customers of Washington's investor-owned utilities in proceedings to reduce carbon emissions through an orderly transition away from coal-fired electricity generation. Work to ensure customers have the benefit of environmental protections and reliable, affordable utility service.

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GOAL 1: FIGHT FRAUD AND PROTECT WASHINGTONIANS' POCKETBOOKS.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
2-1-1 Expand consumer protection enforcement.	Shannon Smith (Darwin Roberts)	<ul style="list-style-type: none"> File CP Actions (Annually) Amici Briefs. (Annually) Report on complaint resolution services. (Quarterly) 	<ul style="list-style-type: none"> Number of investigations. Number/ type of enforcement actions. Dollars returned to Washington in form of restitution, penalties, etc.
2-1-2 Improve consumer awareness and track education efforts.	Shannon Smith, Public Affairs Unit (Darwin Roberts)	<ul style="list-style-type: none"> Reports on consumer education efforts. (Quarterly) 	<ul style="list-style-type: none"> Number of consumers reached.
2-1-3 Combat unlawful anticompetitive activity that harms Washingtonians.	Jonathan Mark (Darwin Roberts)	<ul style="list-style-type: none"> Investigations launched. (Annually) Fully staffed team engaged in Anti-trust enforcement. (Biennium) 	<ul style="list-style-type: none"> Number of investigations resolved or enforcement actions filed. Number of outreach events.
2-1-4 Investigate and prosecute economic crime.	Lana Weinmann (Darwin Roberts)	<ul style="list-style-type: none"> Investigate and prosecute cases. (Annually) 	<ul style="list-style-type: none"> Number of cases filed. Amount of restitution ordered.
2-1-5 Combat worker exploitation.	Steve Reinmuth (Erika Uhl)	<ul style="list-style-type: none"> Launch investigations. (Biennium) Conduct 2 trainings for LNI. (March 2016/October 2016) Reports on recovered wages. (Annually) Joint AGO/LNI Litigation Plan. (2016) 	<ul style="list-style-type: none"> Increase recoveries of stolen wages. Increased public awareness of wage theft.
2-1-6 Combat health care fraud by maintaining the Civil Section of the Medicaid Fraud Control Unit.	Doug Walsh (Mike Webb)	<ul style="list-style-type: none"> Passage of False Claims Act. (Spring 2016) 	<ul style="list-style-type: none"> Dollars recovered for Washington from Medicaid Fraud enforcement.
2-1-7 Protecting Washington ratepayers.	Simon ffitch (Darwin Roberts)	<ul style="list-style-type: none"> Expanded involvement in number and types of 	<ul style="list-style-type: none"> Number of cases. Customer benefits/savings.

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- cases before the UTC.
- Participate as customer advocate in policy dockets and stakeholder processes.
- Intervene in UTC cases regarding coal-fired generation issues.

GOAL 2: DEFEND THE CIVIL RIGHTS OF ALL WASHINGTON RESIDENTS, IMPROVE PUBLIC HEALTH, AND PROTECT WASHINGTON’S ENVIRONMENT.

2-2-1 Launch Wing Luke Civil Rights Unit.

Create the AGO Wing Luke Civil Rights Unit. Release Civil Rights Resource Guide. Use AGO authority to enforce the civil rights of Washingtonians. File civil actions and amici briefs aimed at defending and improving civil rights. Coordinate with the Human Rights Commission (HRC) and HRC counsel to identify referrals appropriate for litigation.

2-2-2 Improve access to justice.

Recognizing the vital importance of ensuring that all Washington residents have equal access to civil justice, work with stakeholders to achieve access for those facing economic and other significant barriers. Facilitate a statewide stakeholder discussion on the feasibility of establishing a statewide relicensing program. Through the cy pres grant committee, provide financial support for civil legal aid organizations. Recognize work performed by AGO employees aimed at improving access to justice. Continue representation on the Washington Task Force on Unaccompanied Children.

2-2-3 Stand up for the rights of Washington veterans, military personnel, and their families.

Engage and educate veterans, military personnel, their families, and others about the legal protections and benefits available to veterans and service members by speaking and participating at veterans’ events, maintaining an AGO webpage devoted to veterans issues, annually updating the Military & Veterans Legal Resource Guide, and releasing quarterly newsletters. Enforce legal protections through information gained by tracking and reporting complaints received from veterans, and by bringing actions for consumer protection, SCRA, and employment rights

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violations. Encourage the development and implementation of policies and practices at the state and federal level that strengthen the support available to veterans, service members, and their families. Review effectiveness of current efforts and develop a plan for expansion and improvement.

2-2-4 Protect abused and neglected children in Washington State.

Track termination petition referrals and filings to ensure timely permanency for abused and neglected children, with the goal of having all divisions filing termination petitions within the AGO's performance measure of 45 days of a legal sufficiency determination. Seek to improve the child welfare system by actively participating in the One Family One Team Planning and Design Committee in developing a court model that improves outcomes for children and families in dependency proceedings and identifies the legal services resources required for the model to be successful. Seek a permanent funding solution to ensure the office maintains the adequate resources to address the overall increase in case filings.

2-2-5 Reduce youth access to harmful substances, including tobacco, nicotine, and marijuana.

To reduce youth access to harmful substances, pursue legislation aimed at raising the legal smoking age and establishing a licensing requirement for vapor stores. Support local legislation and federal regulation with similar objectives. Pursue resources for education efforts. Direct resources towards preventing unlawful sale of tobacco products over the internet, with the goal of filing charges against at least one unlawful distributor of tobacco products. Work with the Liquor and Cannabis Board to prevent the sale of marijuana edible products that are especially appealing to children.

2-2-6 Criminally investigate and prosecute environmental crimes.

Work with local, state, and federal environmental agencies to engage in targeted investigations and prosecutions of environmental crimes in order to protect the health of Washington communities and deter similar criminal behavior. Hire a criminal investigator focused on investigating and building environmental crimes cases.

2-2-7 Protect the environment and improve public health.

Undertake a public health initiative to protect consumers and the environment from toxic chemicals in products. Educate the public about this issue by developing website resources and issuing a "challenge to manufacturers" to remove dangerous chemicals from their products and replace them with safe alternatives. Pursue strategic opportunities to enforce existing environmental and consumer protection laws. Coordinate divisions with environmental clients to identify future environmental initiatives where enforcement gaps may exist.

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GOAL 2: DEFEND THE CIVIL RIGHTS OF ALL WASHINGTONIANS, IMPROVE PUBLIC HEALTH, AND PROTECT WASHINGTON'S ENVIRONMENT.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
2-2-1 Launch Wing Luke Civil Rights Unit.	Colleen Melody (Darwin Roberts)	<ul style="list-style-type: none"> Community launch event. (Sept 2015) Civil rights guide. (Sept 2015) File civil actions. (Biennium) File amici briefs. (Biennium) 	<ul style="list-style-type: none"> Increased referrals from HRC. Increased public awareness. Number of actions and briefs and outcomes.
2-2-2 Improve access to justice.	Pro Bono Committee, Travis Alley, Shannon Smith (Mamie Marcuss)	<ul style="list-style-type: none"> Convene stakeholders on relicensing. (Fall 2015) Meet with civil legal aid community. (Quarterly) Develop recognition program for employees. (Summer 2016) CLE on civil legal aid needs. (2016) 	<ul style="list-style-type: none"> Cy pres dollars awarded to legal aid organizations. Number of AGO employees providing pro bono service hours.
2-2-3 Stand up for the rights of Washington veterans, military personnel, and their families.	Travis Alley, Shannon Smith (Mamie Marcuss)	<ul style="list-style-type: none"> Updated Veterans Resource Guide. (Annually). Veterans newsletter. (Quarterly) Attend 12-18 veteran outreach events. (Annually) 2 Congressional Letters. (Annually) Veteran contact reports. (Quarterly) 5 investigations initiated. (Annually) Strategic Plan for program improvements. 	<ul style="list-style-type: none"> Number of veterans reached. Number of enforcement actions.
2-2-4 Protect abused and	Michael Shinn,	<ul style="list-style-type: none"> Biannual juvenile 	<ul style="list-style-type: none"> 45 day termination

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neglected children in Washington State.	Toni Ursich, SHS Division Chiefs (Christina Beusch)	litigation termination petition report. One Family One Team Committee Report to the Legislature. (Spring 2016)	petition performance measure is met. Committee report reflects AGO input particularly as to resources and scheduling that are necessary for “teaming” to be successful.
2-2-5 Reduce youth access to harmful substances, including tobacco, nicotine, and marijuana.	Rusty Fallis, Shannon Smith (Mike Webb)	<ul style="list-style-type: none"> Strategic plan for meeting this goal. (January 2016) Propose legislation reducing the smoking age and addressing vapor product sales. (Spring 2016) 	<ul style="list-style-type: none"> Youth smoking, vaping, and marijuana use in Washington. Number of children accidentally ingesting vapors/marijuana.
2-2-6 Criminally investigate and prosecute environmental crimes.	Lana Weinmann (Darwin Roberts)	<ul style="list-style-type: none"> Prosecute 4 cases. (Annually) Increase investigative capacity. (2016) 	<ul style="list-style-type: none"> Number of cases filed. Amount of restitution ordered.
2-2-7 Protect the environment and improve public health.	Laura Watson (Rob Costello)	<ul style="list-style-type: none"> Strategic plan for meeting this goal. (January 2016) 	<ul style="list-style-type: none"> Number of consumer education pieces release. Number of consumers reached.

GOAL 3: HOLD CRIMINALS ACCOUNTABLE AND PROTECT THE SAFETY OF WASHINGTON’S YOUTH AND VULNERABLE ADULTS.

2-3-1 Protect vulnerable adults and combat elder abuse.

Assemble a multi-divisional vulnerable adults task force, including CP/SHS/CRJ/MFCU. Work with AARP and other stakeholders to raise elder abuse awareness and prevention. Craft a bill of rights for vulnerable seniors in supported living situations and independent living facilities. Review existing resident rights laws that apply to long-term care facilities to determine if they should be enhanced. Increase criminal mistreatment prosecutions involving vulnerable Medicaid clients to

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improve deterrence and promote voluntary compliance. Advance legislation to provide law enforcement more tools to prosecute criminal mistreatment of and theft from vulnerable adults. Engage with client agencies to discuss strategies for improving investigations and responses to complaints of elder abuse.

2-3-2 Protect sexually exploited youth.

Convene the Commercially Sexually Exploited Children Statewide Coordinating Committee to increase protections for exploited youth by examining local and regional practices and incidence data and making recommendations on statewide laws and practices. Explore other opportunities to reduce demand for sexually exploited children in Washington State. Administer the Child Rescue Fund as set forth in HB 1281 (2015), providing grants to the Internet Crimes Against Children task force and to qualifying child advocacy centers.

2-3-3 Engage in strategic efforts to prevent campus sexual violence.

Actively participate in state task force of institutions of higher education, state law enforcement, the Student Achievement Council, the State Board for Community and Technical Colleges, and the Council of Presidents to develop a set of best practices that institutions of higher education may employ to promote the awareness of campus sexual violence, reduce the occurrence of campus sexual violence, and enhance student safety. Provide recommendations for improving campus sexual violence policies and procedures and improved collaboration among stakeholders. Assist with internal coordination of AAGs acting as legal counsel to all higher education clients to ensure consistent advice.

2-3-4 Civilly prosecute sexually violent predators.

Protect the public by ensuring that the most dangerous and violent sexual predators in the state are detained, evaluated, and treated. Maintain an 80% commitment rate for the biennium.

GOAL 3: HOLD CRIMINALS ACCOUNTABLE AND PROTECT THE SAFETY OF WASHINGTON'S YOUTH AND VULNERABLE ADULTS.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
2-3-1 Protect vulnerable	Julian Bray,	<ul style="list-style-type: none"> Establish an AGO 	<ul style="list-style-type: none"> Number of affected individuals reached

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adults and combat elder abuse.	Toni Ursich (Erika Uhl)	<ul style="list-style-type: none"> task force. (January 2016) Strategic plan for meeting this goal. (January 2016) Advance legislation to protect vulnerable adults. (January 2016) 	<ul style="list-style-type: none"> by education and outreach activities. Number of prosecutions brought.
2-3-2 Protect sexually exploited youth.	Farshad Talebi (Policy Director)	<ul style="list-style-type: none"> Convene CSEC Committee. (2016) Issue report to legislature. (July 2017) Establish process for CRF grants. (Fall 2016) 	<ul style="list-style-type: none"> Number of CRF grants.
2-3-3 Engage in strategic efforts to prevent campus sexual violence.	Bruce Marvin (Paige Dietrich)	<ul style="list-style-type: none"> Work with task force to produce best practices document. Recommendations for improving campus sexual violence policies and procedures. Work internally to create coordination of AAGs acting as legal counsel to higher education. 	<ul style="list-style-type: none"> Adoption of best practices. Updates of policies and procedures. Indicators or measures related to improved student safety/reduced incidents.
2-3-4 Civilly prosecute sexually violent predators.	Malcolm Ross (Darwin Roberts)	<ul style="list-style-type: none"> Develop and Implement SVP prosecution training program. (June 2016) Yearly report including number of commitments, yearly commitment rate, numbers and types of matters opened. (June 2016) 	<ul style="list-style-type: none"> SVP commitment rate.

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GOAL 4: ENSURE THE BEST POSSIBLE EXPERIENCE FOR ALL MEMBERS OF THE PUBLIC CONTACTING THE ATTORNEY GENERAL’S OFFICE.

2-4-1 Improve the efficiency and effectiveness of the constituent correspondence process.

To ensure consistent, accurate, timely, and cordial responses to public correspondence, review the current CCTN process and provide recommendations for improvement.

2-4-2 Implement agency wide language access plan.

Adopt and implement a plan consistent with the AGO’s language access policy that expands ready access to interpretation and translation services and materials for non-English speakers contacting our office.

2-4-3 Implement final stage of public website redesign.

Ensure all content is up to date and easily navigable. Add additional content to enhance public access to information. Streamline website by removing obsolete pages, dead links, and other extraneous content.

GOAL 4: ENSURE THE BEST POSSIBLE EXPERIENCE FOR ALL MEMBERS OF THE PUBLIC CONTACTING THE ATTORNEY GENERAL’S OFFICE.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
2-4-1 Improve the efficiency and effectiveness of the constituent correspondence process.	Andrea Baker, Peter Lavallee, Policy Director (Christina Beusch)	<ul style="list-style-type: none"> Report on CCTN process and recommendations for improvement. (June 2016) 	<ul style="list-style-type: none"> Time to respond. Number of CCTNs. Track most common issues.
2-4-2 Implement agency wide language access plan.	Steve Reinmuth, Gail Yu (Erika Uhl)	<ul style="list-style-type: none"> Adopt Agency Language Access Plan. (January 2016) Agency wide access to language line and document and translation services. (December 2015) 	<ul style="list-style-type: none"> Language line usage. Percentage webpages and vital documents translated. Percentage of AGO employees completing training.
2-4-3 Finish final stage of public website redesign.	Public Affairs Unit (Peter Lavallee)	<ul style="list-style-type: none"> Refresh division/unit’s web 	<ul style="list-style-type: none"> Percent of division pages reviewed and

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- Refresh subject matter web pages.
- Streamline structure/content, as appropriate (e.g., remove obsolete pages, dead links).
- updated.
- Percent of subject matter pages reviewed and updated.
- Number of website visits.

EMPOWER OUR EMPLOYEES

FY 2015-17 Strategic Objectives

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Create a positive work environment that recognizes employees as its most valuable resource and fosters integrity, professionalism, civility, and transparency.

GOAL 1: RECRUIT AND RETAIN A HIGH QUALITY, HIGHLY SKILLED, AND HIGHLY EFFECTIVE WORKFORCE TO MEET THE LEGAL NEEDS OF THE PEOPLE AND STATE OF WASHINGTON.

3-1-1 Address compensation gap.

Address the significant disparity in compensation between AGO and other Washington State public sector law offices which negatively affects morale, recruitment, and retention of staff. Identify AGO budget savings that can be reprioritized and directed towards addressing the salary disparity based on data and a sound financial plan. Evaluate options and implications of a loan repayment assistance program for AAGs. Seek additional funding from the legislature to address critical recruitment and retention challenges.

3-1-2 Update Performance Management System.

Enhance employee job satisfaction, professional growth, productivity and accountability by updating the performance management system to foster greater communication about successes and opportunities for improvement, and implementing a streamlined system focused more on communication and less on paperwork.

3-1-3 Conduct Division Reviews.

In an effort to support employees, conduct management reviews and leadership workshops in at least 15 divisions to assess division structure, practices, and culture and identify opportunities for improving performance.

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GOAL 1: RECRUIT AND RETAIN A HIGH QUALITY, HIGHLY SKILLED, AND HIGHLY EFFECTIVE WORKFORCE TO MEET THE LEGAL NEEDS OF THE PEOPLE AND STATE OF WASHINGTON.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
3-1-1 Address compensation gap.	Shane Esquibel, Joe Shorin, Paige Dietrich, Pam Skinner, Brendan VanderVelde (Mark Melroy)	<ul style="list-style-type: none"> Supplemental budget request. (Fall 2015) Evaluate options and implications of a loan repayment assistance program for AAGs. (Spring 2016) 	<ul style="list-style-type: none"> Improved retention rates. Decreased salary gap. Exit interview reasons for leaving.
3-1-2 Update Performance Management System.	Pam Skinner, Performance Management Committee (Paige Dietrich)	<ul style="list-style-type: none"> Update policy to reduce interim review workloads. (November 2015) Update PDP processing to relieve workloads, and, if authorized, provide recognition awards. (Spring 2016) 	<ul style="list-style-type: none"> Strong performance management. Reduced workloads. User feedback.
3-1-3 Conduct Division Reviews.	Pam Skinner (David Horn)	<ul style="list-style-type: none"> Complete 15 division reviews. (Biennium) 	<ul style="list-style-type: none"> Improved employee satisfaction as measured in surveys. Improved exit interviews. Improved retention rates.

GOAL 2: PROMOTE DIVERSITY, INCLUSIVENESS, AND CULTURAL COMPETENCY THROUGHOUT THE ORGANIZATION.

3-2-1 Recruit a diverse workforce.

Enhance efforts to recruit a diverse workforce through AGO participation at minority job fairs, networking, or other bar association events and conducting other diversity outreach as an office priority carried out at the highest levels of the organization. When not actively recruiting, continue to maintain the AGO profile by updating the employment section of the AGO internet site

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and providing information about opportunities at the AGO including hosting an AGO Open House so candidates can learn about the work of our office.

3-2-2 Enhance cultural competency and inclusion.

Develop a cultural competency policy and conduct an inclusion survey of the office to retain a diverse workforce and to have a work environment that is respectful and inclusive.

3-2-3 Establish affinity group program.

Promote and implement affinity policy allowing groups to form and operate to improve inclusion in the agency.

3-2-4 Organize an agency wide diversity training event and track mandatory diversity training compliance.

Organize a diversity training event that will give employees an opportunity to learn about the dynamics of race, gender, culture, and ethnicity in our society and the ramifications for our office, our client agencies, and the people we serve. Assess whether mandatory diversity training is being met throughout the agency.

GOAL 2: PROMOTE DIVERSITY, INCLUSIVENESS, AND CULTURAL COMPETENCY THROUGHOUT THE ORGANIZATION.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
3-2-1 Recruit a diverse workforce.	Pam Skinner, Attorney Recruitment Coordinators (Erika Uhl)	<ul style="list-style-type: none"> Host AGO Open House. (Annually) Revise recruiting website. (January 2016) Attend at least 6 networking, bar events. (Annually) 	<ul style="list-style-type: none"> Applicant and new hire data.
3-2-2 Enhance cultural competency and inclusion.	Diversity Advisory Committee (Erika Uhl)	<ul style="list-style-type: none"> Conduct inclusion survey and report results. (January 2017) Develop cultural competency policy. (June 2016) 	<ul style="list-style-type: none"> Survey data.
3-2-3 Establish affinity	Erika Uhl	<ul style="list-style-type: none"> All staff messaging 	<ul style="list-style-type: none"> Number of affinity groups created.

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group program.

about affinity groups. (November 2015)

- CLE-lite on the value of affinity groups in the workplace. (March 2016)

- Number of employee members.
- Increased employee satisfaction.

3-2-4 Organize an agency wide diversity training event and track mandatory diversity training compliance.

Gayle Robbins
(Erika Uhl)

- Diversity training opportunities. (Annually)
- Report on training compliance. (November 2015)

- Number of trainings and attendees.
- Compliance rate with training requirement.

GOAL 3: ENSURE EMPLOYEES HAVE THE SKILLS AND KNOWLEDGE THEY NEED TO BE SUCCESSFUL.

3-3-1 Increase training and professional development opportunities for staff throughout the agency.

Increase the number of opportunities for high quality training programs for professional staff and attorneys, and encourage and facilitate their attendance. Develop and execute a training plan that assesses and meets the needs of staff throughout the agency.

3-3-2 Prepare for the future with succession planning.

Develop agency succession plan to promote employee development and prepare for continuity in key positions. Provide transparency when people are planning to leave the organization to include insight and timeframes so employees seeking upward mobility can obtain skills and prepare to step into new roles.

3-3-3 Expand cross-training opportunities.

Create a forum to expand access and opportunity for employees to cross-train in specialty areas and/or divisions they have interest in obtaining skills, knowledge and experience.

3-3-4 Implement professional staff mentoring program.

Fully deploy professional staff mentoring program currently in pilot phase. Enroll 25 employees in the program.

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3-3-5 Establish annual AGO day.

Create a model similar to a career fair that allows employees to learn about the different AGO divisions in an effort to strengthen understanding of the agency and align employee interests with job placement opportunities.

3-3-6 Create an interactive new employee orientation.

Redesign new employee orientation to help employees feel welcome on their first day. Where possible include interactive, and in person opportunities to learn about the AGO and create a stronger connection to the agency.

GOAL 3: ENSURE EMPLOYEES HAVE THE SKILLS AND KNOWLEDGE THEY NEED TO BE SUCCESSFUL.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
3-3-1 Increase training and professional development opportunities for staff throughout the agency.	Gayle Robbins (Paige Dietrich)	<ul style="list-style-type: none"> Strategic Plan for training and professional development. (December 2015) Increased and targeted training opportunities. 	<ul style="list-style-type: none"> Number of employees attending trainings. Number and types of trainings offered. Employee evaluations regarding training quality and training opportunities.
3-3-2 Prepare for the future with succession planning.	Pam Skinner (Cami Feek)	<ul style="list-style-type: none"> Updated succession planning template. (October 2015) Streamlined process and method for communicating planned departures. (January 2016) 	<ul style="list-style-type: none"> Completed division plans.
3-3-3 Expand cross-training opportunities.	Cam Comfort, Michael Young (Erika Uhl)	<ul style="list-style-type: none"> Creation of an online cross training site. (January 2016) 	<ul style="list-style-type: none"> Number of opportunities posted.
3-3-4 Implement professional staff mentoring program.	Gayle Robbins (Cami Feek)	<ul style="list-style-type: none"> Updates to current program based on participant feedback. (November 2015) Advertising for program expansion. (January 2016) 	<ul style="list-style-type: none"> Number of mentoring partnerships. Positive feedback from participants.

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3-3-5 Establish annual AGO day.	Better Workplace Committee (Cami Feek)	<ul style="list-style-type: none"> Plan and hold the AGO Day. (March 2016) 	<ul style="list-style-type: none"> AGO Day conducted each year. Number of attendees. Positive feedback from employees.
3-3-6 Create an interactive new employee orientation.	Pam Skinner, Shane Esquibel, Human Resources (Cami Feek)	<ul style="list-style-type: none"> New orientation program for all new employees. (January 2017) 	<ul style="list-style-type: none"> Number of employees who complete the new orientation. Feedback from participants. Feedback during exit interviews.

GOAL 4: ENSURE EMPLOYEES HAVE THE TOOLS AND WORK SPACE THEY NEED TO BE EFFICIENT AND EFFECTIVE.

3-4-1 Expand mobility to improve productivity.

Implement VPN to improve remote access. Identify and deploy hardware solutions that allow employees to work effectively outside the office, and augment or replace current desk phone technology with a mobile solution.

3-4-2 Implement technology solutions to improve effectiveness.

Assess core business functions to include case management, ebilling and critical event calendaring to recommend and where possible implement technical solutions that make it easier for employees to perform legal work.

3-4-3 Invest in equipment and office spaces design.

Promote health and welfare and increase efficiency by developing a work space strategy that includes more sit stand desks and facilitates more collaboration and flexibility in the use of office space.

3-4-4 Expand telecommute and flexible work programs.

Expand telecommute and flexible work programs. Improve program and policies to promote broader adoption of telecommute and flexible work schedules.

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GOAL 4: ENSURE EMPLOYEES HAVE THE TOOLS AND WORK SPACE THEY NEED TO BE EFFICIENT AND EFFECTIVE.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
3-4-1 Expand mobility to improve productivity.	Rick Griffith (Cami Feek)	<ul style="list-style-type: none"> Implement enhanced remote access VPN on laptops. (December 2015) Enhance PC/Laptop choices to better meet agency use cases. (June 2016) Begin pilot to assess feasibility of cellular devices as a replacement for desk phones where applicable. (April 2016) Increase use of softphones throughout the agency to reduce telecommunications costs. (January 2017) 	<ul style="list-style-type: none"> Percent of laptops with VPN service in use. Completion of cellular device pilot. Percent of softphone in use in agency.
3-4-2 Implement technology solutions to improve effectiveness.	Rick Griffith (Cami Feek)	<ul style="list-style-type: none"> System enhancement assessment of core systems completed. (February 2016) Identification of new features/ functionality that will improve business practice. (July 2016) 	<ul style="list-style-type: none"> Percent of system enhancement assessments completed. System enhancements change success rate. Number of new features/ enhancements implemented. Increase in feature requests from end-users. Percent of users trained on new solutions.
3-4-3 Invest in equipment and office space design.	Kevin Dunbar (Cami Feek)	<ul style="list-style-type: none"> Workplace Strategy Document. (September 2016) 	<ul style="list-style-type: none"> Number of work stations with sit stand options.

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3-4-4 Expand telecommute and flexible work programs.

Meghann McCann
(Cami Feek)

- Revise telecommute and flexible work program policy and accompanying documents. (November 2015)

- Number of employees telecommuting.
- Number of employees with a flexible schedule.
- Improved retention and employee satisfaction.

GOAL 5: PROMOTE THE HEALTH, SAFETY, AND WELL-BEING OF ALL EMPLOYEES IN THE WORKPLACE.

3-5-1 Prepare for natural disasters and emergency situations.

Annually review and update AGO, Building, and Division Safety and Security and Continuity of Operations Plans. Regularly train and drill AGO employees to be prepared in case of natural disasters or emergency situations, including at least one major preparedness exercise per biennium to test resources, communications, and structures for agency continuity of operations in an emergency.

3-5-2 Create a culture of wellness.

Encourage staff to participate in healthy workplace activities, leveraging the AGO's designation as a Washington Wellness Worksite. Promote workplace programs that make it easier for employees to identify and pursue their own wellness goals.

3-5-3 Increase employee engagement.

Actively support the Better Workplace Committee efforts to explore and implement ideas that enhance the employee experience and improve office morale. Identify and publicize opportunities for AGO employees to engage in community service work that promotes teamwork and builds camaraderie. Increase employee attendance at events sponsored by the Social Fund Committee, including the New Employee Welcome Event and Summer Picnic.

3-5-4 Increase opportunities for employee recognition.

Form a team to identify opportunities and mechanisms to widely recognize and celebrate the great work of AGO employees.

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3-5-5 Create a sustainable workplace.

Green the AGO through promoting sustainable office practices to include expanding the use of carpool calendars, the reuse center, recycling programs, and other sustainable practices. Use carbon emission reduction strategies to further reduce agency office space, business travel, and energy consumption.

GOAL 5: PROMOTE THE HEALTH, SAFETY, AND WELL-BEING OF ALL EMPLOYEES IN THE WORKPLACE.

OBJECTIVE	AGENCY LEADS (CLT SPONSOR)	DELIVERABLES	KEY INDICATORS
3-5-1 Prepare for natural disasters and emergency situations.	Safety and Security Committee (Cami Feek)	<ul style="list-style-type: none"> Annual update to COOP & Building Plans. (January 2016/January 2017) Drill script, Drill Results. (June 2016) Develop COOP training. (January 2017) 	<ul style="list-style-type: none"> Biennial drill conducted. Coop and building plans are current. Number of employees trained on COOP.
3-5-2 Create a culture of wellness.	Wellness Committee (Cami Feek)	<ul style="list-style-type: none"> Annually updated wellness plan. (January 2016/January 2017) 	<ul style="list-style-type: none"> Number of participants in SmartHealth. Number of wellness events held. Number of communications regarding wellness.
3-5-3 Increase employee engagement.	Better Workplace Committee (Cami Feek)	<ul style="list-style-type: none"> Plan for identifying and tracking community service. (March 2016) Up to date BWC suggestion tracking list. (Quarterly) 	<ul style="list-style-type: none"> Number of morale building events. Number of people attending events. Feedback from attendees. Number of employee suggestions submitted to BWC. Number of ideas addressed by BWC.
3-5-4 Increase opportunities for employee recognition	Better Workplace Committee (Cami Feek)	<ul style="list-style-type: none"> Recommendation for Improving Recognition. 	<ul style="list-style-type: none"> Increased positive response in statewide employee satisfaction

EMPOWER OUR EMPLOYEES

<p>3-5-5 Create a sustainable workplace.</p>	<p>Sustainability Committee (Cami Feek)</p>	<p>(February 2016)</p> <ul style="list-style-type: none"> • Sustainability Plan. (May 2016) 	<p>survey re: recognition.</p> <ul style="list-style-type: none"> • Money saved through reuse center use. • Number of reservations posted to carpool calendar. • Reduction in total office space. • Reduction in energy consumption. • Reduction in miles driven.
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EMPOWER OUR EMPLOYEES



2015 Leadership Team

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TAB B

RECOMMENDATION
SUMMARY



Recommendation Summary

Agency: 100 Office of Attorney General

3:08:28PM

9/28/2016

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2015-17 Current Biennium Total	1,123.6	19,837	248,872	268,709
CL CF Carry Forward Adjustment	(10.7)	2,454	(9,061)	(6,607)
Total Carry Forward Level	1,112.9	22,291	239,811	262,102
Percent Change from Current Biennium	(.9)%	12.4%	(3.6)%	(2.5)%
Carry Forward plus Workload Changes	1,112.9	22,291	239,811	262,102
Percent Change from Current Biennium	(.9)%	12.4%	(3.6)%	(2.5)%
M2 8L Lease Rate Adjustments		1,415	2,405	3,820
M2 MA Tobacco Diligent Enforcement	4.9	1,782		1,782
M2 MB LCB Legal Services (2SSB 5052)	5.6		1,378	1,378
M2 MC Move Servers to State Data Center	0.3		532	532
M2 MD AGO Legal Support Shortfall		38	598	636
M2 ME PDC Legal Services	1.9		472	472
M2 MF Mental Health Workload Increase	1.6		456	456
M2 MG Charter Schools Litigation	0.6		142	142
M2 MH Vapor Products (ESSB 6328)	0.4		88	88
M2 MI Traffic Fines (SSB 6360)	0.2	39		39
Total Maintenance Level	1,128.3	25,565	245,882	271,447
Percent Change from Current Biennium	.4%	28.9%	(1.2)%	1.0%
PL PA AAG Recruitment & Retention		1,390	23,103	24,493
PL PB Child Permanency & Child Welfare	30.5		7,192	7,192
PL PC L&I WISHA Complex Litigation	10.2		2,682	2,682
PL PD Public Counsel - Ratepayer Advocacy	2.9		1,357	1,357
PL PE UW (Bothell) Legal Services	1.3		346	346
Subtotal - Performance Level Changes	44.9	1,390	34,680	36,070
2017-19 Total Proposed Budget	1,173.2	26,955	280,562	307,517
Percent Change from Current Biennium	4.4%	35.9%	12.7%	14.4%

Recommendation Summary

Agency: 100

3:08:28PM

9/28/2016

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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M2 8L Lease Rate Adjustments

This request covers the expected increases and decreases in annual lease contracts that will come up for renewal in the 2017-2019 Biennium. These requested funding changes are to sustain leases in buildings around the state where Attorney General's Office (AGO) divisions are currently located. The underlying facilities are all in the AGO six-year lease facility plan. The AGO has limited control over increases in lease costs, such as the increase in the Seattle location, which is facing a significant cost increase following the lease renewal negotiated with the assistance of the Office of Financial Management and the Department of Enterprise Services Facilities groups.

M2 MA Tobacco Diligent Enforcement

The Office of the Attorney General (AGO) seeks to renew funding to diligently enforce tobacco escrow requirements and aggressively defend our past enforcement, thus maintaining the State's ability to receive significant Master Settlement Agreement (MSA) revenue, and to enforce the MSA public health provisions. This will enable the AGO to continue to participate in the second arbitration concerning nonparticipating manufacturers and prepare for the third one. The pace has doubled from the first arbitration, resulting in a need for additional resources over the amount funded in 2015-17. Given the results of our successful first arbitration, winning the current arbitration will likely result in an additional \$14 million to the state this biennium, including \$10 million to the general fund, and will continue to lay the groundwork for future arbitrations and revenue enhancements. Losing the arbitration, on the other hand, could cost the state an entire year's payment of more than a hundred million dollars.

M2 MB LCB Legal Services (2SSB 5052)

The Attorney General's Office (AGO) requests additional funding to provide adequate legal support to the Liquor Cannabis Board in their administration of cannabis laws and regulations. The AGO litigation work requested falls into two main areas: licensing denial hearings and enforcement (violation) hearings. The work associated with licensing hearings is related to the Cannabis Patient Protection Act (2SSB 5052 - Chapter 70, Laws of 2015). The implementation workload peak did not occur in the 2015-17 Biennium as anticipated in the fiscal note published at the time of passage of the Act. It is now expected to peak in the 2017-19 Biennium. In addition, case volumes and workload on enforcement issues related to all cannabis laws and regulations are far more extensive and complex than originally assumed.

M2 MC Move Servers to State Data Center

The Office of the Attorney General (AGO) requests funding for information and technology purposes. This request is to address a specific area of Information Technology (IT) spending for the move and ongoing monthly costs for Consolidated Technology Services (CTS) as a result of moving the AGO servers from the current data center to the State Data Center (SDC) after July 2017.

M2 MD AGO Legal Support Shortfall

The Attorney General's Office (AGO) is requesting \$636,000 per biennium to cover the costs of a recent classification adjustment for 343 positions in our office. This adjustment was supported in the 2015-17 budget process with \$1,892,000 of funding, which, as a result of a technical oversight, fell short of the \$2,528,000 implementation costs.

Support for this request will help preserve existing levels of Legal Services to State Agency clients by alleviating reductions that would otherwise be necessary in order to sustain these important employee compensation adjustments and related agreements.

M2 ME PDC Legal Services

Recommendation Summary

Agency: 100

3:08:28PM

9/28/2016

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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This request is to fund legal services costs to the Public Disclosure Commission (PDC) for the 2017-19 Biennium. During the summer of 2015, the PDC began to realize an increased need for legal services due to an emergence of a myriad of complex legal issues, ballot initiatives and Citizen Action Complaints. At the same time, the PDC's need for regular, ongoing legal support from the AGO had increased due to prior internal staffing reductions. These demands quickly outpaced the PDC's legal services budget in the current biennium and the PDC anticipates that upcoming biennial legal needs will continue at the elevated levels experienced in the 2015-17 biennium.

M2 MF Mental Health Workload Increase

Litigation and client advice relating to the programs of the DSHS Behavioral Health Administration have had a marked increase in the last two years, show no signs of decreasing, and continue to become more widespread. This includes the ongoing litigation and client advice over the timeliness of forensic services, the subject of a federal court class action and at issue in numerous contempt hearings in courts all around the region. The workload increase also includes legal proceedings and client advice arising from challenges in timely admitting civilly-committed patients to the state hospitals. Other workload continues unabated, including for example, support for the Special Commitment Center. This request is to cover the increased workload obligations with properly-trained staff.

M2 MG Charter Schools Litigation

El Centro de la Raza and the League of Women Voters (LOWV) have filed a new lawsuit seeking to invalidate, on constitutional grounds, the reenacted Charter School Act passed in E2SSB 6194 in the 2016 session (Chapter 241, Laws of 2016). This request is for funding to support the legal defense for the State of this duly enacted legislation.

M2 MH Vapor Products (ESSB 6328)

ESSB 6328 - Vapor Products (Ch. 38 Laws of 2016) was enacted in 2016 with several provisions that necessitated legal services provided by the Office of the Attorney General (AGO). The funding provided in carry forward to the AGO is not adequate to fully implement and sustain the legal services required in the enacted legislation.

M2 MI Traffic Fines (SSB 6360)

SSB 6360 - Traffic-Based Financial Obligations--Consolidation-Work Group (Ch. 230 Laws of 2016) was enacted in 2016 with an effective date of June 9, 2016 and an end date of December 1, 2017. This legislation requires the Attorney General's Office (AGO) to convene a workgroup of stakeholders and to submit a report detailing recommendations, the plan and the program required by the act. The AGO's fiscal note identified costs in FY 2017 and FY 2018. The costs for FY 2017 were funded. However, no funding was included in the AGO's 2017-19 Carry Forward Level for the FY 2018 expenditures. The AGO was instructed instead to request funding in a 2017-19 decision package. The funding requested below mirrors the fiscal note, with dollars rounded to the thousands.

PL PA AAG Recruitment & Retention

Recommendation Summary

Agency: 100

3:08:28PM

9/28/2016

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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The Office of the Attorney General (AGO) requests funding to address Assistant Attorneys General (AAG) salaries. AAG salaries remain significantly lower than those in other public sector law offices. Competitive salaries support retention, improve recruitment, and reduce the costs and inefficiencies associated with turnover and training. Our request is based on a salary survey of public sector attorney pay in Washington and would bring AAG salaries to comparable market levels. Inadequate compensation and continuing turnover negatively impact the provision of high quality, consistent legal services to the state of Washington, and generate unnecessary costs for the taxpayers.

PL PB Child Permanency & Child Welfare

The Attorney General's Office (AGO) requests funding to retain and add additional staff to meet the increasing demands of child welfare litigation. Current staffing levels are insufficient to cover increases in termination petition referrals and dependency matters and additional work resulting from high social worker turnover and lengthier court proceedings. The AGO requests that the: 1) legislature provided in the 2015-17 biennium to achieve permanent homes for children be made ongoing; and 2) legislature provide funding for additional staff to meet the increase in workload. The additional funding will allow for better support of the Department of Social and Health Services' goals to protect children from abuse and neglect and to achieve timely permanency for children.

PL PC L&I WISHA Complex Litigation

The Department of Labor & Industries (L&I) faces the emerging need to prosecute civil penalties in worker-safety litigation under the Washington Industrial Safety & Health Act (WISHA) against national law firms mounting massive discovery, motions, sanctions, and expert witnesses and, against multi-attorney national teams before the Board of Industrial Insurance Appeals and Washington courts. The cases require extensive travel outside of Washington, appeals to superior and appellate courts to develop case law, and mandate the need for one group of efficient and expert case-dedicated assistant attorneys general and paralegals who focus only on these larger cases that often exceed \$1M.

PL PD Public Counsel - Ratepayer Advocacy

The Office of the Attorney General (AGO) requests additional staffing and expert witness funding for the Public Counsel Unit (PCU). As utility rate requests and other regulatory filings have increased, budgetary pressures have negatively impacted the ability of PCU to represent the interests of residential and small business utility ratepayers. Increased funding will enable PCU to more effectively represent ratepayers by increasing the number of cases PCU can participate in and widening the range of issues PCU can address in those cases. Ratepayers will benefit from added legal advocacy and expert analysis and testimony in matters addressing rate increases, service delivery, environmental initiatives, and other regulatory issues.

PL PE UW (Bothell) Legal Services

The Office of the Attorney General (AGO) requests funding for 1.0 Assistant Attorney General (AAG) to meet the rapidly-expanding needs of the University of Washington (UW) and provide consistent advice that will minimize legal risks. Specifically, the request is for a dedicated FTE for the Bothell campus, which is the fastest growing campus in the state, and where the need is the most critical.

TAB C

DECISION PACKAGES



**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: 8L - Lease Rate Adjustments

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

This request covers the expected increases and decreases in annual lease contracts that will come up for renewal in the 2017-2019 Biennium. These requested funding changes are to sustain leases in buildings around the state where Attorney General’s Office (AGO) divisions are currently located. The underlying facilities are all in the AGO six-year lease facility plan. The AGO has limited control over increases in lease costs, such as the increase in the Seattle location, which is facing a significant cost increase following the lease renewal negotiated with the assistance of the Office of Financial Management and the Department of Enterprise Services Facilities groups.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 - General Fund - State	748,809	666,574	591,018	444,699
001-2 - General Fund - Federal	17,353	15,496	27,579	5,343
111-1 - Public Service Revolving Account-State	25,770	15,501	76,188	64,327
12F-6 - Man/Mobile Home Dispute Resolution-Non-Appropriated	26,152	21,237	37,213	31,630
154-1 - New Motor Vehicle Arbitration Acct-State	33,813	27,513	48,211	41,153
17L-6 - Foreclosure Fairness Account-Non-Appropriated	15,285	14,011	7,745	5,941
19A-1 - Medicaid Fraud Penalty Account-State	13,069	10,458	19,206	8,632
405-1 - Legal Services Revolving Account-State	1,081,455	785,892	1,485,887	1,019,528
424-6 - Anti-Trust Revolving Account-Non-Appropriated	158,676	143,217	105,910	86,169
Total Cost	2,120,382	1,699,899	2,398,957	1,707,422

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
001 - General Fund	0393	17,353	15,496	27,579	5,343
405 - Legal Serv Rev Acct	0420	1,081,455	785,892	1,485,887	1,019,528

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	2,120,382	1,699,899	2,398,957	1,707,422

Package Description:

This request covers the expected increase and decrease in annual lease contracts that will come up for renewal in the 2017-19 biennium as well as contractually scheduled rate increases.

- All 2017-19 increases are either documented in existing leases, or are projections that were provided by the Office of Financial Management’s (OFM) Facility Oversight section.
- 2019-21 increases are all assumed to be 10%. This is a typical mean rate increase used as an assumption for projecting FY 2020 and FY 2021 lease costs.

The Department of Enterprise Services (DES) negotiates the lease costs with landlords on behalf of the AGO. The AGO has limited control over the increase in lease costs and this request does not duplicate any funding proposed in any other decision packages within the 2017-2019 biennium budget request. These facilities are all in the AGO six-year lease facility plan.

The increases identified in this request are to continue occupancy in buildings around the state where AGO divisions are currently located to provide services to client agencies and the citizens of Washington State.

Bellingham: The current Bellingham lease agreement includes a scheduled lease rate increase. In FM01 (July 2018), lease rates increase from \$11,612 per FM to \$12,167 per FM.

Projected lease rates in the 2015-17 Budget Request were higher than the enacted lease resulting in cost reductions in the 2017-19 Budget Request. Lease rate projections, beginning in March 2020, assume a 10% increase.

Bristol Court: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Lease rate projections, beginning in August 2020, assume a 10% increase.

Everett: Projected lease rates in the 2015-17 Budget Request were higher than the enacted lease resulting in cost reductions in the 2017-19 Budget Request.

Kennewick: The current Kennewick lease agreement expires Feb 2019. OFM assumes a 12% increase in the monthly lease payment to \$13,896.06 per FM beginning in FM21 (March 2018).

Kent: Projected lease rates in the 2015-17 Budget Request were higher than the enacted lease resulting in cost reductions in the 2017-19 Budget Request.

Kitsap County Juvenile Court: The current lease agreement expired March 2017. OFM Assumes a 0% increase in lease rates.

Port Angeles: Projected lease rates in the 2015-17 Budget Request were higher than the enacted lease resulting in cost reductions in the 2017-19 Budget Request.

Port Orchard: The current lease agreement expires October 2017. OFM assumes a 6% increase in lease rates to \$138 per FM beginning in FM17 (November 2017).

Seattle: The current Seattle lease agreement expires June 2017. A Seattle office renewal was initiated and incorporates a minor space increase, approved through OFM Facility Oversight's modified pre-design process. The approved space supports increased staffing and addresses recruitment and retention challenges. More significantly, the Seattle real estate market rates increased substantially compared to the rates in the current lease resulting in a significant rate increase. The new lease is not a standard renewal as the prior lease was a sub-lease through another building tenant.

At this time of renewal, the AGO moved to a direct lease with the landlord. DES Real Estate Services negotiated the new lease contract and associated rates, which are within the market rate. In the new lease terms, there is a charge for parking that result in additional costs. The combinations of these factors support the need for an increase in funding for our Seattle office lease cost.

This is a critical location, close to courts, and houses over three hundred employees, representing 26 AGO divisions and serving a large number of clients. The Seattle location allows the AGO to meet the growing body of work in King County and is operationally economical as it distributes the cost of AGO shared services over the large number of legal divisions located in Seattle.

The population of employees stationed at the Seattle office, or working part time from Seattle, has increased substantially. Because Seattle is a key recruiting strategy and so many attorneys live in King County, many divisions with primary offices in Olympia now have, or desire to have, dedicated space for their division in Seattle to house full or part-time employees. The Seattle office is fundamental to meeting the Governor's Executive Order 16-07 in which agencies are required to increase telework participation. This includes allowing employees to work closer to their residence making Seattle key to allowing AGO employees to telework from to meet this strategic direction.

King County is home to many of the state's law schools, resulting in is a centralized pool of highly qualified attorneys, and making our Seattle office vital for recruiting, Low attorney and professional staff salaries have created recruiting and retention challenges for the AGO. A Seattle work location is a key recruiting and retention strategy for the AGO. Recent exit interviews show key personnel leaving the AGO to find work in the Seattle area.

In the Six-Year Plan, the AGO was not funded, or approved to relocate from the current Seattle office location. Consistent with this plan, the AGO renewed the lease and is bound by the lease negotiated by DES.

The current lease agreement expires June 30, 2017. DES's negotiated lease, including new office space, totals \$452,918 per month in FY 2018 and \$453,459 in FY 2019.

Spokane: Lease rate projections, beginning in August 2020, assume a 10% increase.

Tacoma: Projected lease rates in the 2015-17 Budget Request were higher than the enacted lease resulting in cost reductions in the 2017-19 Budget Request.

Lease rate projections, beginning in July 2020, assume a 10% increase.

Tumwater: The current Tumwater lease agreement includes a lease rate increase in December 2016 from \$269,432 per FM to \$296,375 per FM.

Vancouver: The current Vancouver lease agreement expires March 2019. OFM assumes a 10% increase in lease payment to \$20,374 per FM beginning in FM21 (April 2019).

Warehouse (Tumwater): There are two separate leases for the Tumwater Warehouse. The AGO's Information Services Division lease has no changes.

The AGO's Facilities Unit lease reflects a reduction in costs. Through efficiencies, the AGO deactivated the Mail and Document Services division and freed up lease costs. Savings are reflected in this request.

Lease rate projections, beginning in July 2020, assume a 10% increase.

Wenatchee: Lease rate projections, beginning in November 2019, assume a 10% increase.

Yakima: The current Yakima lease agreement was renewed effective August 2015. Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Lease rate projections, beginning in August 2020, assume a 10% increase.

Relationship to the AGO Strategic Plan:

Every aspect of the AGO's Strategic Plan is affected by the availability of appropriate office space for each Division to function and funding being available to pay for this space.

1. Priority – Serve the State:
 - a. Goal - Deliver high quality, timely, and efficient legal services.
 - b. Goal - Improve internal efficiency and effectiveness through organizational alignment, technology solutions, and improved use of data.
 - c. Goal - Proactively engage in risk management efforts to reduce the state's liability and improve outcomes for the public.
2. Priority – Protect the People:
 - a. Goal - Fight fraud and protect Washingtonians' pocketbooks.
 - b. Goal - Defend the civil rights of all Washington residents, improve public health, and

protect Washington's environment.

c. Goal - Hold criminals accountable and protect the safety of Washington's youth and vulnerable adults.

d. Goal - Provide an excellent experience to the public in all interactions with the Attorney General's Office.

3. Priority – Empower Our Employees:

a. Recruit and retain a high quality, highly skilled, and highly effective workforce to meet the legal needs of the people and state of Washington.

b. Promote diversity, inclusiveness, and cultural competency throughout the organization.

c. Ensure employees have the skills and knowledge they need to be successful.

d. Ensure employees have the tools and work space they need to be efficient and effective.

e. Promote the health, safety, and well-being of all employees in the workplace.

Attachment 1 shows each facilities cost increase by biennium.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget:

The AGO has \$25,807,213 in the 2015-2017 biennium for agency facility lease costs.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

There is no workload or policy assumptions associated with this request. This request is to obtain appropriate allotment to pay our facilities costs.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The desired outcome of this request is to obtain the funds necessary to pay for our contractual obligations of facility leases.

Fully funding this request will eliminate the potential negative impact to service levels of existing programs and litigation services to pay ongoing facility lease costs.

The AGO's desired result is an uninterrupted sustainment of current operations, support and litigation services.

Performance Measure detail:

The approval of this request will not result in incremental changes to agency performance measures. If a funding shortfall is generated through lack of funding, it can result in a need to reduce services, and contemplate securing alternate facilities. Moving offices out of Seattle would decrease productivity and adversely affect the flow of legal services.

- Activity (0001): Total AG Formal and Informal Opinions Issued
- Performance Measure (2533): Total AG Formal and Informal Opinions Issued

- Activity (0002): Civil Commitment of Sexually Violent Predators
- Performance Measure (2535): Total Successful Commitment and Recommitment Trials

- Activity (0003): Criminal Investigation and Prosecution
- Performance Measure (2535): Criminal Cases Closed

- Activity (0004): Enforcement of Antitrust Laws
- Performance Measure (0011): Antitrust Restitution to the Citizens of the State

- Activity (0005): Enforcement of Consumer Protection Laws
- Performance Measure (2534): Direct Restitution Provided to Consumers through Litigation and Complaint Resolution

- Activity (0006) Executive Ethics Board
- Performance Measure (0018): Average Number of Days to Complete Ethics Investigations

- Activity (0007) Homicide Investigation Tracking System
- Performance Measure (0021): HITS Requests from Law Enforcement

- Activity (0009) Investigation and Prosecution of Medicaid Fraud and Resident Abuse
- Performance Measure (2538): Recoveries to the Medicaid System

- Activity (0010) Legal Services to State Agencies
- Performance Measure (2539): Cases Open at End of Fiscal Year

- Activity (0011) Representing Ratepayers
- Performance Measure (2531): Consumer Utility Rate Savings

- Activity (0012) Victims Advocacy
- Performance Measure (2532): Training Sessions Completed in Support of Victims

Relationship to Results Washington

1) Goal 5: Effective, Efficient and Accountable Government: Customer Satisfaction and Confidence

Customer Satisfaction:

1.1 Increase/maintain customer service satisfaction with accuracy, timeliness, and respectfulness.

Customer Confidence:

1.3 Increase/maintain timely delivery for state services.

This request aligns the actual cost of AGO facility leases with funding to sustain the current workload. It clarifies how state resources are spent, shows accountability and responsibility in spending, and offers transparency resulting in customer satisfaction and confidence in legal services provided.

Fully describe and quantify expected impacts on state residents and specific populations served

The increasing cost of leased space is an unavoidable cost that must be incurred for the AGO to provide legal services to its client agencies and serve the citizens of Washington.

Every client agency of the AGO will be impacted by this request. Lease costs are passed on to clients in monthly legal services invoices. Attachment 2 addressed impact by client.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	The AGO Criminal Litigation supports complex regional and county litigation.
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	

Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	Yes	Renewing expiring leases and supporting lease rate increases in existing leases.
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	NA	

What alternatives were explored by the agency and why was this option chosen?

The AGO is obligated to pay lease costs negotiated by DES. There is no viable alternative for fully funding leased facilities.

What are the consequences of not funding this request?

A failure to fully fund contractual lease payments will result in reduction in legal services proportionate to the funding shortfall. This will also hinder our ability to meet performance measures and to support the Governor’s Results Washington goals.

A lease funding shortfall would have a greater negative impact on programs with smaller funding sources and include, but are not limited to the services of Mobile Home Disputes, Lemon Law enforcement, Fairness Foreclosure.

The increasing cost of leased space is an unavoidable cost that must be incurred for the AGO to provide legal services to its client agencies. If funds originally intended for legal service costs must be diverted to pay for lease funding shortfall it will result in a reduced level of legal advice and other legal services. This will increase agency risk and could lead to avoidable legal issues of client agencies.

How has or can the agency address the issue or need in its current appropriation level?

The AGO is unable to address this issue within its current appropriation levels without having a detrimental impact on the delivery of legal services.

Other supporting materials:

Attachment 1 is a comparison of 2015-17 lease costs as projected in the 2016-17 Biennial Budget Request, 2017-19 anticipated lease projections, and the variance noted as the total funding requested in the 2017-19 Biennial Budget Request.

Attachment 2 is LSRA costs split by client agencies to be included in the Central Service Model.

Attachment 3 is a table of AGO leases as requested in the biennial budget instructions.

Attachment 4 is OFM's approval of the new lease.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

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AGO Facilities	2015-17 Biennial Budget Levels Lease Costs			2017-19 Biennial Projected Lease Costs			2019-21 Biennial Projected Lease Costs			2017-19 Budget Request (Excludes sub-lease and Tort IAA Costs)			2019-21 Budget Request (Excludes sub-lease and Tort IAA Costs)		
	FY2016	FY2017	2015-17	FY2018	FY2019	2017-19	FY2020	FY2021	2020-21	FY2018	FY2019	2017-19	FY2020	FY2021	2019-21
BELLINGHAM	150,048	150,048	265,096	145,998	145,998	291,996	150,864	160,597	311,461	(4,050)	(4,050)	(8,100)	816	10,549	11,365
BRISTOL COURT	894,165	875,916	2,183,236	875,904	875,904	1,751,808	875,904	963,494	1,839,398	(18,261)	(12)	(18,273)	(18,261)	87,566	69,305
EVERETT	317,532	346,495	635,058	303,087	303,087	606,174	303,087	303,087	606,174	(14,010)	(42,104)	(56,114)	(14,010)	(42,104)	(56,114)
KENNEWICK	148,800	148,800	285,200	148,800	154,784	303,584	166,752	166,752	333,504	3	5,514	5,517	16,536	16,536	33,072
KENT	2,759	2,844	5,472	2,730	2,730	5,460	2,730	2,730	5,460	(29)	(114)	(143)	(29)	(114)	(143)
KITSAP CO. JUVENILE COU	2,400	2,400	4,800	2,400	2,400	4,800	2,400	2,400	4,800	0	0	0	0	0	0
PORT ANGELES	66,839	66,839	133,680	66,829	66,828	133,657	66,829	66,828	133,657	(10)	(11)	(21)	(10)	(11)	(21)
PORT ORCHARD	1,543	1,565	3,360	1,628	1,659	3,287	1,628	1,659	3,287	85	94	179	85	94	179
SEATTLE	3,312,552	3,615,624	6,625,060	5,435,016	5,441,509	10,876,526	5,797,112	5,804,000	11,601,111	1,973,052	1,714,430	3,687,482	2,151,548	1,893,107	4,044,655
SPOKANE	506,124	506,124	1,048,528	506,123	506,123	1,012,246	539,864	0	539,864	0	0	0	29,186	(437,794)	(408,608)
TACOMA	1,136,074	1,148,556	1,997,548	1,148,561	1,148,561	2,297,122	1,148,561	1,263,417	2,411,978	(1,168)	(11,945)	(13,113)	(1,168)	86,027	84,859
TUMWATER	3,233,172	3,421,766	6,466,360	3,556,498	3,556,498	7,112,996	3,556,498	3,556,498	7,112,995	257,623	106,374	363,997	259,303	108,054	367,357
TUMWATER - FOS	183,612	183,612	366,948	121,731	121,731	243,462	124,000	124,000	248,000	(61,881)	(61,881)	(123,762)	(59,612)	(59,612)	(119,224)
TUMWATER - ISD	185,161	185,161	0	185,161	185,161	370,322	203,677	203,677	407,354	0	0	0	18,516	18,516	37,032
VANCOUVER	222,252	222,252	436,761	222,257	227,831	450,088	244,483	244,483	488,966	5	5,579	5,584	22,231	22,231	44,462
WENATCHEE	72,053	72,053	0	72,053	72,053	144,105	76,856	79,258	156,114	0	0	0	4,803	7,205	12,008
YAKIMA	110,770	111,768	199,580	99,790	99,790	199,580	99,790	108,937	208,727	(10,977)	(11,975)	(22,952)	(10,977)	(2,828)	(13,805)
TOTAL OF REQUEST	10,545,856	11,061,823	20,656,687	12,894,566	12,912,647	25,807,213	13,361,034	13,051,817	26,412,851	2,120,382	1,699,899	3,820,281	2,398,957	1,707,422	4,106,379

Assumptions

Bellingham: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Bristol Court: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Everett: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Kennewick: OFM assumes a 12% increase in the monthly lease payment to \$13,896.06 per FM beginning March 2018.

Kent: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Kitsap County: The current lease agreement expired March 2017. OFM Assumes a 0% increase in lease rates.

Port Angeles: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Port Orchard: The current lease agreement expires October 2017. OFM assumes a 6% increase in lease rates to \$138 per FM beginning November 2017.

Seattle: The current lease agreement expires June 30, 2017. OFM's negotiated lease, including new office space, totals \$452,918 per FM in FY 2018 and \$453,459 in FY 2019.

Spokane: Lease rate projections, beginning in August 2020, assume a 10% increase.

Tacoma: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Tumwater: The current Tumwater lease agreement includes a lease rate increase in December 2016 from \$269,432 per FM to \$296,375 per FM.

Tumwater-FOS: Through efficiencies, the AGO deactivated the Mail and Document Services division and freed up lease costs. Savings are reflected in this request.

Tumwater-ISD: Lease rate projections, beginning in August 2020, assume a 10% increase.

Vancouver: The current Vancouver lease agreement expires March 2019. OFM assumes a 10% increase in lease payment to \$20,374 per FM beginning April 2019.

Wenatchee: Lease rate projections, beginning in November 2019, assume a 10% increase.

Yakima: Projected lease rates in the 2015-17 budget request were higher than the enacted lease resulting in cost reductions in the 2017-19 budget request.

Torts lease rates have been subtracted from this request. All Tort costs are billed through an interagency agreement with DES.

Sublease receipts from the Tumwater Coffee Cart (Tumwater) have been subtracted from this request.

Lease rate projections for the 2019-21 biennium are assumed a 10% increase.

Rent Increase/Decrease for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency	FY 2018	FY 2019	2017-19
011	House of Representatives	69	50	119
012	Senate	7	5	12
013	Joint Transportation Committee	-	-	-
014	Joint Leg Audit & Rev Comm	129	94	223
020	Leg Eval and Accy Prg Com	-	-	-
035	Office of State Actuary	100	73	173
037	Office of Legislative Support Services	-	-	-
038	Joint Legislative Systems Committee	6	5	11
040	Statute Law Committee	11	8	19
045	Supreme Court	711	517	1,228
046	State Law Library	-	-	-
048	Court of Appeals	72	52	124
050	Judicial Conduct Commission	57	41	98
055	Administrative Office of the Courts	1,473	1,071	2,544
056	Office of Public Defense	-	-	-
057	Office of Civil Legal Aid	-	-	-
075	Office of the Governor	146	106	252
080	Office of Lieutenant Governor	1	-	1
082	Public Disclosure Commission	1,671	1,215	2,886
085	Secretary of State	1,538	1,118	2,656
086	Office of Indian Affairs	-	-	-
087	Commission on Asian-American Affairs	-	-	-
090	Office of State Treasurer	3,009	2,186	5,195
095	Office of State Auditor	3,802	2,763	6,565
099	Citizen's Comm on Salaries for Elect Off	-	-	-
100	Office of Attorney General	-	-	-
101	Caseload Forecast Council	276	201	477
102	Department of Financial Institutions	6,392	4,645	11,037
103	Department of Commerce	3,133	2,277	5,410
104	Forecast Council	-	-	-
105	Office of Financial Management	2,662	1,935	4,597
107	Health Care Authority	15,824	11,499	27,323
110	Office of Administrative Hearings	768	558	1,326
116	State Lottery Commission	432	314	746
117	Gambling Commission	3,538	2,571	6,109
118	Commission on Hispanic Affairs	2	2	4
119	Commission on African-Amer Affairs	-	-	-
120	Human Rights Commission	1,668	1,212	2,880
124	Department of Retirement Systems	11,368	8,261	19,629
126	State Investment Board	3,645	2,649	6,294
140	Department of Revenue	28,362	20,610	48,972
142	Board of Tax Appeals	24	17	41
147	Office of Min & Women's Bus Enter	1,449	1,053	2,502
160	Insurance Commissioner	3,945	2,867	6,812
163	Consolidated Technology Services	544	395	939

Rent Increase/Decrease for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency	FY 2018	FY 2019	2017-19
165	Board of Accountancy	552	401	953
167	Forensic Investigations Council	-	-	-
179	Department of Enterprise Services	6,155	4,473	10,628
185	Horse Racing Commission	349	254	603
190	Board of Industrial Insurance Appeals	535	389	924
195	Liquor Control Board	12,547	9,118	21,665
205	Board of Pilotage Commissioners	679	493	1,172
215	Utilities and Transportation Commission	21,514	15,634	37,148
220	Board for Volunteer Firefighters	601	437	1,038
225	Washington State Patrol	8,099	5,886	13,985
227	Criminal Justice Training Commission	1,643	1,194	2,837
228	Traffic Safety Commission	107	77	184
235	Department of Labor and Industries	214,763	156,068	370,831
240	Department of Licensing	20,526	14,916	35,442
245	Military Department	2,885	2,096	4,981
275	Public Employee Relations Commission	467	340	807
300	Dept of Social & Health Services	344,858	250,607	595,465
303	Department of Health	48,200	35,027	83,227
305	Department of Veterans Affairs	575	418	993
310	Department of Corrections	53,527	38,898	92,425
315	Department of Services for the Blind	64	47	111
340	Student Achievement Council	155	113	268
341	LEOFF Plan 2 Retirement Board	227	165	392
350	Superintendent of Public Instruction	6,431	4,674	11,105
351	School for the Blind	39	28	67
353	Center for Child Deaf & Hearing Loss	183	133	316
354	Work Force Training & Educ Coord Brd	191	139	330
355	Dept of Arch and Historic Preservation	705	512	1,217
357	Department of Early Learning	7,328	5,325	12,653
359	Charter Schools Commission	-	-	-
360	University of Washington	28,050	20,384	48,434
365	Washington State University	11,023	8,010	19,033
370	Eastern Washington University	3,354	2,437	5,791
375	Central Washington University	2,623	1,906	4,529
376	The Evergreen State College	1,786	1,298	3,084
380	Western Washington University	3,239	2,354	5,593
387	Washington State Arts Commission	55	40	95
390	Washington State Historical Society	272	198	470
395	Eastern WA State Historical Society	155	113	268
405	Department of Transportation	41,915	30,460	72,375
406	County Road Administration Board	15	11	26
407	Transportation Improvement Board	37	27	64
410	Transportation Commission	142	103	245
411	Freight Mob Strategic Invest Brd	20	14	34
460	Columbia River Gorge Commission	16	11	27

Rent Increase/Decrease for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency	FY 2018	FY 2019	2017-19
461	Department of Ecology	51,063	37,108	88,171
462	Pollution Liability Insurance Agency	303	220	523
465	State Parks & Rec Comm	2,768	2,011	4,779
467	Recreation & Cons Funding Board	158	115	273
468	Environmental Hearings Office	215	156	371
471	Conservation Commission	99	72	171
477	Department of Fish and Wildlife	16,708	12,142	28,850
478	Puget Sound Partnership	70	51	121
490	Department of Natural Resources	26,873	19,528	46,401
495	Department of Agriculture	3,451	2,508	5,959
540	Employment Security Department	15,832	11,505	27,337
699	Community and Technical Colleges	20,474	14,878	35,352
		1,081,455	785,892	1,867,347

BELLINGHAM			ADDRESS:	103 E. Holly Street, (Suites 301, 302, 303, 305, 308, 309, 310, 316, 320), Bellingham, WA 98015			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	8,111	04/01/15	03/31/20	\$ 875,904	4.78%	\$ 1,751,808	\$ -
SERVICES INCLUDED IN LEASE:			Insurance, storm water, sewer, garbage, maintenance and repairs, natural gas, electricity, elevator, window washing (interior and exterior), landscape & irrigation, restroom supplies and light bulb replacement, janitorial services.				
RELEVANT NOTES:			Monthly Lease Rates: \$11,611.60 (April 1, 2015-June 30, 2017); \$12,166.50 (July 1, 2017-March 31, 2020).				

BRISTOL COURT			ADDRESS:	2425 Bristol Court SW, Olympia. WA			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	54,744	08/01/15	07/31/20	\$ 875,904	0.00%	\$ 1,751,808	\$ -
SERVICES INCLUDED IN LEASE:			Includes water, sewer, garbage, electricity, natural gas, janitorial services, and restroom supplies.				
RELEVANT NOTES:			Monthly lease cost is \$72,992 per month for the remainder of the lease (through July 2020).				

EVERETT			ADDRESS:	3501 Colby Ave, Suite 100A, Everett, WA 98201			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	14,433	08/01/16	07/31/21	\$ 304,290	0.00%	\$ 606,174	\$ -
SERVICES INCLUDED IN LEASE:			Includes taxes, assessments, insurance, storm water, maintenance and repairs.				
RELEVANT NOTES:			Monthly lease cost is \$25,257.25 per month for the remainder of the lease (through July 2021).				

HIGHWAY LICENSE BUILDING			ADDRESS:	1125 Washington SE, Olympia, WA			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Close	72,639	NA	NA				
SERVICES INCLUDED IN LEASE:							
RELEVANT NOTES:			Beginning June 30, 2013, DES began billing for the facility based on Central Services Model allocations.				

KENNEWICK			ADDRESS:	8127 W. Klamath Court, Bldg 6, Suite A, Kennewick, WA 99336			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	6,200	03/01/14	02/28/19	\$ 148,800	0.12%	\$ 162,696	\$ -
SERVICES INCLUDED IN LEASE:			Includes taxes, assessments, insurance, storm water, exterior window washing, landscape & irrigation, maintenance and repairs.				
RELEVANT NOTES:			Current lease agreement is from March 2009 through Feb 2019. OFM assumes an increase in in the monthly lease payment to \$13,896.06/FM (12%)				

KENT			ADDRESS:	401 4th Ave N, Room 1261, Kent, WA 98032			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	190	05/01/16	04/30/21	\$ 2,730	0%	\$ 5,460	\$ -
SERVICES INCLUDED IN LEASE:			Full service lease.				
RELEVANT NOTES:			OFM Assumed 0% increase in lease rates.				

Kitsap County Juvenile Court			ADDRESS:	1338 SE Old Clifton Road, Port Orchard, WA, 98367			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	100	04/01/15	03/31/17	\$ 1,800	0%	\$ 4,800	\$ -
SERVICES INCLUDED IN LEASE:			Full service lease.				
RELEVANT NOTES:			OFM Assumed 0% increase in lease rates.				

PORT ANGELES			ADDRESS:	115 E. Railroad, Suite 306, Port Angeles, WA 98362			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	3,052	08/01/17	07/31/22	\$ 66,838	0.00%	\$ 128,087	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and				
RELEVANT NOTES:			Monthly lease cost is \$5,569 per month for the remainder of the lease (through July 31, 2022).				

PORT ORCHARD			ADDRESS:	614 Division Street, Port Orchard, WA 98366			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	100	11/01/15	11/01/17	\$ 1,565	0.06%	\$ 3,287	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and				
RELEVANT NOTES:			OFM Assumes an increase in the monthly lease payment to \$138.25/FM (.06%)				

SEATTLE			ADDRESS:	800 5th Ave, Seattle, WA 98104			
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	129,977	07/01/17	06/30/22	\$ 3,312,542	64.17%	\$ 10,876,525	\$ -
SERVICES INCLUDED IN LEASE:			Full service lease, including parking fees.				
RELEVANT NOTES:			The old lease cost of \$276,045/FM expires June 30, 2017. New lease cost includes 7,551 square feet of additional office space. In the final lease negotiations with the landlord, a new lease has been negotiated that is within the current Seattle market lease rate. The new lease costs are identified above.				

SPOKANE			ADDRESS: W. 1116 & 1124 Riverside Ave, Spokane, WA 98201				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	28,009	11/01/14	10/31/19	\$ 506,122	0.00%	\$ 1,012,245	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and				
RELEVANT NOTES:			Monthly lease cost is \$42,176.88 per month for the remainder of the lease (through October 31, 2019).				

TACOMA			ADDRESS: 1250 Pacific Ave, Tacoma, WA 98402				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	32,768	07/01/10	06/30/20	\$ 1,148,560	0.00%	\$ 2,297,121	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and				
RELEVANT NOTES:			Monthly lease cost is \$95,713.40 per month for the remainder of the lease (through June 30, 2020).				

TUMWATER			ADDRESS: 7141 & 7153 Cleanwater Lane, Tumwater, WA 98501				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	148,311	12/01/06	11/30/21	\$ 3,421,781	0.00%	\$ 7,112,995	\$ -
SERVICES INCLUDED IN LEASE:			Maintenance and repair.				
RELEVANT NOTES:			In December 2016, rates increase to \$296,374.80 (This monthly lease cost will remain in place through remainder of the lease (through November 30, 2021).				

TUMWATER WAREHOUSE-FOS			ADDRESS: 818 79th Ave, Unit C, Olympia, WA 98501				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	10,678	01/01/15	06/30/19	\$ 112,731	0.00%	\$ 225,462	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, maintenance and repair, landscape and irrigation, and lightbulbs				
RELEVANT NOTES:			This monthly lease cost of \$9,384.29 will remain in place through remainder of the lease (through June 30, 2019).				

TUMWATER WAREHOUSE-ISD			ADDRESS: 818 79th Ave, Unit A, B & D, Olympia, WA 98512				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	12,494	07/01/14	06/30/19	\$ 185,161	0.00%	\$ 370,322	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, maintenance and repair, landscape and irrigation, and lightbulbs				
RELEVANT NOTES:			This monthly lease cost of \$15,430.09 will remain in place through remainder of the lease (through June 30, 2019).				

VANCOUVER			ADDRESS: 1220 Main Street, Suite 510, Vancouver, WA 98660				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Renew	9,486	04/01/14	03/31/19	\$ 222,257	10.00%	\$ 450,088	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, elevator, exterior & interior window washing, landscape and irrigation, janitorial service with supplies and lightbulbs.				
RELEVANT NOTES:			Current lease agreement of \$18,521.42 expires March 31, 2019. OFM Assumes an increase in the monthly lease payment to \$20,379.49/FM (.10%) <i>The owner is planning on doing a major remodel which will displace facility occupants to one of the owners other locations for part of the lease. This may decrease the lease amount.</i>				

WENATCHEE			ADDRESS: 139 S. Worthen, Suite 200, Wenatchee, WA 98801				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	3,695	11/01/14	10/31/19	\$ 72,052	0%	\$ 144,105	\$ -
SERVICES INCLUDED IN LEASE:			Water, sewer, garbage, natural gas, electricity, janitorial services & supplies.				
RELEVANT NOTES:			This monthly lease cost of \$6,004.38 will remain in place through remainder of the lease (through October 31, 2019).				

YAKIMA			ADDRESS: 1433 Lakeside Court, Suite 102, Yakima, WA 98902				
ACTION	SQUARE FEET	LEASE START DATE	LEASE END DATE	FY2017 FUNDED LEVEL	RENEWAL INCREASE %	PROJECTED 2017-19 NEED	REQUESTED 1-TIME COSTS
Sustain	5,870	08/01/15	07/31/20	\$ 99,789	0.00%	\$ 199,579	\$ -
SERVICES INCLUDED IN LEASE:			Taxes and assessments, insurance, storm water, landscape and irrigation, water, sewer, garbage, maintenance and repair.				
RELEVANT NOTES:			This monthly lease cost of \$8,315.83 will remain in place through remainder of the lease (through July 31, 2020).				

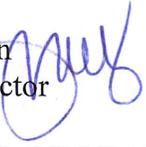


STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

August 25, 2016

TO: Bob Covington, Deputy Director
Department of Enterprise Services

FROM: Tracy Guerin 
Deputy Director

**SUBJECT: APPROVAL OF LEASE FOR OFFICE OF THE ATTORNEY
GENERAL (SEATTLE), LEASE SRL 16-0088**

RCW 43.82.035 requires the Office of Financial Management (OFM) to approve all facility leases that are over \$1,000,000 in annual costs. Pursuant to this statute, OFM reviewed lease number SRL 16-0088 for the facility that houses the Office of the Attorney General (ATG) in Seattle.

After completing a review of the proposed lease terms, alternatives considered, current market conditions, operating budget, scope, and risk, OFM has determined that the Department of Enterprise Services (DES) may enter into this lease on behalf of ATG.

If any of the terms and conditions of this lease changes, the lease must be returned to OFM for further consideration. Please contact Amy McMahan, OFM Senior Facilities Oversight Manager, at amy.mcmahan@ofm.wa.gov or (360) 902-9824 if you have any questions.

cc: Cami Feek, Director of Operations, ATG
Seth Wallace, Assistant Director, DES
Amy McMahan, Senior Facilities Oversight Manager, OFM
Scott Perkins, Facilities Analyst, OFM

**2017-19 Biennium Budget
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MA-Tobacco Diligent Enforcement

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

The Office of the Attorney General (AGO) seeks to renew funding to diligently enforce tobacco escrow requirements and aggressively defend our past enforcement, thus maintaining the State’s ability to receive significant Master Settlement Agreement (MSA) revenue, and to enforce the MSA public health provisions. This will enable the AGO to continue to participate in the second arbitration concerning nonparticipating manufacturers and prepare for the third one. The pace has doubled from the first arbitration, resulting in a need for additional resources over the amount funded in 2015-17. Given the results of our successful first arbitration, winning the current arbitration will likely result in an additional \$14 million to the state this biennium, including \$10 million to the general fund, and will continue to lay the groundwork for future arbitrations and revenue enhancements. Losing the arbitration, on the other hand, could cost the state an entire year’s payment of more than a hundred million dollars.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 - General Fund - State	891,000	891,000	891,000	891,000
Total Cost	891,000	891,000	891,000	891,000

	FY 2018	FY 2019	FY 2020	FY 2021
Staffing				
FTEs	4.90	4.90	4.90	4.90

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	383,102	383,102	383,102	383,102
Obj. B	126,619	126,619	126,619	126,619
Obj. C	250,000	250,000	250,000	250,000
Obj. E	109,429	109,429	109,429	109,429
Obj. G	15,400	15,400	15,400	15,400
Obj. J	6,450	6,450	6,450	6,450

Package Description

The tobacco Master Settlement Agreement (MSA) was signed in 1998 by 46 states, the District of Columbia, Puerto Rico, and four territories (Settling States) and the major tobacco companies. The companies’ party to the agreement are known as Participating Manufacturers (PM) while those companies that did not sign are known as Non-Participating Manufacturers (NPM). As part of the settlement, the PMs make annual payments to the Settling States in perpetuity, and the Settling States must enact and diligently enforce statutes that require the NPMs to pay into escrow accounts amounts similar to the obligation imposed on PMs by the MSA.

There are currently millions of dollars in Disputed Payment Accounts that relate to the Non-Participating Manufacturer Adjustments. For most states, they are being arbitrated one year at a time. The first arbitration concerned the 2003 MSA sales year. Work on it began in 2005. It was completed in 2013. The AGO of the State of Washington was successful in showing that Washington had enacted the necessary statute and the AGO had diligently enforced it. This resulted in the State of Washington receiving an additional \$14 million dollars and avoided the potential loss of an annual payment amount of over \$100 million dollars.

The current arbitration, involving whether the Washington AGO diligently enforced the escrow statute during 2004, began in 2014 and is expected to end in 2018. The next arbitration, to decide whether the statute was diligently enforced in 2005, will begin shortly thereafter, probably still in 2018. Most of the 52 Settling States resolved this dispute with the PMs in 2013 at a substantial discount. Washington and 19 other states continue, year by year, to fight to recover the NPM adjustment and receive our full MSA payment.

Relationship to the AGO Strategic Plan:

1. Priority – Serve the State
 - a. Goal – Deliver high quality, timely, and efficient legal services

The AGO contact for this request is Brendan VanderVelde, Budget Director, and he can be reached at (360) 586-2104.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The 2015-17 operating budget is \$1,174,000 GF-S. A 2017 supplemental decision package is being prepared to increase the 2015-17 budget for FY 2017. The full 2015-17 amount was removed in carryforward so that the base budget going forward into 2017-19 is zero.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
Assistant Attorney General	2.25	2.25	2.25	2.25	Y
Paralegal 2	1.00	1.00	1.00	1.00	Y
Legal Assistant 3	1.10	1.10	1.10	1.10	Y
Management Analyst 5	0.55	0.55	0.55	0.55	Y

The AGO requests \$591,000 per fiscal year for staff of 4.35 FTE (Assistant Attorney General, Paralegal 2, Legal Assistant 3), \$250,000 per fiscal year for expert witnesses and \$50,000 per year for cost share agreement. Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

The second arbitration is expected to require the same amount of work but be completed in less time resulting in the need for additional resources each fiscal year. Preparation for the third arbitration is expected to begin shortly after the second arbitration is completed.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

The funding will allow the AGO to present a strong defense for the state in our second arbitration concerning nonparticipating manufacturers and prepare for the third one. The desired outcome is successful arbitrations that result in additional revenue and preclude the loss of revenue to the state.

Performance Measure detail:

- Activity (0010) Legal Services to Agencies
- Expected incremental change in revenue: The \$14,000,000 in FY 2018 and FY 2020 assumes AGO obtains a favorable ruling for the 2004 and 2005 arbitrations. These rulings would result in one-time increases in revenue for FY 2018 and FY 2020.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	\$14,000,000		\$14,000,000	

Relationship to Results Washington:

1) Goal 4 – Healthy and Safe Communities:

By ensuring that the public health provisions of the Master Settlement agreement are complied with, the tobacco diligent enforcement activities contribute to fighting tobacco use among our youth. Ensuring that nonparticipating manufacturers (NPM) make required escrow payments also helps achieve this goal. The necessity to make escrow payments discourages the NPMs from pricing their products below market which would have made their product more attractive to youth.

2) Goal 5 - Efficient, Effective, and Accountable Government:

By keeping the more than 100 million dollars annually flowing into the state treasury, the tobacco diligent enforcement activities provide substantial funding for general government.

Fully describe and quantify expected impacts on state residents and specific populations served.

The work of the tobacco diligent enforcement supplements and enhances the tobacco education and prevention work done by the Department of Health and the Department of Social and Health Services and the enforcement work done by the Liquor and Cannabis Board.

Tobacco diligent enforcement also continues the flow of the tobacco Master Settlement Agreement revenues into the state.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	

Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	GF-S revenue used by state government. Collaboration with DOH, LCB and DSHS on tobacco issues.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	Yes	Tobacco litigation that settled in 1998, litigation to enforce the NPM escrow law in 2004, and litigation to defend the state in diligent enforcement proceedings.
Is the request related to Puget Sound recovery?	No	
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The collaborative work with other state agencies aims to improve the public health around tobacco issues.

The litigation work helps to continue the flow of MSA revenue into the state. In 2016, that revenue was more than \$100 million.

What alternatives were explored by the agency and why was this option chosen?

It is not prudent to reduce or negatively impact the work of defending Washington's MSA revenue stream, given the immense cost of failing. The option to fund at an amount needed to maintain the current pace was chosen as the most reasonable alternative.

What are the consequences of not funding this request?

The state would be shorthanded in terms of personnel and lack sufficient funding to pay for the arbitrations. This would place the continued flow of MSA revenue into Washington in jeopardy potentially resulting in an annual loss of over a \$100 million GF-S.

How has or can the agency address the issue or need in its current appropriation level?

The funding for tobacco diligent enforcement was removed in carryforward. The AGO has only a small amount of GFS funding. Consequently, if this package is not funded, this and other GFS programs will be seriously compromised.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

None.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP (insert rows as required)	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	4,241	3,596	3,596	3,596
PC Hardware	3,490	2,940	2,940	2,940
Licensing	1,259	1,259	1,259	1,259
CTS Services	807	807	807	807
Total Cost	9,797	8,602	8,602	8,602

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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2017-19 Biennium Budget Request Decision Package

FINAL

Agency: ATTORNEY GENERAL'S OFFICE

Decision Package Code/Title: MB – Liquor Cannabis Board Legal Services (2SSB 5052)

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

The Attorney General's Office (AGO) requests additional funding to provide adequate legal support to the Liquor Cannabis Board in their administration of cannabis laws and regulations. The AGO litigation work requested falls into two main areas: licensing denial hearings and enforcement (violation) hearings. The work associated with licensing hearings is related to the Cannabis Patient Protection Act (2SSB 5052 - Chapter 70, Laws of 2015). The implementation workload peak did not occur in the 2015-17 Biennium as anticipated in the fiscal note published at the time of passage of the Act. It is now expected to peak in the 2017-19 Biennium. In addition, case volumes and workload on enforcement issues related to all cannabis laws and regulations are far more extensive and complex than originally assumed.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	689,000	689,000	280,000	280,000
Total Cost	689,000	689,000	280,000	280,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	5.60	5.60	2.30	2.30

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	689,000	689,000	280,000	280,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	444,336	444,336	182,340	182,340
Obj. B	145,978	145,978	59,927	59,927
Obj. E	86,686	86,686	32,858	32,858
Obj. G	5,600	5,600	2,275	2,275
Obj. J	6,400	6,400	2,600	2,600

Package Description:

Brief background:

The Liquor and Cannabis Board (LCB) promotes public safety through the administration and enforcement of liquor, tobacco and marijuana laws. They ensure the highest level of public safety by continually improving and enforcing laws, regulations and policies. They educate and engage licensees, the public and other stakeholders in addressing issues.

The passage of initiative 502 legalizing marijuana and subsequent legislation and regulations established license requirements and rules for both retailers and producer/processors. The passage of 2SSB 5052 (Cannabis Patient Protection Act) added the responsibility of licensing and regulating medical marijuana to the LCB.

The AGO provides legal services to the LCB for certain licensing hearings and for the enforcement of the laws and regulations governing cannabis.

AGO cost drivers related to the administration, licensing and regulating of cannabis:

Licensing denial hearings:

When an applicant applies for a license and is denied, the applicant may contest this denial. The dispute may be resolved prior to a hearing. If it progresses to a hearing, the AGO becomes involved. The Cannabis Patient Protection Act created the opportunity for additional retail licenses. The AGO assumes that some of these will be denied and hearings will follow. As detailed in the following sections, the AGO estimates the need for 1.90 AAG FTE and 0.95 Legal Assistants (LA) FTE to appropriately respond to these new licensing cases. This is one time and presumed to be for FY 2018 and FY 2019 only.

Enforcement hearings:

When medical marijuana became regulated by the LCB, the number of marijuana retail licenses doubled to a total of 556, of which, 420 licenses have been issued so far. There are also approximately 1,000 producers or producer/processors licensed. The LCB regulates the business operations of both types of licenses with a very complex set of statutory and regulatory requirements contained in RCW 69.50.354 through .390 and WAC 314-55-082 through -310.

Litigation of violation cases (enforcement cases) are expected to require more hours of attorney time than was previously projected based upon Assistant Attorney General (AAG) experience in liquor violation cases. This increase in AAG workload is caused by several factors. Specifically, this increase is driven by the large investment and profit potential of marijuana licensed businesses combined with the fact that there are numerous ways a marijuana licensee can violate laws or rules. In addition, the violations themselves are more complex to prove. For example, licensees are required to enter all marijuana products, plants and derivatives into a computerized traceability system. Establishing violations of that requirement require complex audits and data reconciliations. In turn, this requires increased hours of attorney time to prepare for and present at hearings. LCB investigations have also discovered failures to disclose owners and investors in marijuana businesses, which require complicated financial investigations and extensive

document review, further increasing AAG workload. Finally, there will be new kinds of violation cases for laboratories that the LCB must certify and de-certify if businesses fail to continue to comply with required standards, and issues like appropriate or inappropriate pesticide use, which the LCB has not previously regulated. As detailed in the following sections, the AGO estimates this workload requires 1.74 AAG FTE and 0.87 LA FTE. After accounting for current enforcement funding of 0.44 AAG FTE and 0.22 LA FTE (consistent with the Fiscal Note (See Attachment 1: LCB Legal Services - AGO FN 5052 2SSB PL), the net funding need is an additional 1.30 AAG FTE and 0.65 LA FTE, which are ongoing.

Relationship to the AGO Strategic Plan:

1. Priority – Serve the State
 - a. Goal 1: Deliver high quality, timely, and efficient legal services.
 - b. Goal 3: Proactively engage in risk management efforts to reduce the state’s liability and improve outcomes for the public.
2. Priority – Protect the People
 - a. Goal 2: Defend the civil rights of all Washington residents, improve public health, and protect Washington’s environment.
 - b. Goal 3: Hold criminals accountable and protect the safety of Washington’s youth and vulnerable adults.
 - c. Goal 4: Provide an excellent experience to the public in all interactions with the Attorney General’s Office.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The base budget is composed in part on funding associated with I-502 and 2SSB 5052.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Fiscal Summary:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
Assistant Attorney General	3.20	3.20	1.30	1.30	Y
Legal Assistant 2	1.60	1.60	0.65	0.65	Y
Management Analyst 5	0.80	0.80	0.35	0.35	Y

The Office of the Attorney General (AGO) requests \$689,000 per fiscal year in the 2017-19 Biennium for additional staff of 5.60 FTE (Assistant Attorney General, Legal Assistant 2).

Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

Licensure denial hearings:

The number of cases the AGO now anticipates for FY 2018 and FY 2019 is similar to the estimate for FY 2016 and FY 2017 (the implementation phase, as published in the fiscal note for 2SSB 5052). For both FY 2018 & FY 2019, the AGO assumes that 1,100 applications will result from licensees seeking retail licensure. Seventy five percent of the existing dispensaries will seek retail licensure resulting in 825 applications. 50% of these applications will be granted resulting in 412 new retail licenses. The AGO assumes that 268 (or 65%) of the 413 new application denials will result in license disputes.

The AGO anticipates a spike in workload to address legal challenges related to applying the provisions of the competitive, merit-based application process. The AGO anticipates 60% of the 268 licensing cases (161 cases) will resolve short of a hearing and not require legal services. The remaining 40% will result in 107 hearings per year and will average 32 hours of Assistant Attorney General (AAG) time for a total of 3,424 hours (107 hearings x 32 hours).

The net result is a need for 1.90 AAG FTE and 0.95 Legal Assistants (LA) FTE to appropriately respond to these new licensing cases. This is one time and presumed to be for FY 2018 and FY 2019 only.

Enforcement (violation) hearings:

In the fiscal note for 2SSB 5052, the AGO estimated 100 violation cases per fiscal year. The AGO's revised estimate as explained in the package description section above is that there will be approximately 156 cases per fiscal year. The AGO estimates that 50 percent of the cases will go to hearing. Each case will require 40 hours of attorney time (up from the 20 hours assumed in the fiscal note for 2SSB 5052 due to a better understanding of the complexity of these new type of cases) resulting in 3,120 hours of attorney time (156*.5*40). This equates to 1.74 AAG FTE and 0.87 LA. The base funding provided through the Fiscal Note on 2SSB 5052 is 0.44 AAG FTEs and 0.22 LA FTEs for this work.

The net result is a need for an additional 1.30 AAG FTE and 0.65 LA FTEs.

Total:

Combining both the increase need for legal support for licensing hearings and enforcement hearings results in the AGO total request for 3.20 AAG FTEs (1.90+1.30) and 1.60 (0.95+0.65) LA FTEs.

See Attachment 2: FTE and Funding Detail.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

There will be a greater level of protection to the public in timely addressing the LCB litigation needs to ensure marijuana retailers are operating legally.

This request aligns the actual costs of necessary legal services for sustaining the current and anticipated workload.

Performance Measure detail:

- Activity (0010) Legal Services to State Agencies.
- Performance Measure (2539): Cases Open at End of Fiscal Year
- Current 2015-17 Target: 25,000 open cases at the end of each FY, reported annually.
- Expected incremental change in annual performance target: Incremental impact for this decision package is indeterminate.

Incremental Changes	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0

Relationship to Results Washington:

1. Goal 4 – Healthy and Safe Communities
2. Goal 5 – Efficient, Effective, and Accountable Government

Fully describe and quantify expected impacts on state residents and specific populations served.

The LCB and the citizens of Washington will be affected by this request. The AGO currently estimate 1,100 existing medical dispensaries. Funding this request provides resources to protect the public by enforcing the denial of retail licenses and by enforcing the laws and regulations surrounding cannabis.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Protection of consumers by enforcing the denial of retail licenses and the laws and regulations surrounding cannabis.
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	Liquor Cannabis Board (LCB), Department of Health (DOH) & Department of Social and Health Services (DSHS)
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	

Is the request related to Puget Sound recovery?	No	
Identify other important connections	NA	

Please provide a detailed discussion of connections/impacts identified above.

DOH adopts rules and maintains a parallel data base for medical marijuana.

DSHS runs abuse prevention programs for vapor and marijuana enforcement efforts.

LCB is the primary client in licensing and enforcing laws and regulations concerning cannabis.

What alternatives were explored by the agency and why was this option chosen?

The LCB has experienced an increased need for legal services since late 2011 following the passage of Initiative 1183, and again in 2013 after the passage of Initiative 502 (the legalization of recreational marijuana). Both of these initiatives created a tremendous demand for services to implement the laws and defend constitutional and other legal challenges. The AGO has defended numerous lawsuits challenging the LCB’s implementation of these laws, responses to public record requests relating to the implementation, and both licensing and enforcement actions. This option was chosen as the AGO does not have additional capacity to meet the new legal needs of the LCB.

What are the consequences of not funding this request?

If this request is not funded, the AGO will be unable to fully support the enforcement actions required to implement 2SSB 5052, which requires litigation against license applicants whose applications are denied and licensed businesses who violate laws and rules. Delaying legal services significantly impairs our ability to adequately support the licensing and regulation of marijuana. This could lead to more litigation, reduced compliance and the need for legal advice to address the results or consequences that a timely legal review and case processing could have averted.

Delaying legal services will result in increases in future legal cost, decreased efficiency of enforcement to support this bill, and a substantial risk to the public.

This request aligns the actual costs of necessary legal services for sustaining the current and anticipated workload. It clarifies how state resources are spent, shows accountability and responsibility in spending, and offers transparency resulting in customer satisfaction and confidence in legal services provided.

How has or can the agency address the issue or need in its current appropriation level?

There are not sufficient funds allocated to LCB to support the necessary legal services in order to enable the AGO to continue to provide the LCB and its staff with essential legal support, especially considering the new demands of licensing and regulating recreational and medical marijuana, as well as vapor products. The AGO and LCB can not accommodate these increasing needs without additional resources and support.

Other supporting materials:

Attachment 1: LCB Legal Services - AGO FN 5052 2SSB PL;
Attachment 2: FTE and Funding Detail

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	4,184	2,256	2,256	2,256
PC Hardware	3,818	1,992	1,992	1,992
Licensing	853	853	853	853
CTS Services	514	514	514	514
Total Cost	9,369	5,615	5,615	5,615

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

Individual State Agency Fiscal Note

Bill Number: 5052 2S SB PL	Title: Cannabis patient protection	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Legal Services Revolving Account-State 405-1	605,854	589,922	1,195,776	545,683	423,840
Total \$	605,854	589,922	1,195,776	545,683	423,840

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	4.4	4.4	4.4	2.0	1.6
Account					
Legal Services Revolving Account-State 405-1	605,854	589,922	1,195,776	545,683	423,840
Total \$	605,854	589,922	1,195,776	545,683	423,840

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/15/2015
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 04/20/2015
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 04/20/2015
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 is a new section providing that this act may be cited as the Cannabis Patient Protection Act.

Section 2 is a new section stating legislative findings and intent.

Section 3 amends RCW 66.08.012 to change the name of the Washington State Liquor Control Board to the Washington State Liquor and Cannabis Board (LCB). This same change is made in many other statutes throughout the act.

Section 4 amends RCW 69.50.101 to add references to “marijuana concentrates” to various definitions. Definitions are added for “designated provider,” “qualifying patient,” “CBD concentration,” “plant,” and “recognition card.” References to “marijuana concentrates” also are added to many other statutes throughout the act.

Section 6 amends RCW 69.50.331 to require the LCB to conduct comprehensive, fair, and impartial evaluations of timely applications. LCB also must develop a competitive, merit-based application process, and must give priority between competing applications in the licensing process to applicants that possess certain listed experience and qualifications.

Section 7 amends RCW 69.50.342 to add references to medical marijuana retail outlets and RCW 69.51A. In addition, rules adopted on medical marijuana retail outlets must be adopted in consultation and coordination with the Department of Health (DOH).

Section 8 amends RCW 69.50.345 to require, among other things, that LCB reconsider limits on the amount of square feet permitted to be in production on the effective date of this section.

Section 9 amends RCW 69.50.354 to delete a reference to Laws of 2013.

Section 10 adds a new section to RCW 69.50 to establish a medical marijuana endorsement to a marijuana retail outlet to allow the marijuana retailer to sell marijuana for medical use to qualifying patients and designated providers. Retailers also may provide marijuana at no charge, at their discretion, to qualifying patients and designated providers. Conditions applying to marijuana retailers to be issued an endorsement are listed.

Section 11 adds a new section to RCW 69.50 authorizing marijuana retailers and marijuana retailers holding a medical endorsement to sell products with a THC concentration of 0.3 percent or less. They also may provide such products at no charge to qualifying patients or designated providers.

Section 12 amends RCW 69.50.357 to address qualifying patients between the ages of 18 and 21.

Section 13 amends RCW 69.50.360 to delete a reference to Laws of 2013.

Section 14 amends RCW 69.50.4013 to provide that possession by a qualifying patient or preferred provider of marijuana concentrates, useable marijuana, marijuana-infused products, or plants in accordance with RCW

69.51A is not a violation of this section, this chapter, or any other provision of state law.

Section 15 adds a new section to RCW 69.50 to provide that nothing in this chapter permits anyone other than a validly licensed processor to use butane or other explosive gases to extract or separate resin from marijuana or to produce any form of marijuana concentrates or marijuana-infused products that include marijuana concentrates not purchased from a validly licensed marijuana retailer as an ingredient. Cooking oil, butter, and other nonexplosive home cooking substances may be used by qualified patients and designated providers to make marijuana extracts for noncommercial personal medical use. Except for the use of butane, the LCB may not enforce this section until it has adopted the rules required by section 28 of this act.

Section 16 amends RCW 69.51A.005 to replace “cannabis” with “marijuana.”

Section 17 amends RCW 69.51A.010 to amend the definitions of “designated provider,” “medical use of marijuana,” “qualifying patient,” “terminal or debilitating medical condition,” and “valid documentation.” New definitions are added for various terms. Beginning July 1, 2016, the definition of “authorization” provides that an authorization is not a prescription as defined in RCW 69.50.101.

Section 18 amends RCW 69.51A.030 listing various acts that do not constitute crimes under state law of unprofessional conduct under RCW 18.130 and providing certain protections to health care professionals.

Section 19 adds a new section to RCW 69.51A to enable a health care provider, as part of authorizing qualifying patients or designated providers, to include recommendations on the amount of marijuana that is likely needed. If the health care provider does not include such recommendations, the marijuana retailer with a medical endorsement, when adding the qualified patient of designated provider to the medical marijuana authorization database, shall enter an endorsement containing identified restricting quantities of marijuana products that may be purchased or grown.

Section 20 adds new section to RCW 69.51A authorizing health care professionals to authorize the medical use of marijuana for qualifying patients who are under the age of 18 and providing conditions.

Section 21 adds a new section to chapter 69.51 RCW, authorizing DOH to contract with an entity to create, administer, and maintain a secure and confidential medical marijuana authorization database. Requirements for the database, beginning July 1, 2016, are provided. A marijuana retailer with a medical marijuana endorsement may add a qualifying patients or designated providers to the database. DOH must develop recognition card requirements by rule. Requirements for such cards are provided, and require that of marijuana retailer with a medical marijuana endorsement be able to add listed information to the database. Personally identifiable information of qualifying patients and designated providers included in the database is confidential and exempt from disclosure under RCW 42.56. DOH must charge a \$1 fee for each initial and renewal recognition card issued by a marijuana retailer with a medical marijuana endorsement, to be collected by the retailer from qualifying patient or designated provider at the time that he or she is entered into the database and issued a recognition card. By November 1, 2016, DOH must report to the Governor and legislative fiscal committees regarding the cost of implementing and administering the medical marijuana authorization database. DOH is may adopt rules to implement this section.

Section 22 adds a new section to RCW 42.56 adding an exemption from disclosure to records in the medical marijuana authorization database.

Section 23 adds a new section to RCW 69.51A making it unlawful to knowingly or intentionally do certain acts with respect to the medical marijuana authorization database and recognition cards, or for a designated provider or qualifying patient to sell, donate, or supply marijuana produced or obtained for or by a qualifying patient.

Section 24 amends RCW 69.51A.040 regarding the amount of marijuana concentrates, useable marijuana, plants, or marijuana-infused products a qualifying patient or designated provider who has been entered into the medical marijuana authorization database and holds a valid recognition card may possess.

Section 25 amends RCW 69.51A.043, related to the affirmative defenses a qualifying patient or designated professional may raise in criminal cases. References to the registry established in section 901 are stricken and replaced by references to “the medical marijuana authorization database.”

Section 25(1) is amended to apply to a qualifying patient or designated professional who has a valid recognition card from his or her health care professional, but is not entered in the medical marijuana authorization database.

Section 25(2) is amended to apply to a qualifying patient or designated professional who is not entered in the medical marijuana authorization database and who does not have an recognition card, but who presents his or her authorization to any law enforcement officer who questions the patient or provider regarding his or her medical use of marijuana.

Section 26 adds a new section to RCW 69.51A authorizing qualifying patients and designated providers to form a cooperative and share responsibility for acquiring and supplying the resources needed to produce and process marijuana only for the medical use of members of the cooperative. Various limitations, conditions, and requirements are provided. LCB may adopt rules to implement this section. LCB or law enforcement may inspect a cooperative registered under this to ensure compliance. LCB must adopt rules on reasonable hours and reasons for inspection.

Section 27 adds a new section to RCW 69.51A to list several prohibitions related to marijuana growing, production, and processing, and authorizing enforcement by cities, town, counties, and other municipalities.

Section 28 adds a new section to RCW 69.51A to provide that once the LCB adopts rules under subsection (2) of this section, qualifying patients or designated providers may only extract or separate the resin from marijuana or produce or process any form of marijuana concentrates or marijuana-infused products in accordance with those standards.

Section 29 amends RCW 69.51A.045 to replace “cannabis” with “marijuana” and add references to “marijuana concentrates” and “marijuana-infused products.”

Section 30 amends RCW 69.51A.055 to strike a provision relating to persons who are supervised for a criminal conviction by a corrections agency or department.

Section 31 amends RCW 69.51A.060 to authorize a school to permit a minor who meets the requirements of section 22 to consume marijuana on school grounds.

Section 32 amends RCW 69.51A.085 to prohibit persons under 21 from participating in collective gardens or receiving marijuana that was produced, processes, transported, or delivered through a collective garden.

Section 33 adds a new section to RCW 69.50 to authorize LCB to conduct controlled purchases. Conditions are listed.

Section 34 amends RCW 69.51A.100 pertaining to a qualified patient's decision to revoke the designation of a specified designated provider and designate a different designated provider. DOH is authorized to adopt rules to implement this section.

Section 35 adds a new section to chapter 69.51 RCW providing that neither this chapter nor RCW 69.50 prohibits a health care professional from selling or donating topical, non-ingestible products that have a THC concentration of less than 0.3 percent to qualifying patients.

Section 36 adds a new section to RCW 69.51A that applies certain prohibitions and limitations to employers of health care professionals with respect to the authority of health care professionals.

Section 37 adds a new section to RCW 69.51A to establish a medical marijuana consultant certificate. DOH is authorized to adopt rules that are necessary to implement this chapter, establish forms and procedures, approve training or educational programs, receive criminal history record information, establish administrative procedures, administrative requirements, and fees, and maintain the official record of all applicants and certificate holders. Requirements for a training or education program are listed. Such certificates are subject to annual renewal and continuing education requirements as established by DOH. DOH is empowered to refuse, suspend, or revoke the certificates of medical marijuana consultants. The services that a medical marijuana consultant may provide are listed.

Section 38 adds a new section to chapter 69.51 RCW, requiring the listed health care boards to develop and approve continuing education programs related to the use of marijuana for medical purposes for the health care providers that they regulate.

Section 39 amends RCW 43.70.320, pertaining to the health professions account, to add a reference to section 21 of this act.

Section 40 adds a new chapter to 82.04 RCW, providing that this chapter does not apply to any cooperative in respect to growing marijuana or manufacturing marijuana concentrates, usable marijuana, or marijuana-infused products. The tax preference in this section is not subject to RCW 82.32.805 or .808

Section 41 is a new section requiring DOH to develop recommendations on establishing medical marijuana specialty clinics, and to report recommendations to the legislature by December 1, 2015.

Section 42 amends RCW 69.50.203 to provide that marijuana concentrates, useable marijuana, or marijuana-infused products that DOH has identified as appropriate for sales to qualifying patients and designated providers in a retail outlet that holds a medical marijuana endorsement may not be placed in Schedule I.

Section 43 amends RCW 69.50.204 to provide an exception related to certain marijuana and to defined the term "tetrahydrocannabinols."

Sections 44 and 45 add a new section to RCW 69.50 providing that it is unlawful for any person to manufacture, deliver, possess with intent to deliver, marijuana concentrates, or possess useable marijuana, and marijuana-infused products identified by DOH as appropriate for sale to qualifying patients and designated

providers in a retail outlet that holds a medical marijuana endorsement except for those activities that comply with RCW 69.51A and section 26 of this act.

Section 46 amends RCW 9.9A.518 to add references to manufacturing, delivering, possessing with intent to deliver, and possessing marijuana pursuant to sections 44 and 45 of this act.

Section 47 is a new section providing that all references to the Liquor Control Board must be construed as referring to the Liquor and Cannabis Board.

Sections 48 and 49 are new sections repealing various statutes.

Section 46 is a new section providing that sections 38 and 39 of this act take effect October 1, 2015.

Section 50 is a new section providing that sections 12, 19, 20, 23 through 26, 31, 35, 40 and 49 take effect July 1, 2016.

Section 51 is a new section providing an emergency clause with respect to sections 21, 22, 32, and 33.

Section 52 is a new section providing that this act takes effect on the dates provided in sections 50 through 52 if HB 2136, or any subsequent version of HB 2136, is enacted into law by October 1, 2015.

In order to provide legal services for LCB and DOH, the Attorney General's Office (AGO) estimates a workload impact of:

FY2016: 2.98 Assistant Attorney General (AAG) and 1.45 Legal Assistant (LA) at a cost of \$605,854 (this includes direct litigation costs of \$1,200).

FY2017: 2.9 AAG and 1.45 LA at a cost of \$589,922 (this includes direct litigation costs of \$1,500).

FY2018: 1.44 AAG and 0.72 LA at a cost of \$293,182 (this includes direct litigation costs of \$1,000).

FY2019: 1.24 AAG and 0.62 LA at a cost of \$252,501 (this includes direct litigation costs of \$900).

FY2020 and in each FY thereafter: 1.04 AAG and 0.52 LA at a cost of \$211,920 (this includes direct litigation costs of \$900).

This bill is assumed effective October 1, 2015.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Funds are assumed to be appropriated Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agencies are assumed to be LCB and DOH. The AGO will bill LCB and DOH for legal services rendered.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

LCB will be billed:

FY2016 (LSRF): \$401,750 for 1.98 AAG and 0.95 LA.

FY2017 (LSRF): \$385,518 for 1.9 AAG and 0.95 LA.

FY2018 (LSRF) and in each FY thereafter: \$89,278 for 0.44 AAG and 0.22 LA.

DOH will be billed:

FY2016 (LSRF): \$204,104 for 1.0 AAG and 0.5 LA (including \$1,200 in direct litigation costs).

FY2017 (LSRF): \$204,404 for 1.0 AAG and 0.5 LA (including \$1,500 in direct litigation costs).

FY2018 (LSRF): \$203,904 for 1.0 AAG and 0.5 LA (including \$1,000 in direct litigation costs).

FY2019 (LSRF): \$163,223 for 0.8 AAG and 0.4 LA (including \$900 in direct litigation costs).

FY2020 (LSRF) and in each FY thereafter: \$122,642 for 0.6 AAG and 0.3 LA (including \$900 in direct litigation costs).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

In order to provide legal services for LCB and DOH, the AGO estimates a workload impact of:

FY2016: 2.98 AAG and 1.45 LA at a cost of \$605,854 (this includes direct litigation costs of \$1,200).

FY2017: 2.9 AAG and 1.45 LA at a cost of \$589,922 (this includes direct litigation costs of \$1,500).

FY2018: 1.44 AAG and 0.72 LA at a cost of \$293,182 (this includes direct litigation costs of \$1,000).

FY2019: 1.24 AAG and 0.62 LA at a cost of \$252,501 (this includes direct litigation costs of \$900).

FY2020 and in each FY thereafter: 1.04 AAG and 0.52 LA at a cost of \$211,920 (this includes direct litigation costs of \$900).

Assumptions:

1. Legal services associated with the enactment of this bill are assumed to begin on October 1, 2015.

Assumptions for the AGO Government Compliance and Enforcement Division's Legal Services for LCB:

1. We assume that we will bill LCB for legal services resulting from this bill.
2. We assume there are 1,100 existing medical dispensaries. We assume that 75% of the existing dispensaries will seek retail licensure resulting in 825 applications. We further assume that 50% of the applications will be granted, which will result in 413 new retail licenses. We assume these projections are conservative since there is a certainty that others will seek a retail license once a new legal pathway exists.
3. Historically, 8.69% of marijuana application denials have resulted in hearings. These were applicants that were not already operating marijuana business. Because the new pool of applicants will be individuals who are already operating marijuana businesses and who have a significant financial stake in continuing to operate their businesses, we assume that 268 (or 65%) of the 412 expected new application denials will result in license disputes within the first two years after the bill is enacted.
4. Because of the likelihood of legal challenge to the provisions relating to the competitive, merit-based application process that must take into account and prioritize competing applicants' prior experience and

qualifications, we assume that 60% of the 268 licensing cases will resolve short of a hearing. This will result in approximately 107 hearings per year (FY2016 and FY2017). Based on these numbers and newly presented legal issues, we assume that each case will average 32 hours of AAG time for a total of 3,424 hours (107 x 32). We estimate that 1.90 AAG FTE can appropriately respond to these new licensing cases.

5. Beginning in FY2018, we assume that the majority of the cases resulting from this bill will be enforcement actions against retailers, both with and without medical marijuana endorsements. We assume an up to 100 new enforcement cases per FY relating to the new marijuana retailers. We assume that approximately 60% of these cases will be settled prior to hearing, leaving 40 hearings per FY. We assume conservatively that 20 AAG hours are required for each hearing for a total of 800 AAG hours (40 X 20). We assume 0.44 AAG can appropriately respond to these new licensing cases.

6. In summary, we assume LCB will be billed for:

FY2016 and FY2017: 1.9 AAG and 0.95 LA at a cost of \$385,518.

FY2018 and in each FY thereafter: 0.44 AAG and 0.22 LA at a cost of \$89,278.

Assumptions for the AGO Licensing and Administrative Law Division's Legal Services for LCB:

1. We assume we will bill LCB for legal services based on the enactment of this bill.
2. Section 6 requires LCB to develop a merit-based application process for producers, processors, and retailers that includes an opportunity for an applicant to demonstrate experience and qualifications in the marijuana industry. This provision will require an estimated 25 hours in FY2016 for advice.
3. Section 8 requires LCB to increase limits on production and to potentially reopen the producer application window. It also requires LCB to determine the number of retail outlets to hold medical marijuana endorsements and to reopen the retailer application window. This will require 50 AAG hours for advice in FY2016.
4. Section 10 requires DOH to adopt rules on requirements for medical marijuana in consultation with LCB. This will require 25 AAG hours for rulemaking advice in FY2016.
5. Section 26 (delayed effective date to FY2017) allows qualifying patients and designated providers to form a cooperative to produce and process marijuana for the medical use of members of the cooperative. The members must register with LCB, and LCB may adopt rules to implement this section. This will require 25 AAG hours in FY2017 for rulemaking advice.
6. Section 28 requires LCB to adopt rules permitting qualifying patients and designated providers to extract or separate the resin from marijuana using noncombustible methods. This will require 25 AAG hours in FY2016 for rulemaking advice.
7. Section 33 (emergency clause) allows LCB to conduct a controlled buy program using minors to enforce the age restrictions for sale of marijuana. This will require 20 AAG hours per year for advice on final orders.
8. We assume legal services in FY2017 and in each FY thereafter are nominal and will be provided with existing resources.

9. In summary, we assume LCB will be billed for 0.08 AAG at a cost of 16,232.

Assumptions for the AGO Agriculture and Health Division's Legal Services for DOH:

1. We assume we will bill DOH for legal services based on the enactment of this bill.
2. We assume 1.0 AAG and 0.5 LA for advice and rulemaking in FY2016 for hearings and appeals on the medical marijuana consultant certifications (Section 36). We assume 1,500 medical marijuana consultant applications with up to 100 cases involving denials, revocations or suspensions under the Administrative Procedures Act.
3. We assume 1.0 AAG and 0.5 LA for advice and rulemaking in FY2017 for hearings and appeals on the medical marijuana consultant certifications (Section 36). We assume up to 100 cases with an increasing number of revocation or suspensions versus denials.
4. We assume 1.0 AAG and 0.5 LA for advice and rulemaking in FY2018 for hearings and appeals on medical marijuana consultant certifications (Section 36). We assume up to 100 cases but with increasing complexity on appeals and almost exclusively focused on suspension or revocations for violations of Section 36 (6), which may implicate free speech challenges.
5. We assume 0.8 AAG and 0.4 LA primarily for litigation, with some advice and rulemaking in FY2019.
6. We assume 0.6 AAG and 0.3 LA primarily for litigation, with some advice and rulemaking, in FY2020 and thereafter.
7. We assume direct litigation costs for travel for rulemaking, meetings and litigation. We assume:
 - FY2016: \$1,200
 - FY2017: \$1,500
 - FY2018: \$1,000
 - FY2019 and in each FY thereafter: \$900
8. In summary, we assume DOH will be billed:
 - A. FY2016: \$204,104 for 1.0 AAG and 0.5 LA (which includes \$1,200 in direct litigation costs).
 - B. FY2017: \$204,404 for 1.0 AAG and 0.5 LA (which includes \$1,500 in direct litigation costs).
 - C. FY2018: \$203,904 for 1.0 AAG and 0.5 LA (which includes \$1,000 in direct litigation costs).
 - D. FY2019: \$163,223 for 0.8 AAG and 0.4 LA (which includes \$900 in direct litigation costs).
 - E. FY2020 and in each FY thereafter: \$122,642 for 0.6 AAG and 0.3 LA (which includes \$900 in direct litigation costs).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	4.4	4.4	4.4	2.0	1.6
A-Salaries and Wages	328,201	321,048	649,249	296,691	230,266
B-Employee Benefits	101,963	99,910	201,873	92,331	71,660
C-Professional Service Contracts	1,200	1,500	2,700	1,900	1,800
E-Goods and Other Services	147,870	154,414	302,284	142,701	110,754
G-Travel	4,470	4,350	8,820	4,020	3,120
J-Capital Outlays	22,150	8,700	30,850	8,040	6,240
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$605,854	\$589,922	\$1,195,776	\$545,683	\$423,840

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
Assistant Attorney General	90,972	3.0	2.9	2.9	1.3	1.0
Legal Assistant II	42,588	1.5	1.5	1.5	0.7	0.5
Total FTE's	133,560	4.4	4.4	4.4	2.0	1.6

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Agriculture and Health Division (AHD)	204,104	204,404	408,508	367,127	245,284
Government Compliance & Enforcement Division	385,518	385,518	771,036	178,556	178,556
Licensing and Administrative Law Division (LA)	16,232		16,232		
Total \$	605,854	589,922	1,195,776	545,683	423,840

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

2017-19 AGO Biennial Budget
MB-Liquor Cannabis Board Legal Services (2SSB 5052)

Funding at Carry Forward	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2019-2021
FTEs						
Assistant Attorney General FTEs-Client- LCB	0.44	0.44	0.44	0.44	0.44	0.44
Assistant Attorney General FTEs-Client DOH	1.00	0.80	0.90	0.60	0.60	0.60
Legal Assistant II FTEs-Client LCB	0.22	0.22	0.22	0.22	0.22	0.22
Legal Assistant II FTEs-Client DOH	0.50	0.40	0.45	0.30	0.30	0.30
FTE Totals	2.16	1.86	2.01	1.56	1.56	1.56
Dollars	\$ 291,000	\$ 254,000	\$ 545,000	\$ 212,000	\$ 212,000	\$ 424,000

Total Funding Requested	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2019-2021
Total FTEs needed						
Assistant Attorney General FTEs-Client- LCB	3.64	3.64	3.64	1.74	1.74	1.74
Assistant Attorney General FTEs-Client DOH	1.00	0.80	0.90	0.60	0.60	0.60
Legal Assistant II FTEs-Client LCB	1.82	1.82	1.82	0.87	0.87	0.87
Legal Assistant II FTEs-Client DOH	0.50	0.40	0.45	0.30	0.30	0.30
Management Analyst 5 (Representative Classification)	0.80	0.80	0.80	0.35	0.35	0.35
FTE Totals	7.76	7.46	7.61	3.86	3.86	3.86
Dollars	\$ 980,000	\$ 943,000	\$ 1,923,000	\$ 492,000	\$ 492,000	\$ 984,000

Decision Package (Net Difference)	FY 2018	FY 2019	2017-19	FY 2020	FY 2021	2019-2021
FTEs						
Assistant Attorney General FTEs-Client- LCB	3.20	3.20	3.20	1.30	1.30	1.30
Assistant Attorney General FTEs-Client DOH	-	-	-	-	-	-
Legal Assistant II FTEs-Client LCB	1.60	1.60	1.60	0.65	0.65	0.65
Legal Assistant II FTEs-Client DOH	-	-	-	-	-	-
Management Analyst 5 (Representative Classification)	0.80	0.80	0.80	0.35	0.35	0.35
FTE Totals	5.60	5.60	5.60	2.30	2.30	2.30
Dollars	\$ 689,000	\$ 689,000	\$ 1,378,000	\$ 280,000	\$ 280,000	\$ 560,000

1.90 AAG FTE for licensing denial cases-one time
1.30 AAG FTE for enforcement cases which is ongoing

**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL'S OFFICE

Decision Package Code/Title: MC - Move AGO Servers to State Data Center

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

The Office of the Attorney General (AGO) requests funding for information and technology purposes. This request is to address a specific area of Information Technology (IT) spending for the move and ongoing monthly costs for Consolidated Technology Services (CTS) as a result of moving the AGO servers from the current data center to the State Data Center (SDC) after July 2017.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	334,345	198,000	198,000	198,000
Total Cost	334,345	198,000	198,000	198,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.5			

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	334,345	198,000	198,000	198,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	45,666			
Obj. B	14,179			
Obj. C	31,500			
Obj. E	243,000	198,000	198,000	198,000

Package Description:

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the SDC located in Olympia. The Office of the Chief Information Officer (OCIO), in consultation with the Office of Financial Management (OFM), is responsible for implementing the business plan and migration schedule for moving all state agencies into the SDC.

Currently the AGO server infrastructure is located within the Department of Transportation (WSDOT) Maple Park Data Center. The AGO moved into the Maple Park Data Center in early 2013 after obtaining approval from CTS. At the time the OB2 Data Center was at full capacity and the SDC was not yet operational. Both CTS and the AGO agreed that this was a temporary solution and the AGO would re-evaluate a migration to the SDC after it was operational.

The AGO will incur one-time costs of \$136,345 to move all servers and infrastructure into the SDC and ongoing annual costs of \$198,000 for maintenance and operation.

Relationship to the AGO Strategic Plan:

1. Priority - Serve the State
 - a. Goal - Deliver high quality, timely, and efficient legal services.
 - b. Goal - Improve internal efficiency and effectiveness through organizational alignment, technology solutions, and improved use of data.

The AGO contact for this request is Brendan VanderVelde, Budget Director, 360-586-2104.

Base Budget:

None

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
ITS6	0.5	0	0	0	N

The AGO will move its server infrastructure and requires resources for the move as well as the increased monthly recurring costs for the "Shared Service." The estimate to physically move AGO servers to the SDC and the backup data center in Quincy, will require a network engineer project position (6 months) for design and planning, transition networking equipment, and contracted moving services for one-time costs of \$136,345. Monthly recurring SDC charges of

\$16,500 are based on current published CTS rates. In FY2019 and on-going, costs are expected to be \$198,000 per fiscal year for CTS data center services.

See IT Addendum for additional detail.

The AGO assumes that if the current published costs for CTS are raised, additional funding is required.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

This change will optimize the use of the SDC and help agencies avoid the cost and complexity of maintaining their own server rooms and data centers. The SDC provides the necessary space, power, cooling, connectivity, and physical and network security for the server, storage, and networking equipment of agencies that use it. The SDC operates more efficiently and provides better physical and virtual security and resiliency than any other state agency space.

AGO assumes that moving its servers to the SDC will result in overall decreased costs to the state although costs incurred by the Agency are increased. The SDC uses power much more efficiently than individual, smaller and older facilities. Also, the debt service on the SDC, currently burdening the State General Fund, can be reduced as agencies with multiple fund sources locate their IT equipment there.

This element supports AGO divisions in the most effective use and application of available technology in their work. It assists staff in maximizing benefits from existing technology and system upgrades, such as attorney work product and litigation file storage, ACE, timekeeping, and billing charges.

Performance Measure detail:

This request supports all AGO activities and performance measures. The incremental impact is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

Relationship to Results Washington:

1. Goal 5: Efficient, Effective & Accountable Government.

The result of this request will enable the AGO to sustain IT functions while minimizing potential system failures. It also enables the AGO to comply with the intent of the Governor and RCW 43.105.375 to consolidate IT systems into the SDC building.

Fully describe and quantify expected impacts on state residents and specific populations served.

None

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	Yes	RCW 43.105.375
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	

Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

The Legislature directed state agencies, through RCW 43.105.375, to locate all existing and new servers within the SDC located in Olympia. The OCIO, in consultation with OFM, is responsible for implementing the business plan and migration schedule for moving all state agencies into the SDC.

What alternatives were explored by the agency and why was this option chosen?

There are two possible alternatives: 1) To continue utilizing the WSDOT Maple Park Data Center with CTS approval or: 2) Build a new data center within an AGO building. Neither of these is a preferred alternative.

No other alternatives to current law were considered.

What are the consequences of not funding this request?

The Attorney General's Office will not be in compliance with CTS and OFM's migration plan.

If not funded, then the AGO will need to continue to maintain IT operations in the existing DOT Maple Park data center.

How has or can the agency address the issue or need in its current appropriation level?

The AGO is unable to address the requirement to move to the SDC within its current appropriation level.

Other supporting materials:

Attachment 1: WaTech Consultation

Attachment 2: ATG Olympia and Quincy DCF - August 2016

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Transitional Network Equipment	\$45,000	\$0	\$0	\$0
ITS6 Project position (6months)	\$59,845	\$0	\$0	\$0
Contract to move IT Equipment	\$31,500	\$0	\$0	\$0
SDC & Quincy col-location services	\$198,000	\$198,000	\$198,000	\$198,000
Total Cost	\$334,345	\$198,000	\$198,000	\$198,000

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

Griffith, Rick (ATG)

From: Wright, John (WaTech)
Sent: Monday, August 29, 2016 9:29 AM
To: Griffith, Rick (ATG)
Subject: Consultation Request for 2017-19 Biennial Budget Submittal for ATG



17-19DP - Move Colocation
AGO Servers to ... Budgetary Estim...

Decision Package (DP) Consultation Summary from WaTech

Service Request ticket number: 399281

Agency Contact: Rick Griffith

Based on information included in your DP and gathered during the consultation and/or document review:

A technical consult was completed August 28, 2016. Currently the AGO server infrastructure is located within the DOT Maple Park Data Center. The AGO moved into the Maple Park Data Center in early 2013 after obtaining approval from CTS. At the time the OB2 Data Center was at full capacity and the SDC was not yet operational. Both CTS and the AGO agreed that this was a temporary solution and the AGO would re-evaluate a migration to the SDC after it was operational.

The Attorney General's Office will move servers during the period of July 2017 to June 2019.

- SDC: Cost estimates have been provided to the Office of the Attorney General. This request will bring the agency into compliance with RCW 43.105.375 and maximize the use of the SDC.
- Private Cloud: Customer states interest in an estimate for using Private Cloud services when ATG's equipment reaches end of life.
- DR: Customer states that at the next hardware refresh cycle the customer would like to pick up the topic.

Planning ahead: WaTech anticipates IPv6 will become the state standard within two years. Agencies may wish to identify IPv6 support as a requirement for all IT projects including application development as well as acquisitions of IT equipment, software, and cloud services.

Please remember to include a copy of this consultation with your DP.

Thank you and please let me know if you have any questions.

Regards,

John

MC-AGO Servers to State Date Center
ATTACHMENT 1 - WaTech Consultation
John Wright | **Customer Account Manager**
Washington Technology Solutions (WaTech)
Desk: 360.407.8420 and Cell: 360.593.8554
WaTech.wa.gov

From: Griffith, Rick (ATG)
Sent: Thursday, August 18, 2016 4:25 PM
To: WaTech Servicedesk <servicedesk@watech.wa.gov>
Cc: Wright, John (WaTech) <john.wright@watech.wa.gov>
Subject: Consultation Request for 2017-19 Biennial Budget Submittal for ATG

Hi,

I would like to request a consultation and quote for SDC and Quincy co-location services to be used in a decision package that the Office of the Attorney General will submit to OFM.

Decision Package Overview:

The AGO currently operates out of two data centers; the AGO telecommunication equipment is located in the SDC and the AGO server equipment is located in the DOT Maple Park Data Center. The AGO moved into the DOT Maple Park Data Center in early 2013 after obtaining approval from CTS. At the time, the OB2 Data Center was at full capacity and the SDC was not yet operational. Both CTS and the AGO agreed that this was a temporary solution and the AGO would re-evaluate a migration to the SDC after it was operational.

The Attorney General's Office will move all server equipment during the period of July 2017 to June 2019. The Attorney General's Office will incur one-time costs of \$144,824 to move these servers into the SDC and ongoing annual costs of \$269,160 for maintenance and operation.

Point of Contact:

I'll be the point of contact within our agency for the consultation.

Thank you,

Rick Griffith
Chief Information Officer
INFORMATION SERVICES Consulting & Support for Legal Technology
Washington State Office of the Attorney General
Phone: 360-664-2731 | Mobile: 360-402-5632



"the consolidated technology services agency" RCW 43.105.006

Colocation Estimate

Prepared for: Rick Griffith
Agency/Org: ATG
Email: rick.griffith@atg.wa.gov
Business Requirement: Budgetary estimate for Colocation Services at Olympia and Quincy DCF

Washington Technology Services
 1500 Jefferson Building
 1500 Jefferson St SE
 Olympia, WA 98504-1502

Prepared by: Gordon Ice
INFRA #: 399281
Issue Date: 8/31/2016

Details For Quotation for Monthly Recurring Charges:

Service Description	Current Rate		QTY	Extended Price
Facilities Services				
Half-size (21RU) 2.5 kW Enclosure	\$	650.00	0	\$ -
Full-size (42RU) 5 kW Enclosure	\$	1,000.00	0	\$ -
Full-size (42RU) 7.5 kW Enclosure	\$	1,500.00	3	\$ 4,500.00
Full-size (42RU) 10 kW Enclosure	\$	2,000.00	6	\$ 12,000.00
Full-size (42RU) 12.5 kW Enclosure	\$	2,500.00	0	\$ -
One-Time Charges				
Facilities Materials	\$	-	0	\$ -
Facilities Labor	\$	-	0	\$ -
Installation Charge (Network)	\$	-	0	\$ -
Installation Charge (Telephony)	\$	-	0	\$ -
Telecommunication Services				
10Mb/100Mb/1Gb Connection	\$	-	18	\$ -
Centrex Analog Phone Line	\$	24.00	0	\$ -
Management Interface	\$	25.00	0	\$ -
Computer Services				
Server Monitoring	\$	125.00	0	\$ -
Firewall Services				
Managed Firewall (Allocated)	\$	-	0	\$ -
Managed Firewall (Non-allocated)	\$	1,500.00	0	\$ -
Total Monthly Recurring Charges				\$ 16,500.00
Total One-Time Charges				\$ -
Total First-Month Billing				\$ 16,500.00



“the consolidated technology services agency” RCW 43.105.006

Requirement Details

Prepared for: Rick Griffith
Agency/Org: ATG
Email: rick.griffith@atg.wa.gov
Prepared by: Gordon Ice
INFRA #: 399281
Issue Date: 8/31/2016

Washington Technology Services
1500 Jefferson Building
1500 Jefferson St SE
Olympia, WA 98504-1502

Requirements for Budgetary Estimate

Estimate of monthly cost to colocate OSOS equipment at the WaTech Olympia and Quincy Data center Facilities.

- 5 - Full-size enclosures @ 10kW located at the Olympia DCF (SDC)
- 2 - Full-size enclosures @ 7.5kW located at the Olympia DCF (SDC)
- 1 - Full-size enclosures @ 10kW located at the Quincy DCF
- 2 - Full-size enclosures @ 7.5kW located at the Quincy DCF

- 12 - 10/100/1000 Mb connections to the network core at the Olympia DCF (1 primary and 1 secondary per enclosure)
 - 6 - 10/100/1000 Mb connections to the network core at the Quincy DCF (1 primary and 1 secondary per enclosure)
- No additional firewall contexts are anticipated at this time

ATG participates in the Network Allocation and the Security Infrastructure Allocation
Customer is Network Model "B"

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MD - Legal Support Shortfall

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

The Attorney General's Office (AGO) is requesting \$636,000 per biennium to cover the costs of a recent classification adjustment for 343 positions in our office. This adjustment was supported in the 2015-17 budget process with \$1,892,000 of funding, which, as a result of a technical oversight, fell short of the \$2,528,000 implementation costs.

Support for this request will help preserve existing levels of Legal Services to State Agency clients by alleviating reductions that would otherwise be necessary in order to sustain these important employee compensation adjustments and related agreements.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 - General Fund - State	19,088	19,088	19,088	19,088
001-2 - General Fund - Federal	6,250	6,250	6,250	6,250
111-1 - Public Service Revolving Account-State	5,903	5,903	5,903	5,903
12F-6 - Man/Mobile Home Dispute Resolution-Non-Appropriated	686	686	686	686
154-1 - New Motor Vehicle Arbitration Acct-State	243	243	243	243
17L-6 - Foreclosure Fairness Account-Non-Appropriated	438	438	438	438
19A-1 - Medicaid Fraud Penalty Account-State	2,083	2,083	2,083	2,083
405-1 - Legal Services Revolving Account-State	283,490	283,490	283,490	283,490
Total Cost	318,181	318,181	318,181	318,181

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
001 - General Fund	0393	6,250	6,250	6,250	6,250
405 - Legal Serv Rev Acct	0420	283,490	283,490	283,490	283,490

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	267,762	267,762	267,762	267,762
Obj. B	50,419	50,419	50,419	50,419

Package Description:

Legal Assistants working for the AGO are non-represented Washington State General Service Employees. As such, the pay ranges for these employees are set by the OFM Director through the Director’s meeting process. When this classification series was changed from legal secretaries to legal assistants effective July 1, 2015 based on higher level duties and responsibilities, the salary ranges were increased to reflect that change. Because the resources included in the 2015-17 budget process did not match the implementation cost (due to a technical oversight), the Attorney General’s office was compelled to cover the difference with one-time savings in 2016. The requested funding in this package will provide the necessary level in the Attorney General’s base budget to pay for the increases to the salary ranges. The requested resources do not include any amounts for AGO discretionary reallocations or position adjustments – those actions have been, and will be, absorbed within existing AGO budget constraints.

In 2007, the AGO submitted a classification review package that covered several hundred state employees, primarily those holding Legal Assistant positions. At the time of submittal, the costs associated with this classification study were estimated to be \$4,480,232 per biennium (Attachment 1). The 2007 request identified the need to adjust the classifications of the Legal Secretary series to respond to significant market competition and to update the responsibilities and duties of these positions to reflect the modern law office. The proposed adjustments intended to help recruit and retain members of this highly qualified and experienced workforce that provide legal support services. In late 2014, the AGO received direction from State Human Resources to provide an updated version October 5, 2015 of the technical requirements for each level in the new Legal Assistant series. At that time, we were advised that an updated fiscal impact statement did not need to be submitted.

The AGO is very appreciative of the subsequent review, analysis and consideration of this request, which culminated in a class adjustment that was put forward by the Governor's Office

and adopted by the Legislature in the 2015-17 biennial budget . During the final stages of analysis, the sponsoring agency was not consulted to verify the final implementation expense calculations resulting in a technical error in the package. Estimated expenses that were advanced fell \$636,000 short of the resources necessary to implement. Calculation details for the current cost to implement the adjustment are included as Attachment 2 to this decision package request.

The AGO is a rate-based agency that bills clients based on our cost experience. As a result, the resource shortfall would necessitate reductions to the provision of legal services to our client agencies. These reductions would either require near-term direct service reductions or the expense will have to be absorbed within existing resources, which leaves us with fewer resources to serve our State agency clients.

This budget request implements the following AGO Strategic Plan Goals:

SERVE THE STATE – Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington.

Goal 1: Deliver high quality, timely, and efficient legal services.

Goal 3: Proactively engage in risk management efforts to reduce the state’s liability and improve outcomes for the public.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget:

The base budget consists of the funding provided in the 2015-17 biennium, which fell short of the \$2,528,000 implementation costs.

This request is in support of all current AGO activities. There is not expected to be an incremental change to the performance metrics associated with those activities, assuming funds are provided.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

Calculation details for the current cost to implement the adjustment are included as Attachment 2 to this decision package request.

Medicaid Fraud costs are split 25% MFPA and 75% General Fund-Federal in accordance with program funding.

Tort division costs are included in LSRA cost assumptions in the expenditure and revenue tables above. However, the Torts division cost breakout is shown in Attachment 2.

The implementation costs of \$2,528,000 with \$636,362 unfunded are ongoing and will carry forward into future biennia. Without adequate and ongoing financial support, the impacts of these expenses will carry forward into all future biennia.

Decision Package Justification and Impacts

Relationship to Results Washington:

Goal 5 – Efficient, Effective, and Accountable Government

Performance Measure detail:

This request supports all AGO activities and performance measures. The incremental impact is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	No	
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	

Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections		

What alternatives were explored by the agency and why was this option chosen?

Legal resources provided to Client agencies supporting the work of the AGO are fixed and the AGO must manage expenses within the amounts provided by the Legislature. As such, this added and unanticipated expense would need to be offset by other cost reductions. Following several years of efficiency analysis and implementation along with generalized budget reductions as a result of financial constraints experienced by the State, the AGO is unable to absorb this expense without recognizing and incurring service impacts to our Client agencies. This request would not be put forward if these impacts were avoidable.

What are the consequences of not funding this request?

The AGO is unable to absorb this expense without recognizing and incurring service impacts to our Client agencies.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

<input checked="" type="checkbox"/> No 
<input type="checkbox"/> Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

RECEIVED
OFM-Budget Division

Jun-07

AUG 10 2007

PERSONNEL FISCAL IMPACT STATEMENT

ATTORNEY GENERAL
Employees are Represented

Not Represented

If both represented and non-represented employees are included, please submit separate forms for each group.

JOB CLASSES AFFECTED: Office Assistant 1,2,3 Legal Secretary 1,2,3 Secretary Senior Secretary Lead Administrative Assistant 3,4,5	RESPONDING AGENCY	CODE
	Office of the Attorney General	100
	APPROVED BY	DATE
	Mike Bigelow, Chief of Staff	7/27/2007
	PREPARED BY	PHONE NUMBER
	Michelle Underwood, Dir Financial Services	360.586.0782
	PROPOSED EFFECTIVE DATE FOR CHANGES	
	1-Jul-09	

The fiscal impact of the above proposed personnel action is estimated to be:

 None

The cost impact displayed must be for the personnel action only.

 As Shown Below

EXPENDITURES FROM:

FUND	CODE	2007-2009	2009-2011	2011-2013
GENERAL FUND-STATE	001-1		93,976	93,976
GENERAL FUND-FEDERAL	001-2		39,154	39,154
OTHER FUNDS				
ANTI TRUST	424-6		19,598	19,598
LEGAL SERVICES	405-1		3,760,916	3,760,916
TORTS - IAA SELF INSURANCE			566,588	566,588
TOTALS			4,480,232	4,480,232

EXPENDITURES BY OBJECT:

NUMBER OF POSITIONS AFFECTED		331	331
NUMBER OF FTEs AFFECTED		326.5	326.5
SALARIES AND WAGES		3,895,888	3,895,888
EMPLOYEE BENEFITS		584,344	584,344
TOTALS		4,480,232	4,480,232

AGENCY CERTIFICATION

Agency can absorb the biennialized cost of the personnel action within the agency's current appropriation for the current and subsequent fiscal biennia without program reductions.

Costs of the personnel action can not be absorbed.

for M. Bigelow
AGENCY DIRECTOR

7/31/07
DATE

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PERSONNEL FISCAL IMPACT STATEMENT

JOB CLASSES	PREPARING AGENCY	DATE
Office Assistant 1,2,3 Legal Secretary 1,2,3; Secretary Senior, Sec Lead Administrative Assistant 3,4,5	Office of the Attorney General	7/20/2007

1) *Briefly describe the reclassification action requested.*

The AGO is requesting reclassification of the legal secretary series to better reflect the market competition and responsibilities and duties of these positions. We are proposing a six level LEGAL ASSISTANT series.

The document (A1) shows the crosswalk of the existing positions. These include the office assistant series, the legal secretary series, secretary, secretary senior, secretary lead as well as the administrative assistant 3, 4 and 5 classifications.

The document (A2) provides the minimum qualifications and distinguishing characteristics of the six Legal Assistant classifications (Legal Office Assistant, Legal Assistant 1,2,3,4, and the Legal Administrative Manager level).

Describe how this action will be funded within existing resources. Explain the assumptions used in calculating the estimated fiscal impact shown on the first page of this form. Specific information must be provided to show how savings will be generated within the agency to offset the cost of the proposal. Please attach additional pages if necessary. If proposal is for a series of classes or related classes (i.e.: Corrections Officers 1, 2, and 3) provide costs for each classification and fund.

The AGO does not have capacity to fund this request within existing resources.

Budget documents include a summary of positions by new the classification level (B1), by AGO division (B2), and with a summary funding source (B3). In addition document (B4) outlines the impact of legal services to the respective clients.

OFFICE OF FINANCIAL MANAGEMENT REVIEW			
<input type="checkbox"/>	<i>Proposed change is approved for submittal. (Agency is to absorb cost.)</i>		
<input checked="" type="checkbox"/>	<i>Proposed change may proceed to DOP. (Funding is subject to the budget process.)</i>		
ANALYST, BUDGET DIVISION	DATE	ASSISTANT DIRECTOR, BUDGET DIVISION	DATE
<i>John Eustach</i>	<i>8/8/07</i>	<i>Pam Donohue for Candace</i> <i>Espesh</i>	<i>8/8/07</i>

Office of the Attorney General
Proposed Job Class Changes - Legal Assistant Series
(Excludes non-AGO Payroll employees)

Assumes July 1, 2009 start date. Includes both COLA's in 2007 2009		Salary	Annual	Benefit	Biennial
	Salary		1,947,944		3,895,888
	Benefit		292,172		584,344
	Total		2,240,116		4,480,232
		Salary	Benefit	Total	
Anti Trust	424-6	8,521	1,278	9,799	
CP -GFS	0011	35,184	5,278	40,462	
CJD MCFU General Fd State	0011	5,675	851	6,526	
Sub Total Gen Fund STATE		40,859	6,129	46,988	
CJD MCFU General Fd Fed	020	17,023	2,554	19,577	
Torts - Self Insurance Fund	IAA	246,344	36,950	283,294	
Legal Services Revolving	405-1	1,635,197	245,261	1,880,458	
TOTAL		1,947,944	292,172	2,240,116	
Biennial Total		3,895,888	584,344	4,480,232	

Revised from 7/26
 Eliminated 6 double filled positions
 Moved three to "vacant" positions

JOB CLASSIFICATION VIEW

Row Labels	Number of Positions	Increased Salaries & Benefits FY2018	Salary & Benefit Shortfall FY2018	Increased Salaries & Benefits FY2019	Salary & Benefits Shortfall FY2019
ADMINISTRATIVE ASSISTANT 4	10	67,950	17,102	67,950	17,102
ADMINISTRATIVE ASSISTANT 5	9	30,354	7,640	30,354	7,640
COMMUNICATIONS CONSULT 4	3	3,557	895	3,557	895
COMMUNICATIONS CONSULT 5	1	2,191	551	2,191	551
FINANCIAL EXAMINER 3	2	9,494	2,390	9,494	2,390
FRMS & RECORDS ANALYST 3	1	1,495	376	1,495	376
GRAPHIC DESIGNER SENIOR	1	1,627	410	1,627	410
LEGAL SECRETARY 1	41	101,432	25,529	101,432	25,529
LEGAL SECRETARY 2	149	581,492	146,355	581,492	146,355
LEGAL SECRETARY 3	41	240,502	60,532	240,502	60,532
OFFICE ASSISTANT LEAD	2	2,060	518	2,060	518
OFFICE ASSISTANT 3	61	174,165	43,836	174,165	43,836
PROGRAM SPECIALIST 2	2	2,657	669	2,657	669
PROGRAM SPECIALIST 3	9	15,620	3,931	15,620	3,931
PROGRAM SPECIALIST 4	1	1,772	446	1,772	446
PROGRAM SPECIALIST 5	4	6,082	1,531	6,082	1,531
REG ANALYST 2	2	15,531	3,909	15,531	3,909
SECRETARY LEAD	1	2,933	738	2,933	738
SECRETARY SENIOR	1	3,267	822	3,267	822
Grand Total	341	1,264,181	318,181	1,264,181	318,181

OFM SPREADSHEET (for comparison)

Row Labels	Number of Postions
COMMUNICATIONS CONSULTANT 4	1
COMMUNICATIONS CONSULTANT 5	1
FORMS & RECORDS ANALYST 3	1
GRAPHIC DESIGNER SENIOR	1
LEGAL SECRETARY 1	39
LEGAL SECRETARY 2	140
LEGAL SECRETARY 3	46
PROGRAM SPECIALIST 2	1
PROGRAM SPECIALIST 3	10
PROGRAM SPECIALIST 5	1
RECORDS MANAGEMENT SUPERVISOR	1
REGULATORY ANALYST 1	1
REGULATORY ANALYST 2	1
Grand Total	244

FUND VIEW

Row Labels	Number of Positions	Increased Salary 2017-19	Increased Benefits 2017-19	Increased Salary & Benefits 2017-19	Biennial Salaries & Benefits Shortfall
General Fund	26	127,646	24,036	151,682	38,177
LSRA	257	1,638,172	308,466	1,946,638	489,948
PSRA	5	39,474	7,432	46,906	11,806
MFCU	9	55,724	10,492	66,216	16,666
Lemon Law	1	1,624	306	1,930	486
Mobile Home	3	4,586	864	5,450	1,372
Fairness Foreclosure	1	2,932	552	3,484	877
TORTS	39	257,558	48,498	306,056	77,032
Grand Total	341	2,127,716	400,646	2,528,362	636,362

Received 1,892,000 for Legal Support Study in 1517
 Shortfall 636,362

*The salary figures are as of 6/30/15 compared to 7/1/15.

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**2017-2019 Biennial Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: ME - Public Disclosure Commission Legal Services

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

This request is to fund legal services costs to the Public Disclosure Commission (PDC) for the 2017-19 Biennium. During the summer of 2015, the PDC began to realize an increased need for legal services due to an emergence of a myriad of complex legal issues, ballot initiatives and Citizen Action Complaints. At the same time, the PDC’s need for regular, ongoing legal support from the AGO had increased due to prior internal staffing reductions¹. These demands quickly outpaced the PDC’s legal services budget in the current biennium and the PDC anticipates that upcoming biennial legal needs will continue at the elevated levels experienced in the 2015-17 biennium.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2020
405-1 - Legal Services Revolving Account-State	236,000	236,000	236,000	236,000
Total Cost	236,000	236,000	236,000	236,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2020
FTEs	1.9	1.9	1.9	1.9

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	236,000	236,000	236,000	236,000

¹ For reference, a copy of the 2016 AGO Supplemental Budget Request for this legal work is included as Attachment 1: PDC Legal Services, 2016 SUPPL DP

Office of the Attorney General
 2017-19 Biennial Budget Request
 ME - Public Disclosure Commission Legal Services

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	150,912	150,912	150,912	150,912
Obj. B	49,557	49,557	49,557	49,557
Obj. E	31,406	31,406	31,406	31,406
Obj. G	1,925	1,925	1,925	1,925
Obj. J	2,200	2,200	2,200	2,200

Package Description:

The increased level of funding is necessary for the Attorney General’s Office (AGO) and PDC to perform their statutory responsibilities under RCW 42.17A to enforce the state’s campaign finance disclosure laws. PDC’s legal work consumed more than its entire 2015-17 biennial allocation in FY2016 resulting in a significant shortfall for the biennium. The PDC’s 2015-17 biennial legal services allocation is \$399,315. The AGO has requested a supplemental appropriation of \$478,000 to cover its 2015-17 shortfall. This shortfall is expected to continue into the 2017-19 biennium and into future biennia.

The increased costs can be attributed to three main trends.

First, the PDC has engaged, and will likely continue to be engaged, in complex litigation. A major contributor to the 2015-17 shortfall was the Grocery Manufacturer’s Association (GMA) case. The state alleged that GMA had intentionally concealed the identity of donors in an initiative campaign. The case required significant legal resources in 2015-17 as the parties completed discovery and brought dispositive motions. Through those motions, the Court has already concluded that the Defendants violated state law. This case is currently scheduled to go to trial in August 2016 regarding the amount of penalties, attorneys’ fees and costs owed to the State. Regardless of the eventual ruling, an appeal of this case is likely, and legal costs are assumed to continue to accrue into the 2017-19 Biennium. While the State may eventually recover penalties, costs and attorney’s fees and thus recoup the expenses back to the State Treasurer, the timing and amount of that recovery is uncertain at this time.

Second, the PDC believes other significant campaign finance litigation regarding initiative funding is likely. The number of initiatives has risen, and the amount of money coming into initiative campaigns is in the millions of dollars each. Currently, for the 2016 general election, the following initiatives will be on the ballot and have raised the following amounts of money:

Office of the Attorney General
 2017-19 Biennial Budget Request
 ME - Public Disclosure Commission Legal Services

Initiative	Total Contributions reported as of 8/11/2016
Alliance for Gun Responsibility (I-1491)	\$3,009,626
Prevent Fraud and Protect Seniors (I-1501)	\$1,204,954
Carbon WA (I-732)	\$1,067,528
Integrity WA; Campaign finance (I-1464)	\$1,787,739
Raise Up WA; Minimum wage (I-1433)	\$2,249,739
Amend Constitution; Overrule Citizens United (I-735)	\$466,833

Initiatives are well-financed, and include significant amount of out-of-state money in the 2016 campaigns. Initiatives will continue to generate complaints about campaign finance and disclosure. In addition, initiative sponsor Tim Eyman and his Voters Want More Choices group are the subject of several complaints under investigation at the AGO. Due to high monetary value and increased visibility of these cases, defendants are using more aggressive defense tactics and prolonging the actions resulting in increase legal expenses for the state.

Third, the PDC expects continued increased volume and complexity of Campaign Finance Complaint Lawsuits. As background, the PDC was created by an Initiative of the People to, among other purposes, allow individuals access to information regarding the financing of public campaigns to enable them to make informed voting decisions. To further this goal the law allows individuals to notify the Attorney General and the relevant county prosecutor that there is reason to believe campaign finance laws are being violated. If within forty-five days of providing that notice neither the Attorney General nor the prosecutor has filed suit, the individual may bring suit (per RCW 42.17A.765(4)). These “Citizen Action” complaints require the AGO and the PDC to work quickly to assess legal issues and make decisions about campaign finance violations. If a citizen files a lawsuit and is successful, the state can be liable for the attorney fees and other expenses. In addition to the possible fiscal impact on the state from the increased numbers of Citizen Action suits, the suits may also result in legal rulings which are not in accord with the state’s interests. For example, advocacy groups have been using the Citizen Action option to influence the campaign issues that the state investigates. Accordingly, and the state has filed more campaign finance lawsuits to protect its interest in insuring that the law develops in a manner consistent with the voters’ intent as embodied in the Initiative. This pattern is unlikely to change.

In addition to the increased volume, the complexity of the Citizen Action Complaints cases has also increased. In recent complaints, the allegations of abuse include accounting issues and moving money from one campaign to another—issues that require specialized investigative and forensic skills to assess. Also, the PDC and AGO are experiencing a continuing trend in Constitutional challenges to the state’s limits on campaign contributions and campaign advertising (First Amendment issues). That trend has been observed in other states with similar campaign finance/advertising laws and is expected to continue.

Coinciding with the increased workload trends described above, the PDC has experienced a reduction in their internal legal resources. Prior to 2014, the PDC had an internal General Counsel who prepared materials for the Commission, tracked trends in campaign finance laws, and reviewed potential rule making and legislative proposals. During that time, the Executive Director was also an attorney. After the General Counsel took a position at the AGO, the PDC reviewed the job responsibilities and salary level, and decided that it could not offer a competitive salary for the experience needed for their General Counsel position. Instead, the PDC planned to use the AGO for all legal service needs. Currently, the PDC Executive Director (hired in October 2015) is the only attorney on staff at the PDC. The PDC has increased its use of legal services (advice and litigation) from the Government Compliance and Enforcement Division of the AGO. The current Commission members have also requested additional legal briefing and memos from the attorney assigned to work with them on enforcement matters (the PDC staff and Executive Director are screened from the Commission on enforcement matters). Although relying on the AGO for all legal advice needs has caused the PDC’s legal services costs to increase, it is more cost-effective than hiring a PDC General Counsel. The Assistant Attorney General (AAG) that advises the Commission has over 25 years of experience at the AGO and bills about 60,000 per year for advice work; a comparably experienced General Counsel would cost the PDC at least \$150,000-180,000 in salary and benefits every year.

Based on the depletion of the PDC’s current legal resources in FY 2016 along with an increased need for additional resources, the AGO projects an ongoing need for 2.0 AAG and 1.0 LA in FY 2018 and in each FY thereafter. This request only includes the projected shortfall after accounting for PDCs current legal services allocation (1.1 AAG and 0.55 LA).

This request is supported by the PDC.

Relationship to the AGO Strategic Plan:

1. Priority - Serve the State
 - a. Goal 1: Deliver high quality, timely, and efficient legal services.
 - b. Goal 3: Proactively engage in risk management efforts to reduce the state’s liability and improve outcomes for the public.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget:

The PDC’s current legal services allocation for the 2015-17 biennium is \$399,315, which was depleted in a single fiscal year.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
AAG	1.1	1.1	1.1	1.1	Y
LA	0.55	0.55	0.55	0.55	Y
Management Analyst	0.25	0.25	0.25	0.25	Y

Costs and FTE are assumed to be ongoing into future biennia. The cost estimates are based on the expectation that future legal needs will continue at elevated levels experienced in the 2015-17 biennium. Drivers of the increased legal services needs are the continued emergence of complex legal issues, ballot initiatives, Citizen Action Complaints, and ongoing regular legal needs for the PDC who is now more reliant on the AGO than in the past due to prior internal staffing reductions. Agency administration support FTEs are included in the tables above, using a Management Analyst 5 as a representative classification.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Additional funding will provide the AGO Government Compliance and Enforcement (GCE) division with the necessary resources to represent the state and the PDC in more matters concerning public disclosure violations as defined by Washington State law.

Funding this request will provide sufficient legal services to act on violations to state law. Not funding this request will result in slower response times and the limit the ability of the AGO to provide sufficient attention to each case.

Performance Measure detail:

- Activity (0010) Legal Services to State Agencies.
- Performance Measure (2539): Cases Open at End of Fiscal Year
- Current 2015-17 Target: 25,000 open cases at the end of each FY, reported annually.
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Incremental Increases	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0

Relationship to Results Washington: Funding this request will provide the PDC and the AGO with the resources necessary to enforce the state’s campaign finance laws which supports the Governor’s Results Washington priorities:

1) Goal 5 – Efficient, Effective, and Accountable Government

This request will allow the AGO to provide the necessary legal services for PDC to continue its activities regarding campaign finance regulation that the public expects. It will also safeguard the state’s resources by allowing the AGO to bring lawsuits which might otherwise be brought by private citizens and result in the state having to pay private legal fees which will likely exceed the expense incurred if the AGO were to handle the lawsuit.

Fully describe and quantify expected impacts on state residents and specific populations served.

The citizen of Washington, candidates for elective office, lobbyists, contributors to public elections and the PDC will be affected by this request. Without sufficient funding, Washington’s campaign funding laws cannot be enforced, nor can PDC obtain the necessary legal services to address issues regarding filing, disclosure and other aspects of such laws.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov’t impacts?	No	
Tribal gov’t impacts?	No	

Office of the Attorney General
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 ME - Public Disclosure Commission Legal Services

Other state agency impacts?	Yes	PDC
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	NA	

Please provide a detailed discussion of connections/impacts identified above.

This request will impact the PDC. Without the increased resources requested, the AGO will not be able to provide PDC with legal services for the necessary level of enforcement or advice.

What alternatives were explored by the agency and why was this option chosen?

The alternative to obtaining additional funding for PFC legal services is to cease providing enforcement or client advice to PDC. There are no available resources within the AGO to provide these services.

What are the consequences of not funding this request?

If this request is not adopted, the PDC will not have the necessary resources to pay for legal services. Without these services, the PDC and the AGO will be unable to carry out the core function of enforcing the state's campaign laws. In addition, the lack of legal service funding will result in financial loss to the state as the state will be found liable for attorney fees and costs for private lawsuits which otherwise would be brought by the AGO on behalf of the PDC. Because private attorneys frequently charge more than the costs of the AGO, these lawsuits will result in greater public expenditure than if funding is provided for the AGO to handle the litigation.

How has or can the agency address the issue or need in its current appropriation level?

This request is a high priority of AG Bob Ferguson.

If this package is not funded, it will require the client to divert existing funding to cover legal services, or to cease requesting needed legal assistance. If advice is not provided, it increases the risk of uninformed and potentially costly decisions, and may increase the risk of challenges to PDC actions. Any funds diverted will result in a reduction or delay in the legal representation in the enforcement area. Reduction in legal representation attorney time will result in a delay in responding to enforcement advice, and the scheduling for administrative proceedings before the PDC. This may cause cases to become unenforceable because they will have not been charged within the five year statute of limitations under the law. Additionally, it will cause a lack of public confidence in those working on campaigns who may be violating the law without repercussions.

Other supporting materials:

Attachment 1: PDC Legal Services, 2016 SUPPL DP

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	2,404	1,298	1,298	1,298
PC Hardware	2,185	1,140	1,140	1,140
Licensing	488	488	488	488
CTS Services	296	296	296	296
Total Cost	5,373	3,222	3,222	3,222

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

BASS - BDS017

State of Washington
Decision Package

NOTE: 2016 Supplemental Decision Package (FOR REFERENCE ONLY)

FINAL

Agency: 100 Office of Attorney General

Decision Package Code/Title: AP PDC Campaign Finance Laws

Budget Period: 2015-17

Budget Level: M1 - Mandatory Caseload and Enrollment Changes

Recommendation Summary Text:

The Office of the Attorney General (AGO) requests 0.5 Assistant Attorneys General (AAG) and 0.25 Legal Assistant (LA) at a cost of \$103,000 in Fiscal Year (FY) 2016 and \$105,000 in FY2017. This request is to provide client advice and representation for enforcement of campaign finance law for the Public Disclosure Commission (PDC). The increased volume of complaints processed by PDC and the recent elimination of their internal counsel position is necessitating this modest request. This request is to enable to AGO to process the increased workload and provide necessary legal services in the absence of internal counsel.

Fiscal Detail

Operating Expenditures	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>	
405-1 Legal Services Revolving Account-State	103,000	105,000	208,000	
Total Cost	103,000	105,000	208,000	
Staffing	<u>FY 2016</u>	<u>FY 2017</u>	<u>Annual Average</u>	
FTEs	.8	.8	.8	
Revenue				
<u>Fund</u>	<u>Source</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
405 Legal Serv Rev Acct	0420 Charges for Services	103,000	105,000	208,000
Total Revenue		103,000	105,000	208,000

Package Description:

The AGO requests 0.5 AAG and 0.25 LA at a cost of \$103,000 in FY 2016 and \$105,000 in FY2017. This request is to provide client advice and representation for enforcement of campaign finance laws services for the PDC. The increased volume of complaints processed by PDC and the recent elimination of their internal counsel position is necessitating this modest request. This request is to enable to AGO to process the increased workload and provide necessary legal services in the absence of internal counsel.

The PDC received a reduction in its base legal services for 2015-17. This reduction does not align with recent billing data. Rather, PDC legal services needs have increased over the last several biennia due to a rising complaints workload. Most recently, the PDC overspent their legal allocation by about \$25,000. The expenditure trend, in conjunction with the 2015-17 allocation reduction, results in a significant funding shortfall.

Until January 2014, the PDC obtained advice on contracts, public records requests, rule making and legislation from its in house General Counsel. That position was established in 2009 when its long time AAG moved in house. At that time, PDC's legal services allocation was reduced as a result of the reduction in demand for AGO provided legal services. In January 2014, the individual left the in house General Counsel position, and the position has remained unfilled because of budget constraints. In the 2015 legislative session, the position and its funding were eliminated from the PDC's budget. However, during this time period, the PDC's reliance on

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State of Washington
Decision Package

NOTE: 2016 Supplemental Decision
Package (FOR REFERENCE ONLY)

FINAL

Agency: 100 Office of Attorney General
Decision Package Code/Title: AP PDC Campaign Finance Laws

the AGO has increased as they have continued to require legal advice on a variety of matters including contracts, public records requests, rule making and legislation. About half of this request, or 0.25 AAG FTE, is to sustain the necessary client advice in the absence of internal legal counsel.

This request also adds 0.25 AAG in support of the increasing need for representation of PDC's compliance group, on an ongoing basis. The PDC has renewed its emphasis on clearing an existing backlog of pending complaint investigations and to providing a shorter turnaround time for complaints. The PDC recently conducted a LEAN process review to help existing staff increase the promptness of reviews, investigations, and enforcement decisions. PDC hired a temporary employee to review over 90 pending complaints to determine if a formal investigation was warranted for the cases. They currently have 35 pending investigations which are being processed through the updated LEAN system. PDC's efforts has led to increased demand for case review, administrative case presentation, and the potential for more referrals to the AGO for Superior Court litigation for the future. The increased funding is to pay for ongoing enforcement of the state's campaign finance laws.

This request is supported by the PDC and the Commission will file a matching Decision Package.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586 2104.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The AGO and PDC expect the additional resources to improve the timeliness of complaint resolutions. This in turn will improve public faith in the effectiveness of the agency's enforcement of the state's campaign finance disclosure laws. Cases that are handled more quickly provide timely and valuable direction to candidates, political committees, and lobbyists. It increases public confidence that elections in Washington are conducted in accordance with the laws and that transparency in financial disclosures is being protected.

The addition of funding for client advice will also ensure that resources are not diverted from the compliance work to pay for necessary legal services, thus reducing the effectiveness of that program. It will also help protect the State from the risk of inadvertent violations of laws such as those related to public records, open public meetings, and contracting.

Performance Measure Detail:

Activity No. 0010 - Legal Services to State Agencies
PM 2539 Cases Open at End of Fiscal Year

Performance Measure Detail

Activity: A010 Legal Services to State Agencies

Outcome Measures

Incremental Changes
FY 2016 FY 2017

BASS - BDS017

**State of Washington
Decision Package**

NOTE: 2016 Supplemental Decision
Package (FOR REFERENCE ONLY)

FINAL

Agency: 100 Office of Attorney General

Decision Package Code/Title: AP PDC Campaign Finance Laws

002539	By providing high quality legal assistance and representation to Washington’s state agencies, boards, and commissions, the AGO improves government services, increases government efficiency, and prevents costly lawsuits. The legal services provided by the AGO saves taxpayer dollars, promotes the public interest, and ensures agencies are able to fulfill their essential missions. The AGO provides excellent, option-based legal advice to help the state promote the public good. In the litigation context, the AGO initiates, defends, and resolves cases effectively and efficiently for the benefit of the state, its agencies, and its citizens.	0.00	0.00
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Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This budget request implements the following AGO Strategic Plan Goal:

Goal 1: SERVE THE STATE - PROVIDE EXCELLENT, INDEPENDENT, AND ETHICAL LEGAL ADVICE AND REPRESENTATION TO OUR CLIENT THE STATE OF WASHINGTON.

1-1-2 Enhance client services to reduce the use of in-house agency attorneys and outside counsel.

Does this DP provide essential support to one or more of the Governor’s Results Washington priorities?

Goal 5. Efficient, Effective and Accountable Government: Fostering a Lean culture that drives accountability and results for the people of Washington.

Sub-Topic: Customer Satisfaction and Confidence

Outcome Measures:

- 1.1 Increase customer service satisfaction.
- 1.3 Increase/maintain timely delivery for state services.

This request aligns the actual costs of legal services with the funding needed to sustain the required workload. It clarifies that state resources are spent in alignment with client needs and risks, shows accountability and responsibility in spending, and offers transparency resulting in customer satisfaction and confidence in legal services provided.

What are the other important connections or impacts related to this proposal?

Following reductions of PDC funding since 2009, PDC's effectiveness in meeting its statutory responsibility has been diminished. In the 2015-17 budget, the Legislature provided funds for technological improvements to enhance the PDC's mission and restore public access to much demanded information. This request for legal services funds will also improve PDC's ability to provide quicker responses in its compliance and enforcement roles. Funding this request and the underlying legal work will also enhance the public confidence in how these laws are enforced. We anticipate bi-partisan support as all stakeholders in the law demand quicker resolution of issues.

PDC supports this request and will be filing a matching request.

What alternatives were explored by the agency, and why was this alternative chosen?

The PDC's previous use of in house counsel is no longer available. This position was unfilled for the majority of the 2013-15 biennium and was eliminated in the 2015-17 budget. An alternative potentially available is for PDC to hire contract counsel to meet

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State of Washington
Decision Package

NOTE: 2016 Supplemental Decision Package (FOR REFERENCE ONLY)

FINAL

Agency: 100 Office of Attorney General
Decision Package Code/Title: AP PDC Campaign Finance Laws

legal needs (available for some aspects of its work under RCW 42.17A). However, hiring such resources is expected to be significantly more costly and less efficient due to a higher cost of services.

What are the consequences of adopting or not adopting this package?

If this package is not funded, it will require diversion of existing PDC funds to cover legal needs, or, to eliminate the provision of legal advice. If legal advice is not provided, the risk of uninformed and potentially costly decisions is increased, and the number of challenges to PDC actions may also increase.

Diversion of legal resources from representation in support of PDC's enforcement role is also not advisable. Reduced legal representation will result in delays in responding to enforcement advice, and delays in the scheduling of administrative proceedings before the PDC. This may cause cases to become unenforceable if they are not charged within the five year statute of limitations under the law.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions

We assume legal services associated with this request will be provided by the AGO Government Compliance and Enforcement Division.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

The funding would be ongoing and carry forward into future biennia.

<u>Object Detail</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>Total</u>
A Salaries And Wages	57,456	58,491	115,947
B Employee Benefits	18,381	19,062	37,443
E Goods\Other Services	23,913	25,947	49,860
G Travel	500	500	1,000
J Capital Outlays	2,750	1,000	3,750
Total Objects	103,000	105,000	208,000

**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MF - Mental Health Workload Increase

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

Litigation and client advice relating to the programs of the DSHS Behavioral Health Administration have had a marked increase in the last two years, show no signs of decreasing, and continue to become more widespread. This includes the ongoing litigation and client advice over the timeliness of forensic services, the subject of a federal court class action and at issue in numerous contempt hearings in courts all around the region. The workload increase also includes legal proceedings and client advice arising from challenges in timely admitting civilly-committed patients to the state hospitals. Other workload continues unabated, including for example, support for the Special Commitment Center. This request is to cover the increased workload obligations with properly-trained staff.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	228,000	228,000	228,000	228,000
Total Cost	228,000	228,000	228,000	228,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.6	1.6	1.6	1.6

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	228,000	228,000	228,000	228,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	129,347	129,347	129,347	129,347
Obj. B	42,376	42,376	42,376	42,376
Obj. C	12,000	12,000	12,000	12,000
Obj. E	40,527	40,527	40,527	40,527
Obj. G	1,750	1,750	1,750	1,750
Obj. J	2,000	2,000	2,000	2,000

Package Description:

The Attorney General’s Office (AGO) Social and Health Services-Olympia Division (Mental Health Section) provides client advice and representation in litigation to the programs of the Department of Social and Health Services (DSHS) Behavioral Health Administration, Western State Hospital, Child Study and Treatment Center, Special Commitment Center (SCC), and Division of Vocational Rehabilitation.

Mental Health law is a specialized area of practice and requires highly trained attorneys to provide effective, high quality legal representation to the programs. Over the last two years, the workload has steadily increased and exceeds the current staff’s capacity. This has resulted in staff frequently working excessive hours and through many weekends. The resulting stress and burnout increases the risk of turnover of the current, well trained staff contingent, which will exacerbate the workload issue. The following cases reflect current legal work and are examples of anticipated future workloads:

- Trueblood class action in federal court, which has been pending since 2014 and has spawned a very high volume of litigation work including major motions (temporary restraining order/preliminary injunction, class certification, summary judgment, numerous contempt motions, and others) in addition to the trial, appeals, and remand;
- T.R. v. Quigley class action in federal court—support to the client during the settlement monitoring and implementation phase, which is ongoing;
- federal court class action proposed to be filed by Disability Rights Washington against the Special Commitment Center over services to disabled residents;
- ongoing litigation in Pierce County over waitlists for long-term civil commitment beds at Western State Hospital;
- extensive contempt/show cause hearings in many counties for failure to place individuals at Western State Hospital in a timely manner;
- regular civil commitment litigation from Western State Hospital, including daily dockets, jury trials, and felony cases;
- regular legal advice to Western State Hospital, the Child Study and Treatment Center, and all the programs in the DSHS Behavioral Health Administration;
- regular advice to the SCC administration;
- civil rights and public records litigation brought by SCC residents, including the new lawsuit over water quality at the SCC.

Over the last two fiscal years, the attorney FTEs billed to these programs for each fiscal year have increased as follows:

- FY 2014 - 9.60 Assistant Attorney General (AAG) FTEs
- FY 2015 - 10.78 AAG FTEs
- FY 2016 - 11.03 AAG FTEs

These figures represent AAG FTEs billed to the client agency. Because clients are billed for a 40 hour workweek, regardless of the number of actual hours worked by attorneys, the FTE billing data understates the amount of the workload increase.

Relationship to AGO Strategic Plan:

1. Priority – Serve the State
 - a. Goal – Deliver high quality, timely, and efficient legal services.

2. Priority – Protect the People
 - a. Goal – Defend the civil rights of all Washington residents, improve public health, and protect Washington’s environment.

The AGO contact for this request is Brendan VanderVelde, Budget Director, 360-586-2104.

Base Budget:

The Mental Health workload is a sub component of the legal services provided to DSHS, and is not separately identified within the overall Central Service Model allocation. The current allocation is insufficient to absorb the addition of an AAG FTE to accommodate the workload increase.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
AAG	1.00	1.00	1.00	1.00	Y
LA	0.50	0.50	0.50	0.50	Y
MA5	0.10	0.10	0.10	0.10	Y

This request will add 1.0 AAG FTE and 0.5 Legal Assistant FTE to the Mental Health Section. This will increase the number of trained staff needed to meet the legal needs of the DSHS Mental Health program. Agency administration support FTEs are included in the table above, using a Management Analyst 5 as a representative classification.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

DSHS has statutory and constitutional obligations to provide mental health services and due process to individuals who are civilly committed or under the care of the state. The AGO provides essential legal services to DSHS in the form of advice and representation in court in order for DSHS to fulfill its obligations. The AGO is also mandated to represent DSHS in actions challenging the adequacy of the mental health programs it administers. The AGO is integral to the success of alternative methods to resolve litigation in a manner that serves individuals in need of mental health services and the state. Funding for an additional attorney will contribute to having an adequate number of trained staff to meet the mounting demand for legal services related to the state’s strained and challenged mental health system.

Performance Measure detail:

- Activity – Legal Services to State Agencies
- Performance Measure (2539): Cases Open at End of Fiscal Year.
- Current 2015-2017 Target: 25,000
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

Relationship to Results Washington:

1. Goal 4. Healthy and Safe Communities
 - a. Safe People – Help keep people safe in their home, on their jobs and in their communities.

Fully describe and quantify expected impacts on state residents and specific populations served.

This request supports the DSHS in meeting legal obligations to provide timely forensic services to criminal defendants, avoiding the risk of dismissal of criminal charges, and to provide timely services to civilly-committed individuals. It supports the operations of Western State Hospital, the Child Study and Treatment Center, and the SCC, in meeting the extensive requirements of state and federal law in order to meet funding requirements and to provide services which meet the legal rights of those being served.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	DSHS is the client agency and will submit a budget request to coincide with this request.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	Yes	The additional staff will be assigned to the Mental Health Section and will work on those cases and similar cases as cited on page 2 of this request.
Is the request related to Puget Sound recovery?	No	
Identify other important		

connections		
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Please provide a detailed discussion of connections/impacts identified above.

DSHS will submit a decision package requesting additional legal services for their Mental Health Division.

What alternatives were explored by the agency and why was this option chosen?

The division has attempted to meet the increased workload by borrowing attorneys from other practice groups, who are minimally trained in mental health cases, to assist the Mental Health Section. However, this approach risks staff burnout and increased turnover and as well as inadequately trained attorneys covering the workload.

Additionally, the AGO and DSHS have recently entered into an interagency agreement which will provide a mechanism to create the additional AAG position in FY 2017. However, this is a stop gap measure and is not a sustainable funding source for this ongoing type and level of work.

What are the consequences of not funding this request?

Not funding this request risks increased turnover of very highly skilled and experienced attorneys who are experts in this area of the law.

How has or can the agency address the issue or need in its current appropriation level?

The AGO is unable to address this issue within its current appropriation and staff levels to meet demand, because it lacks the funding to hire the additional AAG and support staff needed.

Other supporting materials:

None

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	2,080	1,138	1,138	1,138
PC Hardware	1,840	960	960	960
Licensing	411	411	411	411
CTS Services	257	257	257	257
Total Cost	4,588	2,766	2,766	2,766

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MG - Charter Schools Litigation

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

El Centro de la Raza and the League of Women Voters (LOWV) have filed a new lawsuit seeking to invalidate, on constitutional grounds, the reenacted Charter School Act passed in E2SSB 6194 in the 2016 session (Chapter 241, Laws of 2016). This request is for funding to support the legal defense for the State of this duly enacted legislation.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	71,000	71,000	0	0
Total Cost	71,000	71,000	0	0

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.57	0.57	0	0

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	71,000	71,000	0	0

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	45,587	45,587	0	0
Obj. B	14,954	14,954	0	0
Obj. E	9,239	9,239	0	0
Obj. G	570	570	0	0
Obj. J	650	650	0	0

Package Description:

El Centro de la Raza v. State of Washington challenges a reenactment of the Charter Schools Act. The Charter Schools Act was originally enacted as Initiative 1240 in November 2012. The League of Women Voters (LOWV) challenged the validity of the Act on constitutional grounds. It was initially upheld in Superior Court but in September 2015 the Washington Supreme Court struck down the Act in its entirety based on certain funding provisions. The legislature, in the 2016 session, reenacted the law with changes designed to cure the constitutional defect identified by the court. On May 27, 2016, attorneys for the LOWV sent a letter to the Attorney General outlining a number of theories about why the new Act is unconstitutional and formally asking the Attorney General to take action. The Attorney General declined by letter on June 17, 2016, explaining that the role of the AGO is to defend duly enacted Washington State laws. On August 3, 2016, El Centro de la Raza, the League of Women Voters and number of other parties filed the current lawsuit against the State of Washington.

The AGO has estimated its staffing needs to defend this second suit based on its experience with the first lawsuit. Because the issues are based on constitutional interpretation and the Supreme Court's previous decision, this case will undoubtedly continue until finally heard and determined by the state Supreme Court.

Relationship to the AGO Strategic Plan:

1. Priority - Serve the State
 - a. Goal - Deliver high quality, timely, and efficient legal services.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget:

There is no base budget for this lawsuit in particular nor is there any funding authorized for the Washington State Charter School Commission (WSCSC) within the AGO central service billing model for the Legal Service Revolving Account.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y/N
AAG	0.33	0.33			
LA	0.16	0.16			
Mgmt Analyst	0.08	0.08			

In order to provide legal services for the WSCSC, the AGO estimates a workload impact of 0.33 AAG and 0.16 Legal Assistant (LA) at a cost of \$71,000 in FY 2018 and FY2019. The estimate is based on the workload and cost impact seen in FY 2016 in defending the WSCSC in the previous lawsuit. Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

These costs are considered one-time costs and will not be required beyond FY 2019.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The desired outcome and result is to provide the state with a legal defense in the courts to a legal challenge seeking to invalidate a state law.

Performance Measure detail:

- Activity (0010) Legal Services to State Agencies.
- Performance Measure (2539): Cases Open at End of Fiscal Year
- Current 2015-17 Target: 25,000 open cases at the end of each FY, reported annually.
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Incremental Changes	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0

Relationship to Results Washington:

1) Goal 1: World-class Education

Sub-topic: K-12.

This request supports all of the outcome measures of the sub-topic K-12. The State has chosen to make charter schools a part of the landscape delivery educational services to children. Responding to this lawsuit will further the State’s understanding of the scope of constitutionally permissible educational service delivery models.

2) Goal 5: Effective, Efficient & Accountable Government –

Sub-topic: Customer Satisfaction.

Increase percentage of agency core services where customer satisfaction is measured. This request supports timely and effective response to a lawsuit challenging a significant state education policy as enacted into statute.

Fully describe and quantify expected impacts on state residents and specific populations served.

Several public agencies are impacted by the uncertainty brought by this lawsuit. The WSCSC, Superintendent of Public Instruction and State Board of Education all have roles in administering the charter school system. The roles of each are put into question by the lawsuit and in the case of the WSCSC, its very existence is affected.

Parents and students opting to attend charter schools are thrown into uncertainty by the existence of this lawsuit. They are best served by bringing the suit to closure in the timeliest manner possible.

Local school districts are also thrown into some uncertainty about the charter school options. The Spokane School District operates charter schools and has a greater stake than most in determining whether they may proceed.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	Yes	The Spokane School District operates charter schools under the authority of the law being challenged. Other school districts need to know whether their resident students that choose charter schools are doing so legally.
Tribal gov't impacts?	Yes	Some tribal governments operate tribal compact schools, which mirror the definition of charter schools. Any constitutional infirmities attributable to charter schools may impact tribal compact schools.
Other state agency impacts?	Yes	Charter School Commission, Superintendent of Public Instruction, State Board of Education
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	

Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	Yes	El Centro de la Raza and the League of Women Voters
Is the request related to Puget Sound recovery?	No	
Identify other important connections	None	

Please provide a detailed discussion of connections/impacts identified above.

The WSCSC authorizes charter schools state-wide. Based on the 2015-16 school year (prior to the first charter school law being invalidated), the WSCSC will oversee the contracts of nine charter schools, six operating in the 2016-17 school year and three beginning operations for the 2017-18 school year, and additional schools in the future, if approved.

The Superintendent of Public Instruction has general supervisory authority over the public school system and is a voting member of the WSCSC.

The State Board of Education approves school district authorizers and has a designee that is a voting member of the WSCSC.

All three agencies have ongoing duties related to the operation of public charter schools. The Spokane School District operates charter schools under the authority of the law being challenged. Other school districts need to know whether students that choose charter schools are doing so legally.

Some tribal governments operate tribal compact schools that could be put into legal question if the court rules in favor of the plaintiffs. Depending on how broadly the court rules, other public school programs that are non-traditional in nature could also be called into question.

What alternatives were explored by the agency and why was this option chosen?

The AGO can identify no alternative to defending this lawsuit on behalf of the State. Settlement is not an option because the state cannot agree to invalidate an enacted law.

There are no statutory, regulatory or other changes or negotiation possibilities that will reduce the costs of this legal defense. There is no alternative source of funding.

What are the consequences of not funding this request?

Failing to adequately fund the legal defense of this lawsuit will result in an inability to prepare and present an adequate defense to the alleged invalidity of the enacted law, and it will generate uncertainty with families seeking this educational option.

How has or can the agency address the issue or need in its current appropriation level?

The WSCSC does not have a legal services appropriation, therefore, the AGO has not been provided Legal Services Revolving Fund billing authority through the Central Service Model.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

- No 
- Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	721	390	-	-
PC Hardware	656	342	-	-
Licensing	146	146	-	-
CTS Services	89	89	-	-
Total Cost	1,612	967	-	-

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MH-Vapor Products (ESSB 6328)

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

ESSB 6328 – Vapor Products (Ch. 38 Laws of 2016) was enacted in 2016 with several provisions that necessitated legal services provided by the Office of the Attorney General (AGO). The funding provided in carry forward to the AGO is not adequate to fully implement and sustain the legal services required in the enacted legislation.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020*	FY 2021*
405-1 - Legal Services Revolving Account-State	72,000	16,000	16,000	16,000
Total Cost	72,000	16,000	16,000	16,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.57	0.12	0.12	0.12

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	72,000	16,000	16,000	16,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	45,897	10,161	10,161	10,161
Obj. B	15,146	3,410	3,410	3,410
Obj. E	9,552	1,999	1,999	1,999
Obj. G	735	280	280	280
Obj. J	670	150	150	150

*Assumes \$44,000 carried forward to 2017-19 is in the base for 2019-21.

Package Description:

The Liquor & Cannabis Board (LCB) promotes public safety through the administration and enforcement of liquor, tobacco and marijuana laws. They ensure the highest level of public safety by continually improving and enforcing laws, regulations and policies. They educate and engage licensees, the public and other stakeholders in addressing issues.

The enactment of ESSB 6328 – Vapor Products in 2016 (Ch. 38 Laws of 2016) creates a licensing process for the sale and distribution of vapor products and additional enforcement actions against violations. The intent is to keep vapor products away from minors. The legislation includes increased violation penalties, which affects all licenses the seller holds, not just the vapor products license. This is expected to motivate and encourage compliance with the law by prohibiting licensees from selling these products to those who are underage.

The 2017-19 carryforward funding is \$44,000 per fiscal year. This matches the amount provided for FY 2017 in the 2016 Supplemental Budget. Costs for FY 2018 & FY 2019 are greater than \$44,000 each year, as was articulated in the most recently published fiscal note (See Attachment 1: Fiscal Note for SSB 6328 S-5212.1). In addition, the enacted version of the bill included increased workload for FY 2018 and future years due to additional provisions of the enacted legislation. However, a fiscal note for the enacted legislation was not published.

The major cost drivers for the AGO can be divided between licensing denial hearings and enforcement hearings:

1. Licensing denial hearings:

- The Liquor Cannabis Board estimates that they will be granting 750 new distributor and retail licenses based on this new law. Based on historical data, the AGO assumes that there will be 790 license applications of which 40 (5%) will be denied. The AGO further assumes that 50% of the denials will request a hearing, resulting in 20 new licensing cases.
- These new cases are expected to be received in FY 2017 and FY 2018. Because the licensing provisions in this act would not take effect until October 1, 2016, 8 new licensing cases will be received in FY 2017 (not addressed here) and the remaining 12 new licensing cases will be received in FY 2018.
- These costs are the same as in fiscal note for earlier versions of the legislation.
- These are one-time costs and will end in FY 2018.

2. Enforcement hearings:

- Beginning in FY 2018, the majority of the litigation resulting from this bill will be enforcement actions against vapor product retailers and delivery sale licensees.
- The enacted bill increased this workload over earlier versions of the bill in sections 22(2), (3), and (4) section 23 (3) (b) (codified in RCW 70.345.180(2), (3) & (4) and RCW 70.155.100(3)(b) respectively). The AGO assumes that there will now be a total of 29 hearings per fiscal year.

- The new language requires that if a licensee has a vapor license (new) and existing or new tobacco products license and/or other tobacco products license, any violations of any of the license types for sale to a minor will impact every one of these license types.
- The law also increases penalties significantly for each violation within a three year period and carries a suspension. A suspension will undoubtedly cause a loss in revenue for the license holder.
- As a result, the AGO anticipates that all violations of any of the three license types held by a multiple license holder (which is a majority) will be challenged at a hearing and the cases will be more heavily litigated.

Relationship to the AGO Strategic Plan:

1. Priority - Serve the State
 - a. Goal: Deliver High Quality, Timely, And Efficient Legal Services.
2. Priority - Protect the People
 - a. Goal: Fight fraud and protect Washingtonians' pocketbooks.
 - i. Objective 2-1-1: Expand consumer protection enforcement.
 - b. Goal: Defend the civil rights of all Washington residents, improve public health, and protect Washington's environment.
 - i. Objective 2-2-5: Reduce youth access to harmful substances, including tobacco, nicotine, and marijuana.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Base Budget:

The 2017-19 carry forward base includes \$44,000 and 0.37 FTE in FY 2018 and FY 2019. This is based on the amount appropriated for FY 2017 in the 2016 supplemental budget.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
Fiscal Summary:**

Please see Attachment 2 for additional details (FTE and Dollar Chart).

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
AAG	0.33	0.07	0.07	0.07	Y
LA	0.17	0.04	0.04	0.04	Y
Management Analyst 5	0.07	0.01	0.01	0.01	Y

*This assumes that FY 2018 has \$44,000 in the base and 0.37 FTEs.

The Office of the Attorney General (AGO) requests \$72,000 in FY 2018 and \$16,000 in FY 2019 for additional staff. Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

Expenditure Detail:

This package delineates the incremental funding need given the base funding provided. The base funding provided in carry forward is based on costs expected in FY 2017 and not those expected in the 2017-19 Biennium. The incremental funding need is calculated by comparing the cost of implementing and sustaining the enacted bill to the base funds provided.

1. Licensing denial hearings-assumptions-AGO Government and Compliance Division:

- 790 license applications with 750 approved and 40 denied.
- 20 of those denied will go to hearing.
- 8 cases (of the 20) will have been heard in FY 2017.
- 12 cases will be received in FY 2018.
- Each case will utilize about 25 Assistant Attorney General (AAG) hours along with associated time of other staff.
- This requires .28 FTEs (0.16 AAG; 0.08 LA; .04 MA5) and \$33,741 in FY 2018.
- These are one-time costs and will end in FY 2018.

These costs are the same as in fiscal note for earlier versions of the legislation. (Note: they were combined with the enforcement costs.)

2. Enforcement hearings-assumptions- AGO Government and Compliance Division:

- The enforcement hearings are for alleged violations by vapor product retailers and delivery sale licensees.
- Based on history with tobacco enforcement, the AGO estimates that beginning in FY 2018, there will be 17 new enforcement cases for alleged violations of vapor product regulations. Due to the expanded nature of the regulations, it is estimated that each case will utilize 30 AAG hours along with associated time of other staff.
- These costs are ongoing.

3. Enforcement efforts-assumptions-AGO Tobacco Division

- The tobacco division will be involved in enforcement related to internet sales of vapor products. AGO estimates that the Liquor Cannabis Board will conduct outreach to 300 internet sellers and that 20% or 60 internet sellers will require follow up from the AGO Tobacco Division including research, advice and potential litigation.
- Enforcement steps for non-responsive or non-compliant internet sellers will include assurances of discontinuance or Superior Court complaints and consent judgments, as the facts and circumstances may dictate.
- One contested Superior Court matter per fiscal year.
- Monthly coordination meetings with LCB enforcement staff, and participating in bimonthly calls of multi-state working groups devoted to vapor product-related issues.
- Review of letters drafted by LCB enforcement staff, as well as conducting meetings with LCB staff to discuss
- Provision of legal advice and guidance related to internet sales and ongoing advice and guidance related to enforcement.
- This will require 0.1 AAG and 0.05 LA in FY 2017 (not requested here) and FY 2018

Total Required for Enacted Legislation (ESSB 6328):

FY 2018: \$116,000.

FY 2019 and in each FY thereafter: \$60,000.

Funding provided in the 2017-19 Carry Forward Level (CFL):

FY 2018: \$44,000.

FY 2019: \$44,000.

FY 2020 and in each FY thereafter: \$44,000

Differences included in this request:

FY 2018: \$72,000 (Total less the amount provided in CFL)

FY 2019: \$16,000 (Total less the amount provided in CFL)

FY 2020 and in each FY thereafter: \$16,000 (Total less the amount provided in CFL)

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Additional funding will provide the AGO Government Compliance and Enforcement (GCE) division with the necessary resources to represent the state and the LCB in more matters concerning public disclosure violations as defined by Washington State law.

Funding this request will provide sufficient legal services to act on violations to state law. Not funding this request will result in slower response times and the provision of appropriate attention to each case.

Delaying legal services will result in increases in future legal cost, decreased efficiency of enforcement to support this bill, and a substantial risk to the public.

Performance Measure detail:

- Activity – Legal Services to State Agencies
- Performance Measure (000030): Number of open litigation cases at the end of each fiscal year.
- Current 2015-2017 Target: 25,000
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Incremental Changes	FY 2018	FY 2019	FY 2020	FY 2021
	0	0	0	0

Relationship to Results Washington:

Goal 4 - Healthy and Safe Communities

This funding and the enforcement of vapor product laws will result in a greater level of protection to the public by reducing the access minors have to vapor products. Vapor products can put the safety and health of minors at risk.

Fully describe and quantify expected impacts on state residents and specific populations served.

The LCB and the citizens of Washington will be affected by this request. Currently, there are 6,188 existing licensed tobacco retailers. Funding this request provides resources to protect the underage public from having access to vapor products.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Protection of underage consumers by reducing the access to vapor products. Other impacts include enforcement actions which may require county judicial facilities and resources. If funds are insufficient, a negative impact could result from the lack of enforcement to support the legislative purpose to prevent access to vapor products by minors. This can also lead to an impact on health services within communities to address any medical ramifications resulting from underage usage of vapor products.
Other local gov't impacts?	Yes	Inadequately funding this request can result in reduced safety of underage community youth who gain access to vapor products. This can also lead to an impact on local law enforcement which may need to respond to the illegal sell of vapor products to youth within their communities.
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	LCB. DSHS has minor abusive programs which may be negatively impacted if enforcement efforts are not allowed to happen.
Responds to specific task force, report, mandate or exec order?	No	We are aware of various policy makers who have discussed the need to reduce access to vapor products to underage youth but we do not have anything readily available to cite a specific task force, report, mandate or executive order.
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	

Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The LCB and the citizens of Washington will be affected by this request. The regional and county impact includes the protection of underage consumers by reducing their access to vapor products. Other impacts can include enforcement actions which may require county judicial facilities and resources. If this is not approved, a negative impact can result from the lack of enforcement to support the legislative purpose to prevent access to vapor products by minors. This can also lead to an impact on health services within communities to address any medical ramifications resulting from underage usage of vapor products.

Failure to fund this request will result in reduced safety of underage community youth who gain access to vapor products which will impact local governments. This can also lead to an impact on law enforcement which will need to respond to the illegal sale of vapor products to youth within their communities.

Both LCB and possibly DSHS may be impacted as a result of not funding this request. DSHS has minor abusive programs which may be negatively impacted if enforcement efforts are not allowed to happen.

The AGO is aware of various policy makers who have discussed the need to reduce access to vapor products to underage youth but do not have anything readily available to cite a specific task force, report, mandate or executive order.

Funding this request provides resources to protect the underage public from having access to vapor products.

What alternatives were explored by the agency and why was this option chosen?

There are no available resources within the AGO to provide these legal services. Additional funding is essential to meeting the new caseload generated by the enactment of ESSB 6328.

What are the consequences of not funding this request?

Inadequately funding this request will result in slower processing of complaints and increasing the risk to underage youth from exposure to vapor products.

If this request is not funded, the AGO will be unable to fully support the enforcement actions required to implement ESSB 6328, which requires litigation against retailers who violate this bill and allow a greater risk to the public. Delaying legal services could increase the risk that minors will gain access to vapor products and retailers will not be held accountable for violating the measures identified within this bill to reduce the risk to the public. This could lead to more litigation and the need for legal advice to address the results or consequences that a timely legal review and case processing could have averted.

How has or can the agency address the issue or need in its current appropriation level?

Adequate appropriation has not been provided to fund the new legal services generated by the enactment of ESSB 6328.

Other supporting materials:

Attachment 1: Fiscal Note for SSB 6328 S-5212.1

Attachment 2: FTE and Dollar Chart

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	1,186	333	333	333
PC Hardware	1,081	294	294	294
Licensing	242	126	126	126
CTS Services	146	76	76	76
Total Cost	2,654	828	828	828

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

Individual State Agency Fiscal Note

Bill Number: 6328 S SB S-5212.1	Title: Vapor products	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Legal Services Revolving Account-State 405-1		44,285	44,285	126,529	71,700
Total \$		44,285	44,285	126,529	71,700

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.0	0.4	0.2	0.5	0.3
Account					
Legal Services Revolving Account-State 405-1	0	44,285	44,285	126,529	71,700
Total \$	0	44,285	44,285	126,529	71,700

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Dean Carlson	Phone: (360)786-7305	Date: 03/18/2016
Agency Preparation: Michael Shinn	Phone: 360-759-2100	Date: 03/22/2016
Agency Approval: Brendan VanderVelde	Phone: 360 586-2104	Date: 03/22/2016
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 amends RCW 26.28.080 to redefine “vapor product.”

Section 2 amends RCW 70.155.120 to include vapor products in the title of the Youth Tobacco and Vapor Products Prevention Account.

Section 3 is a new section that preempts political subdivisions from licensing and regulating vapor product promotions and retail sales, disallowing political subdivisions from regulating outdoor use of vapor in public places except where children regularly congregate, and allowing political subdivisions to regulate vapor product uses in indoor public places.

Section 4 is a definitions section. Among other terms, “vapor product” is defined. Vapor products are defined not to include marijuana products.

Section 5 is a new section which defines vapor product licenses and describes how applications to the Liquor and Cannabis Board (LCB) are made. The LCB is authorized to adopt rules regarding regulation of licenses. The LCB is required to conduct criminal background checks on license applicants.

Section 6 is a new section requiring a license to retail, distribute or deliver vapor products. Violations are a class C felony. LCB inspections are required to be allowed by all licensees.

Sections 7 and 8 are new sections adopting distributor and retailer licensing fees.

Section 9 amends RCW 82.24.530 to change fees charged, and to add a reference to vapor products retailers’ licenses.

Section 10 is a new section setting a delivery sale licensing fee.

Section 11 is a new section providing LCB with authority to deny, suspend and revoke vapor products licenses. Appeals may be made directly to the Thurston County Superior Court, which hears the appeal on a de novo basis.

Section 12 is a new section regarding vapor signage.

Section 13 is a new section regarding labeling requirements.

Section 14 is a new section making it a civil infraction for persons under 18 years old to purchase, possess or obtain vapor products.

Section 15 is a new section requiring the purchasers of vapor products to produce proof of age and defining acceptable identification cards for doing so.

Section 16 is a new section prohibiting the self-service sale or distribution of vapor products.

Section 17 is a new section requiring internet and mail sales of vapor products to be conducted only by licensed sellers. Sales may only be made after obtaining proof of legal age, and are limited to debit or credit card sales to the named bearer of the debit or credit card. Knowing violations are a class C felony, and may also include a \$5,000 fine. The Attorney General's Office (AGO) may bring injunctive actions to restrain violations, and are made a violation of the Consumer Protection Act. The AGO may recover costs of investigation, expert witness costs, and attorney fees.

Section 18 is a new section requiring child-resistant packaging.

Section 19 is a new section restricting vapor product tastings.

Section 20 is a new section regulating coupons for vapor products.

Section 21 is a new section prohibiting vapor product use in specified indoor areas.

Section 22 is a new section setting fines for violations of this act. The LCB is authorized to issue cease and desist letters, to bring injunctive actions and to recover attorney fees. Proceedings are under Chapter 34.05 RCW.

Section 23 amends RCW 70.155.100 to require suspension of vapor products licenses when a license is suspended under RCW 28.28.080.

Section 24 is a new section providing LCB with specified enforcement powers to enforce vapor products licensing under this act.

Section 25 is a new section placing license fee revenues into the Youth Tobacco and Vapor Products Prevention Account.

Section 26 is a new section exempting motor carriers, freight forwarders and air carriers from the chapter.

Section 27 is a severability clause.

Section 29 amends RCW 66.08.145 to give the LCB subpoena power applicable to this act.

Section 31 is a new section creating a new chapter in Title 70 RCW made up of sections 3 through 8, 10 through 22, and 24 through 26 of this act.

Section 32 is a new section making sections 5 through 10 and 28 effective 30 days after the LCB prescribes a license application form under section 6.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Cash receipts are assumed to equal the Legal Service Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is LCB. The AGO will bill all clients for legal services rendered.

These cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

In order to provide legal services for LCB, the AGO estimates a workload impact of:

FY 2017: 0.21 Assistant Attorney General (AAG) and 0.10 Legal Assistant (LA) at a cost of \$44,285.

FY 2018: 0.43 AAG and 0.21 LA at a cost of \$90,679.

FY 2019 and in each FY thereafter: 0.17 AAG and 0.08 LA at a cost of \$35,850.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on July 1, 2016. Sections 5 through 10 and 28 will take effect October 1, 2016.
2. A 1.8% salary increase beginning in FY 2017 is included in accordance with the 2015-17 enacted biennial budget.
3. The AGO Consumer Protection Division already providing legal services for work identified in this bill and has authority to recover its costs and fees. The provision making a violation of this act a violation of the Consumer Protection Act will not enlarge the scope of work or require additional resources.
4. The Department of Health will likely require advice from the AGO Agriculture and Health Division, but it will be a nominal amount of work. Costs are not included in this request.
5. LCB will likely require advice from the AGO Licensing and Administrative Law (LAL) division, but it will be a nominal amount of work. Costs are not included in this request.

Assumptions for the AGO Government Compliance and Enforcement (GCE) Legal Services for LCB:

1. We will bill LCB for legal services based on the enactment of this bill.
2. This bill creates a vapor products retail license, a vapor product distributor's license, and a vapor product delivery sale license, and it authorizes regulation and enforcement by the LCB. GCE will provide legal services as required.
3. Vapor products will be sold through 6,188 existing licensed tobacco retailers. LCB staff assumes this bill will generate 600 new vapor product retail licenses resulting in a new total of 6,788 vapor product retailers.
The LCB staff also assumes there will be 150 new vapor product distributor licenses.
Additionally, this bill will generate 2,419 new vapor product delivery sale licenses.
4. We assume that approximately 95% of the new distributor and retail license applications will be granted. Based on LCB assumptions that a total of 750 new distributor and retail licenses will result from this process,

GCE anticipates 40 new distributor and retail license applications will be denied.

50% of the denials will request a hearing, resulting in 20 new licensing cases. Eight cases would be received in FY 2017 and the remaining 12 will be received in FY 2018.

Based on past experience with tobacco license denial cases, GCE anticipates that each licensing case will require 25 hours of AAG time for a total of 200 AAG hours (8 cases x 25 hours) in FY 2017 and 300 AAG hours (12 cases x 25 hours) in FY 2018.

5. GCE will not see any appreciable workload increase based solely on a denial of a new vapor product delivery sales license. Vapor product delivery sales license applicants with existing retail or distributor licenses will be approved.

Of the 40 new distributors and retail license applications that will be denied, the majority, if not all, will also be denied a new vapor product delivery sales license as well.

As we will already be litigating the denials of the new retail or distributor licenses and the issues and evidence are the same for the denials of the vapor product delivery sales licenses, GCE does not believe that the litigation relating to the denial of the second license type will increase legal services requirements.

6. Beginning in FY 2018 and thereafter, the majority of litigation resulting from this bill will be enforcement actions against vapor product retailers and delivery sale licensees. Historically, we have averaged 17 tobacco enforcement actions each year. Based on past experience with tobacco licensees, an increase of 12 new enforcement cases per FY is anticipated resulting from the regulation of new retailers and delivery sale licensees and the expanded regulation of existing retailers. 25 AAG hours per case is required for the preparation and settlement and/or hearing of each case resulting in an increase of 300 AAG hours (12 cases x 25 hours) each fiscal year beginning in FY 2018.

7. An internal conflict exists in the penalty structure in Section 22, paragraphs 2(d) and 2(e), which can increase the work required for litigation of fifth violations. For purposes of this fiscal analysis, we assume that the phrase "or subsequent violation" was not the intent of the writers and additional costs are not included in this request.

8. GCE legal services will require:

0.11 AAG and 0.05 LA in FY 2017 at a cost of \$23,197.

0.33 AAG and 0.16 LA in FY 2018 at a cost of \$69,591.

0.17 AAG and 0.08 LA in FY 2019 and in each FY thereafter at a cost of \$35,850.

Assumptions for the AGO Tobacco (TOB) Divisions Legal Services for LCB:

1. This bill will create new regulation on internet sales of vapor products. TOB estimates LCB will conduct outreach to over 300 internet sellers.

2. 20% of the internet sellers contacted will require follow up from the TOB. This includes, but is not limited to research, advice, and potential litigation involving enforcement related to internet sales of vapor products.

3. Enforcement steps for non-responsive or non-compliant internet sellers will include assurances of discontinuance or Superior Court complaints and consent judgments, as the facts and circumstances may dictate.

4. One contested Superior Court matter per fiscal year.

5. Monthly coordination meetings with LCB enforcement staff, and participating in bimonthly calls of multi-state working groups devoted to vapor product-related issues.
6. Review of letters drafted by LCB enforcement staff, as well as conducting meetings with LCB staff to discuss evidence of instances of non-compliance.
7. Provision of legal advice and guidance related to internet sales and ongoing advice and guidance related to enforcement.
8. TOB legal services will require 0.1 AAG and 0.05 LA in FY 2017 and FY 2018 at a cost of \$21,088.
9. TOB assumes nominal legal services will be provided with existing resources beginning in FY2019.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years		0.4	0.2	0.5	0.3
A-Salaries and Wages		28,719	28,719	80,691	45,158
B-Employee Benefits		9,364	9,364	26,317	14,706
C-Professional Service Contracts					
E-Goods and Other Services		5,582	5,582	17,741	10,836
G-Travel		210	210	600	340
J-Capital Outlays		410	410	1,180	660
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$44,285	\$44,285	\$126,529	\$71,700

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2016	FY 2017	2015-17	2017-19	2019-21
Assistant Attorney General	93,540		0.2	0.1	0.3	0.2
Legal Assistant III	46,884		0.1	0.1	0.2	0.1
Management Analyst 5	73,137		0.1	0.0	0.0	
Total FTE's	213,561		0.4	0.2	0.5	0.3

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Government Compliance and Enforcement (GCI)		23,197	23,197	105,441	71,700
Tobacco Diligent Enforcement (TOB)		21,088	21,088	21,088	
Total \$		44,285	44,285	126,529	71,700

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

**2017-19 AGO Biennial Budget
Rec Sum MH-Vapor Products (ESSB 6328)**

	FY 18	FY 19	2017-19	FY 20	FY 21	2019-21
Fiscal impact of enacted legislation (ESSB 6328-2016 session) FTE (FY 18: .54 AAG; .27LA; .13 MA5; FY 19 and on: .28 AAG; .14 LA; .07 MA5) Dollars	0.94 \$116,000	0.49 \$ 60,000	0.72 \$176,000	0.49 \$ 60,000	0.49 \$ 60,000	0.49 \$120,000
Carry forward/Base (to 2017-19 and assumed in 2019-21) FTE (FY 18 and on: .21 AAG; .10LA; .06 MA5) Dollars	0.37 \$ 44,000	0.37 \$ 44,000	0.37 \$ 88,000	0.37 \$ 44,000	0.37 \$ 44,000	0.37 \$ 88,000
Decision package request (Rec Sum MH) FTE (FY 18: .33 AAG; .17LA; .07 MA5; FY 19 and on: .07 AAG; .04 LA; .01 MA5) Dollars	0.57 \$ 72,000	0.12 \$ 16,000	0.35 \$ 88,000	0.12 \$ 16,000	0.12 \$ 16,000	0.12 \$ 32,000

2017-19 Biennium Budget Request Decision Package

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: MI - Traffic Fines Consolidation (SSB 6360)

Budget Period: 2017-19 Biennial Budget Request

Budget Level: M2

Agency Recommendation Summary Text:

SSB 6360 – Traffic-Based Financial Obligations--Consolidation-Work Group (Ch. 230 Laws of 2016) was enacted in 2016 with an effective date of June 9, 2016 and an end date of December 1, 2017. This legislation requires the Attorney General’s Office (AGO) to convene a workgroup of stakeholders and to submit a report detailing recommendations, the plan and the program required by the act. The AGO’s fiscal note identified costs in FY 2017 and FY 2018. The costs for FY 2017 were funded. However, no funding was included in the AGO’s 2017-19 Carry Forward Level for the FY 2018 expenditures. The AGO was instructed instead to request funding in a 2017-19 decision package. The funding requested below mirrors the fiscal note, with dollars rounded to the thousands.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 - General Fund - State	39,000	0	0	0
Total Cost	39,000	0	0	0

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0.35	0	0	0

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
N/A	0	0	0	0

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	30,695	0	0	0
Obj. B	5,991	0	0	0
Obj. C	0	0	0	0
Obj. E	450	0	0	0
Obj. G	1,864	0	0	0
Obj. J	0	0	0	0

Package Description:

This package requests funding for the FY 2018 expenditures associated with the 2016 legislation on Traffic Fine Consolidation (SSB 6360 - Traffic-Based Financial Obligations--Consolidation-Work Group. (Ch. 230 Laws of 2016)). The legislation’s fiscal note identified costs for the AGO in FY 2017 and FY 2018. The costs in FY 2017 were funded in the 2016 supplemental budget but due to the carry forward process adopted by the Office of Financial Management (OFM) and the legislature, the FY 2018 costs were not included in the 2017-19 carryforward amounts. Instead, OFM and the legislature recommended requesting them in a 2017-19 decision package. The funding source is General Fund-State dollars as these expenditures are not appropriate to bill to any specific client agency.

The legislation requires the AGO to convene a workgroup of stakeholders and to submit a report detailing recommendations, the plan and the program required by the act. The assumption is that the workgroup will perform much of its work in FY 2017. In FY 2018, the AGO will need the continued participation of a policy analyst at a reduced utilization (.25 FTE) and the oversight of the policy director (0.1 FTE) to solicit and coordinate final feedback from the workgroup, to make final revisions to the plan, and to prepare it for submission. There will continue to be travel to visit with various jurisdictions in order to build relationships and understand the court processes and financial systems used by courts of limited jurisdiction across the state.

Relationship to the AGO Strategic Plan:

1. Priority – Serve the State: “Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington”.
 - a. Goal 1: “Deliver high quality, timely, and efficient legal services”.

Base Budget:

The funding level for the 2015-17 Biennium is \$55,000 GF-S and a 0.5 FTE policy analyst. This was for FY 2017 only. This funding was completely removed in carry forward.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing? Y / N
Policy Analyst	0.25				N
Policy Director (Exempt)	0.10				N

All costs are one-time and not assumed to carry forward into future fiscal years.

Funding will not result in any revenue for the state.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The AGO will submit a report detailing its recommendations and the plan and program required by the act to the Washington State Supreme Court, the Governor, and appropriate committees of the Legislature by December 1, 2017.

Performance Measure detail:

- Activity (0001) Administration
- Performance Measure: not applicable
- Current 2015-17 Target: not applicable

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

Relationship to Results Washington:

Goal 5: Efficient, Effective and Accountable Government

By providing a report on a plan and program for the consolidation of traffic fines, the state will be positioned to increase efficiencies and improve our state citizen's satisfaction and confidence in state government.

Fully describe and quantify expected impacts on state residents and specific populations served.

The plan and program, when implemented, will impact those citizens with multiple traffic fines by providing them with a unified and affordable payment plan.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	Members of the workgroup, the Washington State Supreme Court, the Governor, and the Legislature
Responds to specific task force, report, mandate or exec order?	Yes	SSB 6360 - Traffic-Based Financial Obligations—Consolidation-Work Group. (Ch. 230 Laws of 2016)
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	No	

Please provide a detailed discussion of connections/impacts identified above.

Specific workgroup members were listed in the legislation. The final report is to be delivered to the Washington State Supreme Court, the Governor and the appropriate committees of the Legislature.

What alternatives were explored by the agency and why was this option chosen?

The request is driven by the enactment of SSB 6360 -Traffic-Based Financial Obligations--Consolidation-Work Group. (Ch. 230 Laws of 2016) and supported by the corresponding fiscal note. OFM and the Legislature recommended submitting a decision package for FY 2018 expenditures as the amounts were removed in carry forward. The work identified in this law is not optional and funded by GF-S. The AGO has no surplus GF-S funding. Using existing resources would require pulling funding from programs such as the Sexually Violent Predator unit, Consumer Protection, or the Civil Rights Unit. These AGO entities have limited funding that is provided for a specific purpose.

What are the consequences of not funding this request?

Failing to fund this request will result in cuts to other GF-S funded entities within the AGO. This would impact critical programs that protect the citizens of Washington such as the Sexually Violent Predator Unit, Consumer Protection and the Civil Rights Unit.

How has or can the agency address the issue or need in its current appropriation level?

The Attorney General supports this request and has prioritized it above other internal needs that are not included in the biennial budget request.

Other supporting materials:

None.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	118			
PC Hardware	210			
Licensing	90			
CTS Services	32			
Total Cost	450			

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

Agency Budget Request Decision Package Summary

(Lists only the agency Performance Level budget decision packages, in priority order)

Agency: 100 Office of Attorney General

9/8/2016
6:30:48PM

Budget Period: 2017-19

Decision Package Code	Decision Package Title
PL-PA	Recruitment & Retention-PLACEHOLDER
PL-PB	Child Permanency & Child Welfare
PL-PC	L&I WISHA Complex Litigation
PL-PD	Public Counsel - Ratepayer Advocacy
PL-PE	UW (Bothell) Legal Services

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: PA-Assistant Attorney General Recruitment and Retention

Budget Period: 2017-19 Biennial Budget Request

Budget Level: PL

Agency Recommendation Summary Text:

The Office of the Attorney General (AGO) requests funding to address Assistant Attorneys General (AAG) salaries. AAG salaries remain significantly lower than those in other public sector law offices. Competitive salaries support retention, improve recruitment, and reduce the costs and inefficiencies associated with turnover and training. Our request is based on a salary survey of public sector attorney pay in Washington and would bring AAG salaries to comparable market levels. Inadequate compensation and continuing turnover negatively impact the provision of high quality, consistent legal services to the state of Washington, and generate unnecessary costs for the taxpayers.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 – General Fund - State	694,996	694,996	694,996	694,996
001-2 – General Fund - Federal	82,218	82,218	82,218	82,218
111-1 – Public Service Revolving Account - State	38,007	38,007	38,007	38,007
19A-1 – Medicaid Fraud Penalty Account - State	27,406	27,406	27,406	27,406
405-1 – Legal Services Revolving Account - State	11,315,125	11,315,125	11,315,125	11,315,125
424-6 – Anti-Trust Revolving Account – Non-Appropriated	88,927	88,927	88,927	88,927
Total Cost	12,246,679	12,246,679	12,246,679	12,246,679

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	0	0	0

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
001-General Fund	0393	82,218	82,218	82,218	82,218
405 – Legal Serv Rev Acct	0420	11,315,125	11,315,125	11,315,125	11,315,125

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	10,488,576	10,488,576	10,488,576	10,488,576
Obj. B	1,758,103	1,758,103	1,758,103	1,758,103

Package Description:

Brief description of the issue and background on the request:

The inability to offer a competitive salary has been a historic and ongoing problem for the AGO, plaguing the office with unnecessary turnover, a loss of talent and experience, challenges in recruitment, and excessive training costs and related inefficiencies. Each time the Legislature assists by providing funding to support salaries, it positively affects our retention. However, if funding is not provided at the amount necessary to close our gap with our public sector competitors, who provide regular increases, the negative impacts on the office persist. We have managed our resources and worked to achieve efficiencies to turn internal savings into some modest increases, but those steps have not significantly closed the salary gap with our peers.

On September 26, 2008, following a generous appropriation from the Legislature and pursuant to a proviso, AGO’s then Chief Deputy Brian Moran reported to the Office of Financial Management (OFM) and the fiscal committees of the Senate and the House of Representatives on how the appropriation had been used. In that report Mr. Moran observed that “[i]f public sector law firms and our own clients’ salaries continue to climb and outpace the AGO through COLAs, raises, or both, we can again expect to fall precipitously behind our peer competitors and again lose good public lawyers at an unacceptable rate. While our current turnover is an acceptable 7% per year, we believe this rate is not sustainable. To keep apprised of our public sector competitors, we routinely conduct salary surveys of their offices. Based on our most recent salary survey of our comparable peers we remain at a distinct disadvantage in offering competitive salaries.”

We could write the same letter today.

In the 2014 supplemental, in recognition of this critical need, the Governor proposed, and Legislature granted, \$3.4 million of a \$7.2M annual request. Since this increase, however, local governments continue to invest in attorney salaries in comparable public law offices. Even with the recent cost of living adjustments for all state employees, AAG salaries continue to lag behind the average salaries of public sector attorneys in Washington State.

Actions Taken:

2016 Salary Survey:

In order to accurately understand and convey the scope of the salary problem, the AGO retained an independent consultant with expertise in salary surveys of public sector attorneys. While the AGO created ten “benchmark” descriptions for the purpose of surveying, it is important to note that the office has no true peers in the public sector arena in Washington State. No other public employer has attorneys who practice in virtually every judicial and quasi-judicial forum in the state, and in federal court and in all levels of appellate practice, both federal and state, and provide advice and representation to every state agency, board, commission and institution of higher education in the state.

In contrast to the state salary surveys conducted by consultants contracted by OFM-State Human Resources, which also survey private sector employers, the AGO survey is focused on other public sector attorney jobs in Washington State. Although it is expected that private sector attorney salaries would be much higher than public sector attorneys, the survey offers some private sector salary information for context. Considering the scope and importance of the work of this office on behalf of the state, it is reasonable to expect that AAG salaries would be in line with city and county public sector salaries.

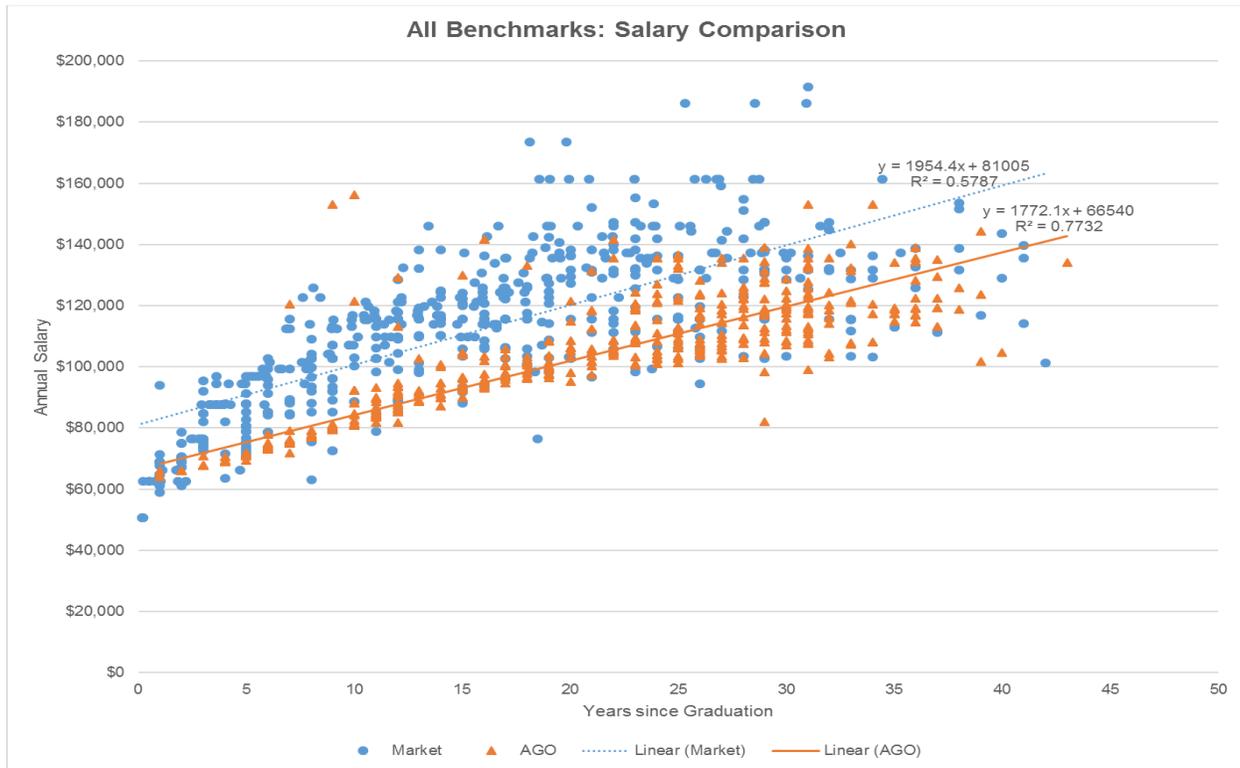
Therefore, the objective of this request is to increase AGO salaries to levels that are competitive with our public sector peers.

Results of the Survey:

Overall:

The consultant found that moving AGO salaries to the public sector market would cost \$10,488,576 or about 10.5 million dollars per fiscal year. This equates to an average salary deficit for each of our 573 attorneys of \$18,304 per year. Including incremental benefit costs, the total is \$12,246,679 per fiscal year.

The chart below depicts the distribution of the AGO salaries, the market salaries, and includes a trend line (“line of best fit”) for each salary group. The cost of \$10,488,576 is calculated based on increasing all AAG salaries (for all Benchmarks) below the public sector market trend line to the public sector market trend line.



Additional detail on survey results:

Ninety-five percent of all AAGs are below market when salaries are compared by graduation year. The percentage increases to 99% for benchmarks from progressing through distinguished. Salaries for three of the benchmark groups, “progressing”, “experienced” and “senior” (3 to 20 years of experience), continue to lag by an average of nearly \$22,000 or 27% below other public sector peers. These three benchmark groups comprise almost half (45%) of all AAGs. Even the benchmark group of distinguished AAGs, defined as those with over twenty years of experience, are nearly 10% behind their peers. Although we provide a nominal increase for the added responsibility of supervision, many of our supervisors are also paid well below market.

In the 2014 supplemental, the legislature provided funding beginning in FY 2015 for our recruitment and retention request. A proviso was included that targeted the salaries of AAGs with one to five years of experience. That, coupled with our internal efforts, has resulted in competitive starting salaries closer to public sector employers, especially in the first two years. However, in all other levels of experience, the state’s salaries lag significantly behind.

Drivers for funding – retention and recruitment remain two persistent areas of concern:

Retention:

The AGO continues to experience attrition driven by uncompetitive salaries. From July 2014 through August 2016, the AGO has lost 106 attorneys. This represents 18% of the total AAG workforce at all levels of experience and in every location. With an average turnover of about 50 attorneys per fiscal year, or approximately one attorney per week, the turnover costs are substantial. Policy guidance from the Office of Financial Management (OFM) website in 2015 offered that “the cost of turnover estimates range from one-half of a departing employee’s salary to two times a departing employee’s salary.” Using this estimate, attorney turnover costs the state between \$2.2 and \$8.8 million per year. This does not consider potential increased legal risk to the State.

Typically, attorneys leaving our office stay in public service, many taking jobs for substantial pay increases. In addition to losing talent to other jurisdictions, we are also losing attorneys to other state agencies. Since the start of FY 2016, 11 AAGs were hired by other state agencies, with an average salary increase of 10.8%. When these transfers occur, the state ends up paying highly-trained attorneys more money to stop practicing law, and pays to train a replacement.

Because our salaries are not competitive, we often mentor and train attorneys to serve as experts in a particular area, only to have them hired by another employer--often our clients--at much higher pay. For example, in June of 2015 the long-time HIPAA expert advisor to a client retired. Well in advance of his retirement, the AGO had planned for the transition by mentoring a successor to that role. Fifteen months later, in August of 2016, the client hired that AAG to serve as their Privacy Officer at a significantly higher salary. Training of another AAG will begin anew, with a mere two week notice period.

Turnover such as this results in inefficiencies. The AGO must begin the development of new expertise. In the interim, this creates challenges in meeting client needs and sometimes causes the need to retain Special Assistant Attorneys General (SAAGs). SAAGs are private counsel and typically cost state agencies much more than AAGs.

For example, the following agencies hired AAGs for internal positions in FY 2016 at increased salaries:

Agency	AGO salary	New salary	Increase
Department of Licensing	\$77,748	\$ 92,002	\$14,256
WS Department of Transportation	\$91,584	\$105,288	\$13,704
Secretary of State	\$74,808	\$113,000	\$38,192
Department of Health	\$89,436	\$105,000	\$15,564
Health Care Authority	\$73,800	\$ 92,496	\$18,696

In addition, Snohomish County Prosecutor's Office hired an AAG with the promise of a higher salary, and a guaranteed increase of 5% every year. The need to offer competitive salaries and some predictability in salary increases is a regular comment from attorneys who leave the office.

Recruitment:

Salary has inhibited recruitment of qualified attorneys in a couple of key ways. First, the AGO is aware that some candidates, including many of our own law clerks, do not apply because our salaries will not support their law school debt load, and second, candidates withdraw from consideration once salary is discussed. A legal education is a significant investment and results in significant debt. The average student owes \$140,000 after law school. The average for Seattle University is about \$140,000, Gonzaga University is \$125,000, and University of Washington is \$111,000. These numbers also assume no debt from undergraduate education.

Since 2006, approximately 55% of all AAGs that are hired out of law school separate within their first five years of hire. Of those separating, approximately one-third leave in year three or four. One of the AGO's more recent hires had the following observations about his peers, the reputation of Washington's Attorney General's Office and the problems regarding recruitment and retention:

There are realities—especially starting out. New attorneys here have to make life-choice decisions, such as purchasing a house or starting a family. An AAG starts getting efficient at two years, and then people are moving on. People are moving into municipal jobs for \$20K more than they are earning here. Lots of new law school graduates will not work here because they need to see a salary progression. Without that, they don't know what will happen. No promise of a salary increase is a huge problem.

This type of anecdotal conversation among law school graduates damages our recruitment efforts—a reputation for low salary often means the AGO does not have the opportunity to talk with some potential candidates.

The AGO continues to see qualified candidates withdraw from consideration once salary is discussed. Examples include:

- One candidate currently working in another state agency remarked that she would have to take a \$10,000 pay cut to work at the AGO.
- Another candidate recently withdrew from consideration for a position in our Seattle office because she felt the salary would make it difficult for her to afford to live near the Seattle area.
- In March 2016, a candidate working at the Colorado Attorney General's office withdrew after learning that she would take a \$15,000 pay cut. She specifically noted that the pay cut made it not a viable financial option.

- In June 2016, a candidate turned down an offer with our office to work for the Wyoming Attorney General's office for approximately \$5,000 more in salary.

On top of the inability to match the competing salaries, recruitment is hampered by the fact that the AGO has no predictability in salary increases. However, before the AGO can focus on developing and implementing a methodology for sustaining predictable increases, AAG salaries should align with other public employers. The AGO does not have the compensation resources to assure candidates that, if they can afford the initial lower salary, with time their salaries will increase.

Relationship to the AGO Strategic Plan:

Every aspect of the AGO's Strategic Plan is affected by this request.

1. Priority – Serve the State:
 - a. Goal - Deliver high quality, timely, and efficient legal services.
 - b. Goal - Improve internal efficiency and effectiveness through organizational alignment, technology solutions, and improved use of data.
 - c. Goal - Proactively engage in risk management efforts to reduce the state's liability and improve outcomes for the public.
2. Priority – Protect the People:
 - a. Goal - Fight fraud and protect Washingtonians' pocketbooks.
 - b. Goal - Defend the civil rights of all Washington residents, improve public health, and protect Washington's environment.
 - c. Goal - Hold criminals accountable and protect the safety of Washington's youth and vulnerable adults.
 - d. Goal - Provide an excellent experience to the public in all interactions with the Attorney General's Office.
3. Priority – Empower Our Employees:
 - a. Recruit and retain a high quality, highly skilled, and highly effective workforce to meet the legal needs of the people and state of Washington.
 - b. Promote diversity, inclusiveness, and cultural competency throughout the organization.
 - c. Ensure employees have the skills and knowledge they need to be successful.
 - d. Ensure employees have the tools and work space they need to be efficient and effective.
 - e. Promote the health, safety, and well-being of all employees in the workplace.

The AGO contact for this request is Brendan VanderVelde, Budget Director, (360) 586-2104.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

An independent contractor was retained to analyse the market data. As noted above, the AGO has no true peers in the public sector arena in Washington. Information was obtained from the cities of Bellevue, Bellingham, Everett, Federal Way, Kennewick, Olympia, Seattle, Vancouver, and Yakima; Clark, King, Kitsap, Pierce, Snohomish, Spokane, Thurston and Whatcom Counties; the House of Representatives Office of Program Research, Senate Committee Services, Washington State Senate-Democratic Caucus, and the Washington State Office of Public Defense.

The contractor provided salary comparisons by benchmark and years since law school graduation. Please note that not all public sector peers could provide data by both these categories. The results provided by the contractor were used as the basis for the total cost of the package. The AGO then apportioned the costs to the various funds, activities, and clients using current ratios and added in the cost of benefits.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The AGO objective is to ensure the state and the taxpayers are provided high quality legal services. To do so, the agency must recruit and retain talented, experienced attorneys with subject-matter expertise through offering sustainable, competitive salaries. Our salary history demonstrates that, when we have been able to provide salary increases, our turnover is lowered. And as our public sector competitors continually increase salaries, if we do not, our turnover increases significantly. We have been responsive to job seeker expectations by emphasizing greater work flexibility, training, career advancement opportunities, but we must enhance the compensation plan to retain manageable turnover.

Investing in the AGO is investing in the future of the State of Washington, both in risk management and in economic recovery. The state's AAGs provide guidance and counsel on high profile issues and innovative projects; defend the state in high risk/high exposure litigation; and protect the state's most vulnerable populations. In addition, the AGO provides a true return on investment; in FY 2015 the office recovered more than \$210 million dollars, including tobacco settlements, and recoveries in Antitrust, Consumer Protection, Medicaid Fraud, Bankruptcy and Collections and DSHS.

Relationship to Results Washington:

This request supports all five goal areas of Results Washington as the AGO attorneys work in all areas of state government.

Goal 1: World Class Education

AAGs provide advice and representation to all state educational entities, including the Department of Early Learning, the Office of the Superintendent of Public Instruction, our community and technical colleges and our four year universities. AAGs have represented the state's interests in challenging cases related to the funding of basic education. The AGO often loses attorneys to these clients, and this package will support retention of attorneys with expertise.

Goal 2: Prosperous Economy

AAGs represent the Department of Commerce, the Department of Revenue, and the Department of Labor and Industries, and AAGs in Labor & Personnel and our Education divisions advise and represent all state agencies and institutions of higher education with matters related to employees and labor issues.

Goal 3: Sustainable energy and a clean environment

The AGO is involved in providing advice and representation to all key state agencies engaged in this work, including the Departments of Ecology, Fish and Wildlife, Parks, Natural Resources, Agriculture as well as the Utilities and Transportation Commission.

Goal 4: Healthy and Safe communities

The AGO supports health and safety in the State. AAGs in the Medicaid Fraud Unit promote integrity in the Medicaid program, both in civil and criminal enforcement. The AGO criminal division attorneys prosecute crimes on behalf of county prosecutors and the Governor. The AGO sexually violent predator unit protects public safety by civilly prosecuting dangerous sexual offenders. AAGs represent the Washington State Patrol, the Department of Health, Health Care Authority, and the Department of Social and Health Services.

Goal 5: Effective, Efficient and Accountable Government

By reducing turnover, this request will result in the more efficient and effective provision of legal services by reducing dependence on outside counsel, reducing training costs, reducing recruitment costs, and retaining knowledge and expertise for our state agency clients.

Performance Measure detail:

This request supports all AGO activities and performance measures. The incremental impact is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	See attached distribution of costs by state agency.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	Yes	Salary increases for assistant attorneys general to bring them to the market salary for public sector attorneys in Washington state.
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	No	

What alternatives were explored by the agency and why was this option chosen?

The AGO has made every effort to utilize internal savings and efficiencies to make modest salary increases, and to offer other benefits that might attract or retain employees, such as offering flexible schedules, telecommuting, in house CLE training, paid bar dues and exchange time for excessive hours. These benefits are attractive, but do not equate to a competitive salary for employees who are talented and marketable.

What are the consequences of not funding this request?

The AGO's clients can expect that our staff will work to provide high quality legal services, but the AGO anticipates continued and increasing turnover, loss of expertise, delay in non-litigation services, and in some cases, the need to hire more expensive private counsel as Special Assistant Attorneys General.

How has or can the agency address the issue or need in its current appropriation level?

Because the AGO primarily provides advice and defense to the state, the office's work is driven by other state agency needs and responses to litigation. The AGO moves attorney resources to respond to vacancies as necessary, but uncompetitive salaries result in higher attrition. Attorney attrition results in loss of expertise and experience, which results in delay and increases risk; drives up recruitment and training costs; increases the need to hire expensive outside counsel for state agencies, burdens managers, and reduces efficiency when experienced attorneys that can handle greater caseloads leave – all costing the state significant resources.

The AGO has made every effort to utilize internal savings and efficiencies to make modest salary increases, and to offer other benefits that might attract or retain employees, such as offering flexible schedules, telecommuting, in house CLE training, paid bar dues and exchange time for excessive hours. These benefits are attractive, but do not equate to a competitive salary for employees who are talented and marketable.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

Attachment 1: 2016 Salary Survey Report
Attachment 2: 2016 Salary Survey Slides
Attachment 3: Cost by Client

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

Washington State Attorney General's Office

Salary Survey Report

Prepared by Gallagher Benefit
Services, Inc.
Phoenix, Arizona

September 9, 2016

STUDY BACKGROUND

Gallagher Benefit Services, Inc.'s Fox Lawson Group (FLG) was engaged by the Washington State Attorney General's Office (AGO) to conduct a compensation study of its attorney classifications. This report outlines the results and recommendations of this market compensation survey.

Initial discussions were conducted with the AGO to document and confirm the AGO's current compensation systems, polices, and procedures including compensation and classification strategies and philosophies, market pricing strategies, labor markets and benchmarks for survey. The following materials were collected from the AGO: descriptions of attorney levels and current compensation information.

PUBLIC SECTOR DATA SOURCES AND ANALYSIS

Salary data was collected on 10 benchmark jobs. This benchmark list was approved in advance of the survey by the AGO. Additional organizational and pay practices questions were also included for survey. The survey document was provided to the AGO for review and approval.

FLG attempted to collect market data on each of the benchmark jobs through the conduct of the customized survey. FLG contacted the surveyed organization if any questions occurred with the submitted survey information.

Because the AGO's benchmark classifications have different functions than many of the attorney jobs surveyed, job matches were requested to be made by level of the attorney benchmark; for example, entry, first-level supervisor, division manager, and the like.

BENCHMARK DESCRIPTIONS

The definitions of the 10 attorney benchmark classifications surveyed are as follows: Please note that the classifications described are utilized for the purposes of survey only and are not necessarily descriptive of the attorney classifications currently in use by the AGO.

Benchmark 1: Entry Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification performs routine legal work under close supervision by more experienced Attorneys. Incumbents are developing the core legal knowledge, skills and abilities to advance to the fully-functioning level. Requires admission to the Bar. Incumbents within this classification typically have 0 to 2 years of legal experience.

Benchmark 2: Progressing Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification handles advice and cases of varying levels of complexity with little or minimal supervision. Attorneys at this level have a working knowledge and understanding of legal procedures, and take on more complex assignments with increased experience. Incumbents typically have 3 to 5 years of legal experience.

Benchmark 3: Experienced Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification has significant experience and/or demonstrated expertise in a practice area. This classification makes independent decisions and provides counsel on or litigates more complex legal matters. Incumbents may perform duties in a specialized function or act as a subject matter expert in the organization. Incumbents typically have 5 to 10 years of legal experience.

Benchmark 4: Supervising Experienced Attorney

Reports to: Supervising Attorney or Division Chief

Supervises: Attorneys

Summary: This classification is a first level supervisor of other attorneys and has significant experience and/or demonstrated expertise in practice area. This classification makes independent decisions and provides counsel on or litigates more complex legal matters. Incumbents may perform duties in a specialized function or act as a subject matter expert in the organization. Incumbents typically have 6 or more years of experience.

Benchmark 5: Senior Attorney

Reports to: Supervising or Division Chief

Supervises: None

Summary: This classification performs advanced attorney duties related to difficult and complex legal matters; issues where there is significant policy impact for the clients served; and where very large monetary values are involved. Interpret and resolve matters related to rules, law and ethical obligations. Prepare, manage and present complex cases in a variety of judicial and specialized tribunals. Prepare and argue state and federal appellate cases. Incumbents typically have 10 to 20 years of experience.

Benchmark 6: Supervising Senior Attorney

Reports to: Division Chief or Deputy

Supervises: Attorneys and/or first level supervising attorneys

Summary: This classification is a first or second level supervisor of other attorneys assigning work, evaluating employee performance, resolving personnel matters, and assisting in budget, policy and reporting processes. Perform

advanced attorney duties related to difficult and complex legal matters; issues where there is significant policy impact for the clients served; and where very large monetary values are involved. Interpret and resolve matters related to rules, law and ethical obligations. Prepare, manage and present complex cases in a variety of judicial and specialized tribunals, and prepare and argue state and federal appellate cases. Incumbents typically have 10 to 20 years of experience.

Benchmark 7: Distinguished Attorney

Reports to: Division Chief or Deputy

Supervises: None

Summary: This classification is a highly experienced attorney handling the most complex and high profile cases or legal counsel situations/matters. Provide expert advice to agency heads on best practices and legal implications of policies and actions. May provide advice and counsel to the Legislature and Governor on the legality and effect of legislation and policies. Prepare and argue state and federal appellate cases including arguing cases before the State Supreme Court and assisting in arguing cases before the U. S. Supreme Court, or arguing cases before the U. S. Supreme Court. Incumbents typically have 20 or more years of legal experience.

Benchmark 8: Division Chief

Reports to: Deputy

Supervises: Staff in a legal function, office or program

Summary: This classification typically heads an entire legal function, program or office. Primary duties are administrative, but the position also counsels senior management and attorneys in strategic and high-profile matters. Incumbents manage divisions of the office, representing large or multiple state agencies, including hiring and supervision of attorneys and supervisory professional staff, budget management, making case assignments, maintaining control of case progress, reviewing performance, developing internal systems and assuring compliance with office systems and practices, assuring appropriate workload distribution and providing leadership and mentoring. Oversee complex cases as needed. Typically supervises operations and personnel through supervisors.

Benchmark 9: Deputy

Reports to: Chief Deputy

Supervises: Staff in multiple legal functions or programs

Summary: This classification supervises multiple legal divisions or programs. Primary duties are administrative. Manage and evaluate senior attorney staff in leadership roles for legal divisions or programs., Provide guidance on strategic or high profile matters. Makes and approves personnel decisions. Participates in development of office strategic plan and is responsible for assigned office projects, initiatives or committees often in the lead role. Serve on executive management team. Advise the top executive or elected official.

Benchmark 10: Chief Deputy

Reports to: Top Executive or Elected Official

Supervises: Staff in a legal function, office or program

Summary: This classification supervises all legal divisions or programs in the office through subordinate managers. Primary duties are administrative, but the position also counsels senior management and attorneys in strategic and high-profile matters. Manages and evaluates management level positions. Often final decision-maker in office strategic plan, projects or initiatives. Serves on executive management team, advising the top executive or elected official.

DATA CHARACTERISTICS AND ADJUSTMENT FACTORS

Market data were collected effective July 1, 2016. No time adjustments were made to the data presented in the report. No geographic adjustments were applied to the data presented in the report. Adequate data was obtained for each benchmark.

SURVEY ORGANIZATIONS

A custom survey was conducted for all 10 benchmark classifications. 70% of the 30 organizations sent the survey document actively participated in the survey. The participating organizations are listed below:

1. City of Bellevue
2. City of Bellingham
3. City of Everett
4. City of Federal Way
5. City of Kennewick
6. City of Olympia
7. City of Seattle
8. City of Vancouver
9. City of Yakima
10. Clark County
11. House of Representatives Office of Program Research
12. King County
13. Kitsap County
14. Pierce County
15. Senate Committee Services
16. Snohomish County
17. Spokane County
18. Thurston County
19. Washington State Office of Public Defense
20. Washington State Senate-Democratic Caucus
21. Whatcom County

ORGANIZATIONAL DATA SUMMARY

Organizational Information	AGO	Market
Average Number of Customers	7,062,000	343,160
Average Overall Organization Budget*	Approx. State budget: \$47,000,000,000 Approx. AGO budget: \$169,000,000	\$827,787,318
Average Number of Attorneys	573	40
Average Number of Full Time Equivalents**	State: 110,537 (2015) AGO: 1,236	1,935
Average Number of Attorney Titles	10 (Number of benchmarks used for the purpose of survey)	5.8

*Survey participants generally provided the budget of the entire organization instead of the legal department only. As a result, both the State's and the AGO's annual budget are listed.

**Survey participants generally provided the FTEs for entire organization instead of the legal department only. As a result, both the State's and AGO's FTE figures are listed.

PAY PRACTICES SUMMARY

Pay Practices Information	AGO	Market
Most Recent Employee Increase	1.8%	3.2%
Most Recent Structure Increase	n/a	2.0%
Total Organization Turnover	10.5%	8.0%

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Attorney Bonus Plans	AGO	Market (% of participants who offer)
Lump-Sum Bonuses	No	5%
Team Incentives	No	5%
Skill-Based Pay	No	0%
Knowledge-Based Pay	No	0%
Performance Pay (Merit Pay) (this question was not intended to identify performance pay under the state recognition program, which is no longer available).	Pay may be increased based on available State funding	14%
Longevity	No	10%
Assignment Pay	No	14%
Other	No	10%

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Benchmark	AGO Pay Range Width (No formal Pay Ranges)	Average Market Pay Range Width
Entry Attorney	n/a	35%
Progressing Attorney	n/a	41%
Experienced Attorney	n/a	39%
Supervising Experienced Attorney	n/a	37%
Senior Attorney	n/a	52%
Supervising Senior Attorney	n/a	46%
Distinguished Attorney	n/a	52%
Division Chief	n/a	37%
Deputy	n/a	44%
Chief Deputy	n/a	32%

CONTENT OF MARKET COMPARISON CHARTS

The tables and charts found within pages 10 to 15 of this report reflect the relationship of the AGO's pay data as compared to market pay on a benchmark or years since graduation basis.

In each comparison table, the percentage difference has been calculated as the AGO's salary figure minus the market figure divided by the AGO's salary figure. For example, a positive percentage figure indicates that the AGO pays above the market, and a negative figure indicates that the AGO pays below the market. This percentage difference is shown for each benchmark job or year since graduation, and as an overall figure at the bottom of the table. The overall percentage difference figures at the bottom of the tables are not simply an average of all of the individual averages, but rather, they reflect the sum of all AGO salary rates minus market salary rates divided by the sum of all AGO salary rates. This reflects a more accurate comparison than averaging averages.

Graphical representations (scatter grams) of the various salary comparisons are displayed on pages 11, 14 and 15. These charts represent an analysis of salary levels in comparison with benchmarks or time since law school graduation represented by years across all classifications. Both the AGO and market incumbent data are shown.

The years since graduation market data includes only those organizations that provided years since graduation in their data submission and include the following organizations:

1. Pierce County
2. Whatcom County
3. City of Kennewick
4. City of Olympia
5. City of Yakima
6. Washington State Senate-Democratic Caucus
7. Thurston County
8. Senate Committee Services
9. Washington State Office of Public Defense
10. City of Bellingham
11. Washington State House of Representatives Office of Program Research
12. City of Seattle
13. King County

The graphs exhibit the salary figures (which are shown as plot-points) and the resulting pay trends (trend lines) for both the AGO and the market. Some data points are not visible within the charts because some salary data points are similar and may overlap.

The trend lines were calculated using a statistical procedure called regression analysis, also known as “line of best fit”. It takes into account all of the salary figures (data points) and their corresponding time since graduation to develop one continuous pay line from the lowest level to the highest level. For example, in performing regression analysis, two values are calculated that are utilized in a formula to calculate the pay trend. An ‘x-coefficient’ and a ‘constant’ value are calculated, and they are placed into a formula utilizing the grade to determine the pay trend, or salary rate. This formula is: pay trend (salary rate) = years or benchmark times the x-coefficient value plus the constant value. The trend lines depict how the AGO’s salaries compare to the market salaries and represent linear regression. R squared represents the “fit” of the data to the trend line and thus, the higher the number, the better fit of the data (plot-points).

Average Salary Comparison by Benchmark

No	Benchmark	# of AGO Job Incumbents	AGO Average Actual Salary	Market Average Actual Salary	Difference
1	Entry Attorney	25	\$65,306	\$68,312	-4.6%
2	Progressing Attorney	66	\$69,339	\$87,284	-25.9%
3	Experienced Attorney	76	\$76,633	\$101,796	-32.8%
4	Supervising Exp Attorney	87	\$109,312	\$111,932	-2.4%
5	Senior Attorney	118	\$91,487	\$113,369	-23.9%
6	Supervising Sr Attorney	12	\$120,633	\$118,304	1.9%
7	Distinguished Attorney	156	\$112,314	\$122,834	-9.4%
8	Division Chief	26	\$133,582	\$143,198	-7.2%
9	Deputy	6	\$147,337	\$140,056	4.9%
10	Chief Deputy	1	\$156,182	\$153,757	1.6%
Overall Difference					-7.3%

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Average Pay Range Comparison by Benchmark

The midpoint number may include calculated midpoints for some survey organizations. The AGO does not have formal established pay ranges for each benchmark classification and thus, pay range minimums, midpoints and maximums and market differences are not shown.

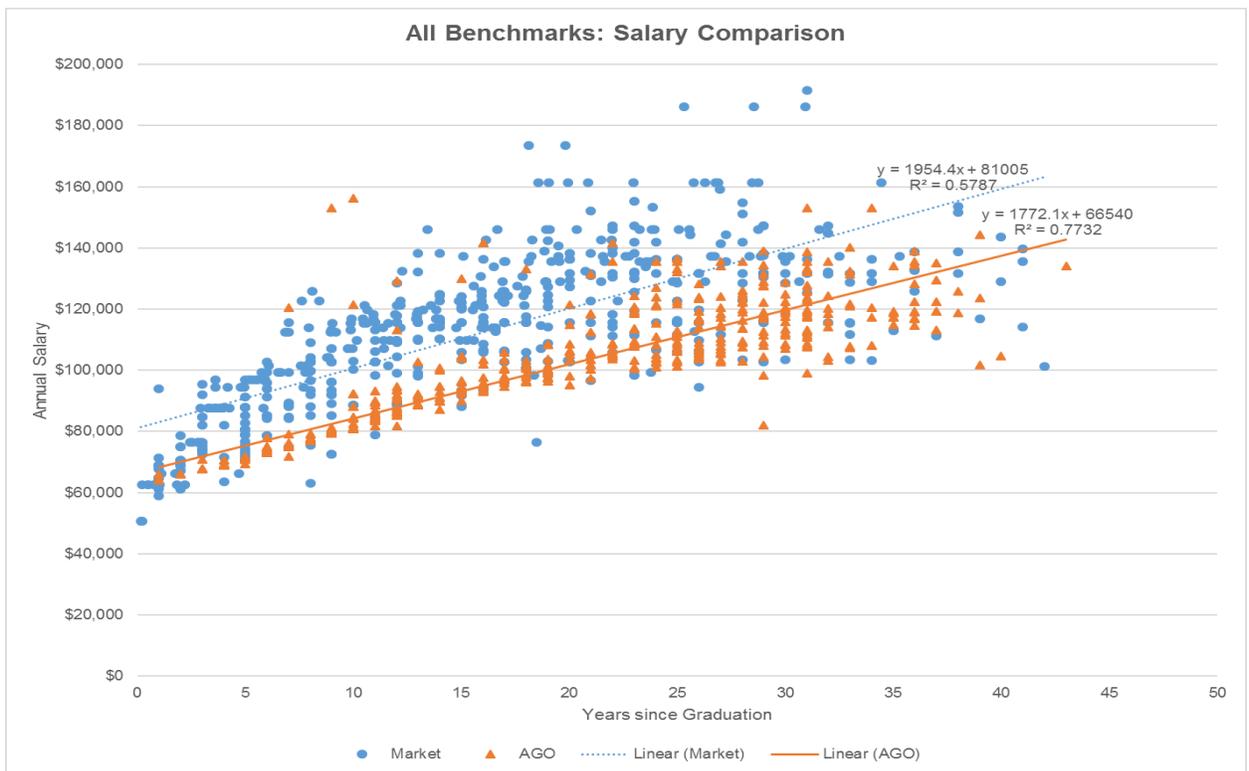
No	Benchmark	AGO Annual Pay Range Minimum	Market Average Range Minimum	Difference	AGO Annual Pay Range Midpoint	Market Average Range Midpoint	Difference	AGO Pay Range Maximum	Market Average Range Maximum	Difference	
1	Entry Attorney	N/A	\$61,151	N/A	N/A	\$68,921	N/A	N/A	\$81,157	N/A	
2	Progressing Attorney	N/A	\$71,244	N/A	N/A	\$84,466	N/A	N/A	\$99,486	N/A	
3	Experienced Attorney	N/A	\$83,870	N/A	N/A	\$98,122	N/A	N/A	\$114,303	N/A	
4	Supervising Exp Attorney	N/A	\$90,595	N/A	N/A	\$105,501	N/A	N/A	\$123,042	N/A	
5	Senior Attorney	N/A	\$84,249	N/A	N/A	\$102,083	N/A	N/A	\$123,862	N/A	
6	Supervising Sr Attorney	N/A	\$90,315	N/A	N/A	\$110,228	N/A	N/A	\$130,394	N/A	
7	Distinguished Attorney	N/A	\$91,170	N/A	N/A	\$109,461	N/A	N/A	\$133,817	N/A	
8	Division Chief	N/A	\$111,653	N/A	N/A	\$129,039	N/A	N/A	\$150,032	N/A	
9	Deputy	N/A	\$102,228	N/A	N/A	\$120,779	N/A	N/A	\$144,226	N/A	
10	Chief Deputy	N/A	\$117,075	N/A	N/A	\$134,645	N/A	N/A	\$156,115	N/A	
Overall Difference				N/A					N/A		

Average Salary Comparison by Years since Graduation (Experience)

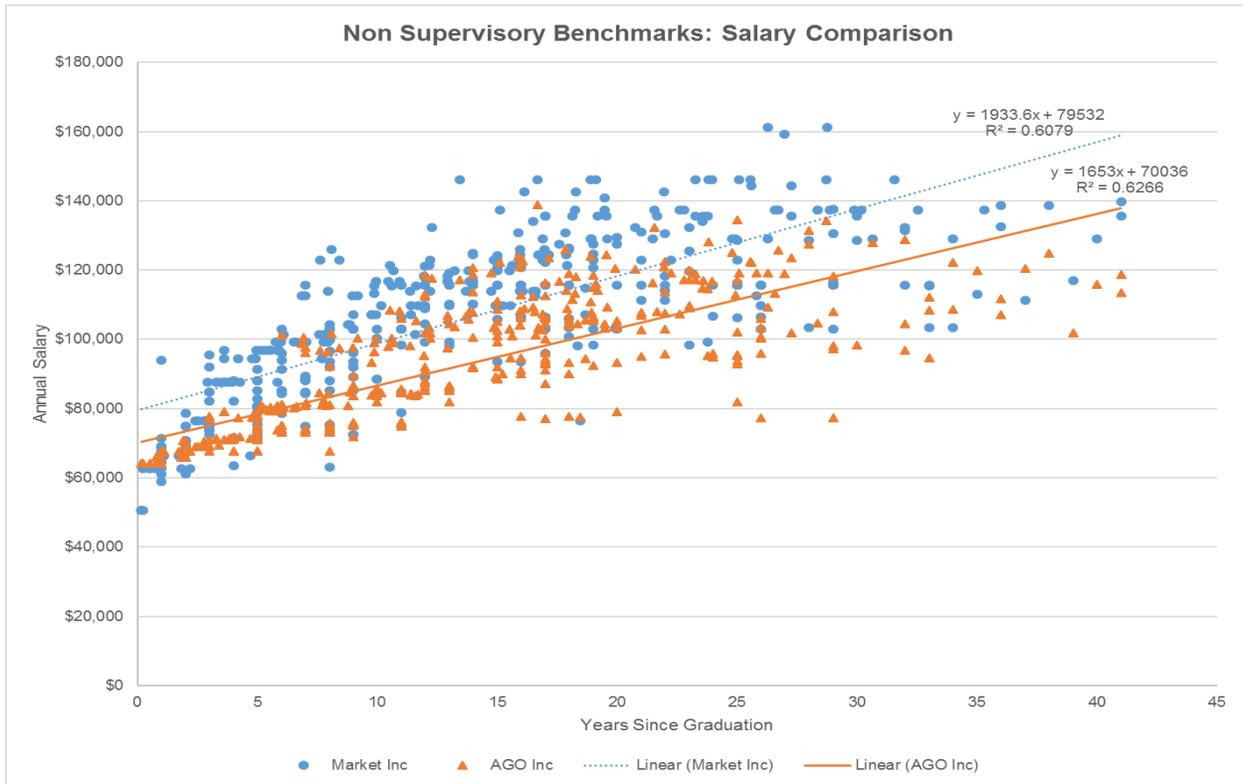
The market average salary data includes only organizations that provided actual salary by years since graduation information. The listing of organizations is located on page 9.

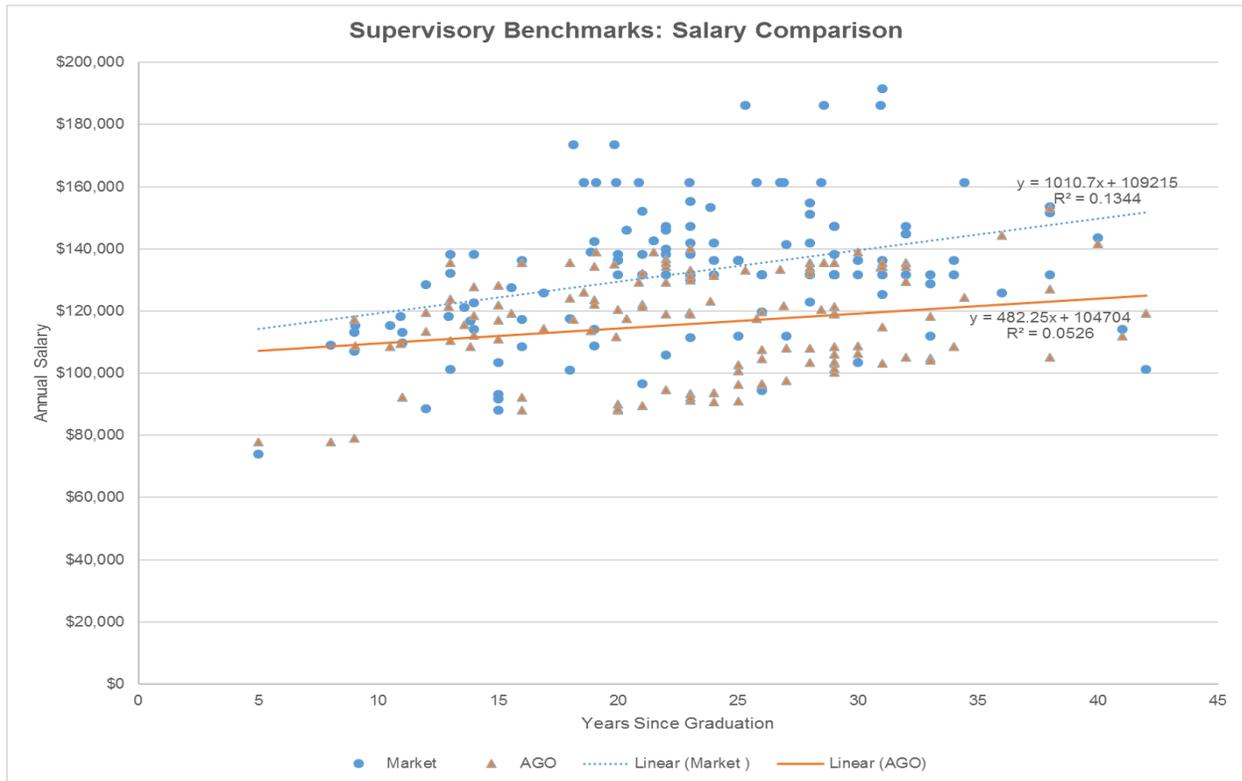
Years of Experience	AGO Average Salary	Market Average Salary	Difference	Years of Experience	AGO Average Salary	Market Average Salary	Difference
1	\$64,317	\$66,437	-3.3%	17	\$99,342	\$121,036	-21.8%
2	\$65,966	\$68,694	-4.1%	18	\$102,468	\$119,981	-17.1%
3	\$67,834	\$79,761	-17.6%	19	\$101,049	\$129,026	-27.7%
4	\$69,137	\$86,328	-24.9%	20	\$106,535	\$133,328	-25.1%
5	\$71,106	\$84,202	-18.4%	21	\$108,758	\$130,376	-19.9%
6	\$74,236	\$92,885	-25.1%	22	\$111,739	\$129,139	-15.6%
7	\$78,305	\$96,407	-23.1%	23	\$111,786	\$134,151	-20.0%
8	\$77,747	\$99,927	-28.5%	24	\$114,570	\$131,672	-14.9%
9	\$83,927	\$98,687	-17.6%	25	\$114,215	\$127,240	-11.4%
10	\$89,926	\$106,147	-18.0%	26	\$112,214	\$125,260	-11.6%
11	\$85,595	\$108,169	-26.4%	27	\$114,474	\$143,288	-25.2%
12	\$91,263	\$111,506	-22.2%	28	\$117,789	\$136,992	-16.3%
13	\$91,852	\$117,234	-27.6%	29	\$119,157	\$135,172	-13.4%
14	\$93,256	\$118,554	-27.1%	30	\$116,619	\$130,019	-11.5%
15	\$97,945	\$111,707	-14.1%	31+	\$121,601	\$132,880	-9.3%
16	\$101,861	\$118,976	-16.8%	Overall Difference			-18.4%

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COST TO BRING AGO PAYLINE TO THE MARKET PAYLINE

The AGO has established an objective of paying its attorneys consistent with the public sector market as defined by the comparator group surveyed in this year’s salary survey. This public sector market’s payline (blue dotted trend line) is shown on the second chart on page 14.

The AGO has historically utilized experience, function/level and performance factors to place its attorneys at the appropriate pay level. The current AGO’s payline (solid orange trend line) is also shown within the chart on page 14 and is below the public sector market’s payline.

The cost to bring the AGO’s employees in its attorney classifications to the salary levels indicated by the market payline (trend line) as shown on the chart found on page 14 is approximately \$10,488,576. The cost is calculated as the total amount to move each AGO attorney employee/incumbent based on years since graduation to the market payline as shown in the chart on page 14.

This cost assumes no changes to the AGO’s incumbent data until the implementation of any salary updates occurs. The cost is also limited to providing increases to attorney incumbents below the market payline.

PRIVATE SECTOR PAY DATA

Private sector data for attorneys was also reviewed in the course of the study and is shown on pages 17 and 18. This information is shown below and on the next pages and represents data from the Economic Research Institute Database. The data represents Washington data with an effective date of 7/1/2016.

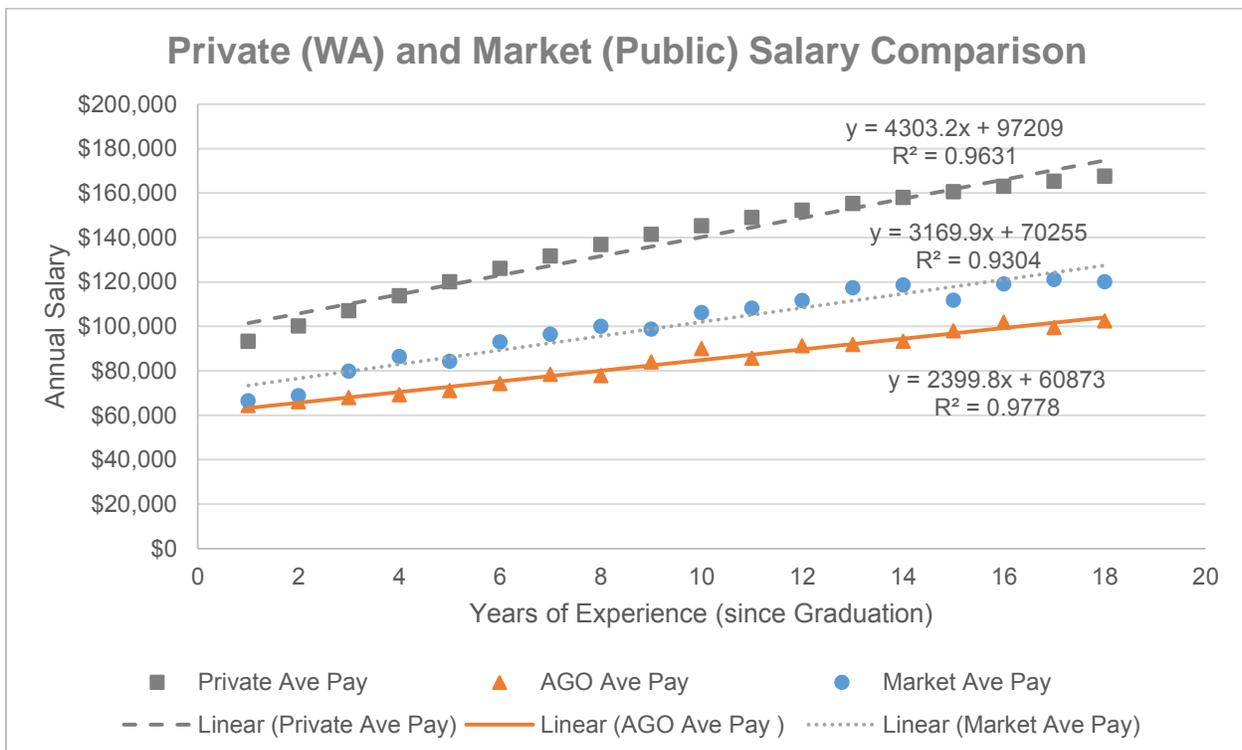
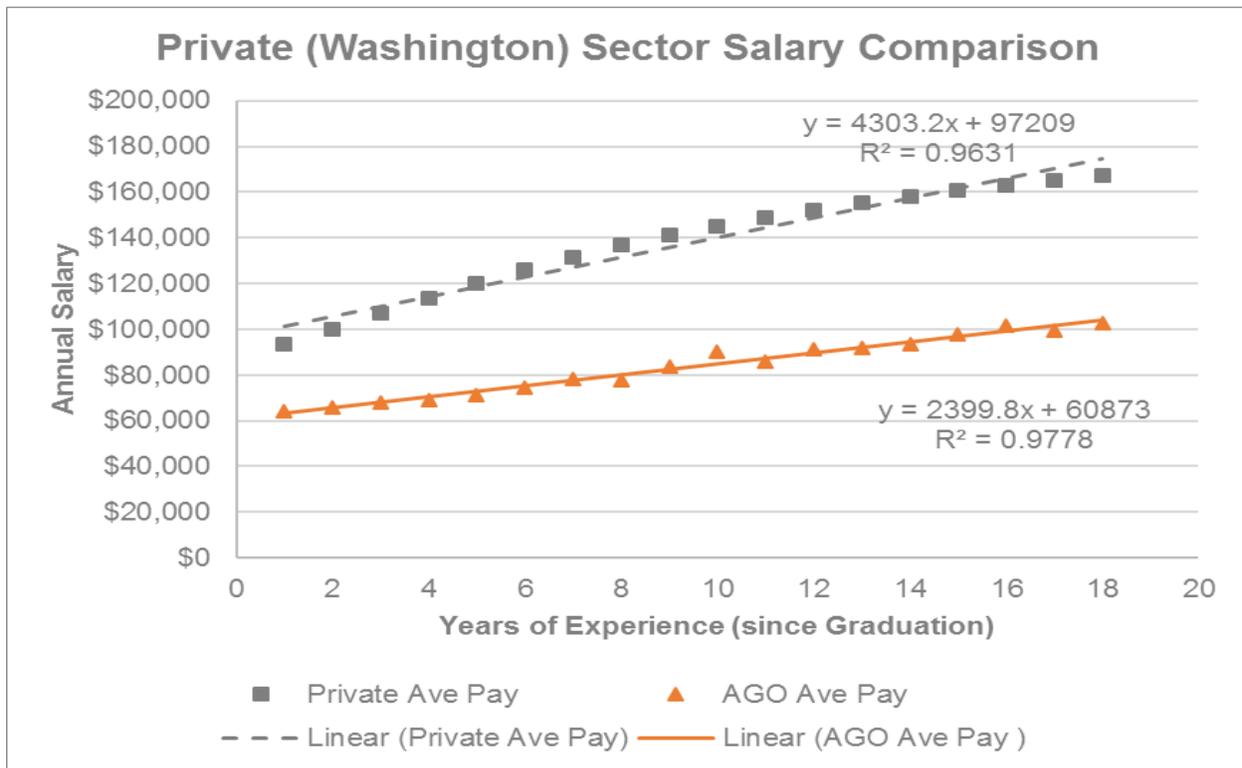
Attorney Corporate

Overview: Advises, consults, litigates and performs trial work, and carries out the legal processes necessary to effect the rights, privileges, and obligations of the organization. Studies Constitution, statutes, decisions, and ordinances of quasi-judicial bodies. Gathers evidence and information for management decision making. Prepares and reviews various legal instruments and documents, such as contracts, leases, licenses, purchases, sales, real estate, etc. Examines legal data to determine advisability of defending or prosecuting lawsuit. Examines material, such as advertisements, publications, etc., for legal implications, advising officials of proposed legislation that might affect the organization. Applies for copyrights or registration of the organization's products, processes, devices, and trademarks, advising whether to initiate or defend law suits. Conducts pretrial preparations and defends the organization in lawsuits. Advises officials on tax matters, government regulations, and/or legal rights. Represents the company before quasi-judicial or administrative agencies of the government. Requires completion of law school with an LLB degree or JD degree and admission to the bar.

Overall, for all levels/years of experience, AGO average salaries are significantly below Washington private sector attorney average salary levels.

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Years of Experience	Average Actual Salary	AGO Average Pay	Difference
1	\$93,201	\$64,317	-44.9%
2	\$100,152	\$65,966	-51.8%
3	\$107,014	\$67,834	-57.8%
4	\$113,680	\$69,137	-64.4%
5	\$120,061	\$71,106	-68.8%
6	\$126,080	\$74,236	-69.8%
7	\$131,671	\$78,305	-68.2%
8	\$136,771	\$77,747	-75.9%
9	\$141,324	\$83,927	-68.4%
10	\$145,231	\$89,926	-61.5%
11	\$148,866	\$85,595	-73.9%
12	\$152,184	\$91,263	-66.8%
13	\$155,196	\$91,852	-69.0%
14	\$157,955	\$93,256	-69.4%
15	\$160,516	\$97,945	-63.9%
16	\$162,932	\$101,861	-60.0%
17	\$165,253	\$99,342	-66.3%
18	\$167,528	\$102,468	-63.5%
Overall Difference			-65.0%



CONCLUSIONS AND RECOMMENDATIONS

In comparison with the public sector market data as collected through the custom survey, the AGO is:

- -7.3% below the market in an average salary comparison with the surveyed benchmark classifications.
- -18.4% below the market in an average salary comparison of years since graduation (years of experience as an attorney).
- The AGO is -65.0% below the private sector market in an average salary comparison of years of experience. (Note: The private sector market is not the AGO's primary comparison market.)

Based on AGO incumbent data collected effective July 1, 2016, the cost to bring AGO attorney salaries in alignment with the public sector market as established through data obtained during this salary survey is approximately \$10,488,576. The cost is also limited to providing increases to attorney incumbents below the market payline.

Appendix A – Detailed Job Summaries

1	Entry Attorney	# of Incumbents	82	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	17					
		Average		\$68,312	\$61,151	\$68,921	\$81,157	35%
		Median		\$68,341	\$62,262	\$68,700	\$81,747	30%
		60th Percentile		\$69,300	\$63,898	\$72,746	\$82,824	
		75th Percentile		\$71,625	\$67,662	\$75,972	\$87,213	
		90th Percentile		\$74,966	\$68,881	\$78,223	\$94,323	
		Low		\$58,147	\$46,884	\$47,463	\$62,581	
		High		\$87,600	\$70,575	\$83,975	\$105,876	

2	Progressing Attorney	# of Incumbents	165	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	15					
		Average		\$87,284	\$71,244	\$84,466	\$99,486	41%
		Median		\$84,364	\$70,328	\$83,502	\$96,204	35%
		60th Percentile		\$92,059	\$72,154	\$85,332	\$98,309	
		75th Percentile		\$94,763	\$75,812	\$89,160	\$103,400	
		90th Percentile		\$98,051	\$84,144	\$98,502	\$117,246	
		Low		\$71,238	\$46,884	\$66,216	\$82,596	
		High		\$116,880	\$87,480	\$102,409	\$129,012	

3	Experienced Attorney	# of Incumbents	236	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	18					
		Average		\$101,796	\$83,870	\$98,122	\$114,303	39%
		Median		\$99,565	\$84,732	\$99,393	\$110,022	32%
		60th Percentile		\$103,104	\$87,289	\$100,068	\$115,830	
		75th Percentile		\$110,369	\$91,584	\$102,678	\$119,466	
		90th Percentile		\$118,765	\$99,980	\$115,276	\$136,304	
		Low		\$82,894	\$54,384	\$76,824	\$90,093	
		High		\$134,681	\$107,412	\$123,516	\$139,620	

4	Supervising Exp Attorney	# of Incumbents	110	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	13					
		Average		\$111,932	\$90,595	\$105,501	\$123,042	37%
		Median		\$110,782	\$89,228	\$101,836	\$122,559	31%
		60th Percentile		\$113,570	\$94,130	\$106,207	\$129,191	
		75th Percentile		\$122,167	\$101,735	\$116,438	\$135,816	
		90th Percentile		\$131,504	\$107,171	\$123,353	\$139,290	
		Low		\$73,919	\$69,648	\$80,568	\$93,444	
		High		\$131,724	\$107,470	\$126,165	\$144,859	

5	Senior Attorney	# of Incumbents	164	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	9					
		Average		\$113,369	\$84,249	\$102,083	\$123,862	52%
		Median		\$115,839	\$83,146	\$99,499	\$128,362	35%
		60th Percentile		\$118,882	\$85,610	\$99,597	\$129,020	
		75th Percentile		\$119,904	\$89,340	\$102,525	\$130,703	
		90th Percentile		\$122,206	\$103,819	\$113,397	\$135,648	
		Low		\$93,534	\$69,648	\$93,444	\$108,360	
		High		\$126,193	\$112,571	\$120,813	\$135,648	

6	Supervising Sr Attorney	# of Incumbents	95	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	7					
		Average		\$118,304	\$90,315	\$110,228	\$130,394	46%
		Median		\$108,185	\$83,348	\$102,824	\$135,648	38%
		60th Percentile		\$124,277	\$91,984	\$111,645	\$139,315	
		75th Percentile		\$136,935	\$104,938	\$124,877	\$144,817	
		90th Percentile		\$140,637	\$109,518	\$132,096	\$154,674	
		Low		\$93,435	\$70,000	\$91,712	\$101,342	
		High		\$143,295	\$112,571	\$136,909	\$161,246	

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7	Distinguished Attorney	# of Incumbents	57	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	5					
		Average		\$122,834	\$91,170	\$109,461	\$133,817	52%
		Median		\$122,795	\$87,739	\$100,788	\$142,404	28%
		60th Percentile		\$125,291	\$89,119	\$101,791	\$142,404	
		75th Percentile		\$129,036	\$91,188	\$103,296	\$142,404	
		90th Percentile		\$135,200	\$114,875	\$128,892	\$153,709	
		Low		\$106,641	\$73,128	\$96,729	\$106,641	
		High		\$139,309	\$130,667	\$145,957	\$161,246	

8	Division Chief	# of Incumbents	20	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	8					
		Average		\$143,198	\$111,653	\$129,039	\$150,032	37%
		Median		\$141,960	\$106,476	\$124,224	\$145,776	33%
		60th Percentile		\$142,212	\$113,993	\$131,241	\$150,614	
		75th Percentile		\$145,305	\$125,804	\$136,386	\$155,977	
		90th Percentile		\$158,336	\$136,971	\$146,745	\$166,433	
		Low		\$129,096	\$76,812	\$108,516	\$134,874	
		High		\$173,496	\$143,523	\$161,581	\$181,924	

9	Deputy	# of Incumbents	22	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	10					
		Average		\$140,056	\$102,228	\$120,779	\$144,226	44%
		Median		\$134,955	\$99,873	\$118,635	\$141,474	34%
		60th Percentile		\$137,806	\$102,563	\$120,610	\$143,068	
		75th Percentile		\$144,038	\$107,684	\$123,603	\$148,377	
		90th Percentile		\$150,033	\$112,124	\$128,396	\$167,291	
		Low		\$117,326	\$76,812	\$105,864	\$117,326	
		High		\$186,290	\$146,968	\$165,459	\$186,290	

10	Chief Deputy	# of Incumbents	20	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	16					
		Average		\$153,757	\$117,075	\$134,645	\$156,115	32%
		Median		\$155,189	\$113,039	\$138,156	\$151,834	31%
		60th Percentile		\$157,330	\$127,512	\$140,774	\$155,189	
		75th Percentile		\$162,311	\$129,474	\$145,602	\$163,478	
		90th Percentile		\$174,768	\$131,436	\$146,803	\$175,742	
		Low		\$117,635	\$92,172	\$117,414	\$134,874	
		High		\$191,484	\$139,234	\$151,176	\$191,484	

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Washington State Office of the Attorney General Salary Survey Report

SEPTEMBER 9, 2016



Study Background

- Gallagher Benefit Services, Inc.'s Fox Lawson Group (FLG) was engaged by the Washington State Attorney General's Office (AGO) to conduct a compensation study of its attorney classifications. This report outlines the results and recommendations of this market compensation survey.
- Initial discussions were conducted with the AGO to document and confirm the AGO's current compensation systems, policies, and procedures including:
 - Compensation and classification strategies and philosophies
 - Market pricing strategies
 - Labor markets
 - Benchmarks for survey
- The following materials were collected from the AGO:
 - Descriptions of attorney levels
 - Current compensation information

Study Background

PUBLIC SECTOR DATA SOURCES AND ANALYSIS

- Salary data was collected on 10 benchmark jobs. This benchmark list was approved in advance of the survey by the AGO.
- Additional organizational and pay practices questions were also included for survey.
- The survey document was provided to the AGO for review and approval.
- FLG attempted to collect market data on each of the benchmark jobs through the conduct of the customized survey.
- FLG contacted the surveyed organization if any questions occurred with the submitted survey information.
- Because the AGO's benchmark classifications have different functions than many of the attorney jobs surveyed, job matches were requested to be made by level of the attorney benchmark; for example, entry, first-level supervisor, division manager, and the like.

Study Background

BENCHMARK DESCRIPTIONS

- The definitions of the 10 attorney benchmark classifications surveyed are shown on pages 4 – 8.
- The classifications described are utilized for the purposes of survey only and are not necessarily descriptive of the attorney classifications currently in use by the AGO.

Benchmark 1: Entry Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification performs routine legal work under close supervision by more experienced Attorneys. Incumbents are developing the core legal knowledge, skills and abilities to advance to the fully-functioning level. Requires admission to the Bar. Incumbents within this classification typically have 0 to 2 years of legal experience.

Benchmark 2: Progressing Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification handles advice and cases of varying levels of complexity with little or minimal supervision. Attorneys at this level have a working knowledge and understanding of legal procedures, and take on more complex assignments with increased experience. Incumbents typically have 3 to 5 years of legal experience.

Study Background

BENCHMARK DESCRIPTIONS

Benchmark 3: Experienced Attorney

Reports to: Supervising Attorney

Supervises: None

Summary: This classification has significant experience and/or demonstrated expertise in a practice area. This classification makes independent decisions and provides counsel on or litigates more complex legal matters. Incumbents may perform duties in a specialized function or act as a subject matter expert in the organization. Incumbents typically have 5 to 10 years of legal experience.

Benchmark 4: Supervising Experienced Attorney

Reports to: Supervising Attorney or Division Chief

Supervises: Attorneys

Summary: This classification is a first level supervisor of other attorneys and has significant experience and/or demonstrated expertise in practice area. This classification makes independent decisions and provides counsel on or litigates more complex legal matters. Incumbents may perform duties in a specialized function or act as a subject matter expert in the organization. Incumbents typically have 6 or more years of experience.

Study Background

BENCHMARK DESCRIPTIONS

Benchmark 5: Senior Attorney

Reports to: Supervising or Division Chief

Supervises: None

Summary: This classification performs advanced attorney duties related to difficult and complex legal matters; issues where there is significant policy impact for the clients served; and where very large monetary values are involved. Interpret and resolve matters related to rules, law and ethical obligations. Prepare, manage and present complex cases in a variety of judicial and specialized tribunals. Prepare and argue state and federal appellate cases. Incumbents typically have 10 to 20 years of experience.

Benchmark 6: Supervising Senior Attorney

Reports to: Division Chief or Deputy

Supervises: Attorneys and/or first level supervising attorneys

Summary: This classification is a first or second level supervisor of other attorneys assigning work, evaluating employee performance, resolving personnel matters, and assisting in budget, policy and reporting processes. Perform advanced attorney duties related to difficult and complex legal matters; issues where there is significant policy impact for the clients served; and where very large monetary values are involved. Interpret and resolve matters related to rules, law and ethical obligations. Prepare, manage and present complex cases in a variety of judicial and specialized tribunals, and prepare and argue state and federal appellate cases. Incumbents typically have 10 to 20 years of experience.

Study Background

BENCHMARK DESCRIPTIONS

Benchmark 7: Distinguished Attorney

Reports to: Division Chief or Deputy

Supervises: None

Summary: This classification is a highly experienced attorney handling the most complex and high profile cases or legal counsel situations/matters. Provide expert advice to agency heads on best practices and legal implications of policies and actions. May provide advice and counsel to the Legislature and Governor on the legality and effect of legislation and policies. Prepare and argue state and federal appellate cases including arguing cases before the State Supreme Court and assisting in arguing cases before the U. S. Supreme Court, or arguing cases before the U. S. Supreme Court. Incumbents typically have 20 or more years of legal experience.

Benchmark 8: Division Chief

Reports to: Deputy

Supervises: Staff in a legal function, office or program

Summary: This classification typically heads an entire legal function, program or office. Primary duties are administrative, but the position also counsels senior management and attorneys in strategic and high-profile matters. Incumbents manage divisions of the office, representing large or multiple state agencies, including hiring and supervision of attorneys and supervisory professional staff, budget management, making case assignments, maintaining control of case progress, reviewing performance, developing internal systems and assuring compliance with office systems and practices, assuring appropriate workload distribution and providing leadership and mentoring. Oversee complex cases as needed. Typically supervises operations and personnel through supervisors.

Study Background

BENCHMARK DESCRIPTIONS

Benchmark 9: Deputy

Reports to: Chief Deputy

Supervises: Staff in multiple legal functions or programs

Summary: This classification supervises multiple legal divisions or programs. Primary duties are administrative. Manage and evaluate senior attorney staff in leadership roles for legal divisions or programs., Provide guidance on strategic or high profile matters. Makes and approves personnel decisions. Participates in development of office strategic plan and is responsible for assigned office projects, initiatives or committees often in the lead role. Serve on executive management team. Advise the top executive or elected official.

Benchmark 10: Chief Deputy

Reports to: Top Executive or Elected Official

Supervises: Staff in a legal function, office or program

Summary: This classification supervises all legal divisions or programs in the office through subordinate managers. Primary duties are administrative, but the position also counsels senior management and attorneys in strategic and high-profile matters. Manages and evaluates management level positions. Often final decision-maker in office strategic plan, projects or initiatives. Serves on executive management team, advising the top executive or elected official.

Study Background

DATA CHARACTERISTICS AND ADJUSTMENT FACTORS

- Market data were collected effective July 1, 2016.
- No time adjustments were made to the data presented in the report.
- No geographic adjustments were applied to the data presented in the report.
- Adequate data was obtained for each benchmark.

Study Results

- A custom survey was conducted for all 10 benchmark classifications.
- 70% of the 30 organizations sent the survey document actively participated in the survey. The participating organizations are listed below:

Survey Participants	
City of Bellevue	King County
City of Bellingham	Kitsap County
City of Everett	Pierce County
City of Federal Way	Senate Committee Services
City of Kennewick	Snohomish County
City of Olympia	Spokane County
City of Seattle	Thurston County
City of Vancouver	WA State Office of Public Defense
City of Yakima	WA State Senate-Democratic Caucus
Clark County	Whatcom County
House of Representatives Office of Program Research	

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Survey Results

ORGANIZATIONAL DATA SUMMARY

Organizational Information	AGO	Market
Average Number of Customers	7,062,000	343,160
Average Overall Organization Budget*	Approx. State budget: \$47,000,000,000 Approx. AGO budget: \$169,000,000	\$827,787,318
Average Number of Attorneys	573	40
Average Number of Full Time Equivalents**	State: 110,537 (2015) AGO: 1,236	1,935
Average Number of Attorney Titles	10 (Number of benchmarks used for the purpose of survey)	5.8

*Survey participants generally provided the budget of the entire organization instead of the legal department only. As a result, both the State's and the AGO's annual budget are listed.

**Survey participants generally provided the FTEs for entire organization instead of the legal department only. As a result, both the State's and AGO's FTE figures are listed.

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Survey Results

PAY PRACTICES SUMMARY

Pay Practices Information	AGO	Market
Most Recent Employee Increase	1.8%	3.2%
Most Recent Structure Increase	n/a	2.0%
Total Organization Turnover	10.5%	8.0%

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Survey Results

PAY PRACTICES SUMMARY

Attorney Bonus Plans	AGO	Market (% of participants who offer)
Lump-Sum Bonuses	No	5%
Team Incentives	No	5%
Skill-Based Pay	No	0%
Knowledge-Based Pay	No	0%
Performance Pay (Merit Pay) <small>(this question was not intended to identify performance pay under the state recognition program, which is no longer available).</small>	Pay may be increased based on available State funding	14%
Longevity	No	10%
Assignment Pay	No	14%
Other	No	10%

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Survey Results

PAY RANGE WIDTH SUMMARY

Benchmark	AGO (No formal Pay Ranges)	Average Market
Entry Attorney	n/a	35%
Progressing Attorney	n/a	41%
Experienced Attorney	n/a	39%
Supervising Experienced Attorney	n/a	37%
Senior Attorney	n/a	52%
Supervising Senior Attorney	n/a	46%
Distinguished Attorney	n/a	52%
Division Chief	n/a	37%
Deputy	n/a	44%
Chief Deputy	n/a	32%

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Survey Results

CONTENT OF MARKET COMPARISON CHARTS

- The tables and charts found within pages 17 to 30 of this report reflect the relationship of the AGO's pay data as compared to market pay on a benchmark or years since graduation basis.
- Charts on pages 18, 21, and 28: In each comparison, the percentage difference has been calculated as the AGO's salary figure minus the market figure divided by the AGO's salary figure. For example, a positive percentage figure indicates that the AGO pays above the market, and a negative figure indicates that the AGO pays below the market. This percentage difference is shown for each benchmark job or year since graduation, and as an overall figure at the bottom of the table.
- The overall percentage difference figures at the bottom of the tables are not simply an average of all of the individual averages, but rather, they reflect the sum of all AGO salary rates minus market salary rates divided by the sum of all AGO salary rates. This reflects a more accurate comparison than averaging averages.

Survey Results

CONTENT OF MARKET COMPARISON CHARTS

- Graphical representations (scatter grams) of the various salary comparisons are displayed throughout pages 19 to 30.
- These charts represent an analysis of salary levels in comparison with benchmarks or time since law school graduation represented by years across all classifications. Both the AGO and market incumbent data are shown.
- The years since graduation market data includes only those organizations that provided years since graduation in their data submission and include the following organizations:
 - ✓ Pierce County
 - ✓ Whatcom County
 - ✓ City of Kennewick
 - ✓ City of Olympia
 - ✓ City of Yakima
 - ✓ Washington State Senate-Democratic Caucus
 - ✓ Thurston County
 - ✓ Senate Committee Services
 - ✓ Washington State Office of Public Defense
 - ✓ City of Bellingham
 - ✓ Washington State House of Representatives Office of Program Research
 - ✓ City of Seattle
 - ✓ King County

Survey Results

CONTENT OF MARKET COMPARISON CHARTS CONTINUED

- The graphs exhibit the salary figures (which are shown as plot-points) and the resulting pay trends (trend lines) for both the AGO and the market. Some data points are not visible within the charts because some salary data points are similar and may overlap.
- The trend lines were calculated using a statistical procedure called regression analysis, also known as “line of best fit”. It takes into account all of the salary figures (data points) and their corresponding time since graduation to develop one continuous pay line from the lowest level to the highest level. For example, in performing regression analysis, two values are calculated that are utilized in a formula to calculate the pay trend. An ‘x-coefficient’ and a ‘constant’ value are calculated, and they are placed into a formula utilizing the grade to determine the pay trend, or salary rate. This formula is: $\text{pay trend (salary rate)} = \text{years or benchmark} \times \text{x-coefficient value} + \text{constant value}$. The trend lines depict how the AGO’s salaries compare to the market salaries and represent linear regression.
- R squared represents the “fit” of the data to the trend line and thus, the higher the number, the better fit of the data (plot-points).

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Survey Results

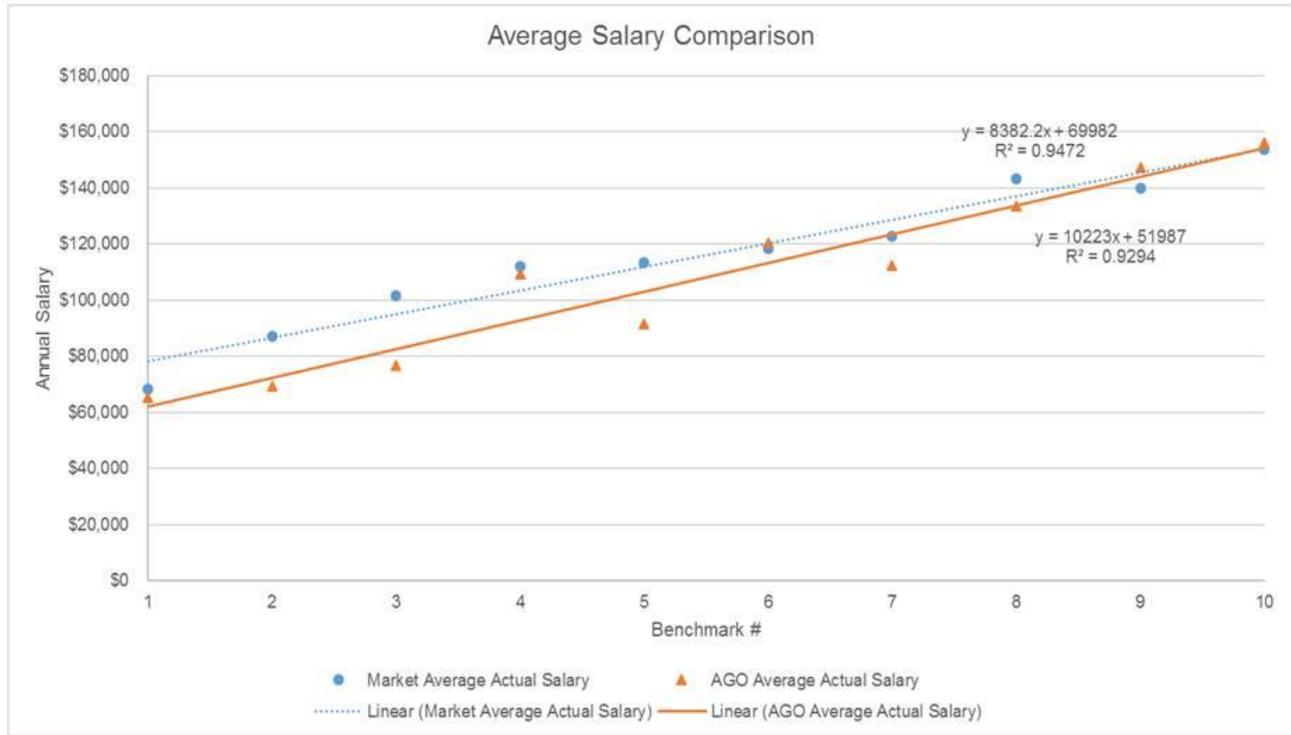
AVERAGE SALARY COMPARISON BY BENCHMARK

No	Benchmark	# of AGO Job Incumbents	AGO Average Actual Salary	Market Average Actual Salary	Difference
1	Entry Attorney	25	\$65,306	\$68,312	-4.6%
2	Progressing Attorney	66	\$69,339	\$87,284	-25.9%
3	Experienced Attorney	76	\$76,633	\$101,796	-32.8%
4	Supervising Exp Attorney	87	\$109,312	\$111,932	-2.4%
5	Senior Attorney	118	\$91,487	\$113,369	-23.9%
6	Supervising Sr Attorney	12	\$120,633	\$118,304	1.9%
7	Distinguished Attorney	156	\$112,314	\$122,834	-9.4%
8	Division Chief	26	\$133,582	\$143,198	-7.2%
9	Deputy	6	\$147,337	\$140,056	4.9%
10	Chief Deputy	1	\$156,182	\$153,757	1.6%
	Overall Difference				-7.3%

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Survey Results

AVERAGE SALARY COMPARISON BY BENCHMARK



Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Survey Results

AVERAGE PAY RANGE COMPARISON BY BENCHMARK

- Midpoint number may include calculated midpoints for some survey organizations.
- The AGO does not have formal established pay ranges for each benchmark classification and thus, pay range minimums, midpoints and maximums and market differences are not shown.

No	Benchmark	AGO Annual Pay Range Minimum	Market Average Range Minimum	Difference	AGO Annual Pay Range Midpoint	Market Average Range Midpoint	Difference	AGO Pay Range Maximum	Market Average Range Maximum	Difference	
1	Entry Attorney	N/A	\$61,151	N/A	N/A	\$68,921	N/A	N/A	\$81,157	N/A	
2	Progressing Attorney	N/A	\$71,244	N/A	N/A	\$84,466	N/A	N/A	\$99,486	N/A	
3	Experienced Attorney	N/A	\$83,870	N/A	N/A	\$98,122	N/A	N/A	\$114,303	N/A	
4	Supervising Exp Attorney	N/A	\$90,595	N/A	N/A	\$105,501	N/A	N/A	\$123,042	N/A	
5	Senior Attorney	N/A	\$84,249	N/A	N/A	\$102,083	N/A	N/A	\$123,862	N/A	
6	Supervising Sr Attorney	N/A	\$90,315	N/A	N/A	\$110,228	N/A	N/A	\$130,394	N/A	
7	Distinguished Attorney	N/A	\$91,170	N/A	N/A	\$109,461	N/A	N/A	\$133,817	N/A	
8	Division Chief	N/A	\$111,653	N/A	N/A	\$129,039	N/A	N/A	\$150,032	N/A	
9	Deputy	N/A	\$102,228	N/A	N/A	\$120,779	N/A	N/A	\$144,226	N/A	
10	Chief Deputy	N/A	\$117,075	N/A	N/A	\$134,645	N/A	N/A	\$156,115	N/A	
Overall Difference				N/A				N/A			

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Survey Results

AVERAGE SALARY COMPARISON BY YEARS SINCE GRADUATION (EXPERIENCE)

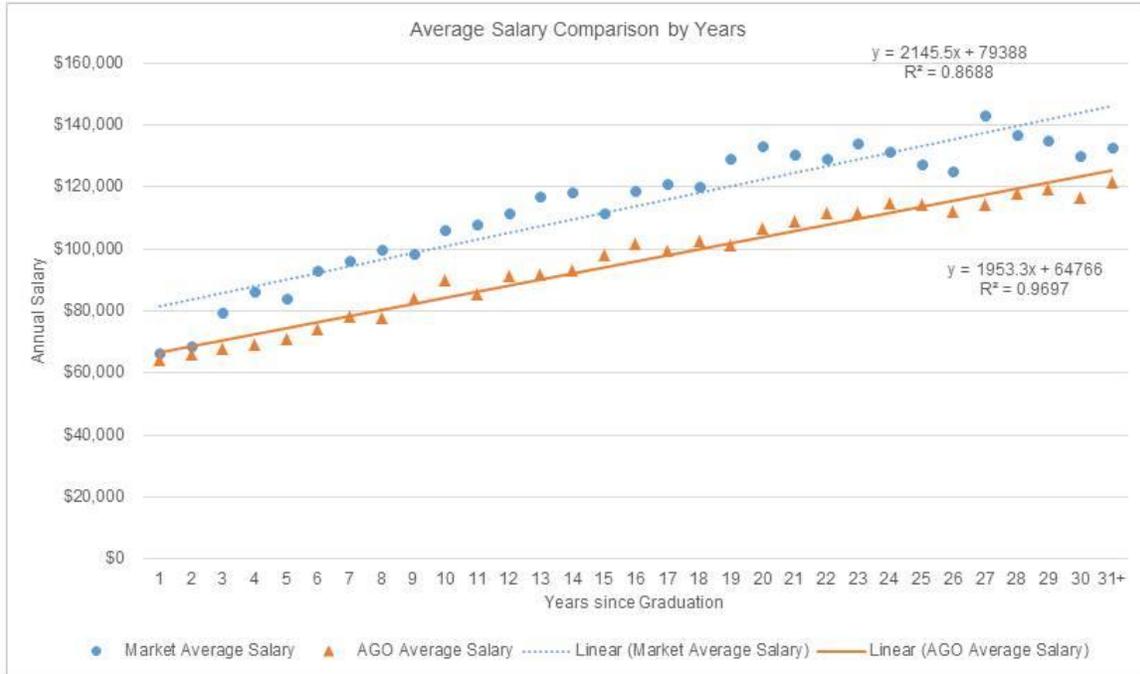
- Market average salary data includes only organizations that provided actual salary by years since graduation information. The listing of organizations is located on page 16.

Years of Experience	AGO Average Salary	Market Average Salary	Difference	Years of Experience	AGO Average Salary	Market Average Salary	Difference
1	\$64,317	\$66,437	-3.3%	17	\$99,342	\$121,036	-21.8%
2	\$65,966	\$68,694	-4.1%	18	\$102,468	\$119,981	-17.1%
3	\$67,834	\$79,761	-17.6%	19	\$101,049	\$129,026	-27.7%
4	\$69,137	\$86,328	-24.9%	20	\$106,535	\$133,328	-25.1%
5	\$71,106	\$84,202	-18.4%	21	\$108,758	\$130,376	-19.9%
6	\$74,236	\$92,885	-25.1%	22	\$111,739	\$129,139	-15.6%
7	\$78,305	\$96,407	-23.1%	23	\$111,786	\$134,151	-20.0%
8	\$77,747	\$99,927	-28.5%	24	\$114,570	\$131,672	-14.9%
9	\$83,927	\$98,687	-17.6%	25	\$114,215	\$127,240	-11.4%
10	\$89,926	\$106,147	-18.0%	26	\$112,214	\$125,260	-11.6%
11	\$85,595	\$108,169	-26.4%	27	\$114,474	\$143,288	-25.2%
12	\$91,263	\$111,506	-22.2%	28	\$117,789	\$136,992	-16.3%
13	\$91,852	\$117,234	-27.6%	29	\$119,157	\$135,172	-13.4%
14	\$93,256	\$118,554	-27.1%	30	\$116,619	\$130,019	-11.5%
15	\$97,945	\$111,707	-14.1%	31+	\$121,601	\$132,880	-9.3%
16	\$101,861	\$118,976	-16.8%	Overall Difference			-18.4%

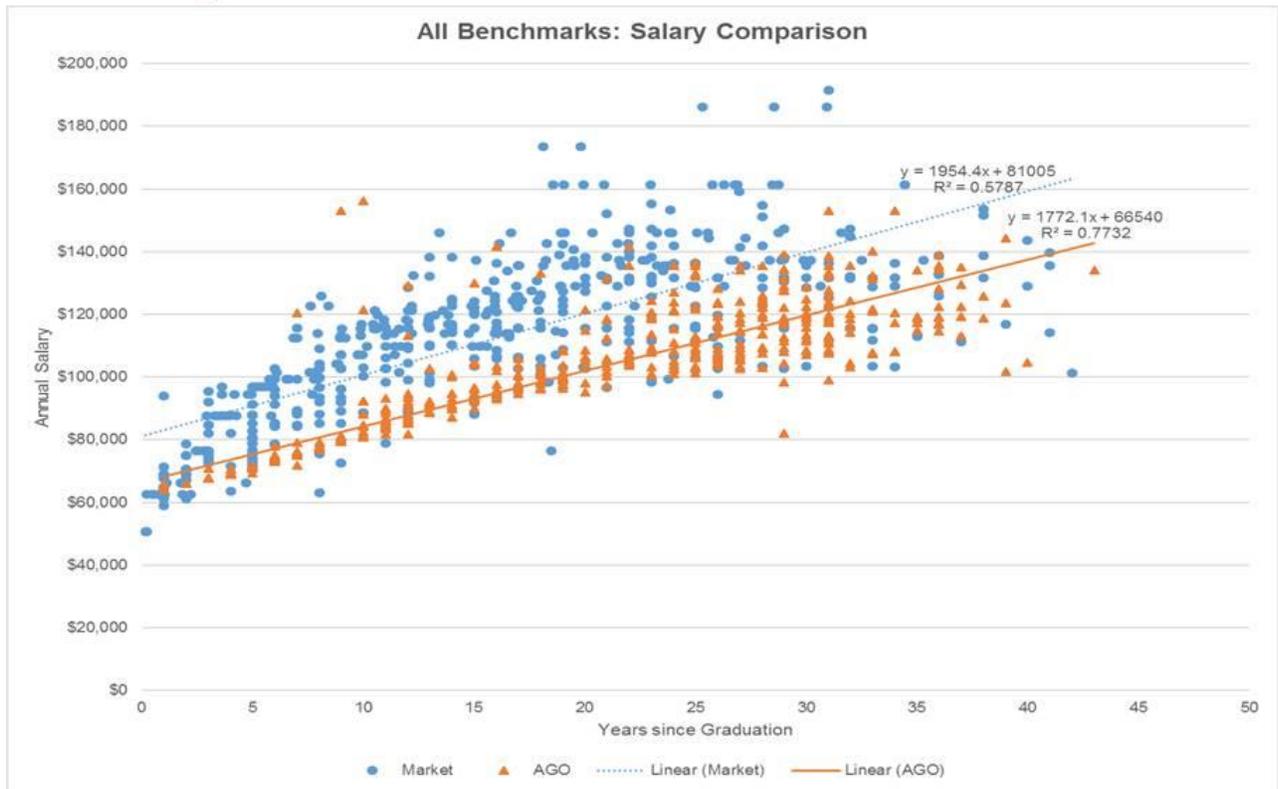
Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Survey Results

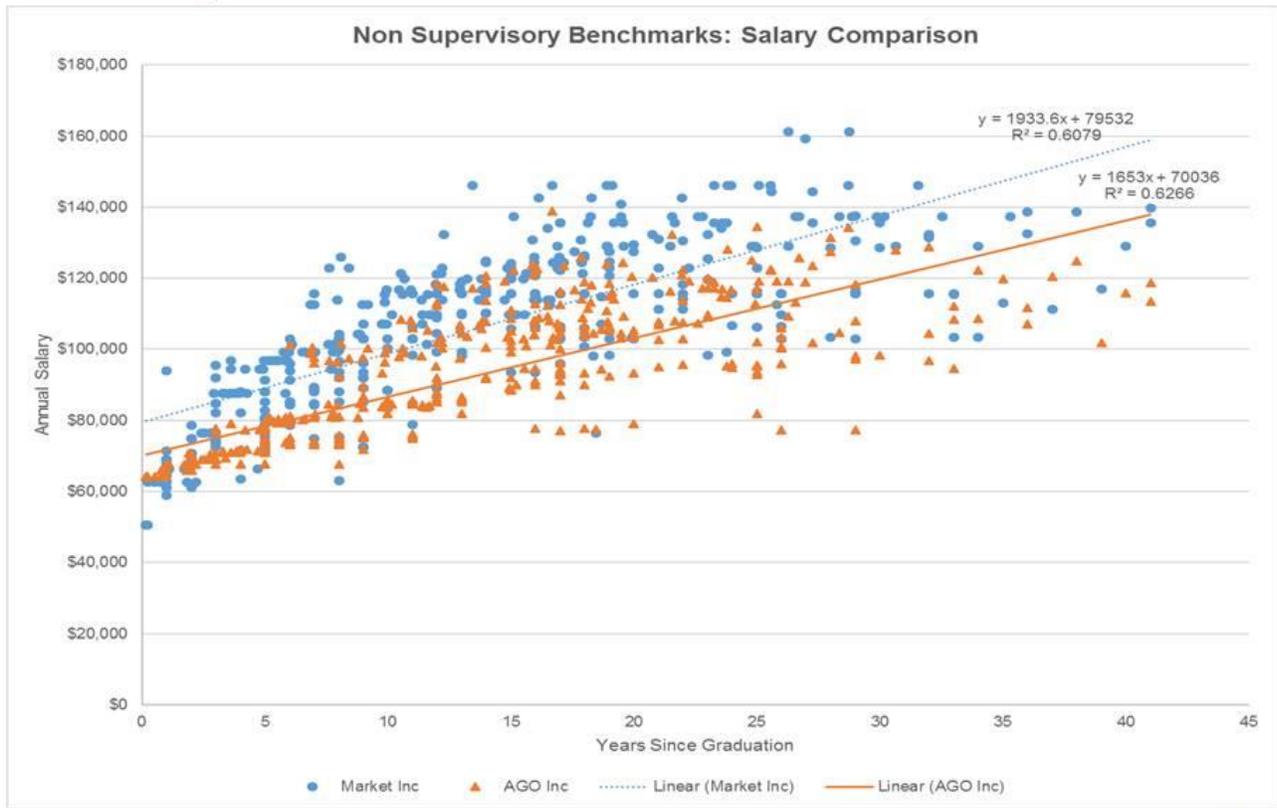
AVERAGE SALARY COMPARISON BY YEARS SINCE GRADUATION (EXPERIENCE)



Study Results



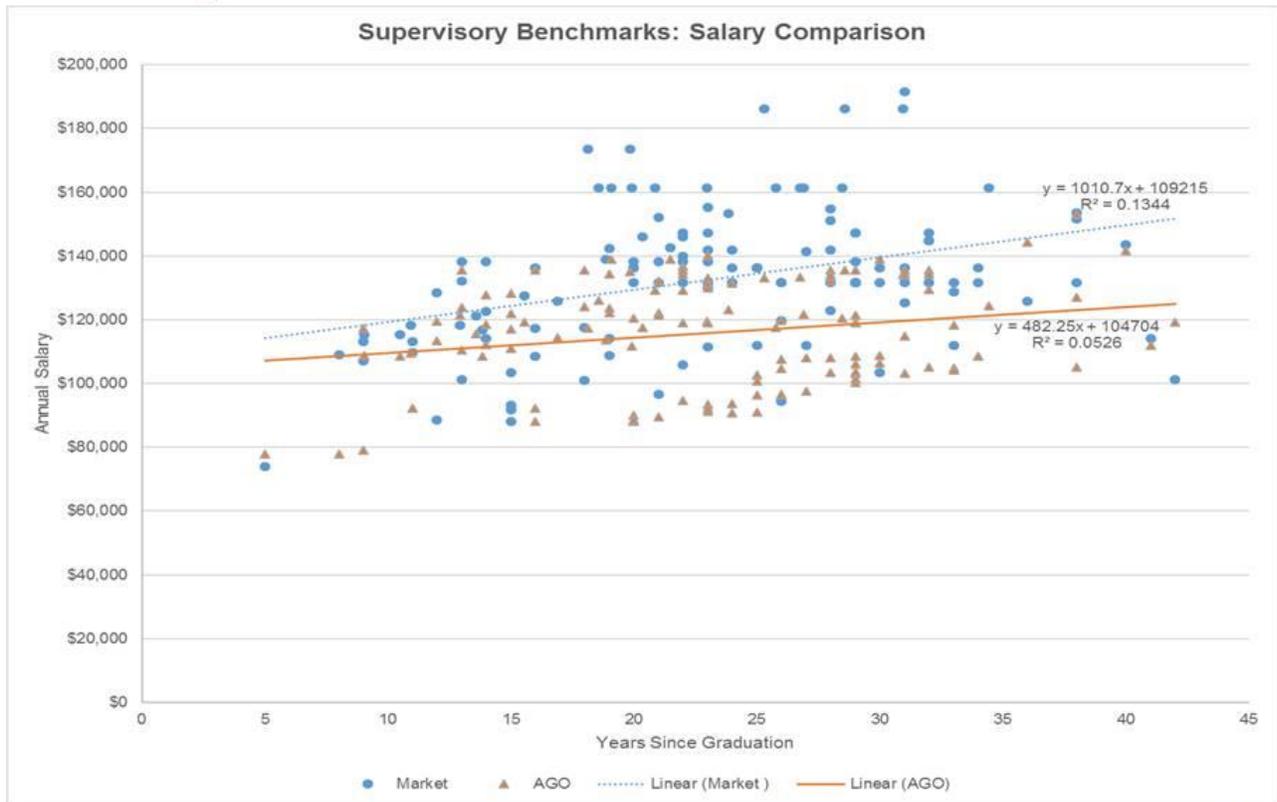
Study Results



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Study Results



Survey Results-Cost to Market

COST TO BRING AGO PAYLINE TO THE MARKET PAYLINE

- The AGO has established an objective of paying its attorneys consistent with the public sector market as defined by the comparator group surveyed in this year's salary survey. This public sector market's payline (blue dotted trend line) is shown on the chart on page 23.
- The AGO has historically utilized experience, function/level and performance factors to place its attorneys at the appropriate pay level. The current AGO's payline (solid orange trend line) is also shown within the chart on page 23 and is below the public sector market's payline.
- The cost to bring the AGO's employees in its attorney classifications to the salary levels indicated by the market payline (trend line) as shown on the chart found on page 23 is approximately \$10,488,576.
 - Calculated as the total amount to move each AGO attorney employee/incumbent based on years since graduation to the market payline as shown in the chart on page 23.
 - This cost assumes no changes to the AGO's incumbent data until the implementation of any salary updates occurs.
 - The cost is also limited to providing increases to attorney incumbents below the market payline.

Study Results

- **Private sector data** for attorneys was also reviewed in the course of the study and is shown on pages 28-30.
- This information is shown below and on the next page and represents data from the Economic Research Institute Database.
- **Attorney Corporate**
Overview: Advises, consults, litigates and performstrial work, and carries out the legal processes necessary to effect the rights, privileges, and obligations of the organization. Studies Constitution, statues, decisions, and ordinances of quasi-judicial bodies. Gathers evidence and information for management decision making. Prepares and reviews various legal instruments and documents, such as contracts, leases, licenses, purchases, sales, real estate, etc. Examines legal data to determine advisability of defending or prosecuting lawsuit. Examines material, such as advertisements, publications, etc., for legal implications, advising officials of proposed legislation that might affect the organization. Applies for copyrights or registration of the organization's products, processes, devices, and trademarks, advising whether to initiate or defend law suits. Conducts pretrial preparations and defendsthe organization in lawsuits. Advises officials on tax matters, government regulations, and/or legal rights. Represents the company before quasi-judicial or administrative agencies of the government. Requires completion of law school with an LLB degree or JD degree and admission to the bar.
- The data represents Washington data with an effective date of 7/1/2016.

Study Results

- Overall, for all levels/years of experience, AGO average salaries are significantly below Washington private sector attorney average salary levels.

Years of Experience	Average Actual Salary	AGO Average Pay	Difference
1	\$93,201	\$64,317	-44.9%
2	\$100,152	\$65,966	-51.8%
3	\$107,014	\$67,834	-57.8%
4	\$113,680	\$69,137	-64.4%
5	\$120,061	\$71,106	-68.8%
6	\$126,080	\$74,236	-69.8%
7	\$131,671	\$78,305	-68.2%
8	\$136,771	\$77,747	-75.9%
9	\$141,324	\$83,927	-68.4%
10	\$145,231	\$89,926	-61.5%
11	\$148,866	\$85,595	-73.9%
12	\$152,184	\$91,263	-66.8%
13	\$155,196	\$91,852	-69.0%
14	\$157,955	\$93,256	-69.4%
15	\$160,516	\$97,945	-63.9%
16	\$162,932	\$101,861	-60.0%
17	\$165,253	\$99,342	-66.3%
18	\$167,528	\$102,468	-63.5%
Overall Difference			-65.0%

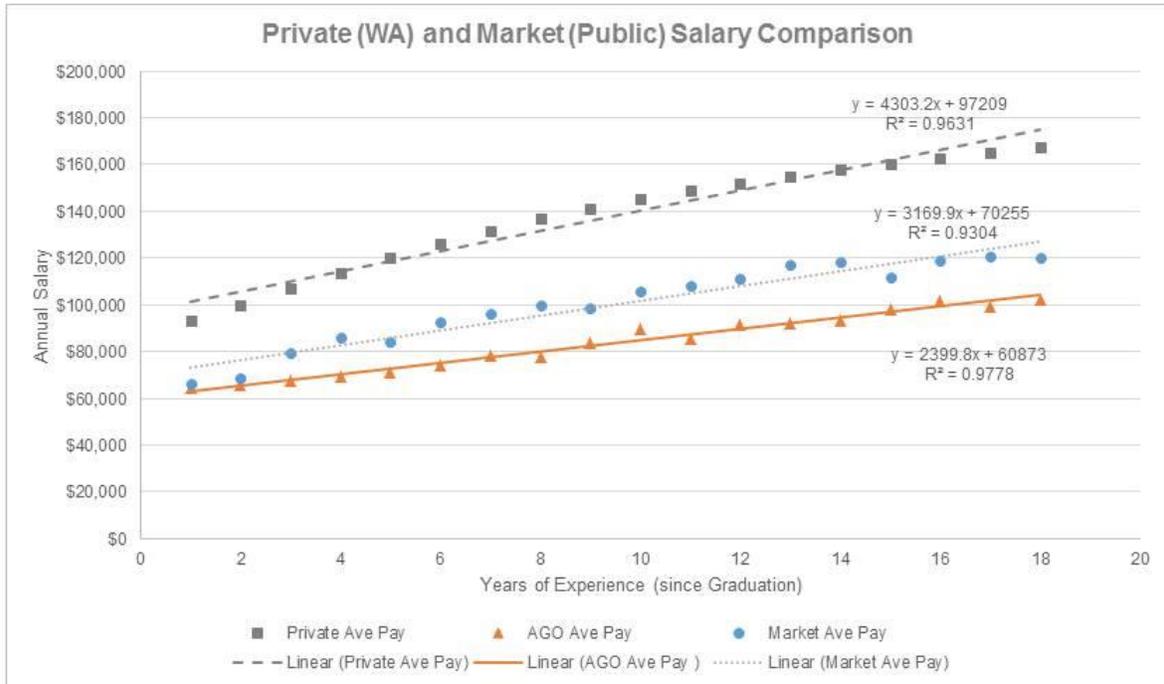
Study Results

PRIVATE SECTOR SALARY COMPARISON



Study Results

PRIVATE & MARKET (PUBLIC) SECTOR SALARY COMPARISON



Conclusions & Recommendations

- In comparison with the public sector market data as collected through the custom survey, the AGO is:
 - ✓ -7.3% below the market in an average salary comparison with the surveyed benchmark classifications.
 - ✓ -18.4% below the market in an average salary comparison of years since graduation (years of experience as an attorney).
- The AGO is -65.0% below the private sector market in an average salary comparison of years of experience. (Note: The private sector market is not the AGO's primary comparison market.)
- Based on AGO incumbent data collected effective July 1, 2016, the cost to bring AGO attorney salaries in alignment with the public sector market as established through data obtained during this salary survey is approximately \$10,488,576. The cost is also limited to providing increases to attorney incumbents below the market payline.

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides



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APPENDIX A

Detailed Job Summaries

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Detailed Job Summaries

1	Entry Attorney	# of Incumbents	82	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	17					
		Average		\$68,312	\$61,151	\$68,921	\$81,157	35%
		Median		\$68,341	\$62,262	\$68,700	\$81,747	30%
		60th Percentile		\$69,300	\$63,898	\$72,746	\$82,824	
		75th Percentile		\$71,625	\$67,662	\$75,972	\$87,213	
		90th Percentile		\$74,966	\$68,881	\$78,223	\$94,323	
		Low		\$58,147	\$46,884	\$47,463	\$62,581	
		High		\$87,600	\$70,575	\$83,975	\$105,876	
2	Progressing Attorney	# of Incumbents	165	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	15					
		Average		\$87,284	\$71,244	\$84,466	\$99,486	41%
		Median		\$84,364	\$70,328	\$83,502	\$96,204	35%
		60th Percentile		\$92,059	\$72,154	\$85,332	\$98,309	
		75th Percentile		\$94,763	\$75,812	\$89,160	\$103,400	
		90th Percentile		\$98,051	\$84,144	\$98,502	\$117,246	
		Low		\$71,238	\$46,884	\$66,216	\$82,596	
		High		\$116,880	\$87,480	\$102,409	\$129,012	
3	Experienced Attorney	# of Incumbents	236	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	18					
		Average		\$101,796	\$83,870	\$98,122	\$114,303	39%
		Median		\$99,565	\$84,732	\$99,393	\$110,022	32%
		60th Percentile		\$103,104	\$87,289	\$100,068	\$115,830	
		75th Percentile		\$110,369	\$91,584	\$102,678	\$119,466	
		90th Percentile		\$118,765	\$99,980	\$115,276	\$136,304	
		Low		\$82,894	\$54,384	\$76,824	\$90,093	
		High		\$134,681	\$107,412	\$123,516	\$139,620	

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Detailed Job Summaries

4	Supervising Exp Attorney	# of Incumbents	110	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	13					
		Average		\$111,932	\$90,595	\$105,501	\$123,042	37%
		Median		\$110,782	\$89,228	\$101,836	\$122,559	31%
		60th Percentile		\$113,570	\$94,130	\$106,207	\$129,191	
		75th Percentile		\$122,167	\$101,735	\$116,438	\$135,816	
		90th Percentile		\$131,504	\$107,171	\$123,353	\$139,290	
		Low		\$73,919	\$69,648	\$80,568	\$93,444	
		High		\$131,724	\$107,470	\$126,165	\$144,859	
	5	Senior Attorney	# of Incumbents	164	Average Salary	Range Minimum	Range Midpoint	Range Maximum
# of Organizations			9					
		Average		\$113,369	\$84,249	\$102,083	\$123,862	52%
		Median		\$115,839	\$83,146	\$99,499	\$128,362	35%
		60th Percentile		\$118,882	\$85,610	\$99,597	\$129,020	
		75th Percentile		\$119,904	\$89,340	\$102,525	\$130,703	
		90th Percentile		\$122,206	\$103,819	\$113,397	\$135,648	
		Low		\$93,534	\$69,648	\$93,444	\$108,360	
		High		\$126,193	\$112,571	\$120,813	\$135,648	
6		Supervising Sr Attorney	# of Incumbents	95	Average Salary	Range Minimum	Range Midpoint	Range Maximum
	# of Organizations		7					
		Average		\$118,304	\$90,315	\$110,228	\$130,394	46%
		Median		\$108,185	\$83,348	\$102,824	\$135,648	38%
		60th Percentile		\$124,277	\$91,984	\$111,645	\$139,315	
		75th Percentile		\$136,935	\$104,938	\$124,877	\$144,817	
		90th Percentile		\$140,637	\$109,518	\$132,096	\$154,674	
		Low		\$93,435	\$70,000	\$91,712	\$101,342	
		High		\$143,295	\$112,571	\$136,909	\$161,246	

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Detailed Job Summaries

7	Distinguished Attorney	# of Incumbents	57	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	5					
		Average		\$122,834	\$91,170	\$109,461	\$133,817	52%
		Median		\$122,795	\$87,739	\$100,788	\$142,404	28%
		60th Percentile		\$125,291	\$89,119	\$101,791	\$142,404	
		75th Percentile		\$129,036	\$91,188	\$103,296	\$142,404	
		90th Percentile		\$135,200	\$114,875	\$128,892	\$153,709	
		Low		\$106,641	\$73,128	\$96,729	\$106,641	
		High		\$139,309	\$130,667	\$145,957	\$161,246	
		8	Division Chief	# of Incumbents	20	Average Salary	Range Minimum	Range Midpoint
# of Organizations	8							
Average				\$143,198	\$111,653	\$129,039	\$150,032	37%
Median				\$141,960	\$106,476	\$124,224	\$145,776	33%
60th Percentile				\$142,212	\$113,993	\$131,241	\$150,614	
75th Percentile				\$145,305	\$125,804	\$136,386	\$155,977	
90th Percentile				\$158,336	\$136,971	\$146,745	\$166,433	
Low				\$129,096	\$76,812	\$108,516	\$134,874	
High				\$173,496	\$143,523	\$161,581	\$181,924	
9	Deputy			# of Incumbents	22	Average Salary	Range Minimum	Range Midpoint
		# of Organizations	10					
		Average		\$140,056	\$102,228	\$120,779	\$144,226	44%
		Median		\$134,955	\$99,873	\$118,635	\$141,474	34%
		60th Percentile		\$137,806	\$102,563	\$120,610	\$143,068	
		75th Percentile		\$144,038	\$107,684	\$123,603	\$148,377	
		90th Percentile		\$150,033	\$112,124	\$128,396	\$167,291	
		Low		\$117,326	\$76,812	\$105,864	\$117,326	
		High		\$186,290	\$146,968	\$165,459	\$186,290	

Office of the Attorney General, 2017-19 Biennial Budget Request, PA-AAG Recruiting & Retention, ATTACHMENT 2 – Survey Slides

Detailed Job Summaries

10	Chief Deputy	# of Incumbents	20	Average Salary	Range Minimum	Range Midpoint	Range Maximum	Range Width
		# of Organizations	16					
		Average		\$153,757	\$117,075	\$134,645	\$156,115	32%
		Median		\$155,189	\$113,039	\$138,156	\$151,834	31%
		60th Percentile		\$157,330	\$127,512	\$140,774	\$155,189	
		75th Percentile		\$162,311	\$129,474	\$145,602	\$163,478	
		90th Percentile		\$174,768	\$131,436	\$146,803	\$175,742	
		Low		\$117,635	\$92,172	\$117,414	\$134,874	
		High		\$191,484	\$139,234	\$151,176	\$191,484	

Office of the Attorney General
2017-19 Biennial Budget Request

PA - AAG Recruitment & Retention, ATTACHMENT 3 - Cost by Client

Salary Increase for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency (including Torts)	FY 2018	FY 2019	2017-19
011	House of Representatives	660	660	1,320
012	Senate	68	68	136
013	Joint Transportation Committee	-	-	-
014	Joint Leg Audit & Rev Comm	1,244	1,244	2,488
020	Leg Eval and Accy Prg Com	-	-	-
035	Office of State Actuary	966	966	1,932
037	Office of Legislative Support Services	-	-	-
038	Joint Legislative Systems Committee	62	62	124
040	Statute Law Committee	103	103	206
045	Supreme Court	6,845	6,845	13,690
046	State Law Library	-	-	-
048	Court of Appeals	694	694	1,388
050	Judicial Conduct Commission	545	545	1,090
055	Administrative Office of the Courts	14,182	14,182	28,364
056	Office of Public Defense	-	-	-
057	Office of Civil Legal Aid	-	-	-
075	Office of the Governor	1,404	1,404	2,808
080	Office of Lieutenant Governor	6	6	12
082	Public Disclosure Commission	16,087	16,087	32,174
085	Secretary of State	14,801	14,801	29,602
086	Office of Indian Affairs	-	-	-
087	Commission on Asian-American Affairs	-	-	-
090	Office of State Treasurer	28,956	28,956	57,912
095	Office of State Auditor	36,597	36,597	73,194
099	Citizen's Comm on Salaries for Elect Off	3	3	6
100	Office of Attorney General	-	-	-
101	Caseload Forecast Council	2,660	2,660	5,320
102	Department of Financial Institutions	61,516	61,516	123,032
103	Department of Commerce	30,153	30,153	60,306
104	Forecast Council	-	-	-
105	Office of Financial Management	25,623	25,623	51,246
107	Health Care Authority	152,297	152,297	304,594
110	Office of Administrative Hearings	7,390	7,390	14,780
116	State Lottery Commission	4,155	4,155	8,310
117	Gambling Commission	34,052	34,052	68,104
118	Commission on Hispanic Affairs	20	20	40
119	Commission on African-Amer Affairs	-	-	-
120	Human Rights Commission	16,058	16,058	32,116
124	Department of Retirement Systems	109,409	109,409	218,818
126	State Investment Board	35,083	35,083	70,166
140	Department of Revenue	272,967	272,967	545,934
142	Board of Tax Appeals	227	227	454
147	Office of Min & Women's Bus Enter	13,949	13,949	27,898

PA - AAG Recruitment & Retention, ATTACHMENT 3 - Cost by Client

Salary Increase for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency (including Torts)	FY 2018	FY 2019	2017-19
160	Insurance Commissioner	37,965	37,965	75,930
163	Consolidated Technology Services	5,232	5,232	10,464
165	Board of Accountancy	5,314	5,314	10,628
167	Forensic Investigations Council	-	-	-
179	Department of Enterprise Services	59,238	59,238	118,476
185	Horse Racing Commission	3,358	3,358	6,716
190	Board of Industrial Insurance Appeals	5,151	5,151	10,302
195	Liquor Control Board	120,758	120,758	241,516
205	Board of Pilotage Commissioners	6,534	6,534	13,068
215	Utilities and Transportation Commission	207,065	207,065	414,130
220	Board for Volunteer Firefighters	5,786	5,786	11,572
225	Washington State Patrol	77,949	77,949	155,898
227	Criminal Justice Training Commission	15,814	15,814	31,628
228	Traffic Safety Commission	1,026	1,026	2,052
235	Department of Labor and Industries	2,066,996	2,066,996	4,133,992
240	Department of Licensing	197,554	197,554	395,108
245	Military Department	27,763	27,763	55,526
275	Public Employee Relations Commission	4,499	4,499	8,998
300	Dept of Social & Health Services	3,319,085	3,319,085	6,638,170
303	Department of Health	463,906	463,906	927,812
305	Department of Veterans Affairs	5,534	5,534	11,068
310	Department of Corrections	515,172	515,172	1,030,344
315	Department of Services for the Blind	617	617	1,234
340	Student Achievement Council	1,494	1,494	2,988
341	LEOFF Plan 2 Retirement Board	2,189	2,189	4,378
350	Superintendent of Public Instruction	61,897	61,897	123,794
351	School for the Blind	373	373	746
353	Center for Child Deaf & Hearing Loss	1,760	1,760	3,520
354	Work Force Training & Educ Coord Brd	1,836	1,836	3,672
355	Dept of Arch and Historic Preservation	6,784	6,784	13,568
357	Department of Early Learning	70,526	70,526	141,052
359	Charter Schools Commission	-	-	-
360	University of Washington	269,965	269,965	539,930
365	Washington State University	106,091	106,091	212,182
370	Eastern Washington University	32,282	32,282	64,564
375	Central Washington University	25,246	25,246	50,492
376	The Evergreen State College	17,190	17,190	34,380
380	Western Washington University	31,175	31,175	62,350
387	Washington State Arts Commission	534	534	1,068
390	Washington State Historical Society	2,619	2,619	5,238
395	Eastern WA State Historical Society	1,491	1,491	2,982
405	Department of Transportation	403,416	403,416	806,832
406	County Road Administration Board	149	149	298

PA - AAG Recruitment & Retention, ATTACHMENT 3 - Cost by Client

Salary Increase for Legal Services (405) for the 2017-19 Biennium

Number	Client Agency (including Torts)	FY 2018	FY 2019	2017-19
407	Transportation Improvement Board	352	352	704
410	Transportation Commission	1,365	1,365	2,730
411	Freight Mob Strategic Invest Brd	192	192	384
460	Columbia River Gorge Commission	150	150	300
461	Department of Ecology	491,461	491,461	982,922
462	Pollution Liability Insurance Agency	2,919	2,919	5,838
465	State Parks & Rec Comm	26,636	26,636	53,272
467	Recreation & Cons Funding Board	1,523	1,523	3,046
468	Environmental Hearings Office	2,065	2,065	4,130
471	Conservation Commission	954	954	1,908
477	Department of Fish and Wildlife	160,811	160,811	321,622
478	Puget Sound Partnership	676	676	1,352
490	Department of Natural Resources	258,635	258,635	517,270
495	Department of Agriculture	33,218	33,218	66,436
540	Employment Security Department	152,379	152,379	304,758
699	Community and Technical Colleges	197,053	197,053	394,106
Torts	DES Office of Risk Management	906,621	906,621	1,813,242
		11,315,125	11,315,125	22,630,250

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2017-19 Biennium Budget Request Decision Package

Agency: ATTORNEY GENERAL'S OFFICE

Decision Package Code/Title: PB - Child Permanency & Child Welfare

Budget Period: 2017-19 Biennial Budget Request

Budget Level: PL

Agency Recommendation Summary Text:

The Attorney General's Office (AGO) requests funding to retain and add additional staff to meet the increasing demands of child welfare litigation. Current staffing levels are insufficient to cover increases in termination petition referrals and dependency matters and additional work resulting from high social worker turnover and lengthier court proceedings. The AGO requests that the: 1) legislature provide funding in the 2015-17 biennium to achieve permanent homes for children be made ongoing; and 2) legislature provide funding for additional staff to meet the increase in workload. The additional funding will allow for better support of the Department of Social and Health Services' goals to protect children from abuse and neglect and to achieve timely permanency for children.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	3,596,000	3,596,000	3,596,000	3,596,000
Total Cost	3,596,000	3,596,000	3,596,000	3,596,000

Staffing	FY 2018	FY 2018	FY 2018	FY 2018
FTEs	30.5	30.5	30.5	30.5

Revenue	Source	FY 2018	FY 2018	FY 2018	FY 2018
405 - Legal Serv Rev Acct	0420	3,596,000	3,596,000	3,596,000	3,596,000

Object of Expenditure	FY 2018	FY 2018	FY 2018	FY 2018
Obj. A	2,337,423	2,337,423	2,337,423	2,337,423
Obj. B	795,601	795,601	795,601	795,601
Obj. C				
Obj. E	392,476	392,476	392,476	392,476
Obj. G	30,500	30,500	30,500	30,500
Obj. J	40,000	40,000	40,000	40,000

Package Description:

The AGO requires stable and sufficient funding to meet the demands of the child welfare litigation workload. While progress has been made, a continuing increase in cases and workload stress caused by factors outside of the attorneys’ control are creating unsustainable work practices, difficulty addressing backlogs, and causing increased turnover among staff trained to perform this work. The AGO cannot continue to provide effective and competent representation to protect children from abuse and neglect, nor take on additional work requested by the client, if there are insufficient staff.

In order to meet the legal services needs of the Department of Social and Health Services (DSHS), the AGO is requesting funding in two components:

First, the AGO requests that the funding currently provided by the legislature to achieve permanent homes for children be made part of the base, ongoing funding levels. Ongoing funding will enable the AGO to sustain the associated positions and legal services to DSHS in parental termination cases. These positions are currently slated to end June 30 2017. Sustaining the child permanency funding and the positions created to perform this work will cost \$2,734,000 per biennia. This cost is based on 5.0 Assistant Attorneys General (AAG), 3.0 Paralegals (PL) and 2.5 Legal Assistants (LA), consistent with the original Permanency related request submitted in the 2014 Supplemental.

Second, even with the current temporary funding for permanency work, the funding level for legal services for DSHS is insufficient for the AGO to meet the increasing demands of the workload. While every AGO office doing child welfare litigation is having challenges, five AGO offices have a critical need for additional positions. The driving workload factors include: continuing increases in already excessive child welfare caseloads; AGO participation in specialized courts and proceedings (e.g. family treatment or drug courts, court for dependent babies, mandatory mediations); high social worker turnover; expanded parent representation; and additional and lengthier court hearings.

To keep pace with the increasing DSHS workload and other external factors, the AGO needs 9.0 AAG, 1.0 PL and 4.5 LA and 2.0 LOA at a biennial cost of \$4,458,000.

Relationship to the AGO Strategic Plan:

1. Priority – Protect the People

Office of the Attorney General
 2017-19 Biennial Budget Request
 PB - Child Permanency & Child Welfare

- a. Goal – Defend the civil rights of all Washington residents, improve public health, and protect Washington’s environment.
 - i. Objective 2-2-4 Protect abused and neglected children. This includes timely filing termination petition referrals within the AGO's performance measure of 45 days.

Additionally, the courts and the AGO by statute have a performance measure requiring that dependencies be established within 75 days.

The AGO contact for this request is Brendan VanderVelde, Budget Director, 360-586-2104.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The 2015-2017 Biennial and the Fiscal Year 2016 Supplemental Enacted Budget provided a combined total of \$2,692,000 for Child Permanency for 5.0 AAG, 3.0 PL and 2.0 LA. This funding was one-time and is due to expire at the end of the 2015-2017 Biennium.

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
AAG	14.00	14.00	14.00	14.00	Y
PL 2	4.00	4.00	4.00	4.00	Y
LA 3	7.00	7.00	7.00	7.00	Y
LOA	2.00	2.00	2.00	2.00	Y
MA5	3.45	3.45	3.45	3.45	Y

Agency administration support FTEs are included in the tables above, using a Management Analyst 5 as a representative classification.

Sustain DSHS Child Permanency funding: 5.0 AAG, 3.0 PL and 2.5 LA at a biennial cost of \$2,734,000.

Additional DSHS Child Permanency and Juvenile Litigation workload: 9.0 AAG, 1.0 PL and 4.5 LA and 2.0 LOA at a biennial cost of \$4,458,000

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

The retention and increase of funding for staff would allow the AGO to retain and add staff and thereby continue to avoid a backlog of termination petition filings as well as keep pace with the increase in dependency and termination cases. It would allow continued improvement of the AGO's internal 45 day filing performance measure. In FY2013, just 79% of termination petitions were filed within 45 days. The added permanency positions enabled the AGO in

FY2015 to file 91% of the termination petitions in 45 days, a 12 point improvement. In FY2016 the filing rate was 86%, which is still an improvement but the dip reflects the increase in workload overall. Lack of sufficient funding could increase anticipated open, unresolved cases by one to two hundred per year.

Restoring and increasing permanency funding will also result in compliance with other legal and federal requirements including the statutory requirement that dependency fact finding hearings be held typically no later than 75 days after petition filing; the federal requirement that states ensure timely permanency for foster children by filing a termination petition within 15 months from when the child was removed from home, with limited exceptions (states that do not comply with this requirement may be financially penalized); and the goal of completing adoptions within six months when parental rights have been terminated and adoption is the permanent plan.

DSHS has committed to improve its performance of achieving timely permanency for foster children because children who are placed in stable, safe, and permanent homes are likely to be more successful in school and life. It also reduces costs to the state due to no longer needing to provide services related to foster care and related children's needs, staff resources and the costs of hearings related to the matter.

When the AGO is adequately staffed it can fulfill its obligations to support DSHS and the courts in meeting the timelines set forth in the law, which in turn supports the important goal of achieving permanency for children, whether that is through adoption, guardianship, or return home.

Performance Measure detail:

- Activity (0010) Legal Services to State Agencies
- Performance Measure: Number of open litigation cases at the end of each fiscal year.
- Expected Results: Protect children and other vulnerable populations from abuse and neglect.
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

Relationship to Results Washington:

1. Goal 4: Healthy & Safe Communities
 - a. Safe People – Protection & Prevention
 - i. 2.1 Decrease percentage of children with a founded allegation of abuse or neglect who have a new founded allegation within 12 months from 9.7% to 6% by July 2017.
 - ii. 2.1.b: Decrease percentage of children in Division of Children and Family Services out-of-home placement 5 years or more from 4.5% in January 2015 to 4% by July 2017.
2. Goal 5: Effective, Efficient and Accountable Government
 - a. Customer Satisfaction and Employee Engagement – Customer Satisfaction
 - i. 1.1 Increase customer service satisfaction.

Background, Justification, and Impacts

Workload Statistics Across the AGO Justify Retaining Current FTEs

In the 2013-15 and 2015-17 biennia, the AGO received funding to address what was originally an expected short term spike in parental termination referrals from DSHS. However, there has been a sustained increase in termination petition referrals and dependency matters with no foreseeable decline in workload.

In the 2011-13 biennium, the AGO received approximately 1,599 termination petition referrals per fiscal year. In FY 2014, referrals increased to 1,957 and remained at a high level in FY 2015 with 1,835 referrals. In FY2016, the AGO received 2,029 termination petition referrals. This reinforces that the yearly termination referrals to the AGO continue at elevated levels.

The volume of dependency matters referred has also risen steadily over time. In FY 2009 the AGO received 3,720 dependency matters. The referrals fluctuated between approximately 4200 and 4500 between FY 2010 and 2013, and spiked to over 4800 in FY 2014. In FY 2015 the AGO received 4613 dependency matters, and 4621 matters in FY 2016. This shows a continuing trend of increases in dependency petition referrals. Also, when dependency petitions increase, the expectation is that termination petition referrals will also rise in the following 12-18 month period. DSHS has reported that it expects 20% of all dependencies to result in a termination.

Other Indicators of the General Increase in Child Welfare Work

Termination Case Filings: The average number (351) of new termination cases (case=family) filed per quarter in FY2016 increased 6% from the average number (331) FY2015. The FY16 average exceeds the all-time high mark of 348 filed on average per quarter in FY2014, which was a jump from 289 filed on average per quarter in FY2013.

Dependency Case Filings: The average number (721) of new dependencies cases (case = family) filed per quarter in FY2016 increased about 3% from the average number (702) filed in FY2015. The FY2016 average approaches the high mark of 739 filed on average per quarter in FY2014, which was a jump from 696 filed on average per quarter in FY2013.

Appeals: In FY2016, 186 new appeals were opened, a 40% increase from the 133 opened in FY2015 and exceeds the high mark of 181 opened in FY2013.

Calendar Year-End Case Balances: As of 12/31/15, the number of open termination, guardianship, and dependency cases combined was 7,195, which was an increase from 7,120 as of 12/31/14. The year-end case balance in 2012 was 6,641, and in 2013 it was 6,728. The number of open cases continues to rise.

The additional permanency funding has allowed the AGO to increase staff and thereby nearly eliminate the backlog of termination petition referrals. It has also allowed significant improvement under the AGO's 45 day filing performance measure. In FY2013, just 79% of termination petitions were filed within 45 days. The added permanency positions enabled the AGO in FY2015 to file 91% of the termination petitions in 45 days, a 12 point improvement. In FY 2016, the AGO is at an 86% filing rate, which is a decrease from the prior year and reflects the impact of the increase in child welfare work generally, as described above. If the AGO is not able to retain ongoing funding to support child permanency, the positive progress that has been made will certainly be reversed. Converting the funds from one-time to ongoing will better allow the AGO to retain trained staff who are currently more likely to look for permanent positions

elsewhere.

Workload Factors Create Need for Additional Attorneys in Five Offices

AGO Olympia Office (serving, Lewis, Mason, and Thurston)

The AGO's Social and Health-Olympia Division is requesting funding for 1.0 AAG and 0.5 LA in order to meet the workload demands of the Olympia Office's child welfare litigation. There are several factors driving the increasing workload.

1. In Lewis County, the court has regularly required repeated hearings to address issues that would typically be handled in one motion hearing. For example: the court requires additional briefing even when there is no opposition to our motions; the court asks DSHS to take additional steps and then return to court to report back; the court sets a very short time period before another review hearing; the court makes frequent rulings that require motions for revision. The result is that the workload is far more than the average expected for the actual number of cases.
2. In Thurston County, the defense bar is very active, and there are increasing number of motions and challenges to the client agency's actions and decisions. This results in many more contested matters, requiring motions practice and court hearings.
3. The turnover of attorneys doing child welfare litigation is high, resulting in an average low level of experience. This results in a much-reduced ability to handle the number of cases that more experienced attorneys are capable of handling. Attorneys have left due to the stress of the workload.

In order to try to relieve the workload on an emergency basis, the Olympia Office has been utilizing an attorney FTE from its three person complex litigation section to do child welfare litigation. That section handles major class action lawsuits filed against DSHS and HCA, both clients of the Olympia Office. This is no longer sustainable, because the number of class action law suits filed requires that the attorney FTE be directed back to complex litigation. For example, a new suit has been filed against DSHS and HCA relating to community placements for institutionalized, developmentally disabled individuals. In February, a suit was filed against HCA relating to Medicaid coverage of Hepatitis C drugs. In April, a suit was filed against HCA relating to Uniform Medical Plan coverage of Hepatitis C drugs. There are other significant lawsuits pending and threatened.

AGO Seattle Office (serves King County)

The AGO's Social and Health-Seattle Division is requesting funding for 4.0 AAG, 1.0 PL2, 2.0 LA3, and 1.0 LOA to address an increase in caseload and DSHS's request to take on additional work. There are many factors affecting the caseload.

1. DSHS has experienced unusually high turnover in the last three years. Two years ago social worker turnover in the Kent office (the largest office in King County, with about 40% of total filings) was 70%, the highest in the State. The high social worker turnover

means that ongoing cases may remain unassigned for a period of time causing delays in the permanency proceedings and additional attorney time spent assisting new social workers get up to speed in cases, providing training, and following up on discovery requests.

2. The public defense agencies in King County have been reorganized resulting in caseload caps for defense attorneys and additional defense positions have been added as dependency filings increased. The defense bar is active and there are increasing number of motions and challenges to the client agency's actions and decisions.
3. Contested 72 shelter care hearings, dependency fact-findings and termination trials have increased in length, which further impacts AAG workload both at the trial level and on appeal. Week-long contested 72 hour hearings are not unusual in King County and the average contested dependency and termination trials last as long as three weeks. Additionally, court improvement processes and regular calendar demands, including expansion of Family Treatment Court and mandatory mediation, add to attorney workload pressures.
4. In the last year the Seattle Office has had an attorney turnover rate of 26% with many departing attorneys having significant experience. Productivity is reduced as newer attorneys require training and take longer to do the work than highly experienced attorneys. This also adds pressure on the other attorneys and some have left due to workload stress.
5. DSHS has asked the Seattle Office to handle Children in Need of Services (CHINS) hearings, which are currently being handled by the social workers. These are juvenile court hearings held pursuant to chapter 13.32A RCW regarding children who are in conflict with their parents such that they need services, and possibly out-of-home placement. There is currently no staffing capacity to do that work, which we expect will require one full FTE. DSHS has agreed to enter into an IAA to begin funding those services on an emergency basis.

All of these factors have a direct impact on the level of resources required for the AGO Seattle Office to provide timely and competent legal services to protect children from abuse and neglect and require additional resources for legal services.

AGO Spokane Office (serving Spokane, Adams, Ferry, Lincoln, Pend Oreille, Stevens, and Whitman counties)

The AGO Spokane Division is requesting funding for 1.0 AAG and 0.5 LA because the Spokane Superior Court has hired an additional commissioner with the plan of creating a new child welfare team. This addition will increase the number of commissioners and teams from six to seven. Each team is comprised of a commissioner, DSHS caseworkers, an AAG, and at least two public defenders. The current average caseload for each child welfare team is 112 cases (cases = family) per team, ranging from the high of 138 cases to the low of 94 cases. The AGO

understands that the Office of Public Defense will have to contract for two additional positions to handle the work assigned to this new team.

The AGO Spokane office has ten attorneys, one of which is temporarily funded through the permanency initiative, who handle child welfare litigation for Spokane County. Spokane attorneys also advise and represent other agency clients and DSHS program areas including, but not limited to, the Department of Early Learning, DSHS Licensed Resources and DSHS Adult Protective Services.

Currently, the ten attorney positions available for Spokane County child welfare litigation are covering six child welfare teams in addition to the additional clients and DSHS programs. Ideally, each team should have two attorneys assigned. If the court adds an additional commissioner and team calendar, and the AGO does not add an additional attorney, ten attorney positions will cover seven child welfare teams. The Spokane Office cannot absorb the impacts of a seventh child welfare team. There will not be sufficient staff available to attend additional dockets, motion calendars, and hearings scheduled by a seventh commissioner.

DSHS in Spokane also experiences a high rate of social worker turn over. This results in the need to provide increased and repeated training of new social workers and cases tend to take longer to litigate due to delays resulting from social workers changing during the case.

The attorneys and professional staff in the Spokane SHS section are at maximum capacity. The creation of a seventh child welfare team is a positive step overall, but it cannot be supported by the current resources within the AGO. An AAG FTE and related professional support must be added to the Spokane Office.

AGO Tacoma Office (serving Pierce and Kitsap Counties)

The AGO Tacoma Division is requesting funding for its Tacoma Office for 2.0 AAG and 1.0 LA3 position for the child welfare litigation in Pierce and Kitsap counties. The reason for this request is the continuation of extremely high caseloads, which seem to be driven most recently by the impact of the opioid epidemic in Pierce and Kitsap counties. In addition, the Tacoma Office has dedicated resources to specialized courts that, while having a potential beneficial impact for the family participants, require additional attorney time and court appearances.

Even with the two temporary attorney positions funded by the permanency initiative, the combined caseload of dependency and termination/guardianship cases is near 90, and has been in the mid to high eighties for the past several years. The Tacoma Office has 10% more open dependency cases and 13% more open termination cases than it did in FY 2016. The addition of two AAG FTEs should reduce the caseload to at or below 80. The LA3 position is necessary to support the work of the additional AAGs.

In addition to maintaining high caseloads, AAGs and staff in the Tacoma Office have taken on additional work and dockets to support the courts' interest in specialized programs to support children and families. They assisted in developing and participate in Family Reunification Courts (drug court) in both Pierce and Kitsap counties. The Tacoma Office also accepted the work of participating in a pilot project for Infant Mental Health Court (Baby Court) in Pierce County – the first such court in the state designed to target infants 0-3 years old who should be receiving

earlier permanence (return home or termination of parental rights to enable placement in a permanent home). In addition, the Tacoma Office participates in Dependency 101 two times per month with the Parent to Parent program in Pierce County.

The trend of higher caseloads and the courts' desire for the AGO's participation in innovative programs is not abating. The Tacoma Office's ability to meet the demands of this workload is not sustainable if caseloads per attorney cannot be reduced.

AGO Vancouver Office (serving Clark, Cowlitz, and Skamania Counties)

The AGO Regional Services Division is requesting funding for 1.0 AAG, 0.5 LA and 1.0 LOA for child welfare litigation in its Vancouver office. The need for these positions is driven by a consistently high caseload per AAG FTE. The Vancouver office has 7 AAG FTEs available for combined dependency and termination/guardianship cases. Attorneys handle cases from the filing of the dependency until final resolution, whether by termination of parental rights, establishment of a guardianship, or return home.

Combined caseloads per attorney FTE have averaged 96 cases (cases = family) per AAG FTE for two years. In addition, DCFS in Clark County is placing an emphasis on what it considers to be a backlog of cases needing referrals to the AGO for permanency resolutions. The last estimate from the Area Administrators was that there were about 48 cases that they considered "backlogged" beyond the normal flow of permanency referrals. These cases will require additional resources to be able to address; simply adding them to the existing load is not sustainable. Doing so also increases the chances that cases may be overturned on appeal, a result that hurts, rather than helps, permanency efforts.

The request for additional LOA support is based on the current staffing of approximately 4 LA FTEs devoted to the juvenile caseload, and one paralegal. These matters are very labor-intensive on the professional support staff side. Additional LOA support would be used to provide relief to the LA and paralegal staff by shifting duties such as drop-filing and data entry, freeing staff to function at the highest level allowed by their classification.

Fully describe and quantify expected impacts on state residents and specific populations served.

DSHS's goal of achieving permanency for children will be realized if the AGO can increase and sustain sufficient staff resources. Otherwise, delays in child welfare cases will impact the affected children because they will not be provided a timely, stable and permanent home. Delays can impact DSHS' compliance with federal law and risk reduced federal funding to the state.

The court and defense counsel rely on the AGO to present these cases in a timely manner and to be available to resolve issues and appear for hearings. When permanency is not achieved and dependency cases continue, the court and defense counsel resources are impacted. DSHS remains responsible for the cost of providing services and resources to oversee the dependency. Further, inadequate staffing and lack of permanent funding to perform needed legal services negatively affect employee morale and retention.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	DSHS, Office of Public Defense, Superior Courts
Responds to specific task force, report, mandate or exec order?	Yes	<p>Federal Adoption and Safe Families Act, must ensure timely permanency for foster children by filing a termination petition within 15 months from when the child was removed from home.</p> <p>RCW 13.34.070(1), a fact-finding hearing on a dependency petition shall be held no later than 75 days after filing.</p> <p>RCW 13.34.138(1), there shall be a review by the court at least once every six months to determine the progress of the parties and determine whether supervision should continue.</p>
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	Inadequate staffing affects employee morale and retention, and ultimately the inability to provide quality legal services in a timely manner.
Capital Budget Impacts?	No	

Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	No	

What alternatives were explored by the agency and why was this option chosen?

DSHS has previously examined whether it could use Children's Administration Program funds to pay for an interagency agreement to cover the costs of having adequate legal services funding, but they are unable to identify funds which could be committed permanently to this purpose. In addition, using an interagency agreement to fund ongoing legal work is not desirable or sustainable for budget planning, or for the development and retention of expertise to handle the work.

What are the consequences of not funding this request?

Not funding this request will result in a lack of the funds necessary to provide the sufficient legal services in response to the sustained increase in referrals from DSHS. Such a funding gap would lead once again to a severe case backlog and significant filing delays. Fewer children will move from higher-cost foster care to stable, permanent homes in a timely fashion. It will also increase the risk of loss of federal funding due to non-compliance with federal law.

How has or can the agency address the issue or need in its current appropriation level?

The AGO is unable to address this issue if the current funding level is not restored and additional staff is not hired. The AGO does not have resources within current appropriation levels to otherwise address Child Permanency and Juvenile Litigation.

The AGO is using all of the resources provided through DSHS's legal services allocation to provide DSHS required legal services. There currently is no capacity within DSHS's legal services allocation to add sufficient staff to meet these workload demands.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT Staff?

No



Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	37,973	20,695	20,695	20,695
PC Hardware	33,868	17,670	17,670	17,670
Licensing	7,569	7,569	7,569	7,569
CTS Services	4,683	4,683	4,683	4,683
Total Cost	84,092	50,617	50,617	50,617

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: PC - Labor & Industries Washington Industrial Safety & Health Act Complex Litigation

Budget Period: 2017-19 Biennial Budget Request

Budget Level: PL

Agency Recommendation Summary Text:

The Department of Labor & Industries (L&I) faces the emerging need to prosecute civil penalties in worker-safety litigation under the Washington Industrial Safety & Health Act (WISHA) against national law firms mounting massive discovery, motions, sanctions, and expert witnesses and, against multi-attorney national teams before the Board of Industrial Insurance Appeals and Washington courts. The cases require extensive travel outside of Washington, appeals to superior and appellate courts to develop case law, and mandate the need for one group of efficient and expert case-dedicated assistant attorneys general and paralegals who focus only on these larger cases that often exceed \$1M.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	1,341,000	1,341,000	1,341,000	1,341,000
Total Cost	1,341,000	1,341,000	1,341,000	1,341,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	10.2	10.2	10.2	10.2

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	1,341,000	1,341,000	1,341,000	1,341,000

Office of the Attorney General
 2017-19 Biennial Budget Request
 PC - L&I WISHA Complex Litigation

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	738,137	738,137	738,137	738,137
Obj. B	251,535	251,535	251,535	251,535
Obj. C	200,000	200,000	200,000	200,000
Obj. E	124,203	124,203	124,203	124,203
Obj. G	12,125	12,125	12,125	12,125
Obj. J	15,000	15,000	15,000	15,000

Package Description:

L&I faces the emerging need to prosecute its civil penalties in worker-safety litigation against national law firms mounting massive discovery, motions, sanctions, and expert witnesses and against multi-attorney national teams before the Board of Industrial Insurance Appeals and Washington courts. The cases require extensive travel outside of Washington, frequent appeals to superior and appellate courts to develop case law, and mandate the need for one group of efficient and expert case-dedicated Assistant Attorneys General (AAGs) and Paralegals (PLs) who focus only on these larger cases to counter emerging defense practices.

L&I entered into an Interagency Agreement (IAA) with the Attorney General’s Office (AGO) during the 2015-17 Biennium to address complex litigation associated with the refinery litigation stemming from citations to refinery owners, primarily Tesoro, under the Washington Industrial Safety & Health Act (WISHA). These cases are outside of the standard services provided and appropriated by the Legislature. The total amount of the agreement is \$976,000.

The AGO has identified additional legal issues that will require added legal support outside of the base funded services for the 2017-19 Biennium, including Aerocell, Kiewit, Seattle Tunnel Partners, Seattle Bulk Shipping and Alaska Airlines.

During the 2015-17 Biennium, L&I made one-time priority spending decisions to accommodate this need. L&I anticipates that these needs will no longer be able to be accommodated with these spending decisions.

Relationship to the AGO Strategic Plan:

1. Priority – Serve the State
 - a. Goal – Deliver high quality, timely, and efficient legal services.

The AGO contact for this request is Brendan VanderVelde, Budget Director, 360-586-2104.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

The AGO and L&I entered into an IAA of \$976,000 to fund these legal services. L&I made one-time priority spending decisions to accommodate this need. This is a stop gap measure as the client is unable to continue absorbing these costs.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
Assistant Attorney General	3.5	3.5	3.5	3.5	Y
Paralegal 2	4.0	4.0	4.0	4.0	Y
Legal Assistant 3	1.8	1.8	1.8	1.8	Y
Management Analyst 5	0.9	0.9	0.9	0.9	Y

It is estimated an additional \$1.34 million annually will be required to cover costs for:

- 3.5 AAG FTE
- 4.0 PL FTE
- 1.8 LA FTE
- \$200,000 annually for litigation related costs, as follows:
 - \$140,000 for expert witness fees
 - \$50,000 for travel costs
 - \$10,000 for other litigation costs.

Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

With a dedicated and experienced team of civil prosecutors, and necessary professional staff, dedicated to enforcing Washington’s workplace safety laws against willful violators, the Attorney General’s Office can recruit and retain the most-effective people and provide state-of-the-art trial and appellate support for the workers and employers of Washington.

Background

Several factors have converged to create the ongoing need for this specialized team. Many employers now consider it cost effective to retain expensive out-of-state law firms to appeal and defend against WISHA citations. This is because WISHA citations carry greater consequences than in the past due to both court rulings which have had the effect of mandating that property

owners consider the safety records of contractors, and a Presidential Executive Order for bidding on federal contracts, which now requires federal agencies to consider bidder's (and their sub-contractors) worker safety and health violations.

Further, the construction boom in the Puget Sound area, especially in King County, which is fueled by strong economic growth and a growing population, has resulted in large scale expensive projects with complex safety issues. Appeals of these citations have become increasingly complex, and this trend is expected to continue. Hearings that in the past often lasted only one or two days are now lasting for two weeks. This is especially true if the citation arises out of a fatality or serious injury. The Tesoro hearings, arising out of the deaths of seven workers, have become the longest WISHA hearings ever, and further hearings are anticipated.

The following are current cases and are representative of the type of cases L&I can anticipate in the future:

1. Tesoro Anacortes Refinery – appeal of the anticipated Board order and ultimately a remand for new hearings to allow evidence previously excluded. This matter arises out of the largest workplace fatality in Washington history, and continues to be the most resource-intensive WISHA litigation ever.
2. Phillips 66 Refinery – Several process safety management (PSM) cases are pending, including failure to comply with Board Orders Denying Stay of Abatement.
3. Zodiac Aerocell – The second largest WISHA penalty ever issued. This case arises from a July 14, 2015, incident in which a carbon fiber production plant in Newport, WA had an explosion occur in their drying oven. The Department cited “egregious willful” violations.
4. Alaska Airlines/Menzies Aviation – These cases involve the Department’s first ergonomic cases to be litigated and arise out of complaints by workers regarding back injuries caused by Alaska’s luggage loading and unloading procedures. When federal OSHA has litigated ergonomic cases, they were the longest cases ever heard by the OSHA Review Commission.
5. Seattle Bulk Shipping – These cases involve several hundred thousand dollars in penalties for a series of failure to abate violations.
6. Seattle Tunnel Partners – High profile project and very resource intensive.

Performance Measure detail:

- Activity – Legal Services to State Agencies.
- Performance Measure (000030): Number of open litigation cases at the end of each fiscal year.
- Current 2015-2017 Target:
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	0	0	0	0

Relationship to Results Washington:

1. Goal 4: Healthy and Safe Communities
 Safe People – Help keep people safe in their homes, on their jobs and in their communities.
 Worker Safety:
 2.5.a: Decrease rate of extremely serious worker injuries that lead to death.
 2.5.b: Decrease rate of extremely serious worker injuries that lead to hospitalizations.

Fully describe and quantify expected impacts on state residents and specific populations served.

Workers, particularly in high-hazard industries like petroleum refineries and construction, with process-safety management needs, will be even safer as the Department continues to prosecute civil fines against willful violators and the Attorney General’s Office responds to litigation demands. Employers, who strive to keep workers safe through education and prevention will be rewarded for their proactive efforts. The small handful of employers who choose to violate Washington’s workplace safety laws will, hopefully, be deterred by State litigation successes and invest their resources in workplace safety, instead of national legal defense teams. Legal issues of first impression will be resolved in Washington courts to provide clarity to employers, workers and the Department.

Impact on clients and services

By developing a team of Assistant Attorneys General, and professional support staff, who focus exclusively on the civil prosecution of complex WISHA matters, the Attorney General’s Office will serve the Department of Labor and Industries, and the employers and workers of Washington, more efficiently and effectively than having rotating attorneys move into and out complex WISHA

matters, together with other Department litigation. Litigation before the Board of Industrial Insurance Appeals will be even more efficient given our ability to devote dedicated legal resources to pre-trial motions, document discovery, and the evidentiary hearings themselves.

Outcomes/results

The deterrent effect of prevailing in the new trend of complex workplace safety litigation will focus legal resources on the disputes that need them most and allow the parties to mediate significant cases involving emerging case law and precedent before the Board of Industrial Insurance Appeals, superior courts and Washington appellate courts. Meeting defense tactics by national law firms intent on litigating peripheral issues, instead of the core question about whether their workers were safe at work, will encourage legal resources by all parties to be used most effectively on substantive legal issues and alternate dispute resolution involving potential agreements for better safety outcomes.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	The Department of Labor & Industries will be billed for legal services rendered.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	

Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	Yes	Related to complex litigation as outlined in the Decision Package Justification and Impacts section of this document.
Is the request related to Puget Sound recovery?	No	
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

The AGO will bill L&I for legal services rendered.

What alternatives were explored by the agency and why was this option chosen?

To cover these costs the AGO entered into an IAA with L&I as L&I initially assumed this to be a one-time expenditure for Fiscal Year 2016. However, this was a stop gap measure and cannot be sustained by L&I as the need for complex litigation continues to increase.

What are the consequences of not funding this request?

The AGO will be unable to provide the overall current level of legal services to L&I. L&I would need to either forego the pursuit of complex litigation cases such as the Tesoro Refinery case or reduce legal services in other areas such as workers' compensation appeals by employers and workers or civil wage theft enforcement matters.

How has or can the agency address the issue or need in its current appropriation level?

The AGO is unable to provide the additional legal services to L&I within its current appropriation level without a reduction and therefore detrimental impact to other areas of L&I legal services.

Other supporting materials:

None.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	14,101	7,927	7,927	7,927
PC Hardware	11,730	6,120	6,120	6,120
Licensing	2,621	2,621	2,621	2,621
CTS Services	1,759	1,759	1,759	1,759
Total Cost	30,211	18,427	18,427	18,427

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: PD - Public Counsel - Ratepayer Advocacy

Budget Period: 2017-19 Biennial Budget Request

Budget Level: PL

Agency Recommendation Summary Text:

The Office of the Attorney General (AGO) requests additional staffing and expert witness funding for the Public Counsel Unit (PCU). As utility rate requests and other regulatory filings have increased, budgetary pressures have negatively impacted the ability of PCU to represent the interests of residential and small business utility ratepayers. Increased funding will enable PCU to more effectively represent ratepayers by increasing the number of cases PCU can participate in and widening the range of issues PCU can address in those cases. Ratepayers will benefit from added legal advocacy and expert analysis and testimony in matters addressing rate increases, service delivery, environmental initiatives, and other regulatory issues.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
111-1 - Public Service Revolving Account-State	678,500	678,500	678,500	678,500
Total Cost	678,500	678,500	678,500	678,500

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	2.85	2.85	2.85	2.85

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
N/A	0	0	0	0

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	232,079	232,079	232,079	232,079
Obj. B	75,636	75,636	75,636	75,636
Obj. C	307,500	307,500	307,500	307,500
Obj. E	58,660	58,660	58,660	58,660
Obj. G	2,125	2,125	2,125	2,125
Obj. J	2,500	2,500	2,500	2,500

Package Description:

Description of Public Counsel

Public Counsel represents residential and small business utility customers in litigation involving state regulated utilities and telecommunications companies before the Washington Utilities and Transportation Commission (UTC), state courts and other fora. As the utility ratepayer advocate for the state, Public Counsel faces major and growing demands from the increased frequency of energy rate increase requests and other regulatory litigation, new matters related to environmental initiatives, including carbon emissions reduction, coal plant regulation, deployment of solar power, energy efficiency, and new issues and cases related to the changing regulatory framework.

The AGO has the express duty to represent Washington citizens in utility regulatory matters. RCW 80.01.100, 80.04.510. To carry out this mandate, the Public Counsel Unit was established in 1983 staffed with two Assistant Attorneys General (AAGs). The attorney staff has not increased since that time. This proposal adds one AAG to the current staff of two AAGs. The request also adds one Regulatory Analyst (RA) to the current staff of 2.6 RAs to provide additional technical analysis, research, and litigation support. To support the new staffing level, the request also adds a 0.50 Paralegal (PL), and increases an existing 0.75 Legal Assistant (LA) position to full-time.

Additionally, this proposal requests funding to allow PCU to hire subject matter expert witnesses to testify before the UTC in ratemaking and other proceedings. These experts play a crucial role in PCU's advocacy on behalf of ratepayers. Very importantly, expert witnesses help PCU fully evaluate or challenge the expert analysis presented by the utilities to ensure that a range of important issues in rate cases and other matters are adequately addressed. In addition to testifying, the experts help PCU understand, analyze and communicate the impacts of complex energy policy proposals and potential impacts on Washington energy ratepayers. Current funding levels to enlist the support of expert witnesses have remained unchanged for many years. These funding levels are now woefully inadequate to allow PCU to provide thorough review of energy rate change proposals, which have become increasingly complex and are occurring at a much higher frequency.

Drivers of the proposal

Public Counsel has broad responsibilities in representing consumers in utility matters, and the number and complexity of these matters are significantly increasing. This proposal will help Public Counsel meet increased demands in the following areas of responsibility:

1. Expansion of baseline regulatory work; the specific cases referenced are examples from the 2015-17 Biennium and are illustrative of the ongoing type of work in these categories:

- a. Electric and natural gas rate cases: Regulated energy utilities are frequently requesting rate increases. Since 2000, regulated utilities filed over 36 general rate cases, averaging approximately three per year. Before 2000, general rate case filings were intermittent. This trend is ongoing and predicted by the industry and regulators to continue.
 - b. Major transaction reviews: (e.g. sale of Puget Sound Energy's (PSE) territory to new Jefferson County PUD; PSE Liquefied Natural Gas facility in Tacoma; PSE Appliance Leasing proposal)
 - c. Policy dockets and investigations (e.g. Natural Gas Hedging investigation; credit card payments for utility bills; low income assistance programs; compressed natural gas for vehicle fuels; disconnection practices)
 - d. Enforcement cases: Public Counsel intervenes on behalf of customers in selected UTC penalty enforcement cases on important public issues
 - e. UTC rulemaking: Comprehensive telecom rules revision; I-937 (Energy Independence Act) rulemaking
 - f. Ongoing compliance and regulatory review dockets: Power cost adjustments; decoupling reporting; pipeline cost recovery mechanisms; conservation tariff reviews; natural gas cost adjustments; service quality report monitoring.
 - g. Resource and energy efficiency planning: Public Counsel participates in formal utility advisory groups (PSE Integrated Resource Planning Advisory Group; PSE Conservation Resource Advisory Group (CRAG); Avista Demand Side Management Advisory Group; other utility resource planning groups)
2. Growth and significance of environmental issues in UTC regulation:
- a. Coal plant costs, decommissioning, and remediation
 - b. Solar power issues (third-party solar service providers; consumer protection; value of solar and value of grid)
 - c. Ongoing I-937 (Energy Independence Act). Public Counsel participates in I-937 compliance dockets reviewing utility compliance with statutory renewable and energy efficiency targets
 - d. Energy utilities' role in green technology (residential and business solar; electric vehicles; compressed natural gas for vehicles)
 - e. Climate change/carbon emission reduction initiatives affecting regulated utilities and customers (EPA Clean Power Plan; state plan development process)

- f. Smart grid and smart meter deployment issues
3. New issues: new utility business models; changing regulatory paradigm
- a. Distributed energy impact on utilities/consumers, which involves small scale renewable resources such, such as solar, that allow customers to generate energy.
 - b. PSE and Pacific Power entry to energy imbalance markets, which aggregate electricity generation and load to match each across multiple utility service territories. While energy imbalance markets can increase the economic efficiency of the power system, they result in more complex rate cases before state utility commissions and federal regulators.
 - c. Potential inclusion of Washington in new Regional Transmission Organization via expansion of the California Independent System Operator (CalISO).
 - d. Alternative ratemaking mechanisms are changing rate regulation and making it more complex (e.g. multi-year rate plans; earning erosion adjustments; decoupling; automatic rate escalation factors)
 - e. Infrastructure replacement programs
 - f. Reliability (affected by increased reliance on renewables)
 - g. Privacy, cyber-security, and consumer protection in new business areas such as solar

Relationship to the AGO Strategic Plan:

- 1. Priority – Protect the People
 - a. Goal – Fight Fraud and Protect Washington Pocketbooks
 - i. Objective 2-1-7 Protect Washington Ratepayers - Vigorously represent the public interest in the full range of proceedings before the Utilities and Transportation Commission.

The AGO contact for this request is Brendan VanderVelde, Budget Director, 360-586-2104.

Base Budget:

The Public Counsel Unit total funding level for the 2015-2017 Biennium is \$2,220,000 and 6.4 FTEs.

Decision Package expenditure, FTE and revenue assumptions, calculations and details:

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
Assistant Attorney General	1.00	1.00	1.00	1.00	Y
Regulatory Analyst 3	1.00	1.00	1.00	1.00	Y
Legal Assistant 2	0.25	0.25	0.25	0.25	Y
Paralegal 2	0.50	0.50	0.50	0.50	Y
Management Analyst 5	0.10	0.10	0.10	0.10	Y

The AGO requests \$371,000 per fiscal year for additional staff of 2.75 FTE (Assistant Attorney General, Regulatory Analyst 3, Paralegal, Legal Assistant 2) and \$307,500 per fiscal year for expert witnesses. Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

Background Assumptions – Expert Witness Costs For Typical Case:

Narrow scope rate case, transaction review, or other major case with limited issues: \$100,000

Medium scope rate case, transaction review, or other major case with multiple issues:
 \$150,000-200,000 (\$175,000)

Cost for comprehensive expert testimony on all major issues in a full general rate case or other complex case: \$275,000

The request is for an increase in permanent funding for expert witnesses for the unit is based on an ongoing projected need. Recent experience and projected cases in the 2017-19 Biennium support a reasonable projection of need as:

One comprehensive level case:	\$275,000
2 medium level cases:	\$350,000
3 narrow scope cases:	<u>\$300,000</u>
Total	\$925,000
Less existing funding	<u>\$310,000</u>
Projected Biennial Need	\$615,000

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Additional funding will provide the PCU with the resources necessary to represent residential and small business customers in more matters concerning baseline regulatory work, environmental issues in UTC regulation and, the new utility business and related regulatory

model. PCU estimates it can save residential and small business customers an additional \$5,000,000 each fiscal year.

Performance Measure detail:

- Activity (0011) Representing Ratepayers
- Performance Measure (2531): Consumer Utility Rate Savings
- Current 2015-2017 Target: \$20,000,000 of consumer utility rate savings or avoidance per biennium, reported annually
- Expected incremental change in annual performance target:

Fiscal Year	FY 2018	FY 2019	FY 2020	FY 2021
Incremental Impact:	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

Relationship to Results Washington:

1. Goal 2 – Prosperous Economy

Helping to keep utility rates paid by business and residential consumers reasonable and affordable is a positive economic factor for business and family budgets.

2. Goal 3 – Sustainable Energy and a Clean Environment

Public Counsel will have enhanced ability to participate in UTC review of coal-fired generation issues, to advocate for energy efficiency as a clean, low cost resource, and for appropriate distributed energy policies that benefit customers (e.g. solar).

3. Goal 5 – Efficient, Effective, and Accountable Government

By increasing resources for customer representation, the budget request will contribute to the responsiveness and effectiveness of the state regulatory process in protecting customers, ensuring fair, just, and reasonable rates, adequate service and the pursuit of clean energy goals.

Fully describe and quantify expected impacts on state residents and specific populations served.

Impact on clients and services

Public Counsel’s work has a direct impact on millions of Washington citizens and their essential services. A very high percentage of households and small businesses in the state are consumers of regulated electric, natural gas, and/or telecommunications service and are represented by Public Counsel.

Public Counsel's advocacy has helped the UTC issue orders that have saved ratepayers millions of dollars, such as the sale of PSE territory to Jefferson PUD (\$52.7 m in customer credits), the

PacifiCorp 2014 General Rate Case (rate increase reduced \$20 m), and the Avista 2015 General Rate Case (rate increase reduced approximately \$41m).

Outcomes/results

The requested additional staffing will enable Public Counsel to participate in more matters, address additional issues, and to cover issues in more depth. This will generate added financial benefits for customers, as well as ensure that consumer interests are taken into account in key policy determinations.

Due to budget constraints, Public Counsel has not been able to address key issues in rate cases that significantly impact how much consumers pay for their essential services:

1. Rate of return (investor profit margin) – PCU cannot retain experts for all cases.
2. Power costs – PCU cannot retain experts to address power production cost, which is a large and complex issue in rate cases.
3. Cost of service studies – PCU cannot retain experts to compile or review data necessary to determine how increased rates are allocated among residential, industrial, and commercial customers.
4. Utility expenses review (“revenue requirement”) – Public Counsel cannot retain experts to sufficiently address the broad range of issues impacting utility rates, such as taxes, labor, executive compensation, and insurance.

Additional staff will enable PCU to participate in more utility policy, planning, and energy efficiency matters. PCU currently lacks resources to work on these issues for all regulated utilities (integrated resource plans, energy efficiency stakeholder advisory groups).

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	Yes	Depending on the company involved. For example, PSE has over 1 million customers primarily in Western Washington in the Puget Sound region, Avista serves Eastern Washington, PacifiCorp serves Yakima and Walla Walla counties.
Other local gov’t impacts?	No	
Tribal gov’t impacts?	No	

Other state agency impacts?	Yes	The requests impacts the UTC which is the administrative agency for Fund 111-1 Public Service Revolving Account.
Responds to specific task force, report, mandate or exec order?	No	
Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	Staff will be housed within existing space.
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

This budget request is supported by Washington’s labor, environmental, and business communities.

The following represents the AGO’s current understanding of stakeholder positions

UTC. PCU is a statutory party to UTC proceedings as legal counsel for customers’ interests in the regulatory process. Public Counsel adds significant value to UTC regulatory proceedings by presenting legal and factual analysis and recommendations from a residential and small business customer perspective, helping to ensure a balanced and comprehensive record for the agency

decision. Public Counsel is hopeful of general UTC support, or non-opposition; UTC concerns about sufficiency of the PSRF may need to be addressed. Early communications with the UTC about their plans for the 2017-2019 Biennium, prior to OFM submission, would be helpful.

The following organizations supported a similar funding request in 2016:

Labor / Middle-income advocates

- Washington State Labor Council

Environmental

- Washington Environmental Council

Industrial Customers

- Industrial Customers of NW Utilities (ICNU)

Business Community

- Washington Retail Association
- Washington State Heating, Ventilation & Air Conditioning Contractors Association (WA HVACCA)

The following are expected to be supportive of (or not oppose) the request:

Industrial Customers:

- Northwest Industrial Gas Users (NWIGU)

Low -Income

- The Energy Project (consortium of Community Action Agencies)
- Spokane Neighborhood Action Partners (SNAP)

Environmental

- Northwest Energy Coalition
- Sierra Club

What alternatives were explored by the agency and why was this option chosen?

Public Counsel has a statutory obligation to appear for the public in utility regulatory matters. Due to the specialized and technical nature of the subject matter, and the ongoing volume of the work, temporary or rotational staff from other AGO divisions would not meet the need. Because of the specialized subject matters (accounting, economics, finance, engineering, power costs, rate

spread/rate design), Public Counsel must retain expert witnesses to effectively advocate for ratepayers.

Funding comes from the Public Service Revolving Fund, specially earmarked to pay for regulation of utility companies. The fund is raised by an assessment on utility company revenue. The utilities collect the assessment from their customers in rates.

What are the consequences of not funding this request?

Funding this request will enable Public Counsel to represent customers more effectively before the UTC and other fora by covering more issues, developing broader expertise, and participating in more matters. This will lead directly to additional financial benefits (e.g. rate savings) and policy benefits for customers.

At current funding levels, absent the requested positions and expert funds, due to the increased workload and scope of issues, Public Counsel is no longer able to adequately or effectively represent customers in all necessary cases and issues.

Parties in utility cases present their evidence primarily through expert witnesses (accountants, economists, financial analysts, engineers, power cost analysts). Limited expert witness funding has increasingly meant that Public Counsel is not able to evaluate or challenge the expert analysis presented by the utilities and adequately address a range of important issues in rate cases and other matters.

How has or can the agency address the issue or need in its current appropriation level?

The agency is unable to address these issues within the current appropriation level.

Other supporting materials:

None.

Information technology: Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP <i>(insert rows as required)</i>	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	3,493	1,858	1,858	1,858
PC Hardware	3,278	1,710	1,710	1,710
Licensing	732	732	732	732
CTS Services	427	427	427	427
Total Cost	7,930	4,727	4,727	4,727

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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**2017-19 Biennium Budget Request
Decision Package**

FINAL

Agency: ATTORNEY GENERAL’S OFFICE

Decision Package Code/Title: PE - University of Washington Legal Services

Budget Period: 2017-19 Biennial Budget Request

Budget Level: PL

Agency Recommendation Summary Text:

The Office of the Attorney General (AGO) requests funding for 1.0 Assistant Attorney General (AAG) to meet the rapidly-expanding needs of the University of Washington (UW) and provide consistent advice that will minimize legal risks. Specifically, the request is for a dedicated FTE for the Bothell campus, which is the fastest growing campus in the state, and where the need is the most critical.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
405-1 - Legal Services Revolving Account-State	173,000	173,000	173,000	173,000
Total Cost	173,000	173,000	173,000	173,000

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	1.25	1.25	1.25	1.25

Revenue	Source	FY 2018	FY 2019	FY 2020	FY 2021
405 - Legal Serv Rev Acct	0420	173,000	173,000	173,000	173,000

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. A	87,549	87,549	87,549	87,549
Obj. B	24,798	24,798	24,798	24,798
Obj. E	58,903	58,903	58,903	58,903
Obj. G	750	750	750	750
Obj. J	1,000	1,000	1,000	1,000

Package Description:

The University of Washington Division of the AGO (AGO UW Division) provides advice to the three University of Washington campuses. UW-Bothell is the fastest growing campus in the state. The number of students attending UW-Bothell continues to grow as do the number of programs offered and faculty and staff hired. In addition, the campus is developing housing for students which will transition the campus from a commuter campus to a partial residential campus. The UW-Tacoma is experiencing similar growth. The UW-Seattle campus is also seeing growth, especially in its global programs including a new collaboration with Tsinghua University in China. The regulatory system for institutions of higher education continues to become more complicated. This includes federal requirements related to alleged sexual misconduct and health care. The number of employees at each institution continues to grow which means the division is called on to provide more and more labor and personnel advice for all three campuses.

This request for funding is critical to support legal services to the UW and reduce the need to retain Special Assistant Attorneys General (SAAGs) (private counsel on contract). The UW is an extraordinarily large and complex entity with nearly 50,000 students (another 45,000 are served through Education Outreach programs), more than 25,000 employees, several hospitals and an even larger health care entity, a Division I athletics program, and sixteen colleges and schools at the Seattle campus with many more at the Bothell and Tacoma campuses. The UW's operating budget exceeds 6 billion dollars. The legal issues addressed by the AGO's UW Division are diverse and complex.

The AGO UW Division is staffed by 19 attorneys and 12 professional staff. Although the size and scope of the UW enterprise has grown dramatically, the number of AAGs supporting the UW has not kept pace. During FY 2015 the Division experienced its first AAG increase since 2007. Nonetheless, the ratio of AAGs to number of employees is significantly smaller than those observed in other agencies across the state. The low staffing levels combined with the complexity and sheer volume of the legal work has required the use of far more expensive SAAGs, sometimes even for work that does not require special expertise. With the addition of one AAG FTE assigned to Bothell, the division will be able provide needed support for the Bothell campus and at the same time be able to allocate more time from existing resources to the Seattle campus. In addition, the Division should be able to retain the legal work that would go to SAAGs, achieving substantial savings and greater efficiencies through the development of expertise.

Despite adding three attorneys last biennium, feedback from the University continues to include statements that the AGO UW Division is too small. There simply are not enough AAGs to complete the amount of legal work the University requires. Even when the AGO UW Division is able to handle the work requested, it often takes longer than administrators would like because of the number of competing demands on our attorneys. The UW administration recognizes that the attorneys and staff in the AGO UW Division work extremely hard, but is too small to meet the

University's needs. Inadequate staffing in the AGO UW Division leads to a number of problems, including client frustration, employee morale problems, inability of attorneys to spend the time necessary to develop expertise on new issues, and a resulting reliance on private counsel (SAAGs).

The AGO UW Division has tracked the number of hours billed to the UW over the past year and the number of hours worked by the AAGs in the division. Billing is by AAG FTE per month, and is therefore capped at approximately 176 hours each month (FTE standard hours). In reality, the hours worked by the 19 AAGs each month indicates a consistent need for at least one additional attorney. For example, during all of FY 2016, each AAG worked an average of over 200 hours per month. In June 2016, the average was 204 hours, or a total of 508 hours of extra time. These extra hours translates to more than two FTEs of additional work. This request is for one additional AAG but the legal services provided indicate a need for additional staff.

The University must comply with an ever expanding set of federal and state laws. For a list of compliance laws and regulations from the federal government, refer to the Higher Education Compliance Alliance website: <http://www.higheredcompliance.org/matrix/>. One example of a federal law that has recently expanded in its application and scrutiny is Title IX. The University has hired outside consultants and SAAGs to help with this compliance area. An additional AAG in the AGO UW Division would diminish the need for outside assistance and can facilitate greater proactive compliance with Title IX.

UW Medicine provides primary and specialty medical care to the region and owns, operates or is affiliated with Harborview Medical Center, Northwest Hospital & Medical Center, Valley Medical Center, UW Medical Center, a network of nine UW Neighborhood Clinics that provide primary care and secondary care, the physician practice plan, UW Physicians, and the UW School of Medicine and Airlift Northwest. In addition, UW Medicine is also associated with the practice plan Children's University Medical Group and Seattle Cancer Care Alliance, a partnership among UW Medicine, Fred Hutchinson Cancer Research Center and Seattle Children's Hospital. There are many legal issues that are important to maintaining the UW Medicine entities, one of which is navigating the intricacies of the Affordable Care Act. As the importance and complexity of health care has grown, the number of AAGs supporting UW Medicine has only increased by one FTE in FY 2015.

The university campuses in Tacoma and Bothell continue to grow. UW-Bothell has increased its enrollment by over 75% since 2009 with a current enrollment now exceeding 5,000 students with 45 undergraduate and graduate degrees. UW-Tacoma also continues to grow with nearly 5,000 students and over 300 faculty members. The AGO UW Division has not grown to accommodate the needs of these newer campuses.

The prevalence of legal issues related to students has continued to dramatically increase. One specific area is the increase in allegations of sexual misconduct. The number of student conduct hearings involving an AAG has nearly tripled in the last two years and the complexity of these hearings has increased as well. Currently the AGO UW Division has one AAG assigned to do these hearings. One AAG is not sufficient and the University has needed to seek advice from

SAAG’s. Additional assistance has also been sought from AAGs in other AGO divisions. With Bothell and Tacoma campuses developing more student housing, the student conduct issues are likely to increase even more.

With an expanding workforce, especially at the Bothell and Tacoma campuses, the legal issues related to employment and human resources have also increased. The number of University Human Resource Consultants has continued to increase and consequently the number of clients seeking legal advice on both staff and faculty employment issues continues to grow. Having a dedicated FTE for Bothell campus legal issues will allow other AAGs in the Division, who are currently doing work for the Bothell campus, to spend more time on issues impacting the other two campuses.

To ensure timely and effective legal services to UW, and reduce the use of private counsel, it is critical to provide funding for one additional AAG position to the AGO UW Division.

Relationship to the AGO Strategic Plan:

1. Priority – Serve the State
2. “Provide excellent, independent, and ethical legal advice and representation to our client, the State of Washington”
 - a. Goal 1 – Deliver high quality, timely, and efficient legal services.

The AGO contact for this request is Brendan VanderVelde, Budget Director, and he can be reached at (360) 586-2104.

Base Budget:

The AGO’s UOW Division has the total funding level for the 2015-2017 Biennium of \$5,005,430 and 18.2 FTEs in Fund 405-1 (Legal Services Revolving Account). The base budget Activity is #0010 (Legal Services to State Agencies).

**Decision Package expenditure, FTE and revenue assumptions, calculations and details:
 Fiscal Summary:**

FTE	FY2018	FY2019	FY2020	FY2021	Ongoing ? Y / N
AAG	1.0	1.0	1.0	1.0	1.0
Management Analyst	0.25	0.25	.25	.25	.25

In order to provide increased legal services for UW, the AGO estimates a workload impact of 1.0 AAG at a cost of \$173,000 per year. Agency administration support FTEs are included in the table above using a Management Analyst 5 as a representative classification.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

Additional funding will provide the AGO UW Division with the necessary resources to represent the state and the UW in the increasing need for legal advice and representation on the UW-Bothell campus.

This request for funding is critical to the continued legal representation of UW. The AGO needs additional staff resources to respond to litigation deadlines and client advice needs to represent UW in a timely manner. Approval of this request will result in a long lasting positive fiscal impact for the state of Washington.

Performance Measure detail:

- Activity (0010) Legal Services to State Agencies.
- Performance Measure (2539): Cases Open at End of Fiscal Year
- Current 2015-17 Target: 25,000 open cases at the end of each FY, reported annually.
- Expected incremental change in annual performance target: Incremental impact on this performance measure is indeterminate.

Results Washington:

Goal 1: World Class Education -Expecting every child to receive a world-class education that prepares him or her for a healthy and productive life, including success in a job or career, in the community and as a lifelong learner.

Access: All Washingtonians have access to education that prepares them to transition to elementary, middle, high school, postsecondary, career and lifelong learning opportunities:

1.3 Increase the percentage of population enrolled in certificate, credential, apprenticeship and degree programs from 13% in 2012 to 24.8% in 2023.

Success: Washington's public schools provide innovative, high-quality opportunities and tools for every student to attain 21st century skills to succeed in school, job, career and community.

2.3 Increase attainment of certificates, credentials, apprenticeships and degrees from 72,000 to 149,000 by 2023.

Goal 2: Prosperous Economy - Fostering an innovative economy where businesses, workers and communities thrive in every corner of our state.

Goal 3: Sustainable Energy and a Clean Environment - Building a legacy of resource stewardship for the next generation of Washingtonians.

Goal 4: Healthy and Safe Communities - Fostering the health of Washingtonians from a healthy start to safe and supported future.

Goal 5: Effective, Efficient and Accountable Government

Fully describe and quantify expected impacts on state residents and specific populations served.

The impact of the additional AAG is that important work in support of all three UW campuses will not be delayed. At present, the AGO UW Division cannot currently get the legal work done during the timeline that UW would normally expect the work to be done. This additional time can delay programs for students and increases greater legal risk. At UW-Bothell, this can impact both the UW and Cascadia Community College. When contracts are delayed, it causes programs to be delayed. In the past, this has impacted the ability to draw additional revenue in fee programs (Educational Outreach programs). When legal work is needed more quickly, the client has no choice but to spend money on private attorneys.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	
Other local gov't impacts?	No	
Tribal gov't impacts?	No	
Other state agency impacts?	Yes	Cascadia Community College could be impacted if agreements are not completed in a timely manner
Responds to specific task force, report, mandate or exec order?	Yes	The task force on Title IX could generate recommendations an AAG may need to help implement.

Does request contain a compensation change?	No	
Does request require a change to a collective bargaining agreement?	No	
Facility/workplace needs or impacts?	No	
Capital Budget Impacts?	No	
Is change required to existing statutes, rules or contracts?	No	
Is the request related to or a result of litigation?	No	
Is the request related to Puget Sound recovery?	No	
Identify other important connections	No	

What alternatives were explored by the agency and why was this option chosen?

Growth of the University, complexity of legal issues and defense of lawsuits are not within the AGO's control. UW must either be represented by the AGO or SAAGs, or suffer the detriments of delay in legal services and increased risks. This proposal is more cost effective.

What are the consequences of not funding this request?

Funding this request will enable the AGO to hire 1.0 AAG FTE, improving legal services to the UW, and avoiding increased costs that would be incurred by increasing reliance on private counsel.

How has or can the agency address the issue or need in its current appropriation level?

There is no funding available to fund this request with existing resources.

The UW is temporarily funding the addition of this position in the 2015-17 biennium through an Interagency Agreement in order to avoid delaying the provision of legal services to the UW-Bothell campus. This funding source is not sustainable, and these requested funds are to make the AAG permanent.

Information technology:

No 

Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.) Note: If the answer is yes, AGO Divisions should contact AGO ISD and AGO Budget. AGO ISD will coordinate with the OCIO as necessary.

2017-19 IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Telephony	1,789	1,020	1,020	1,020
PC Hardware	1,438	750	750	750
Licensing	321	321	321	321
CTS Services	224	224	224	224
Total Cost	3,772	2,316	2,316	2,316

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.

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REVENUE



State of Washington

Summarized Revenue by Account and Source

9/29/2016
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Budget Period: 2017-19
 Dollars in thousands
 100 - Office of Attorney General
 Agency Level
 BS - 2017-19 Bien Budget Request UPDATED
 Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	Total
001 - General Fund							
0393 - Health & Human Svc - F	3,460	3,460					
8L - Lease Rate Adjustments	17	15					
MD - AGO Legal Support Shortfall	6	6					
PA - AAG Recruitment & Retention			82	82			
Total - 0393 - Health & Human Svc - F	3,483	3,481	82	82	3,565	3,563	7,128
001 - General Fund - Federal							
Total - 001 - General Fund	3,483	3,481	82	82	3,565	3,563	7,128
12F - Man/Mobile Dispute							
Total - 0299 - Other Licenses Permi - S	469	456			469	456	925
12F - Man/Mobile Dispute - State							
Total - 12F - Man/Mobile Dispute	469	456			469	456	925
19P - Child Rescue Fund							
Total - 0405 - Fines, Forfeits - S		250				250	250
19P - Child Rescue Fund - State							
Total - 19P - Child Rescue Fund		250			250	250	250
405 - Legal Serv Rev Acct							
0420 - Charges for Services - S	110,707	111,112					
8L - Lease Rate Adjustments	1,081	786					
MB - LCB Legal Services (2SSB 5052)	689	689					
MC - Move Servers to State Data Center	334	198					
MD - AGO Legal Support Shortfall	283	283					
ME - PDC Legal Services	236	236					
MF - Mental Health Workload Increase	228	228					
MG - Charter Schools Litigation	71	71					

State of Washington

Summarized Revenue by Account and Source

9/29/2016
2:13PM

Budget Period: 2017-19
Dollars in thousands
100 - Office of Attorney General
Agency Level
BS - 2017-19 Bien Budget Request UPDATED
Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	
MH - Vapor Products (ESSB 6328)	72	16					
PA - AAG Recruitment & Retention			11,315	11,315			
PB - Child Permanency & Child Welfare			3,596	3,596			
PC - L&I WISHA Complex Litigation			1,341	1,341			
PE - UW (Bothell) Legal Services			173	173			
Total - 0420 - Charges for Services - S	113,701	113,619	16,425	16,425	130,126	130,044	260,170
405 - Legal Serv Rev Acct - State	113,701	113,619	16,425	16,425	130,126	130,044	260,170
Total - 405 - Legal Serv Rev Acct	113,701	113,619	16,425	16,425	130,126	130,044	260,170
424 - Anti-Trust Revolving							
Total - 0420 - Charges for Services - S	1,200	1,200			1,200	1,200	2,400
424 - Anti-Trust Revolving - State	1,200	1,200			1,200	1,200	2,400
Total - 424 - Anti-Trust Revolving	1,200	1,200			1,200	1,200	2,400
825 - Tobacco Settlement							
Total - 0420 - Charges for Services - S	84,584	84,584			84,584	84,584	169,168
825 - Tobacco Settlement - State	84,584	84,584			84,584	84,584	169,168
Total - 825 - Tobacco Settlement	84,584	84,584			84,584	84,584	169,168
100 - Office of Attorney General - State							
Total - 100 - Office of Attorney General	199,954	200,109	16,425	16,425	216,379	216,534	432,913
100 - Office of Attorney General - Federal	3,483	3,481	82	82	3,565	3,563	7,128
Total - 100 - Office of Attorney General	203,437	203,590	16,507	16,507	219,944	220,097	440,041

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Proposed Fee Changes

- Not Applicable -

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Working Capital Reserve

Budget Period: 2017-19
Agency: 100 Office of Attorney General
Version: BR 2017-19 Biennial Budget Request

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 Page: 1

		FUND ADMINISTRATOR AGENCY ONLY	FUND ADMINISTRATOR AGENCY ONLY
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
12F	Man/Mobile Home Dispute Resolution	230,000	240,000
154	New Motor Vehicle Arbitration Acct	250,000	270,000
19P	Child Rescue Fund		130,000
405	Legal Services Revolving Account	21,000,000	23,000,000
424	Anti-Trust Revolving Account	290,000	1,160,000

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Revenue Transfer Reconciliation Statement

- Not Applicable -

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Code	Title
100	Office of the Attorney General

2017-2019 Federal Funding Estimates Summary

Date: September 9, 2016

CFDA NO.*	Agency Total	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	Agency Total			
	FY 2018	3,946,900	3,946,900	1,315,633
	FY 2019	3,946,900	3,946,900	1,315,633
	FY 2020	3,946,900	3,946,900	1,315,633
	FY 2021	3,946,900	3,946,900	1,315,633
	93.775 Health and Human Services			
	FY 2018	3,946,900	3,946,900	1,315,633
	FY 2019	3,946,900	3,946,900	1,315,633
	FY 2020	3,946,900	3,946,900	1,315,633
	FY 2021	3,946,900	3,946,900	1,315,633
Activity # A009 - Investigation and Prosecution of Medicaid Fraud and Resident Abuse				

* Catalog of Federal Domestic Assistance

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Additional Federal Receipts Reporting Requirements

- Not Applicable -

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Non-Budgeted Local Fund Summary

- Not Applicable -

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Puget Sound Action Agenda Expenditures

- Not Applicable -

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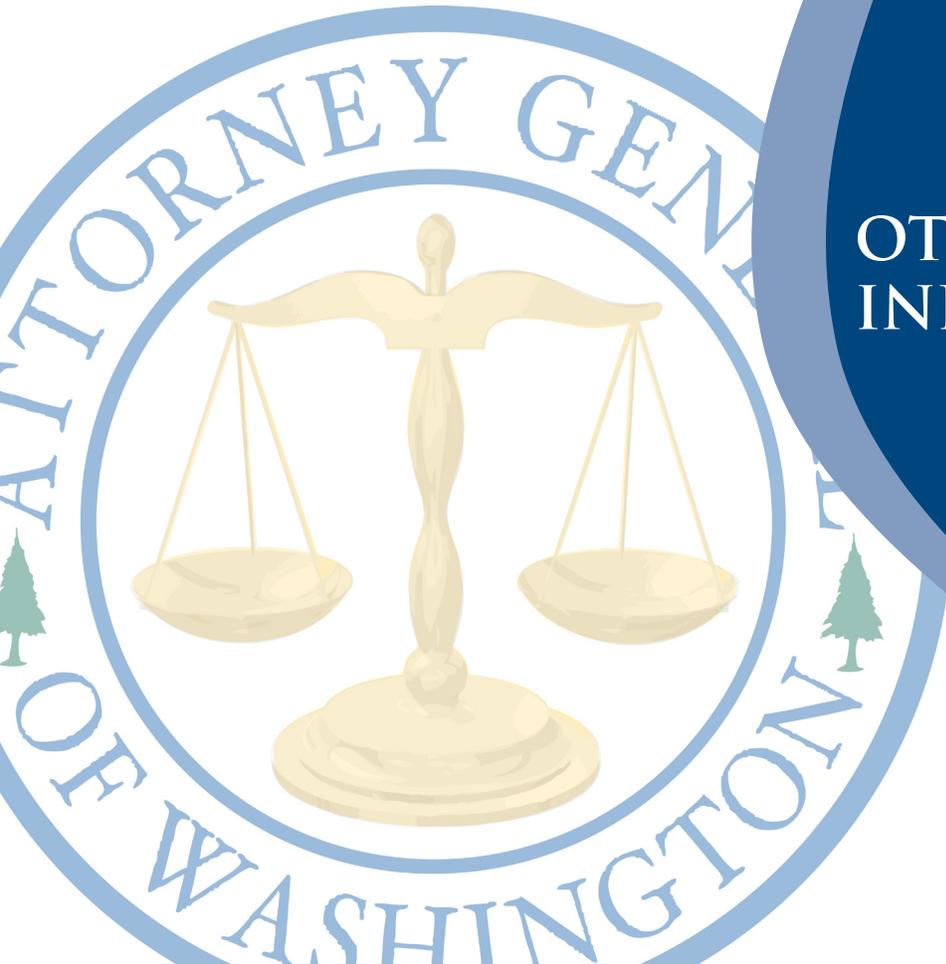
JLARC Audit Responses

- Not Applicable -

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TAB E

OTHER REQUIRED
INFORMATION



See Decision Packages for all IT related documents. No Additional IT documents are included in this section.

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Central Service Fund Splits

100-Office of the Attorney General

Save/Update

All Columns by Agency must equal 100%

Agency	Account and Approp Title	Auditor	AttGen	OAH	Facilities & Services Only	CTS	Debt Services	Workers' Comp	All Other Services
Percent Totals (only applies when one agency chosen)									
100-Office of the Attorney General	001-1 General Fund-State	100.00%	8.87%	0.00%	100.00%	100.00%	100.00%	100.00%	100.00%
100-Office of the Attorney General	111-1 Public Service Revolving Account-State	0.89%	0.89%	0.00%	8.87%	8.87%	8.87%	8.87%	8.87%
100-Office of the Attorney General	12F-6 Manufactured/Mobile Home Dispute-Non-A	0.37%	0.37%	85.71%	0.37%	0.37%	0.37%	0.37%	0.37%
100-Office of the Attorney General	154-1 New Motor Vehicle Arbitration Acct-State	0.42%	0.42%	0.00%	0.42%	0.42%	0.42%	0.42%	0.42%
100-Office of the Attorney General	17L-6 Foreclosure Fairness Account-Non-Appropri	0.28%	0.28%	0.00%	0.28%	0.28%	0.28%	0.28%	0.28%
100-Office of the Attorney General	405-1 Legal Services Revolving Account-State	88.23%	88.23%	14.29%	88.23%	88.23%	88.23%	88.23%	88.23%
100-Office of the Attorney General	424-6 Anti-Trust Revolving Account-Non-Appropri	0.89%	0.89%	0.00%	0.89%	0.89%	0.89%	0.89%	0.89%
100-Office of the Attorney General	828-1 Tobacco Prevention and Control Acct-State	0.05%	0.05%	0.00%	0.05%	0.05%	0.05%	0.05%	0.05%

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Extraordinary Risk Management
Decision Packages are not included in the
AGO's 2017-19 Budget Request

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Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

2017-19 Biennial Budget Proposal
Enterprise Risk Management Update

The following are three major risks that could impact the Attorney General Office's (AGO) ability to achieve its strategic objectives on time. For each risk there are a number of initiatives and activities either completed or underway designed to address the concern.

1. The threat of cyber security or network attacks is an issue that faces all state government. Agencies in and out of the state global network have experienced many phishing or malware attacks. One agency experienced website hacking where their website was taken over to post contrary political views. The AGO has been able to thwart cyber attacks but increasing resources are being used to keep a head of hacking efforts.
 - Resources continue to be expended in IT security awareness. The AGO Risk Manager created a power point presentation to be used in presentations/trainings across the organization. This training addresses physical and technology risk/safety components.
 - A statewide agency effort was initiated to consolidate, update and clarify all Information Technology (IT) policies. The effort is designed to create a single policy that replaces many policies which includes but is not limited to the Information Technology Security policy, Internet Services Use Policy, Electronic Mail Policy, Telephone policy and Mobile Device Policy. The purpose of the project is to ensure policy language is clear and that all of the policy elements work collectively to ensure security, data integrity and data privacy is maintained within the agency.
 - The AGO also works collaboratively with the OCIO and CTS to meet all security standards and prevent avert attacks. Monthly and quarterly table top exercises are being done to provide experience and learning opportunities in IT security and safety.

2. Potential data breach of HIPAA or Personal Health Information (PHI) is a risk that could result in civil and criminal penalties. In 2010, the AGO established a HIPAA Workgroup that developed policies and practices for handling PHI to assure compliance with the HITECH Act. In addition all AGO employees are required to take HIPAA/HITECH training as well as annually completing IT Security Awareness training. The AGO conducted a HIPAA risk assessment in 2011 and in 2015.
 - The AGO is developing a Data Handling policy that will be completed in conjunction with the IT policy consolidation project.
 - The AGO HIPAA PowerPoint training was updated and will be published soon to provide fresh material for annual training updates.
 - AGO is refining best practices to include a checklist and annual assertion of responsibilities signature for all employees.
 - Next year, all AGO Divisions will update their Model business rules.

3. Business interruption due to natural disaster or another threat is a risk that could pose a significant impact to the agency's ability to meet strategic objectives.
 - Renewed efforts have begun to refresh training and knowledge by agency staff in Emergency Operation Center responsibilities and disaster response plans.
 - Agency Continuity of Operations Plans (COOP), division level COOP and Building Safety Plans are updated on an annual basis.
 - A quarterly table top exercise to test the AGO and Division COOPs will be conducted with the agency executive management team. These exercises are designed to expand knowledge, ensure preparedness and to increase awareness of EOC operations and disaster response.

Appendix A-3

ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: 100

Agency Name: Attorney General's Office

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1: (Preferred)

- This agency posts all decision packages for our 2017–19 budget request to our public-facing website at the following URL:

URL: [http:// www.atg.wa.gov/Budget.aspx](http://www.atg.wa.gov/Budget.aspx)

Option 2:

- This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance standards.

Agency contact: Brendan VanderVelde, Budget Director

Contact phone: (360) 586-2104

Contact email: brendanV@atg.wa.gov

Date: 9/9/2016

This form is available at [Budget Forms](#).

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