



**Department of Commerce**  
**2017-2019 Biennial Operating Budget Request**  
**September 2016**



STATE OF WASHINGTON  
DEPARTMENT OF COMMERCE

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[www.commerce.wa.gov](http://www.commerce.wa.gov)

September 16, 2016

David Schumacher  
Director, Office of Financial Management  
Post Office Box 43113  
Olympia, WA 98504-3113

Dear David:

On behalf of the Department of Commerce, I am pleased to present the 2017-2019 Capital Budget request. In putting together our proposals, we have been mindful of the competitive funding environment ahead of us. Within these constraints, however, we are putting forward a set of budget and legislative packages that align with Governor Inslee's priorities under Results Washington. These proposals would move the state ahead by helping communities grow by improving jobs and providing critical services to businesses and local governments.

We have identified housing affordability and homelessness as one of our top priorities. Additionally, supporting small businesses, particularly those in rural, underserved and minority communities are key areas the department is planning towards. Our capital requests provide options to tackle complex problems in these areas.

Thank you in advance for your consideration of our proposals. We look forward to working with the Governor and the OFM team as you put together the statewide budget recommendation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian Bonlender", written over a horizontal line.

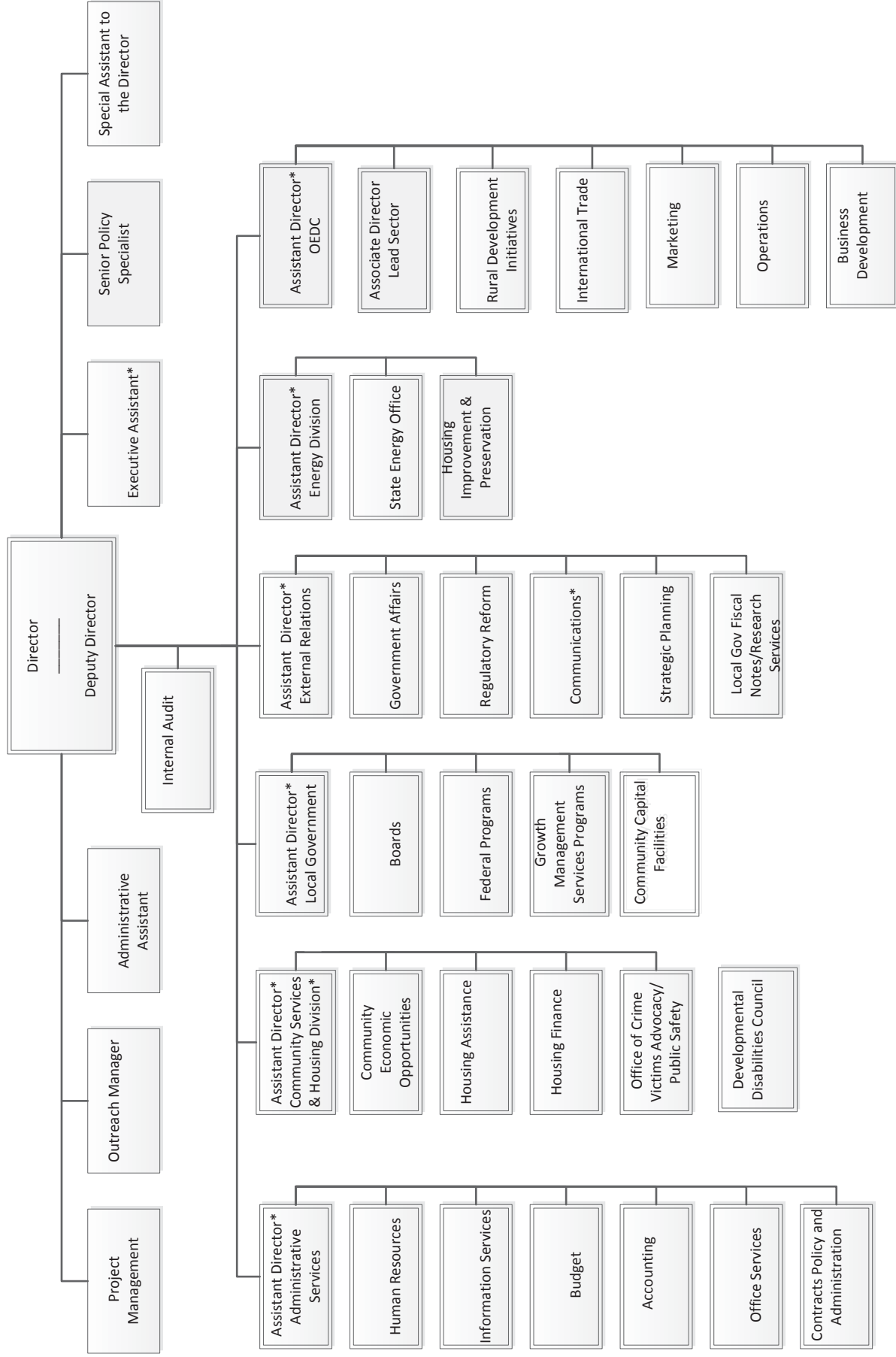
Brian Bonlender  
Director



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**Tab A**



**Washington State Department of Commerce**  
**Organizational Structure**  
**September 2016**

\* Member of Agency Executive Team

## 103 - Department of Commerce

### A182 Municipal Research and Services Center (MRSC)

The Municipal Research and Services Center of Washington (MRSC) is a private nonprofit agency that provides local government officials with research, information, and advice under a personal services contract with Commerce pursuant to RCW 43.110. MRSC responds to requests for information on municipal law, finance, growth management, public works, management, and operations from Washington's 281 cities and 39 counties. MRSC also maintains a vast knowledge base of municipal reference materials, produces a variety of publications, newsletters, and blogs, and operates a web site that receives over 3 million visits per year. These consolidated services reduce the need for local staff and are especially crucial to smaller units of local government. The MRSC is principally funded through a small portion of the cities' distributions of the state liquor profits and the counties' distribution of the liquor excise tax.

#### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	0.3	0.3	0.3
<b>501 Liquor Revolving Account</b>			
501-1 State	\$2,794,760	\$2,793,760	\$5,588,520

**Statewide Result Area:** Efficient, Effective and Accountable Government

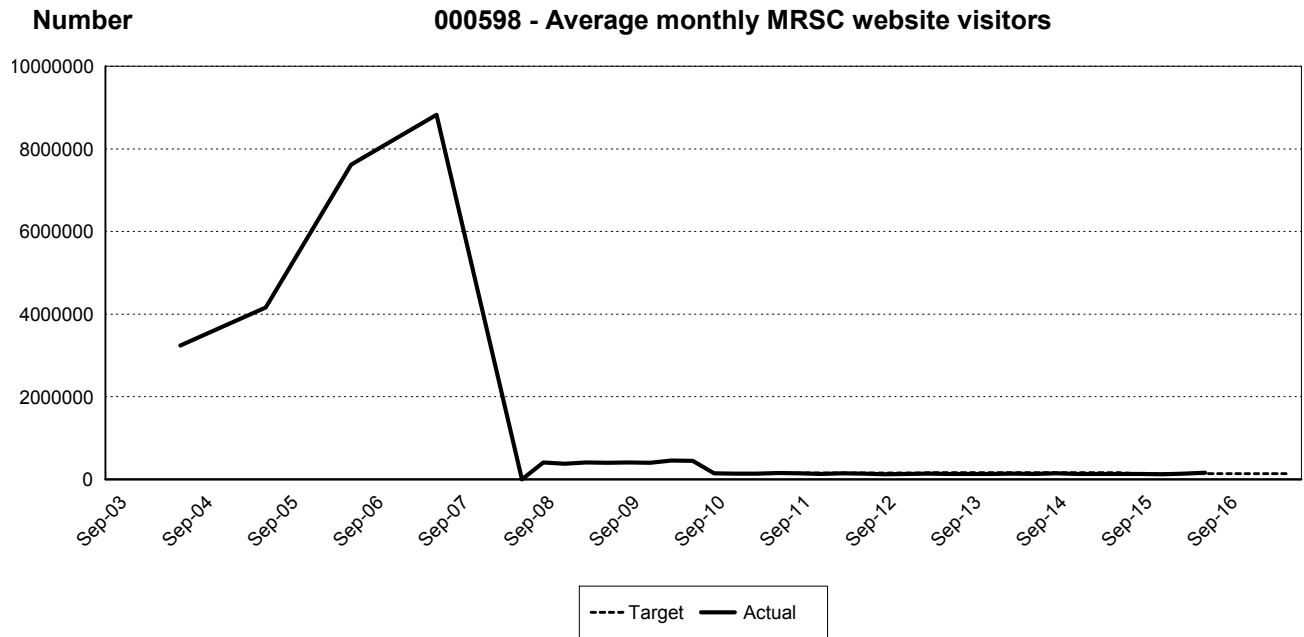
**Statewide Strategy:** Provide data, information, and analysis to support decision-making

#### Expected Results

Cities, towns, and counties have adequate research and information to make sound decisions for their communities.

*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

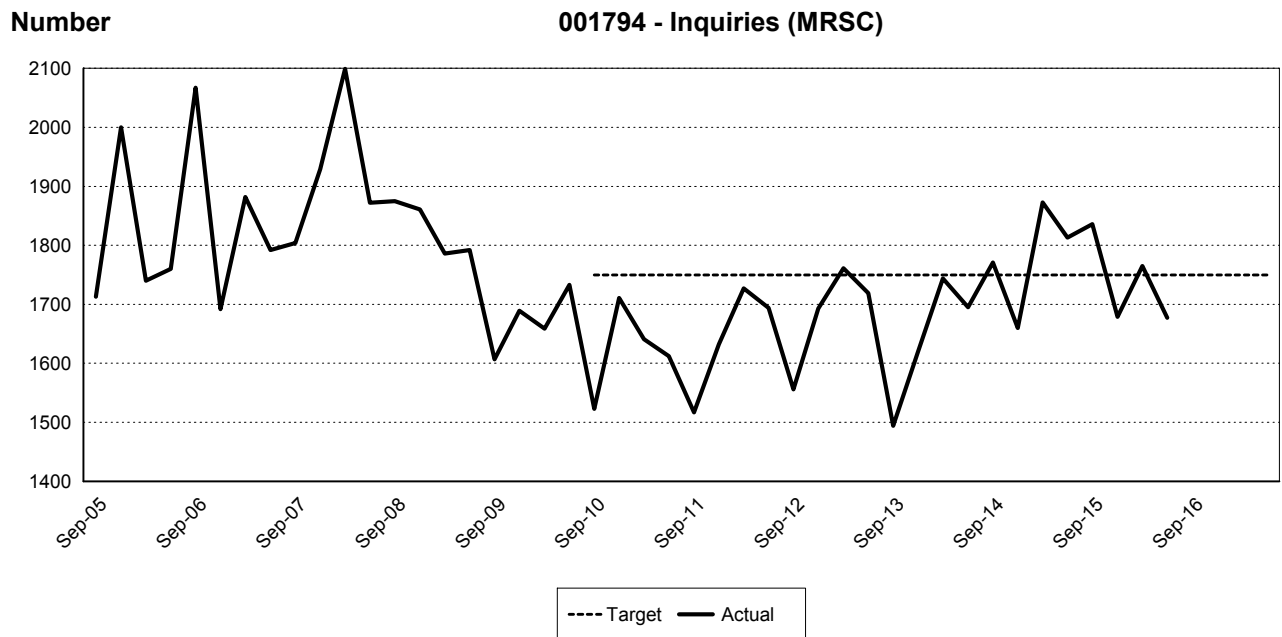
000598 Prior to FY 11, we were measuring the number of web visitors per quarter. We are now tracking average monthly visits.			
Biennium	Period	Actual	Target
2015-17	Q8		130,000
	Q7		130,000
	Q6		130,000
	Q5		130,000
	Q4	159,749	130,000
	Q3	136,139	130,000
	Q2	122,357	130,000
	Q1	125,948	130,000
2013-15	Q8	125,135	150,615
	Q7		150,615
	Q6	129,471	150,615
	Q5	143,251	150,615
	Q4	130,623	150,615
	Q3	136,106	150,615
	Q2	129,620	150,615
	Q1	129,416	150,615
Performance Measure Status: Approved			





*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

<b>001794 Number of inquiries received by the Municipal Research Services Center</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		1,750
	Q7		1,750
	Q6		1,750
	Q5		1,750
	Q4	1,677	1,750
	Q3	1,765	1,750
	Q2	1,679	1,750
	Q1	1,836	1,750
2013-15	Q8	1,813	1,750
	Q7	1,873	1,750
	Q6	1,660	1,750
	Q5	1,771	1,750
	Q4	1,695	1,750
	Q3	1,744	1,750
	Q2	1,620	1,750
	Q1	1,494	1,750
Performance Measure Status: Approved			



## A007 Streamline Housing and Community Development

This activity includes new initiatives, short-term efforts and other services designed to enhance the cooperation of programs and improve the effectiveness of community housing and community development programs.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	6.1	6.2	6.2
<b>001 General Fund</b>			
001-1 State	\$5,103,625	\$5,606,619	\$10,710,244
001-7 Private/Local	\$1,752,986	\$3,380,927	\$5,133,913
<b>001 Account Total</b>	<b>\$6,856,611</b>	<b>\$8,987,546</b>	<b>\$15,844,157</b>

**Statewide Result Area: Prosperous Economy****Statewide Strategy: Provide support services to children and families****Expected Results**

Develop partnerships that result in cross-agency research, systems improvements, or other initiatives that result in better results for Washington.

**A167 Economic Development - Business Loans**

This activity allows the state to provide direct financing to private businesses without violating the constitutional prohibition of lending the state's credit. Federally funded programs in this activity (Rural Washington Loan Fund and Brownfields Loan Fund assist businesses in rural communities each year with loans of up to \$1 million. The loans leverage substantial local resources from governments, banks, and the businesses receiving the loans. As a result of these investments, businesses are retained, able to expand, and/or move to Washington State. This activity also provides loans from the state-funded Manufacturing Innovation and Modernization and Hanford Economic Investment programs.

**Program 600 - Local Government**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	1.0	1.0	1.0
<b>001 General Fund</b>			
001-1 State	\$7,775	\$7,744	\$15,519
001-2 Federal	\$17,750	\$622,250	\$640,000
<b>001 Account Total</b>	<b>\$25,525</b>	<b>\$629,994</b>	<b>\$655,519</b>
<b>746 Hanford Area Economic Investment</b>			
746-6 Non-Appropriated	\$6,000	\$0	\$6,000

**Statewide Result Area: Prosperous Economy****Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments****Expected Results**

Bring and retain small business to rural Washington.

**A003 Community Services Block Grant**

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

The Community Services Block Grant (CSBG) is authorized by the federal Omnibus Reconciliation Act of 1981 (PL 97 35, as amended) for the benefit of people with incomes at or below 125 percent of the poverty line. CSBG allows communities to develop and provide anti poverty services and community development activities that best meet their local needs. Funds can be used for direct services such as employment readiness and training, emergency services, and housing, to raise other funds, and to support certain capital investments. Commerce contracts with 30 community action agencies to fund social and economic challenges and provide ongoing training and technical assistance, board training and development, strategic planning, and problem solving with community action agency staff.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	7.7	7.8	7.8
<b>001 General Fund</b>			
001-1 State	\$1,085,607	\$1,089,745	\$2,175,352
001-2 Federal	\$4,367,366	\$5,814,423	\$10,181,789
<b>001 Account Total</b>	<b>\$5,452,973</b>	<b>\$6,904,168</b>	<b>\$12,357,141</b>

### Statewide Result Area: Healthy and Safe Communities

**Statewide Strategy:** Provide support services to children and families

### Expected Results

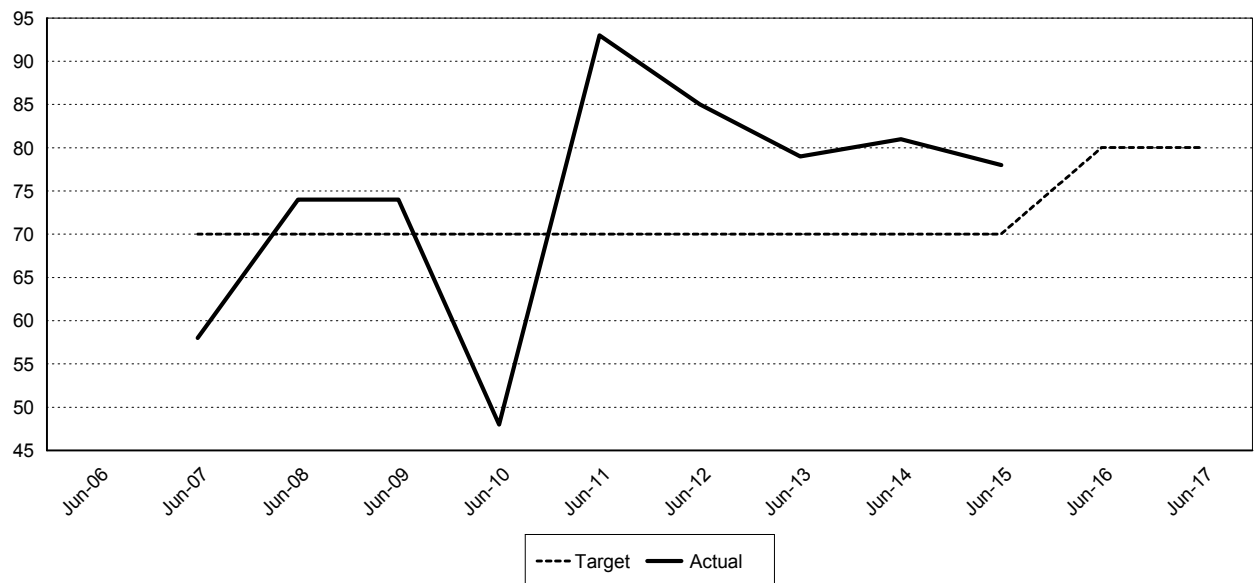
Individuals below the 125 percent poverty line have the skills, training, and amenities they need to reach self-sufficiency.

001069 Community Services Block Grant. Percent of low income individuals receiving one or more non-emergency service from a community action agency who make progress during the period.			
Biennium	Period	Actual	Target
2015-17	A3		80%
	A2		80%
2013-15	A3	78%	70%
	A2	81%	70%
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Percent

## 001069 - Individuals making progress



## A005 Developmental Disabilities Council and Endowment

The Washington State Developmental Disabilities Council is mandated by federal law, public law 106-402. The purpose of the Council is to identify needs, develop strategies and solutions to create or improve support services by conducting advocacy, systems change, and capacity building efforts that promote self-determination, integration, and inclusion. Key activities include conducting outreach, providing training and technical assistance, removing barriers, developing coalitions, encouraging citizen participation, and keeping policy makers informed about disability issues. The Council is funded with federal funds provided through P.L. 106-402. The Developmental Disabilities Endowment Trust Fund is established in RCW 43.330.210. The purpose of the Governing Board is to design and establish all policies to administer the Developmental Disabilities Endowment Trust Fund program. The Governing Board and the operation of the Developmental Disabilities Endowment Trust Fund are funded by fees generated by the program.

### Program 300 - Community Services and Housing

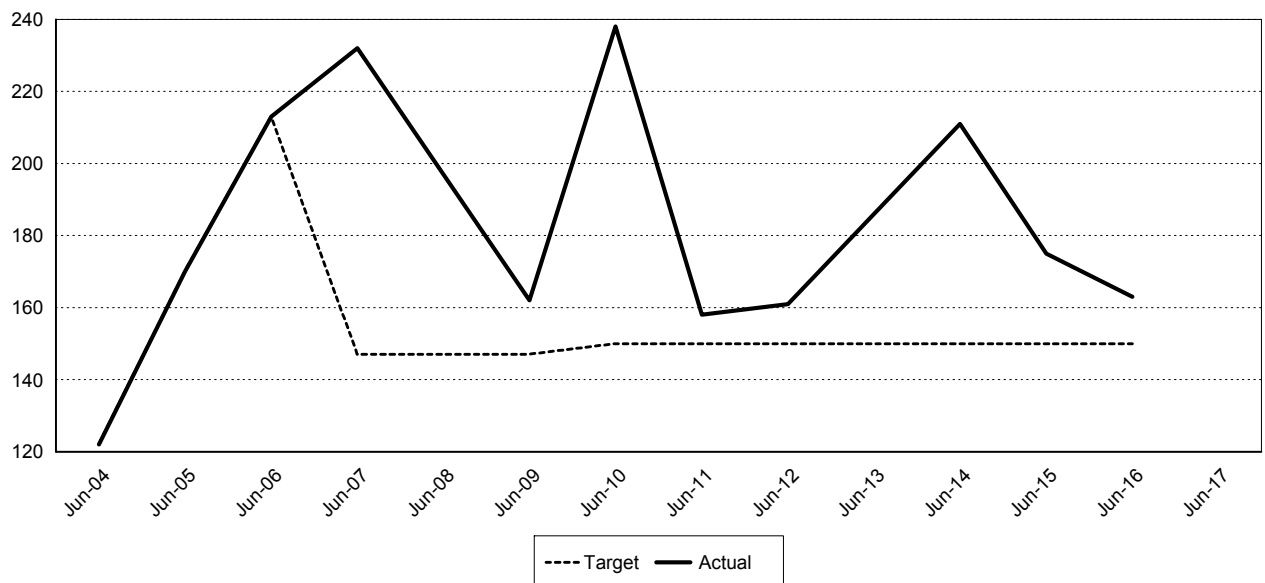
Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	13.5	9.1	11.3
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$510,129	\$423,768	\$933,897
<b>001 General Fund</b>			
001-1 State	\$48,180	\$57,000	\$105,180
001-2 Federal	\$2,789,650	\$968,819	\$3,758,469
001-7 Private/Local	\$10,000	\$0	\$10,000
<b>001 Account Total</b>	<b>\$2,847,830</b>	<b>\$1,025,819</b>	<b>\$3,873,649</b>

**Statewide Result Area: Healthy and Safe Communities****Statewide Strategy: Provide support services to children and families****Expected Results**

People with developmental disabilities and families members report they are more independent, included and integrated into all aspects of community life as a result of Council efforts.

001075 Number of persons for whom a developmental disabilities endowment trust fund is established.			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	163	150
2013-15	A3	175	150
	A2	211	150
Performance Measure Status: Approved			

**Number** **001075 - Developmental disabilities endowment fund established**

**A008 Services to Crime Victims**

The Office of Crime Victims Advocacy (OCVA) ensures that every county in Washington can provide services to help victims recover and return to normal life. Victim services include information and referral, crisis intervention, legal advocacy, medical advocacy, general advocacy and support, support groups, and therapy. OCVA provides funding to Community Sexual Assault programs and other community agencies so victims can access local services and resources during their recovery.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	9.7	9.2	9.5
<b>001 General Fund</b>			
001-1 State	\$9,258,995	\$9,395,132	\$18,654,127
001-2 Federal	\$26,511,353	\$35,983,542	\$62,494,895
<b>001 Account Total</b>	<b>\$35,770,348</b>	<b>\$45,378,674</b>	<b>\$81,149,022</b>

### Statewide Result Area: Healthy and Safe Communities

Statewide Strategy: Protect and support victims of crime

### Expected Results

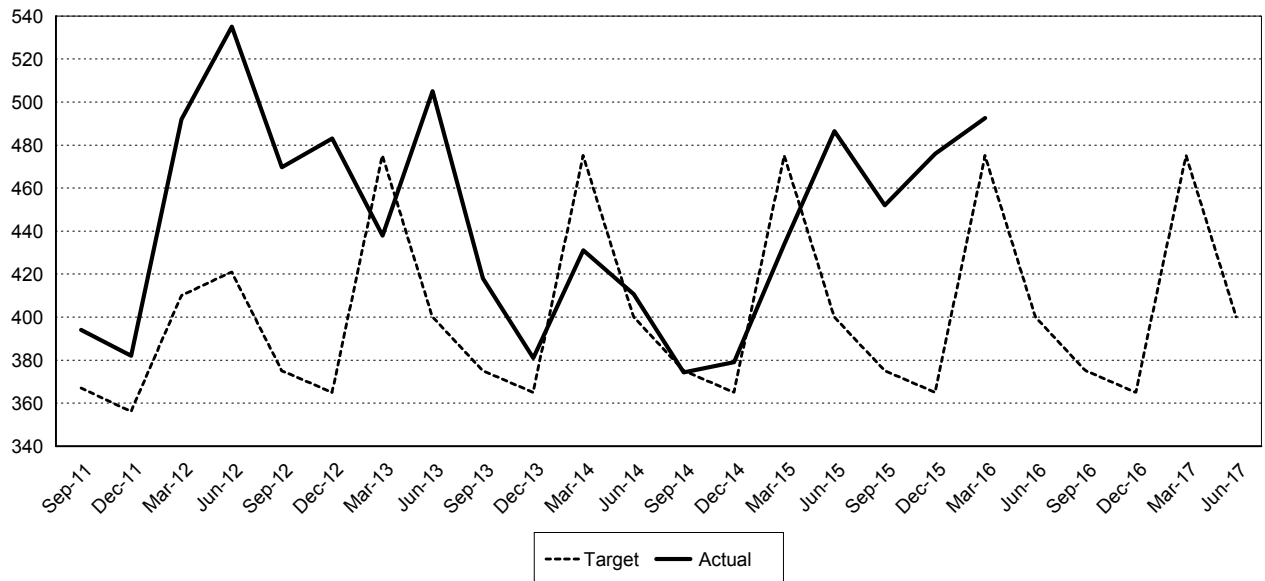
Victims of crime receive services to address the impacts of crime on their lives, in order to return to a normal life.

002010 Median service hours per agency was selected as measure to allow analysis of agency performance in monitoring.			
Biennium	Period	Actual	Target
2015-17	Q8		400
	Q7		475
	Q6		365
	Q5		375
	Q4		400
	Q3	492.55	475
	Q2	476	365
	Q1	452	375
2013-15	Q8	486.48	400
	Q7	434	475
	Q6	379	365
	Q5	374.34	375
	Q4	410.75	400
	Q3	431	475
	Q2	381	365
	Q1	418	375
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

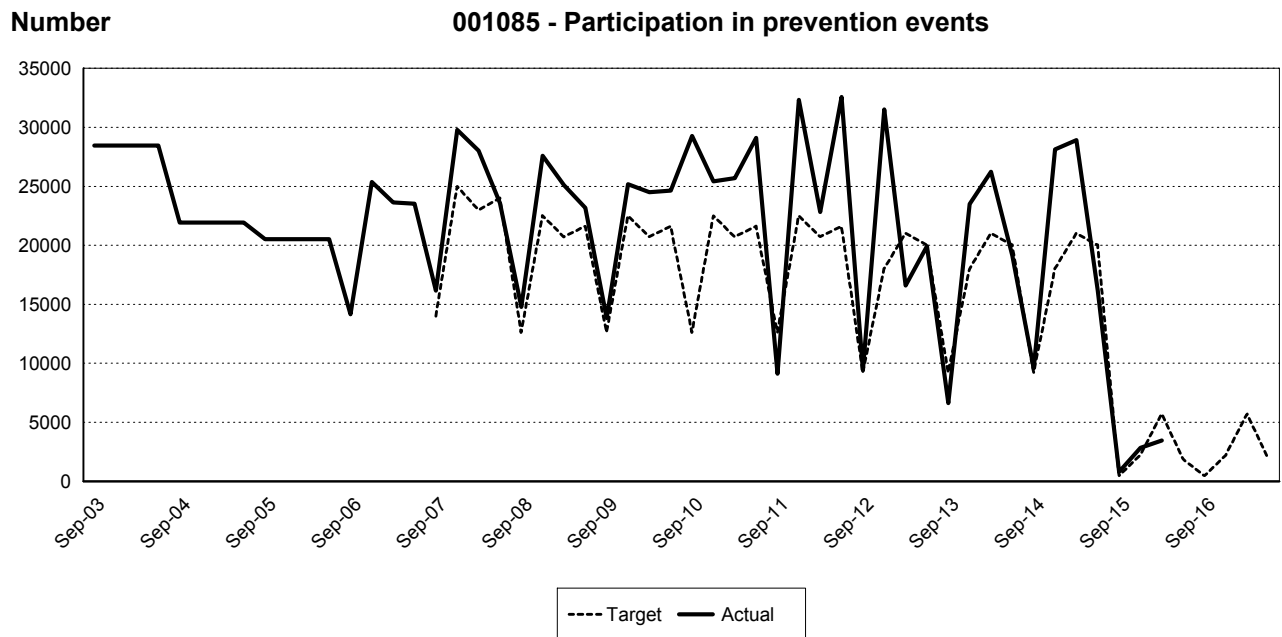
Number

## 002010 - Median Hours of Service Delivered Per Agency



001085 Number of people who participated in prevention presentations/events.			
Biennium	Period	Actual	Target
2015-17	Q8		1,850
	Q7		5,700
	Q6		2,200
	Q5		450
	Q4		1,850
	Q3	3,461	5,700
	Q2	2,825	2,200
	Q1	812	450
2013-15	Q8	16,152	20,000
	Q7	28,916	21,000
	Q6	28,141	18,000
	Q5	9,569	9,200
	Q4	19,103	20,000
	Q3	26,224	21,000
	Q2	23,510	18,000
	Q1	6,621	9,200
Performance Measure Status: Approved			





## A011 Strengthening Criminal Justice Response to Victims of Crime

Victims look to the criminal justice system to provide offender accountability and a sense of justice. The criminal justice system depends on the cooperation of crime victims for reporting, investigation, and sometimes prosecution and corrections. This interdependence has been recognized by both state and federal legislation and funding, resulting in specific programs within the Office of Crime Victims Advocacy. These programs improve coordination and response to victims as they interact with law enforcement, prosecution, courts, and crime victim services. This activity also funds services that support victim safety and support victim participation in the criminal justice system.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	7.7	8.3	8.0
<b>001 General Fund</b>			
001-1 State	\$1,659,931	\$1,622,772	\$3,282,703
001-2 Federal	\$2,623,451	\$3,694,176	\$6,317,627
<b>001 Account Total</b>	<b>\$4,283,382</b>	<b>\$5,316,948</b>	<b>\$9,600,330</b>
<b>777 Prostitution Prevention and Intervention Account</b>			
777-1 State	\$19,560	\$0	\$19,560

### Statewide Result Area: Healthy and Safe Communities

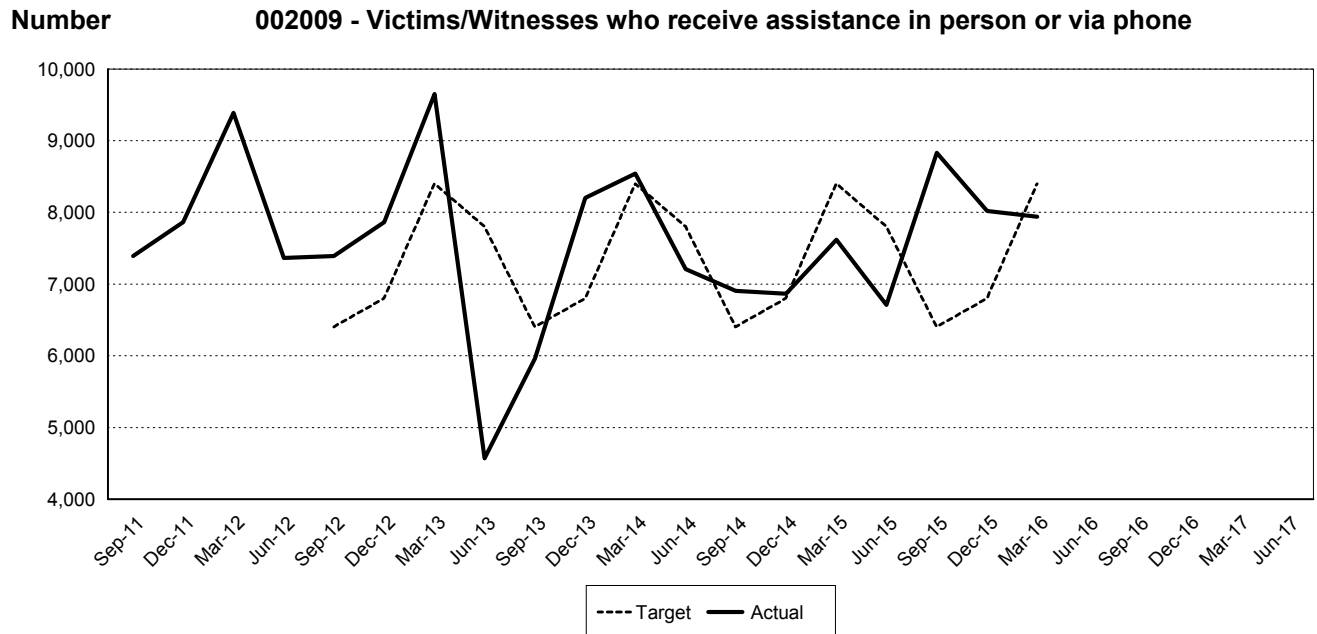
**Statewide Strategy: Protect and support victims of crime**

### Expected Results

Law enforcement, prosecutors, and victim advocates work together to support victim participation in the criminal justice system to hold offenders accountable for their crimes

<b>002009 This measure shows the numbers of victims who receive a service that includes assistance each quarter. Services including assistance consist of protection orders, court proceedings, impact statements, restitutions and compensation claims.</b>			
Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	7,939	8,400
	Q2	8,018	6,800
	Q1	8,833	6,400
2013-15	Q8	6,708	7,800
	Q7	7,620	8,400
	Q6	6,868	6,800
	Q5	6,904	6,400
	Q4	7,208	7,800
	Q3	8,540	8,400
	Q2	8,201	6,800
	Q1	5,959	6,400
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity



## A012 Long-Term Care Ombudsman Program

States are required by the federal Older Americans Act to have a Long-term Care Ombudsman Program. Commerce administers our state's program under Chapter 43.190 RCW using multiple funding sources, including an interagency agreement with the Department of Social and Health Services (DSHS) for Older Americans Act (Titles III B and VII) funds, State General Fund, and some local dollars. The Long-term Care Ombudsman Program ensures the safety and quality of care of long-term care facility residents by intervening when complaints and situations of possible abuse, neglect, or exploitation arise. Over 500 volunteer ombudsmen are trained, certified, and assigned to nursing homes, boarding homes, and adult family homes. Commerce contracts with a nonprofit organization to run the program, which subcontracts with 13 regional programs and two legal services contractors. Commerce's staff negotiates funding with DSHS, develops the statewide Long-term Care Ombudsman contract, monitors expenditures and performance, provides technical assistance, and approves plans and policies.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>001 General Fund</b>			
001-1 State	\$1,268,808	\$1,274,510	\$2,543,318

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Respond to abuse/neglect allegations**

### Expected Results

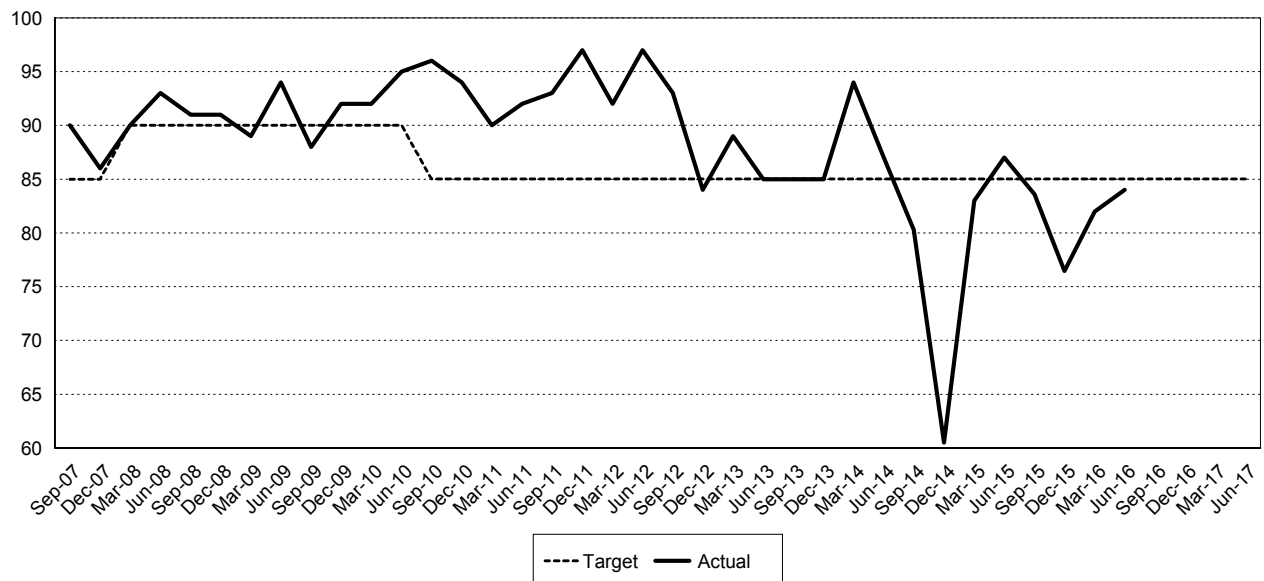
Washington's older citizens receive proper care and certified volunteers promptly intervene when complaints and situations of mistreatment occur.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

001073 Percent of health and safety complaints resolved in long term care facilities.			
Biennium	Period	Actual	Target
2015-17	Q8		85%
	Q7		85%
	Q6		85%
	Q5		85%
	Q4	84%	85%
	Q3	82%	85%
	Q2	76.46%	85%
	Q1	83.6%	85%
2013-15	Q8	87%	85%
	Q7	83%	85%
	Q6	60.5%	85%
	Q5	80.3%	85%
	Q4	87%	85%
	Q3	94%	85%
	Q2	85%	85%
	Q1	85%	85%
Performance Measure Status: Approved			

Percent

001073 - Health and safety complaints resolved



## A013 Low-Income Home Energy Assistance Program

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program authorized by the Low-Income Home Energy Assistance Act of 1981 (Title XXVI of PL 97 35, as amended). LIHEAP helps households with incomes below 125 percent of the federal poverty level meet the cost of home heating, avoid utility shut off, and reduce the use of unsafe heating alternatives. Commerce contracts with 26 community based organizations and local governments to provide funds directly to utility companies on behalf of eligible households. Contractors also provide energy education, furnace repair or replacement, and referrals for other services. Commerce is required to create a LIHEAP State Plan with participation from nonprofit organizations, low-income representatives, utility companies, and other community members. The agency administers contracts, monitors compliance, reimburses expenditures, provides technical assistance, establishes policies and procedures, operates a secure website for on line data entry and reporting, and evaluates contractor performance.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	5.8	5.9	5.9
<b>001 General Fund</b>			
001-2 Federal	\$14,386,914	\$62,281,217	\$76,668,131

### Statewide Result Area: Healthy and Safe Communities

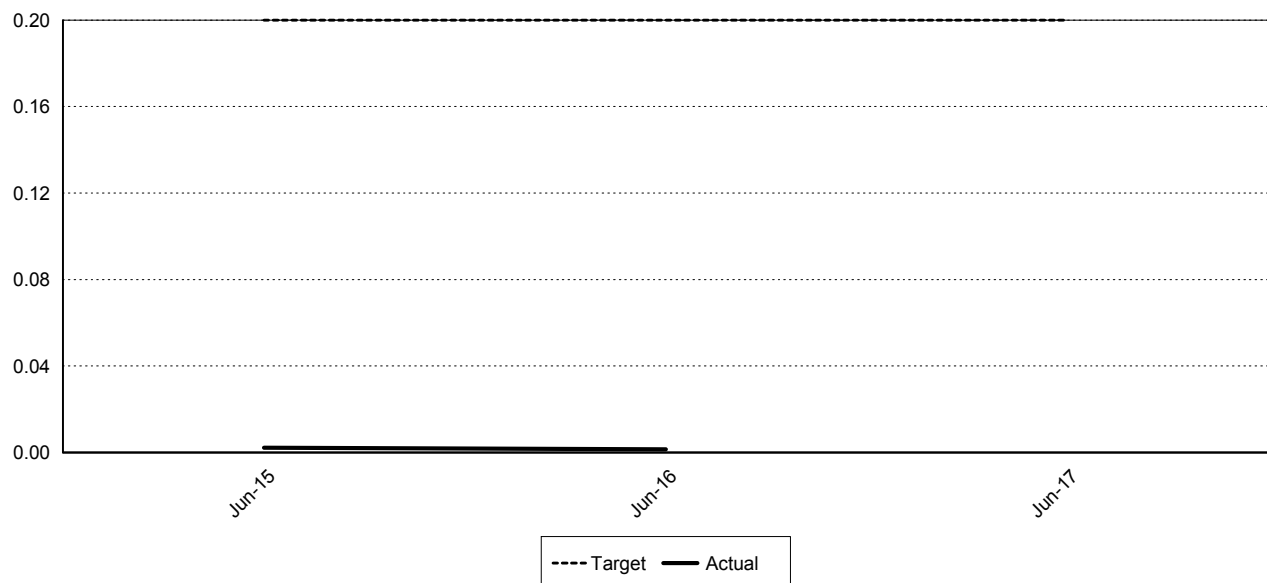
Statewide Strategy: Provide cash, food, and shelter assistance

### Expected Results

Individuals below the 125 percent poverty line are able to heat and maintain utility services to their homes, and are trained to reduce the use of unsafe heating alternatives.

002746 Ratio of total households provided with energy assistance per \$1,000 contracted to direct service grantees.				
Biennium	Period	Ratio	Actual	Target
2015-17	A3	/		
	A3	/		0.2
	A2	/		
	A2	75,450 / 50,799,671	0.0	0.2
	A2	/		
	A2	/		
	A1	/		
	A1	/		
2013-15	A3	71,291 / 32,455,685	0.0	0.2
	A2	/		
Performance Measure Status: Under Review				

**Number 002746 - Ratio of the total number of LIHEAP households served to total direct service contracted to grantees**



## A019 Train and Maintain Volunteers Supporting Community Capacity

This activity supports organizations that recruit, train, and maintain volunteers, mediators, and counselors who provide free or low cost services to low-income communities, children, and homeowners. Volunteers, mediators, and counselors allow organizations to expand their capacity to reach more vulnerable citizens and improve individual and community well-being. The Washington State Foreclosure Fairness Act Mediation Program provides homeowner foreclosure mediation. Retired judges, employees and volunteers of dispute resolution centers, attorneys and experienced mediators approved through the Foreclosure Mediation Program mediate in-person discussions between homeowners and representatives of financial institutions to reach an agreeable resolution after a referral. Dispute resolution centers train volunteer mediators so that all citizens have access to low-cost alternatives to litigation regardless of the clients' ability to pay. Dispute resolution centers also provide training and education related to mediation, communication, conflict resolution, and negotiation. The Retired and Senior Volunteer Program (RSVP) uses the talents and experience of volunteers over age 55 to help with diverse community needs. Local RSVP coordinators recruit, screen, and work with city, county, and nonprofit programs throughout the state to place volunteers where needed. State funds count toward the 30 percent match required to receive federal RSVP support.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	3.1	4.5	3.8
<b>17L Foreclosure Fairness Account</b>			
17L-6 Non-Appropriated	\$5,197,185	\$5,129,935	\$10,327,120
<b>001 General Fund</b>			
001-1 State	\$804,700	\$299,700	\$1,104,400

### Statewide Result Area: Prosperous Economy

**Statewide Strategy:** Coordinate government efforts to improve the effectiveness of economic investments

### Expected Results

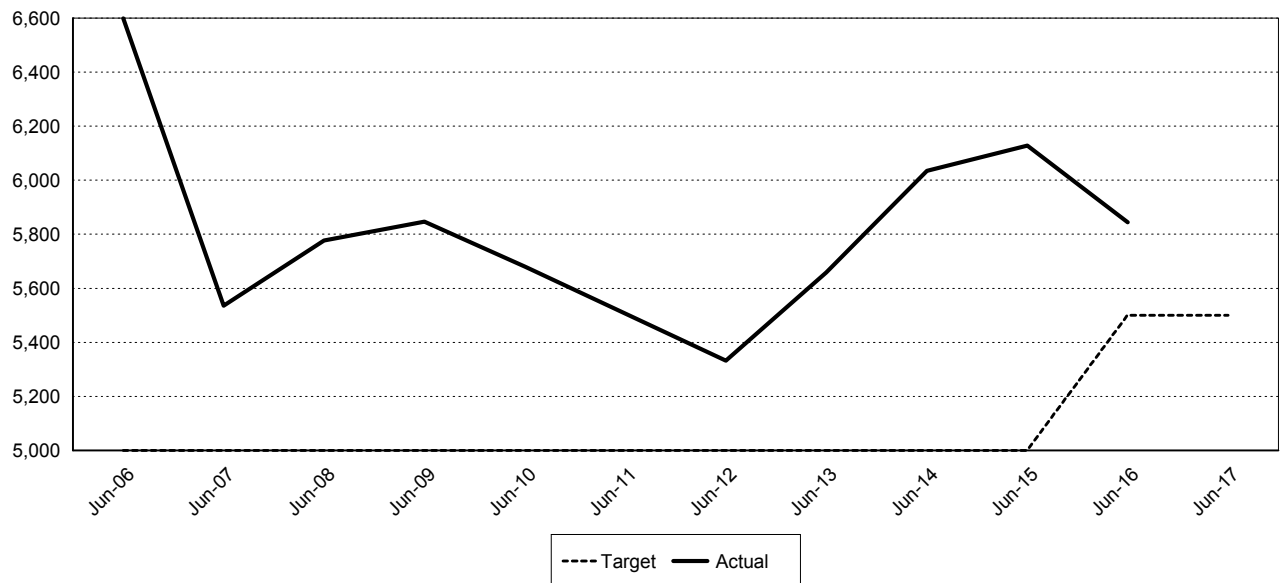
Individuals and families are able to receive housing counseling and foreclosure mediation, address legal issues, and settle disputes. Senior and retired citizens contribute to their communities through volunteerism. Nonprofits and local governments get the benefits of low-cost, skilled labor.

001098 Number of non-litigation cases			
Biennium	Period	Actual	Target
2015-17	A3		5,500
	A2	5,844	5,500
2013-15	A3	6,128	5,000
	A2	6,034	5,000
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001098 - Dispute resolution cases



**002023 The Foreclosure Fairness Program provides counseling, mediation and legal assistance to homeowners. For RPM, we will track the number of mediation services provided each quarter which have been verified with a certification.**

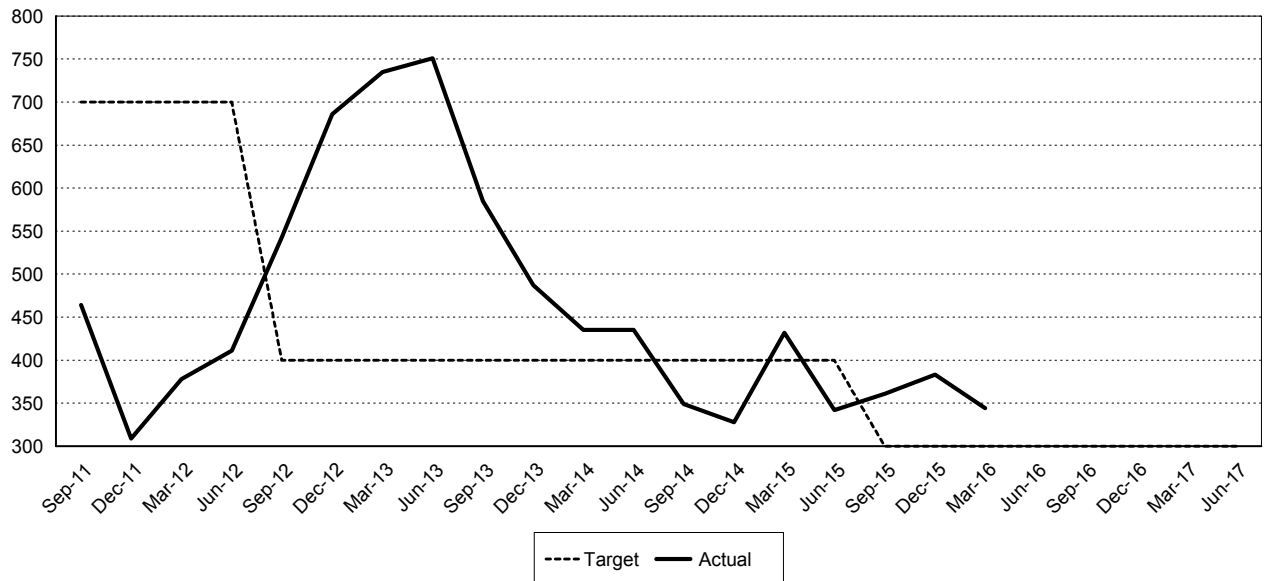
Biennium	Period	Actual	Target
2015-17	Q8		300
	Q7		300
	Q6		300
	Q5		300
	Q4		300
	Q3	344	300
	Q2	383	300
	Q1	361	300
2013-15	Q8	342	400
	Q7	432	400
	Q6	328	400
	Q5	349	400
	Q4	435	400
	Q3	435	400
	Q2	487	400
	Q1	585	400

Performance Measure Status: Approved



**002023 - Foreclosure Fairness Mediation Referrals Administered**

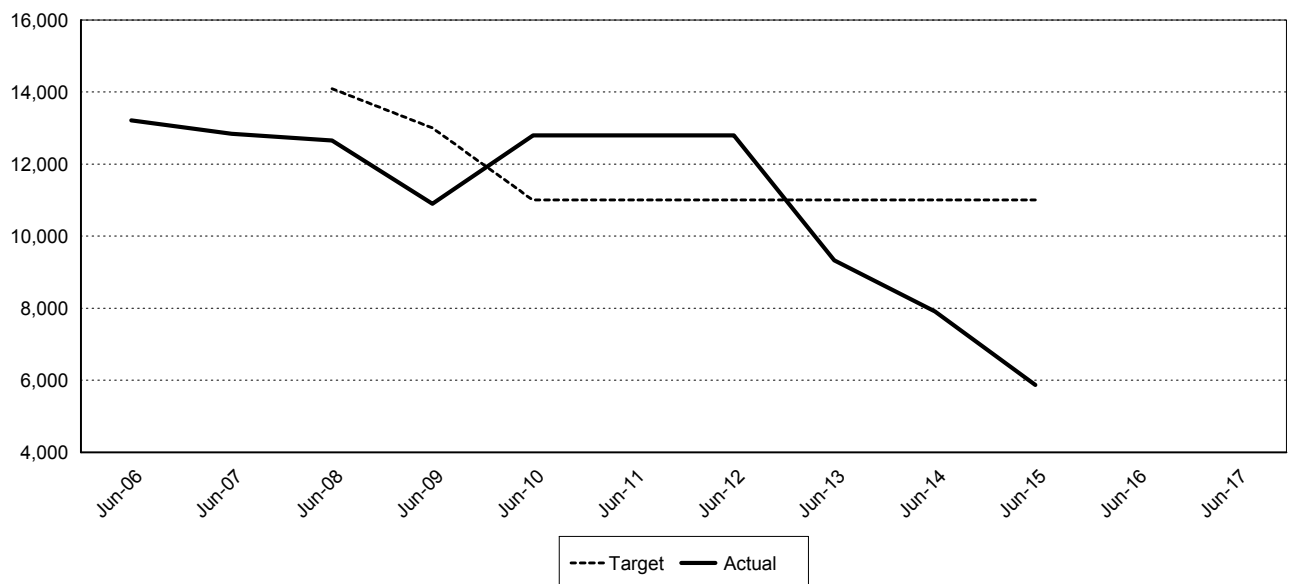
Number



001087 Number of volunteer placements.			
Biennium	Period	Actual	Target
2015-17	A3		
	A2		
2013-15	A3	5,872	11,000
	A2	7,912	11,000
Performance Measure Status: Draft			

**001087 - Volunteer placements**

Number



Agency Administration represents less than 2 percent of Commerce's total operating and capital budgets, and includes the services and costs which provide effective direction, management, and support of the agency. The Director's Office is responsible for the overall management and leadership of Commerce, including strategic policy development and research, communications, and government relations. Administrative Services provides information technology, human resources, facility management, purchasing/inventory, mail processing services, budgeting, accounting, contracting, and audit review services. Commerce's Agency Administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments. The agency negotiates an annual indirect cost rate with the cognizant federal agency.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2018	FY 2019	Biennial Total
<b>12C Affordable Housing for All Account</b>			
12C-1 State	\$0	\$100	\$100
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$0	\$200	\$200
<b>05R Drinking Water Assistance Administrative Account</b>			
05R-1 State	\$0	\$100	\$100
<b>195 Energy Account</b>			
195-6 Non-Appropriated	\$0	\$300	\$300
<b>17L Foreclosure Fairness Account</b>			
17L-6 Non-Appropriated	\$0	\$300	\$300
<b>001 General Fund</b>			
001-1 State	\$113,400	\$232,400	\$345,800
001-2 Federal	\$200	\$2,700	\$2,900
001-7 Private/Local	\$0	\$100	\$100
<b>001 Account Total</b>	<b>\$113,600</b>	<b>\$235,200</b>	<b>\$348,800</b>
<b>10B Home Security Fund Account</b>			
10B-1 State	\$100	\$700	\$800
<b>887 Public Facility Construction Loan Revolving Account</b>			
887-1 State	\$0	\$200	\$200
<b>058 Public Works Assistance Account</b>			
058-1 State	\$0	\$400	\$400
<b>532 Washington Housing Trust Account</b>			
532-1 State	\$100	\$1,000	\$1,100

### Program 100 - Administrative Services

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	57.2	65.6	61.4
<b>12C Affordable Housing for All Account</b>			
12C-1 State	\$188,945	\$179,760	\$368,705
<b>084 Building Code Council Account</b>			
084-1 State	\$1,400	\$2,170	\$3,570
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$234,857	\$219,543	\$454,400
<b>05R Drinking Water Assistance Administrative Account</b>			
05R-1 State	\$67,077	\$55,308	\$122,385
<b>14M Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account</b>			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 100 - Administrative Services

Account	FY 2018	FY 2019	Biennial Total
14M-1 State	\$5,775	\$6,895	\$12,670
<b>17L Foreclosure Fairness Account</b>			
17L-6 Non-Appropriated	\$126,815	\$162,065	\$288,880
<b>001 General Fund</b>			
001-1 State	\$2,398,241	\$2,658,290	\$5,056,531
001-2 Federal	\$2,271,796	\$1,874,388	\$4,146,184
001-7 Private/Local	\$571,507	\$198,060	\$769,567
<b>001 Account Total</b>	<b>\$5,241,544</b>	<b>\$4,730,738</b>	<b>\$9,972,282</b>
<b>10B Home Security Fund Account</b>			
10B-1 State	\$47,567	\$54,173	\$101,740
<b>18A Investing In Innovation Account</b>			
18A-6 Non-Appropriated	\$626,000	\$0	\$626,000
<b>06K Lead Paint Account</b>			
06K-1 State	\$12,010	\$2,920	\$14,930
<b>107 Liquor Excise Tax Account</b>			
107-1 State	\$75,600	\$79,065	\$154,665
<b>501 Liquor Revolving Account</b>			
501-1 State	\$9,240	\$9,240	\$18,480
<b>150 Low-Income Weatherization and Structural Rehab. Assistance Account</b>			
150-1 State	\$50,449	\$48,831	\$99,280
<b>205 Mobile Home Park Relocation Account</b>			
205-6 Non-Appropriated	\$25,614	\$23,616	\$49,230
<b>777 Prostitution Prevention and Intervention Account</b>			
777-1 State	\$6,440	\$0	\$6,440
<b>887 Public Facility Construction Loan Revolving Account</b>			
887-1 State	\$87,772	\$84,578	\$172,350
<b>058 Public Works Assistance Account</b>			
058-1 State	\$686,383	\$720,307	\$1,406,690
<b>532 Washington Housing Trust Account</b>			
532-1 State	\$580,624	\$529,183	\$1,109,807

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	8.8	8.7	8.8
<b>001 General Fund</b>			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
001-1 State	\$885,722	\$979,701	\$1,865,423

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Develop markets by promoting Washington products and services**

#### Expected Results

Agency managers, the Governor, and the Legislature have confidence in financial information and can rely on it to make decisions. Agency workers have reliable computers and networks to do their jobs. Customers have easy access to information. Facilities and vehicles are well-maintained, safe and efficient.

### A035 Community Economic Revitalization Board and Program

The Community Economic Revitalization Board (CERB) makes strategic investments in local public infrastructure to foster high-wage job growth. CERB awards must generate either significant job creation or significant private investment. CERB provides local governments and federally recognized Indian tribes with financial assistance, primarily in the form of low-interest loans to achieve this. The public infrastructure may be either basic, such as water, sewer, and roads; or more specialized as in port facilities, energy, and telecommunications.

### Program 600 - Local Government

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	2.6	2.6	2.6
<b>001 General Fund</b>			
001-1 State	\$143,511	\$134,016	\$277,527
<b>887 Public Facility Construction Loan Revolving Account</b>			
887-1 State	\$305,228	\$320,422	\$625,650

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance**

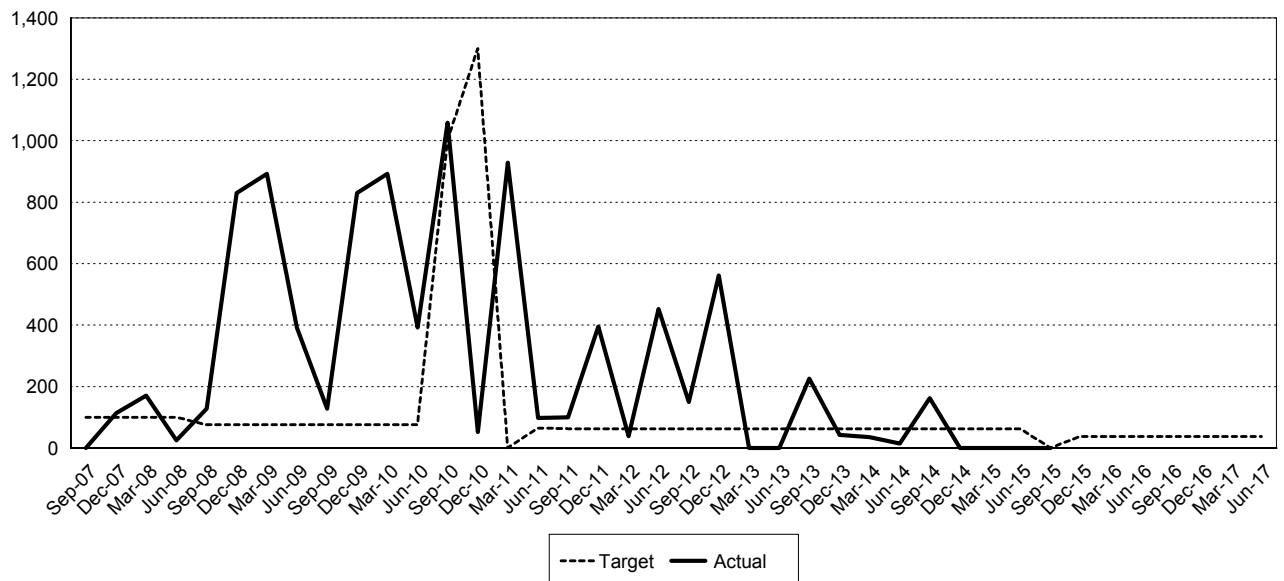
#### Expected Results

Local governments, including but not limited to counties, cities, special purpose districts including port districts are able to build public infrastructure that promotes private investments and creates high-wage jobs.

001133 Estimated number of jobs created and retained as a result of infrastructure investments through CERB.			
Biennium	Period	Actual	Target
2015-17	Q8		37
	Q7		37
	Q6		37
	Q5		37
	Q4		37
	Q3		37
	Q2		37
	Q1	0	0
2013-15	Q8		62
	Q7		62
	Q6	0	62
	Q5	162	62
	Q4	14	62
	Q3	35	62
	Q2	43	62
	Q1	226	62
Performance Measure Status: Approved			

Number

001133 - CERB - jobs created and retained

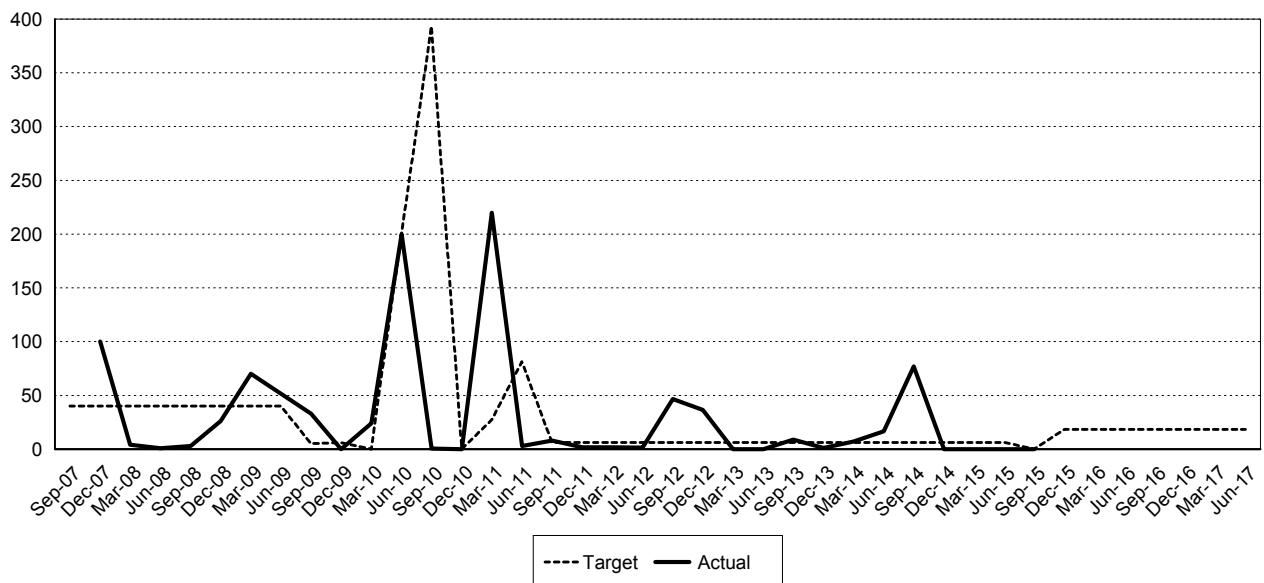


Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

<b>001134 Estimated amount of private capital investment leveraged by CERB funding. Our goal is to achieve \$10 in private investment for every \$1 in CERB funding. However, this has been a challenge, likely due to the economy and scarcity of private capital.</b>			
Biennium	Period	Actual	Target
2015-17	Q8		\$18.46
	Q7		\$18.46
	Q6		\$18.46
	Q5		\$18.46
	Q4		\$18.46
	Q3		\$18.46
	Q2		\$18.46
	Q1	\$0	\$0
2013-15	Q8	\$0	\$6.25
	Q7	\$0	\$6.25
	Q6	\$0	\$6.25
	Q5	\$77	\$6.25
	Q4	\$16.67	\$6.25
	Q3	\$7.14	\$6.25
	Q2	\$1.19	\$6.25
	Q1	\$9.03	\$6.25
Performance Measure Status: Approved			

Dollars

001134 - CERB - Private capital investment leveraged



Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

The Energy Office (EO) provides energy policy support, analysis, and information for the Governor, Legislature, Commerce, and other energy decision makers (Chapters 43.21F and 19.29A RCW). The Energy Office analyzes key energy issues including natural gas, alternative fuels, energy efficiency, renewable energy development, greenhouse gas emissions, and energy supply and price. The Energy Office administers grants from the U.S. Department of Energy as well as the state's Clean Energy Fund in support of the state's clean energy objectives. The Energy Office also provides technical and policy support to Washington members of the NW Power and Conservation Council, other state agencies, and state congressional officials on federal and regional energy policies and legislation. The Energy Office ensures statewide energy security and preparedness by protecting the state's energy infrastructure (especially electricity, petroleum, and natural gas). During energy supply or other energy emergencies, it provides assistance to the state emergency operations center, Governor's office, energy companies, utilities, local governments, and others. As needed, it implements emergency actions set forth in RCW 43.21G.

Account	FY 2018	FY 2019	Biennial Total
<b>195 Energy Account</b>			
195-6 Non-Appropriated	\$108,000	\$0	\$108,000

#### Program 500 - Energy Division

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	10.6	9.7	10.2
<b>084 Building Code Council Account</b>			
084-1 State	\$5,600	\$5,830	\$11,430
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$19,295	\$19,295	\$38,590
<b>001 General Fund</b>			
001-1 State	\$702,658	\$530,003	\$1,232,661
001-2 Federal	\$1,718,847	\$741,485	\$2,460,332
001-7 Private/Local	\$32,023	\$11,990	\$44,013
001-8 Federal Stimulus	\$149,000	\$0	\$149,000
<b>001 Account Total</b>	<b>\$2,602,528</b>	<b>\$1,283,478</b>	<b>\$3,886,006</b>
<b>18A Investing In Innovation Account</b>			
18A-6 Non-Appropriated	\$221,000	\$0	\$221,000

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments**

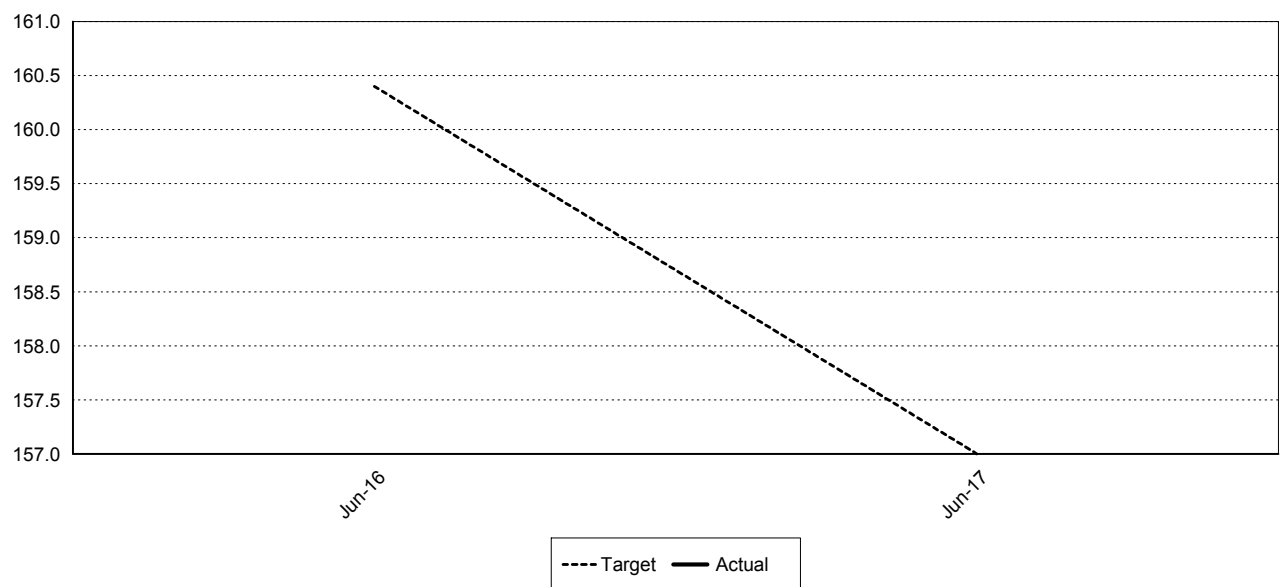
**Expected Results**



The Governor, Legislature, Commerce, and other energy decision makers have the analytical information to make energy related decisions. The state is prepared to address energy emergencies. The state provides financial support to research, development, demonstration, and deployment of clean energy technologies and programs statewide.

<b>002745 Goal of this measure is to reduce non-electric fuel consumption associated with residential and commercial end users from the 2010 three year average level of 165.9 trillion Btu to 140 trillion Btu in 2020.</b>			
Biennium	Period	Actual	Target
2015-17	A3		157
	A2	160.6	160.4
Performance Measure Status: Approved			

**Number 002745 - Non-Electric Fuel Consumption Associated With Residential and Commercial End Users**



## A050 Broadband Capacity Building

Broadband capacity building supports Washington State's transition to a digitally-based economy. The program does this by collecting data and initiating activities that identify opportunities and issues in the broadband arena; monitoring, tracking and encouraging statewide broadband deployment; and supporting the creation of programs that effectively promote access and adoption of broadband services around the state. The program delivers services through a mix of contracts and direct engagement. Per statute, the program contracts with a private company (Sanborn) to provide data collection and mapping services. Reporting (annually to the legislature) and community outreach services are provided by program office staff. In FY13 the program staff will begin sub-grants or procurements to support 2 new activities: local/regional technology planning and an applications contest.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2018	FY 2019	Biennial Total
<b>15T Broadband Mapping Account</b>			
15T-6 Non-Appropriated	\$1,942,000	\$0	\$1,942,000
<b>15C Washington Community Technology Opportunity Account</b>			
15C-7 Private/Local	\$10,000	\$0	\$10,000

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Provide data, information, and analysis to support decision-making**

**Expected Results**

Broadband is available to individuals, businesses and organizations in unserved and underserved areas of the state. The broadband network is maximized as an economic development and job creation tool and provides better health, education and public safety outcomes for residents of Washington.

## A064 Lead-Based Paint Hazard Mitigation

The Lead-Based Paint Program provides services to ensure work performed in homes and buildings with young children will be done in a safe and healthy manner. The program is responsible for processing certification and accreditation applications, tracking licensees, reviewing training and program effectiveness, providing technical assistance, investigating potential violators, enforcing rules, conducting outreach, maintaining the lead-safe housing registry for low-income housing, and reporting to federal, state, and interested parties.

**Program 300 - Community Services and Housing**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	3.3	3.3	3.3
<b>001 General Fund</b>			
001-2 Federal	\$3,249,756	\$591,125	\$3,840,881
<b>06K Lead Paint Account</b>			
06K-1 State	\$120,990	\$84,080	\$205,070

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Identify and mitigate health risk factors**

**Expected Results**

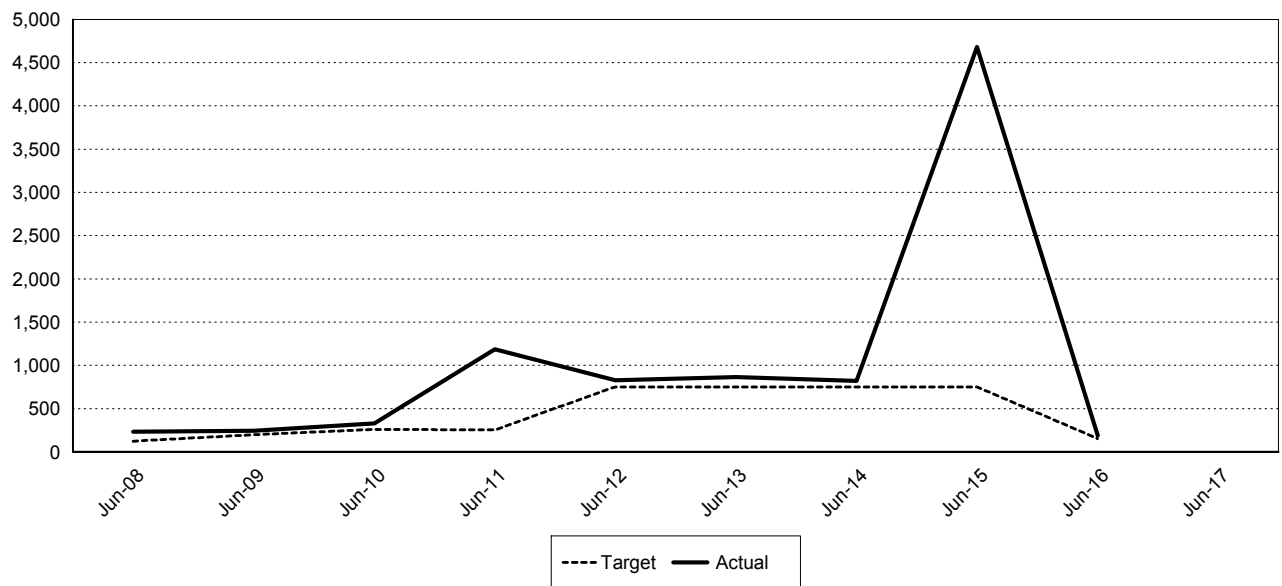
Washington State's housing occupied by young children is free of lead-based paint hazards.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

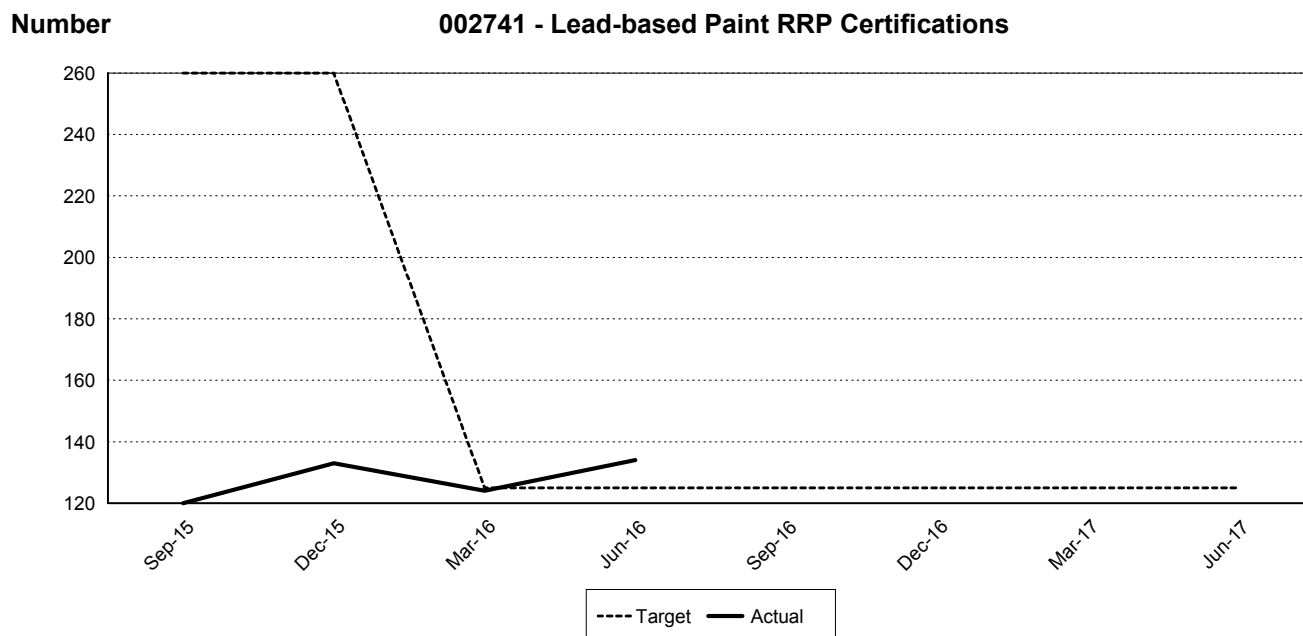
001235 Number of firms and individuals certified in lead-based paint inspection and abatement.			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	188	150
2013-15	A3	4,683	750
	A2	819	750
Performance Measure Status: Approved			

Number

001235 - Lead-Based Paint Abatement Certification



002741 Number of firms and individuals certified in lead-based paint renovation, repair, and painting firms.			
Biennium	Period	Actual	Target
2015-17	Q8		125
	Q7		125
	Q6		125
	Q5		125
	Q4	134	125
	Q3	124	125
	Q2	133	260
	Q1	120	260
Performance Measure Status: Approved			



## A065 Improve and Preserve the Affordability of Housing

These programs improve and preserve affordability of housing through energy conservation investments (such as insulating attics, walls, and floors; air sealing the home diagnostically; modifying or replacing inefficient furnaces), Weatherization plus Health measures, conservation-related health and safety actions (including indoor air quality, mold and lead paint hazard remediation), and other cost-effective necessary conservation-related repairs and retrofits (such as roof repair or replacement, plumbing and electrical fixes, ramp replacement). Program resources include U. S. Department of Energy, U. S. Department of Health and Human Services Low Income Housing Energy Assistance Program, Bonneville Power Administration, and state capital funds. Private and other non-state resources are leveraged through utility companies, rental housing owners, federal and state resources, and private grants. Commerce provides technical assistance to local, public, and private nonprofit agencies that deliver these services and coordinates program and technical training to maintain a qualified workforce.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	15.3	15.1	15.2
<b>001 General Fund</b>			
001-2 Federal	\$15,709,014	\$25,565,750	\$41,274,764
<b>150 Low-Income Weatherization and Structural Rehab. Assistance Account</b>			
150-1 State	\$690,551	\$608,169	\$1,298,720

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Provide cash, food, and shelter assistance**

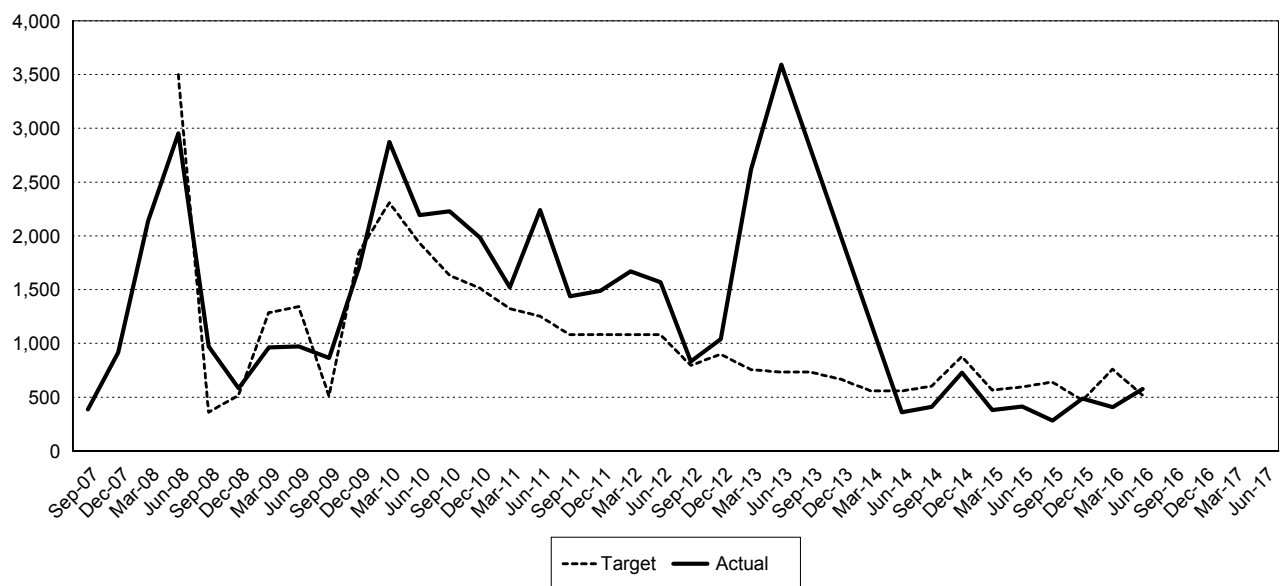
Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Expected Results

A qualified workforce improves and preserves low-income housing to ensure its affordability for low-income families.

001237 Number of units preserved through weatherization and rehabilitation			
Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	577	517
	Q3	407	758
	Q2	488	468
	Q1	282	639
2013-15	Q8	413	593
	Q7	379	563
	Q6	728	875
	Q5	409	601
	Q4	360	556
	Q3		556
	Q2		663
	Q1		730
Performance Measure Status: Approved			

**Number**      **001237 - Affordable Housing Units preserved (weatherization plus health)**



### A068 Mobile Home Relocation Assistance

The Mobile Home Relocation Assistance Program provides financial assistance to low-income homeowners forced to move their homes as a result of mobile home park closures. Reimbursement of actual, documented eligible expenses, up to the published maximums, is paid directly to qualified homeowners or their assignees.

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	1.1	1.1	1.1
<b>205 Mobile Home Park Relocation Account</b>			
205-6 Non-Appropriated	\$643,386	\$104,384	\$747,770

### Statewide Result Area: Prosperous Economy

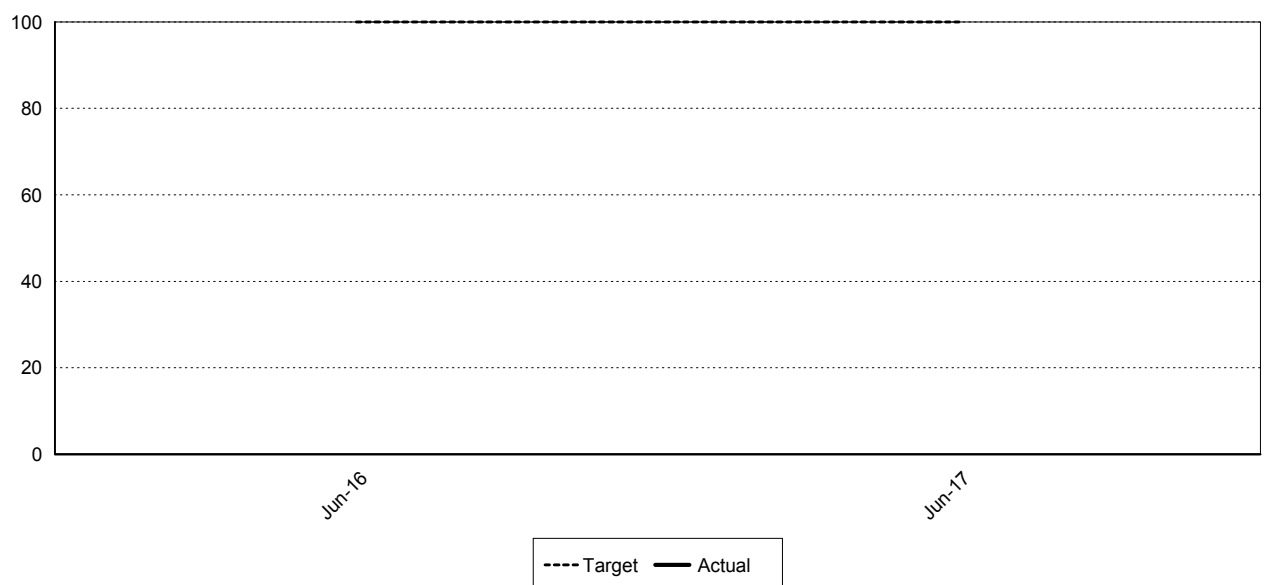
Statewide Strategy: Help develop affordable housing

### Expected Results

Eligible mobile home owners that are forced to move their homes due to mobile home park closures receive financial assistance.

002744 Number of relocation assistance applications that result in relocation assistance.			
Biennium	Period	Actual	Target
2015-17	A3		100%
	A2	4%	100%
Performance Measure Status: Approved			

Percent 002744 - Percent of completed relocation assistance applications that result in assistance



## A092 Bond Cap Allocation Program for Tax Exempt Financing Authorization

The Bond Cap Allocation Program provides authorization for lower-cost tax-exempt private activity bond financing for eligible affordable housing, environmental, and industrial development projects and for student loans. The bond cap is the maximum level of tax-exempt private activity bonds that can be issued in the state in a given year. Under federal tax law, the 2015 cap for Washington State was equal to \$100 per capita resulting in an annual maximum amount of \$706,153,000 in tax-exempt private activity bond authority. This ceiling is adjusted each year in response to changes in the state's population and an IRS cost-of-living index. Funded through the Bond Cap Allocation Program, the Bond Users Clearinghouse is mandated under RCW 39.44 to report on municipal debt and on all bonds issued by the state and local jurisdictions. Debt Update” twice a year.

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	1.7	1.7	1.7
<b>001 General Fund</b>			
001-7 Private/Local	\$157,960	\$166,520	\$324,480

**Statewide Result Area: Prosperous Economy**

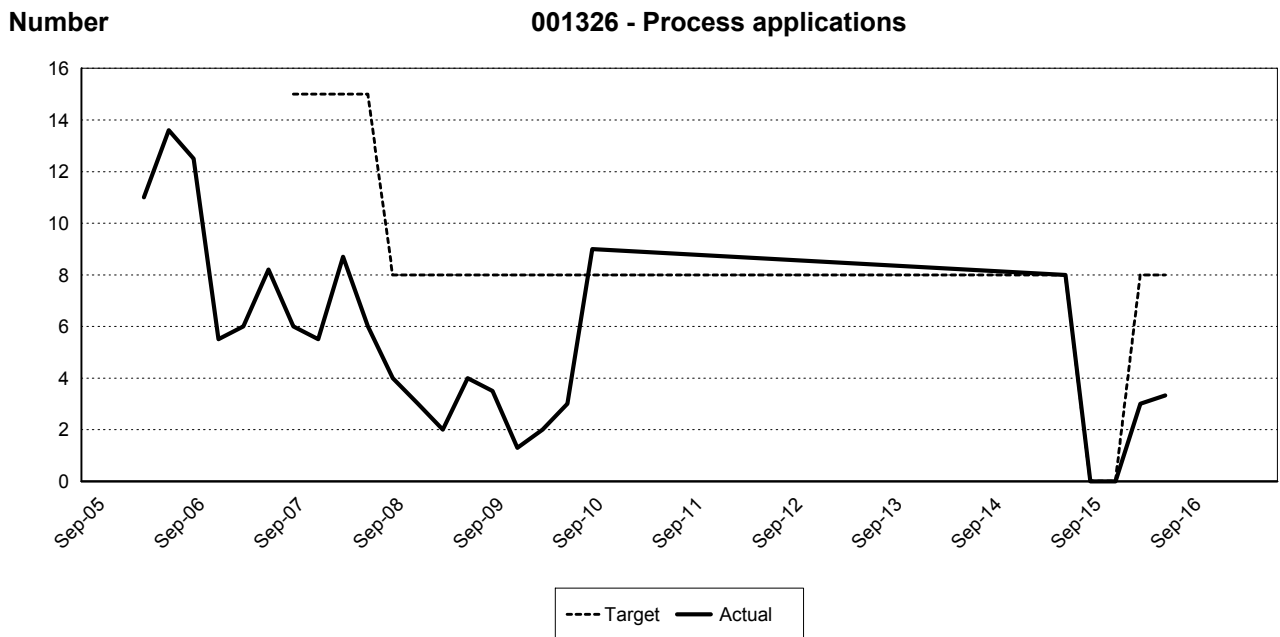
**Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance**

### Expected Results

Eligible projects that have both public and private benefits, such as those that create jobs and provide affordable housing, may be financed with lower-cost, tax-exempt bonds..

<b>001326 Average number of days to process applications.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	3.33	8
	Q3	3	8
	Q2	0	0
	Q1	0	0
2013-15	Q8	8	8
	Q7		8
	Q6		8
	Q5		8
	Q4		8
	Q3		8
	Q2		8
	Q1		8
Performance Measure Status: Approved			





## A096 Community Development Block Grant (CDBG)

The CDBG program invests federal resources in communities through grants for planning, construction, facility upgrades and services in the areas of housing, general infrastructure, community facilities, and economic development that benefit low- and moderate- income households. The state CDBG program serves counties with populations under 200,000 and cities with populations under 50,000. The rest of the state receives direct funding from the Department of Housing and Urban Development. CDBG also partners with the state Departments of Ecology and Health to support the Small Communities Initiative (SCI). SCI provides technical assistance to water and wastewater systems with significant deficiencies that need upgrades to meet regulatory standards.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 600 - Local Government

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	6.3	5.2	5.8
058-1 State	1.2	1.2	1.2
<b>FTE Total</b>	<b>7.5</b>	<b>6.4</b>	<b>7.0</b>
<b>001 General Fund</b>			
001-1 State	\$286,010	\$325,419	\$611,429
001-2 Federal	\$44,083,637	\$733,792	\$44,817,429
<b>001 Account Total</b>	<b>\$44,369,647</b>	<b>\$1,059,211</b>	<b>\$45,428,858</b>
<b>058 Public Works Assistance Account</b>			
058-1 State	\$280,000	\$280,000	\$560,000

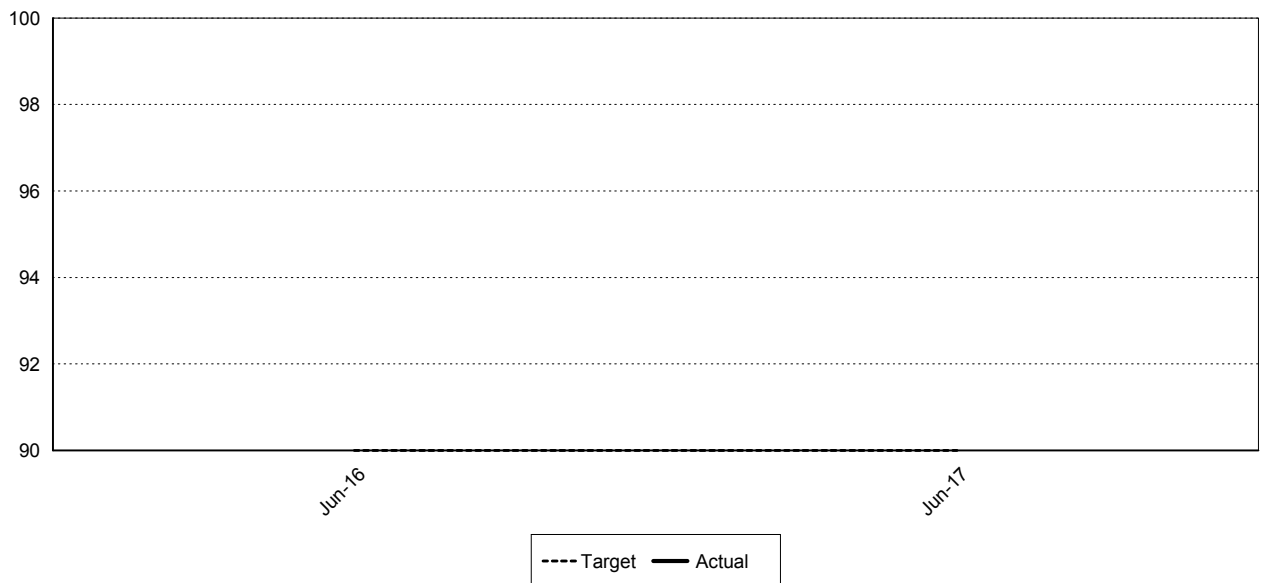
**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance**

### Expected Results

Low and moderate-income families located in counties with populations under 200,000 and cities with populations under 50,000 receive financial assistance necessary to develop and maintain housing, community-services, economic development, and local infrastructure.

002743 Percentage of Community Development Block Grant (CDBG) activities that benefit low and moderate income persons.			
Biennium	Period	Actual	Target
2015-17	A3		90%
	A2	99%	90%
Performance Measure Status: Approved			

**Percent 002743 - Percent of CDBG activities that benefit low and moderate income persons****A100 Drinking Water System Grants and Loans**

The Department of Commerce and the Public Works Board, in collaboration with the Department of Health, invests in public and private water systems to meet standards established by the Federal Safe Drinking Water Act. The Drinking Water State Revolving Fund program provides low-interest loans and grants for capital improvements to water systems. Project selection is conducted by the state Department of Health, contracts are executed by the Public Works Board, and contract administration is provided by the Department of Commerce. Chapter 79.119A RCW pertains to the state drinking water program.

**Program 600 - Local Government**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	1.7	1.7	1.7
<b>05R Drinking Water Assistance Administrative Account</b>			
05R-1 State	\$187,923	\$189,692	\$377,615

**Statewide Result Area: Healthy and Safe Communities**

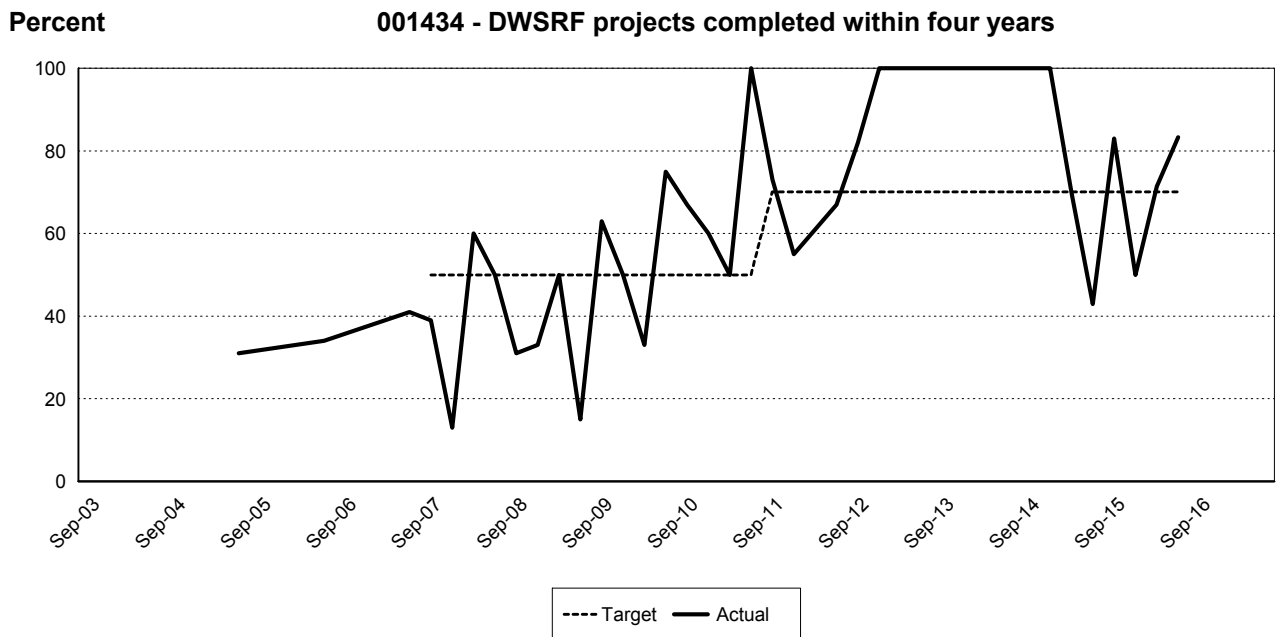
**Statewide Strategy: Mitigate environmental hazards**

**Expected Results**

All of Washington's citizens have safe and reliable drinking water.

*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

<b>001434 Percent of projects completed on time, as per contract (within scope of work).</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	83.3%	70%
	Q3	71.4%	70%
	Q2	50%	70%
	Q1	83%	70%
2013-15	Q8	42.9%	70%
	Q7	70%	70%
	Q6	100%	70%
	Q5		70%
	Q4		70%
	Q3		70%
	Q2		70%
	Q1		70%
Performance Measure Status: Approved			



## A104 Growth Management

Growth Management Services (GMS) provides technical and financial assistance on growth management issues, as required by RCW 36.70A.190, so that 320 Washington cities and counties can effectively plan for future growth and economic development. It offers grants, data, training, technical publications, direct consultation, and guidance to help local governments plan under the Growth Management Act (GMA) and other planning statutes. GMS assistance helps reduce litigation over GMA compliance issues, avoiding costs to state and local governments. Staff also extensively supports other state priorities that depend on local land use planning, such as economic development strategies, infrastructure funding, affordable housing, the Puget Sound Action Agenda, and energy planning.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 600 - Local Government

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	13.7	12.3	13.0
<b>04R Drinking Water Assistance Account</b>			
04R-1 State	\$5,000	\$5,000	\$10,000
<b>001 General Fund</b>			
001-1 State	\$312,992	\$595,110	\$908,102
001-7 Private/Local	\$835,338	\$3,547	\$838,885
<b>001 Account Total</b>	<b>\$1,148,330</b>	<b>\$598,657</b>	<b>\$1,746,987</b>
<b>058 Public Works Assistance Account</b>			
058-1 State	\$3,378,208	\$3,056,495	\$6,434,703

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments**

### Expected Results

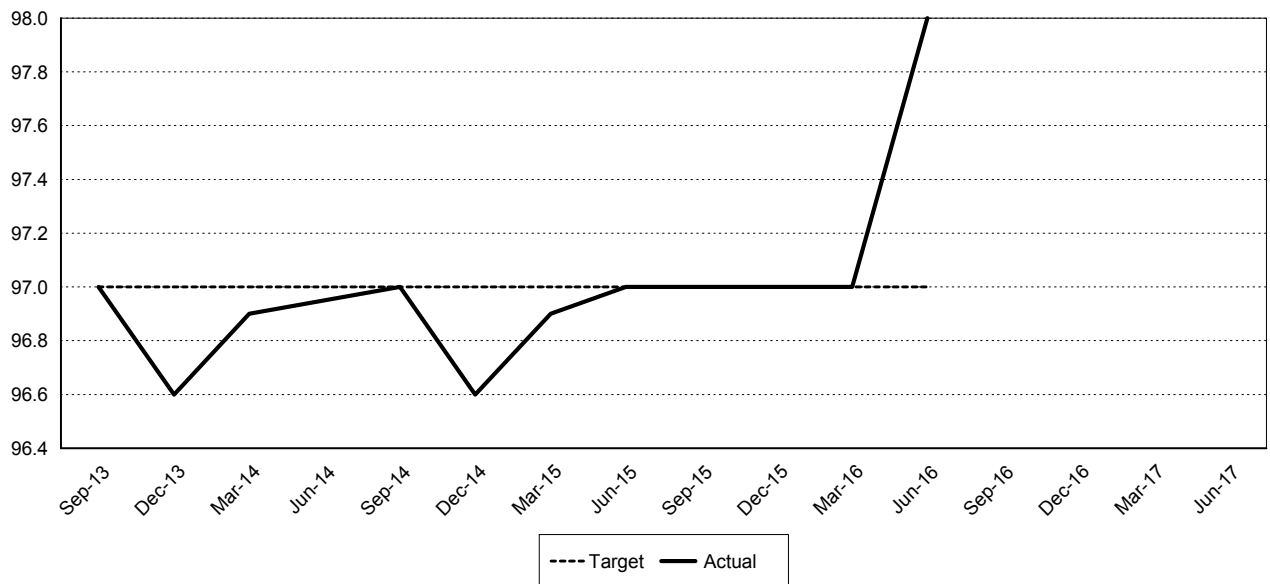
All of Washington's cities and counties have the information required to effectively plan for future growth and economic development.

**002635 Noncompliance is defined as those jurisdictions that have a portion of their comprehensive plan or development regulations (including their critical areas ordinance) both challenged and found out of compliance (either under remand or invalidity) by the Growth Management Hearings Board. They remain out of compliance until the Board issues a Final Order that the jurisdiction is in compliance with the Growth Management Act (RCW 36.70A.300).**

Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	98%	97%
	Q3	97%	97%
	Q2	97%	97%
	Q1	97%	97%
2013-15	Q8	97%	97%
	Q7	96.9%	97%
	Q6	96.6%	97%
	Q5	97%	97%
	Q4		97%
	Q3	96.9%	97%
	Q2	96.6%	97%
	Q1	97%	97%
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**Percent 002635 - % of City/County plans determined to be compliant by the Growth Mgmt Hearing Board upon appeal**



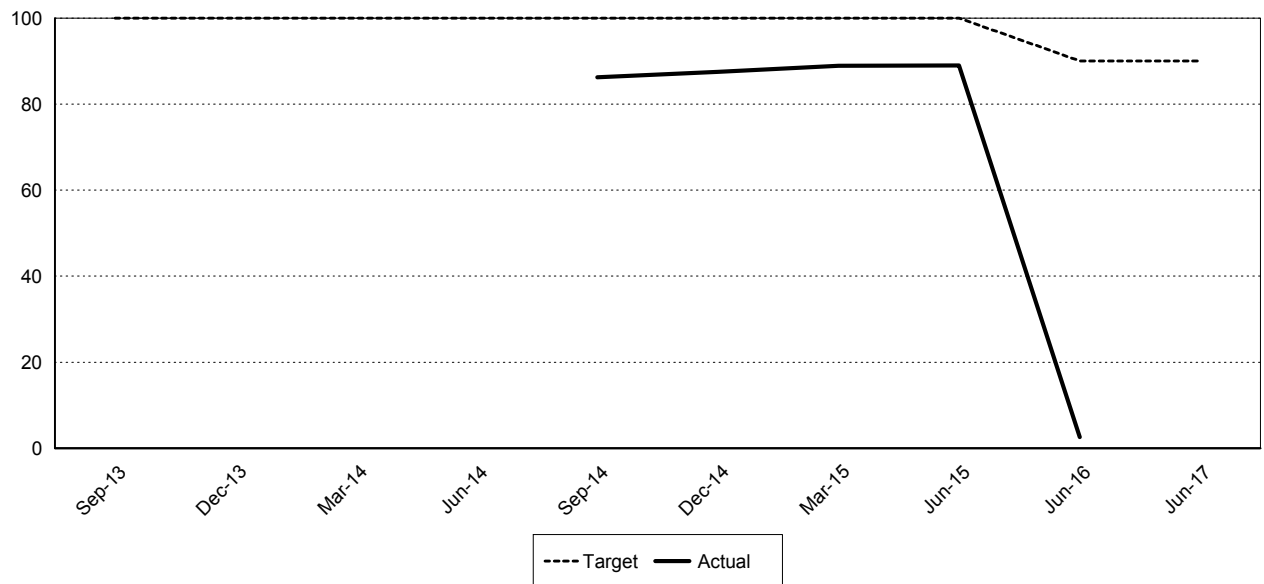
**002634 Noncompliance is defined as those jurisdictions that have not met the mandatory requirement, found in RCW 36.70A.130, to update their comprehensive plan and development regulations, including their critical areas ordinance.**

Biennium	Period	Actual	Target
2015-17	A3		90%
	A2	2.6%	90%
2013-15	A3	88.9%	100%
	A3	89%	100%
	A2		100%
	A2		100%
	A2	86.25%	100%
	A2	87.5%	100%
	A1		100%
	A1		100%
Performance Measure Status: Draft			



Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

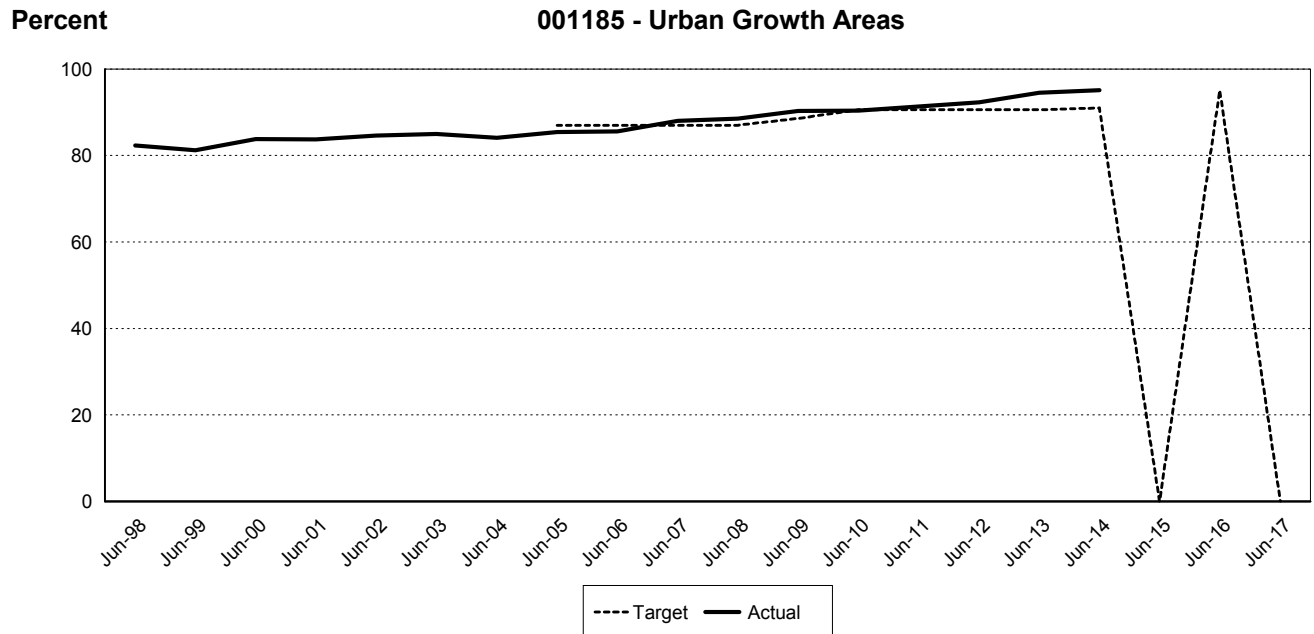
**Percent 002634 - Percent of City/County actions complying with Growth Management Act before the deadline.**



**001185 Percentage of development occurring within urban areas of the six most populated counties in Western Washington - Pierce, King, Kitsap, Snohomish, Thurston, Clark. Data is only available on even numbered years.**

Biennium	Period	Actual	Target
2015-17	A3		0%
	A2		95%
2013-15	A3		0%
	A2	95.1%	91%
Performance Measure Status: Draft			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity



## A106 Local Government Fiscal Notes

The Local Government Fiscal Note Program produces objective analysis of the financial impacts of proposed state legislation on counties, cities, and all special purpose districts except for schools and courts. This program produces the largest number of fiscal notes of any state agency, 14 percent of total notes during the last decade. Local government fiscal notes cover a broad range of issues, such as taxes, criminal justice, natural resources, economic development, social services, energy, land use, and government operations. This program has been in operation for 35 years and is mandated by statute (Chapter 42.132 RCW).

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	3.1	3.3	3.2
<b>107 Liquor Excise Tax Account</b>			
107-1 State	\$242,400	\$245,935	\$488,335

**Statewide Result Area:** Efficient, Effective and Accountable Government

**Statewide Strategy:** Support democratic processes and government accountability

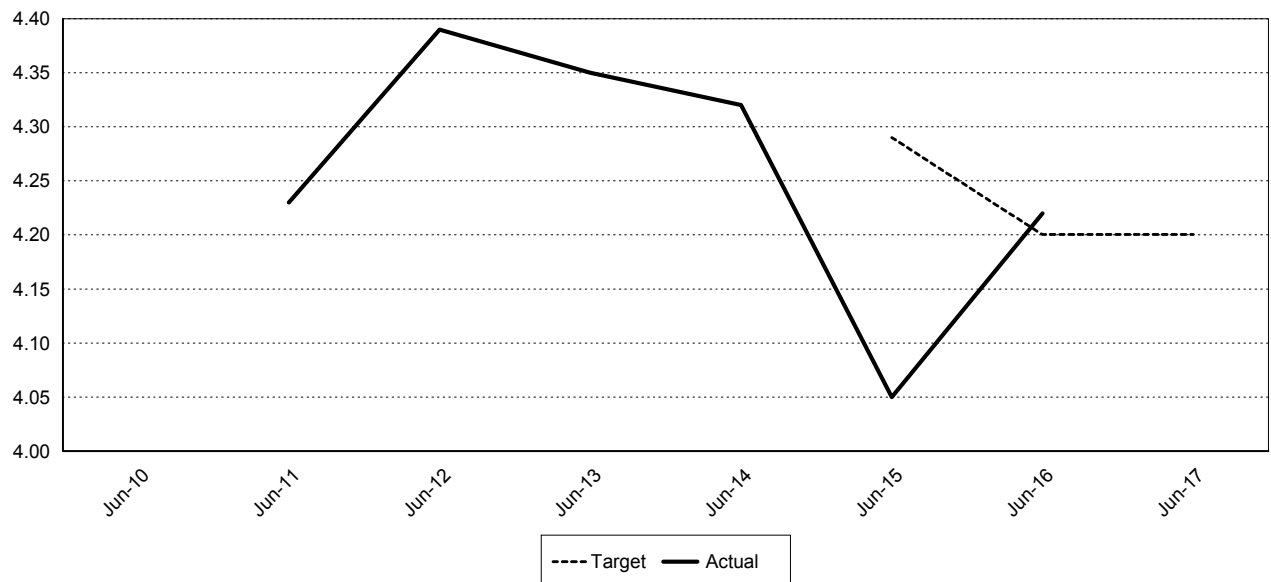
### Expected Results

The Legislature receives the appropriate financial information to make timely decisions concerning cities, counties and special districts.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

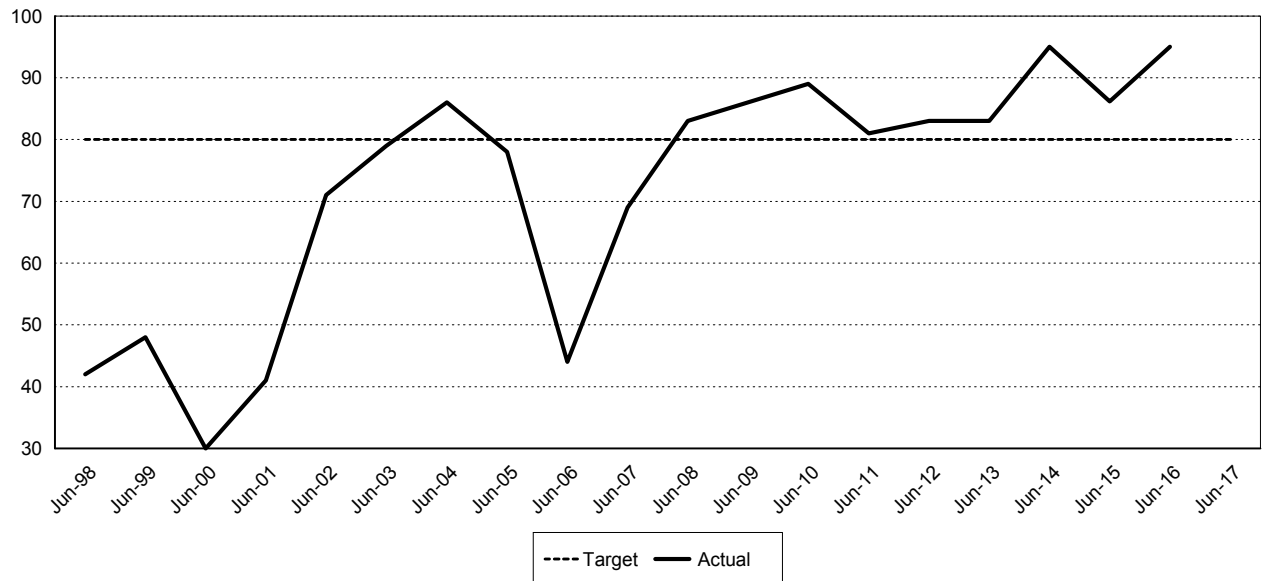
<b>002665 Rating from an annual survey sent to more than 300 customers of local government fiscal notes: local government officials, other state fiscal note producers, OFM reviewers, legislators and their staff. Response rates vary by year. Responses are on a scale of 1-5.</b>			
Biennium	Period	Actual	Target
2015-17	A3		4.2
	A2	4.22	4.2
2013-15	A3	4.05	4.29
	A2	4.32	
Performance Measure Status: Approved			

**Number 002665 - Customer survey average rating of overall satisfaction with local government fiscal notes**



<b>001322 Data is based upon the number of local government fiscal notes submitted to OFM within five working days from when OFM assigned them (the statutory deadline) divided by the total number of notes submitted.</b>			
Biennium	Period	Actual	Target
2015-17	A3		80%
	A2	95%	80%
2013-15	A3	86.17%	80%
	A2	95%	80%
Performance Measure Status: Approved			

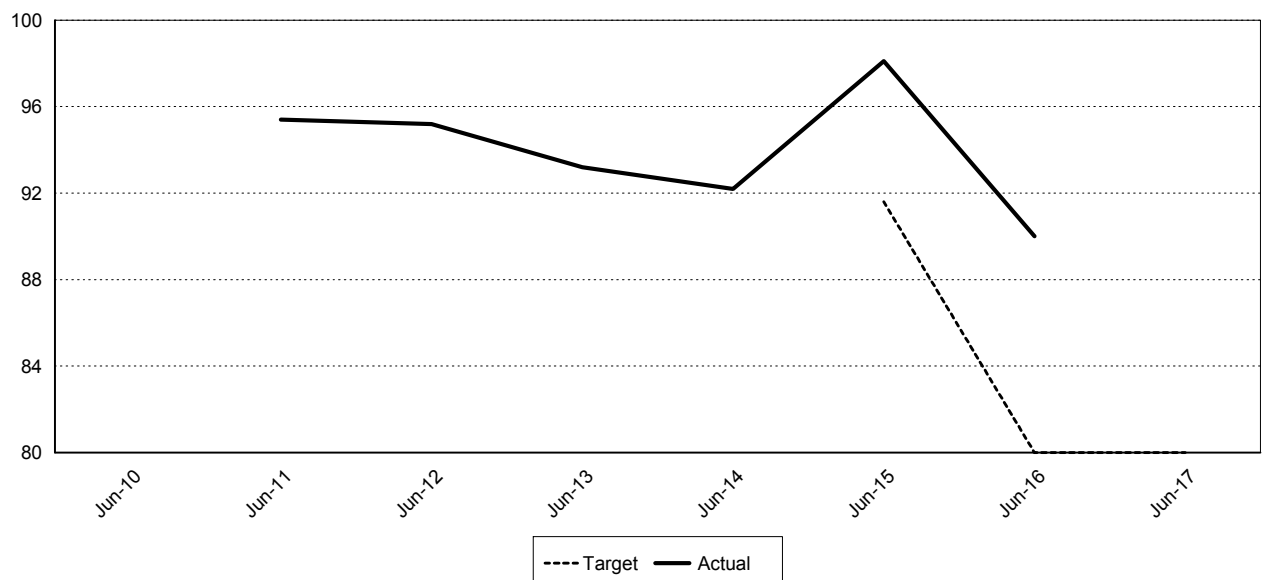
**Percent 001322 - Percentage of local government fiscal notes completed within five working days**



**002667 Data is based upon the number of local government fiscal notes where OFM asks for a revision of any kind divided by the total number of notes distributed to the Legislature.**

Biennium	Period	Actual	Target
2015-17	A3		80%
	A2	90%	80%
2013-15	A3	98.1%	91.6%
	A2	92.2%	
Performance Measure Status: Approved			

**Percent 002667 - Percentage of Local government Fiscal notes submitted that didn't require a revision.**



## A113 Public Works Infrastructure Grants and Loans

The Public Works Assistance Account provides loans for the repair, replacement, rehabilitation, and expansion of local infrastructure systems to ensure public health and safety, preserve the environment, promote economic sustainability, and ensure proper system performance. In-depth technical assistance on funding acquisition, system management, and financial sustainability are provided by staff to the Public Works Board (RCW 43 155.020).

### Program 600 - Local Government

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	9.0	9.0	9.0
<b>058 Public Works Assistance Account</b>			
058-1 State	\$1,273,197	\$1,062,673	\$2,335,870

**Statewide Result Area: Prosperous Economy**

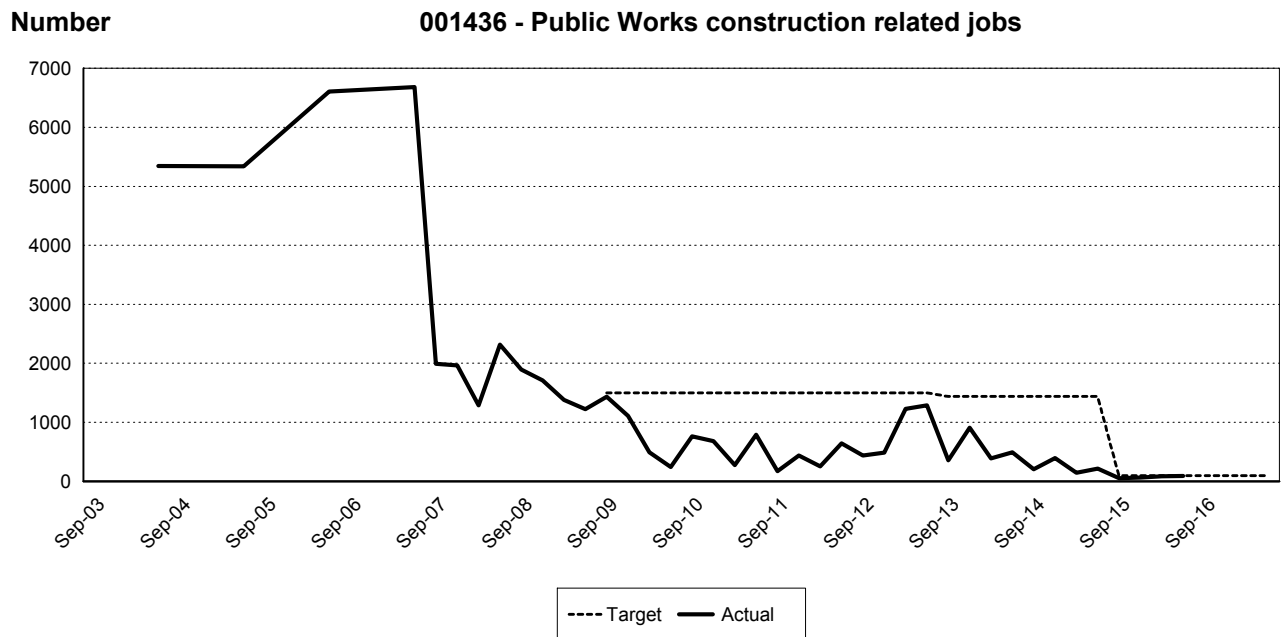
**Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance**

### Expected Results

Local governments have the resources needed to repair, replace, rehabilitate, upgrade or expand their infrastructure systems to ensure public health and safety, protect the environment, promote economic development, or to sustain their systems' performance.

*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

<b>001436 Number of construction related jobs sustained through Public Works infrastructure investments.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		90
	Q7		90
	Q6		90
	Q5		90
	Q4	88.29	90
	Q3	83.68	90
	Q2	61.87	90
	Q1	54.77	90
2013-15	Q8	217.14	1,436
	Q7	146.25	1,436
	Q6	395	1,436
	Q5	206.35	1,436
	Q4	492.25	1,436
	Q3	390.4	1,436
	Q2	910	1,436
	Q1	355	1,436
Performance Measure Status: Approved			

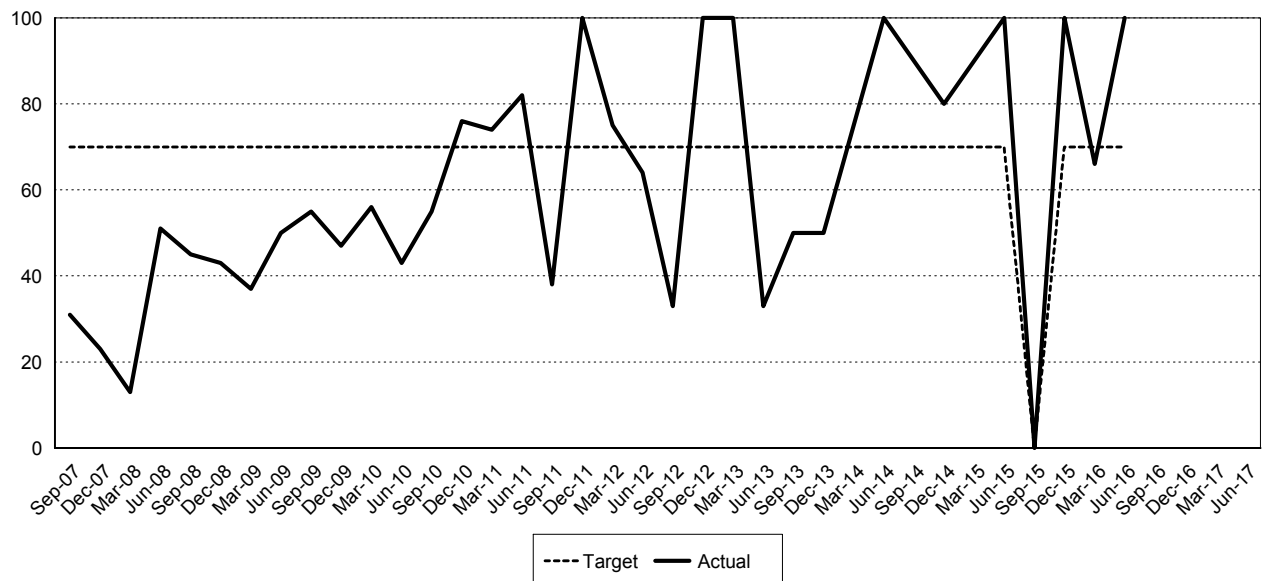


Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

001437 Percent of projects completed on time, as per contract (within scope of work).			
Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	100%	70%
	Q3	66%	70%
	Q2	100%	70%
	Q1	0%	0%
2013-15	Q8	100%	70%
	Q7		70%
	Q6	80%	70%
	Q5		70%
	Q4	100%	70%
	Q3		70%
	Q2	50%	70%
	Q1	50%	70%
Performance Measure Status: Approved			

Percent

001437 - Public Works projects completed on time



## A157 Homeless Housing and Assistance



*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

This activity reduces homelessness and related social and economic costs, and helps people achieve their maximum level of employment and self-sufficiency. Homeless housing and assistance are provided through a range of services including short-term rent assistance to prevent evictions, emergency shelter, short-term rent assistance to move homeless and special needs people into stable housing, longer term transitional housing (up to two years), and permanent supportive housing. Local nonprofit organizations carry out this activity with funds that Commerce distributes through formula and competitive grants. Program resources include the state's Consolidated Homeless Grant, and the Housing and Essential Needs Grant. Federal resources include the Tenant Based Rental Assistance Program, Emergency Solutions Grant and the Continuum of Care Program. Operating assistance for housing projects is available from the state Housing Assistance Program for the Mentally Ill and federal Housing Opportunities for Persons with AIDS. Assistance Program, Emergency Solutions Grant and the Continuum of Care Program. Operating assistance for housing projects is available from the state Housing Assistance Program for the Mentally Ill and federal Housing Opportunities for Persons with AIDS.

### ***Program 300 - Community Services and Housing***

<b>Account</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Biennial Total</b>
<b>FTE</b>			
996-Z Other	23.4	31.7	27.6
10B-1 State	4.0	4.0	4.0
532-1 State	0.7	0.4	0.6
<b>FTE Total</b>	<b>28.1</b>	<b>36.1</b>	<b>32.1</b>
<b>12C Affordable Housing for All Account</b>			
12C-1 State	\$3,029,374	\$4,885,859	\$7,915,233
<b>001 General Fund</b>			
001-1 State	\$30,551,246	\$29,617,176	\$60,168,422
001-2 Federal	\$2,609,809	\$2,683,398	\$5,293,207
<b>001 Account Total</b>	<b>\$33,161,055</b>	<b>\$32,300,574</b>	<b>\$65,461,629</b>
<b>10B Home Security Fund Account</b>			
10B-1 State	\$34,735,526	\$42,937,321	\$77,672,847
<b>15A Transitional Housing Operating and Rent Account</b>			
15A-6 Non-Appropriated	\$3,751,000	\$3,749,000	\$7,500,000
<b>532 Washington Housing Trust Account</b>			
532-1 State	\$899,125	\$240,875	\$1,140,000

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Provide cash, food, and shelter assistance**

### **Expected Results**

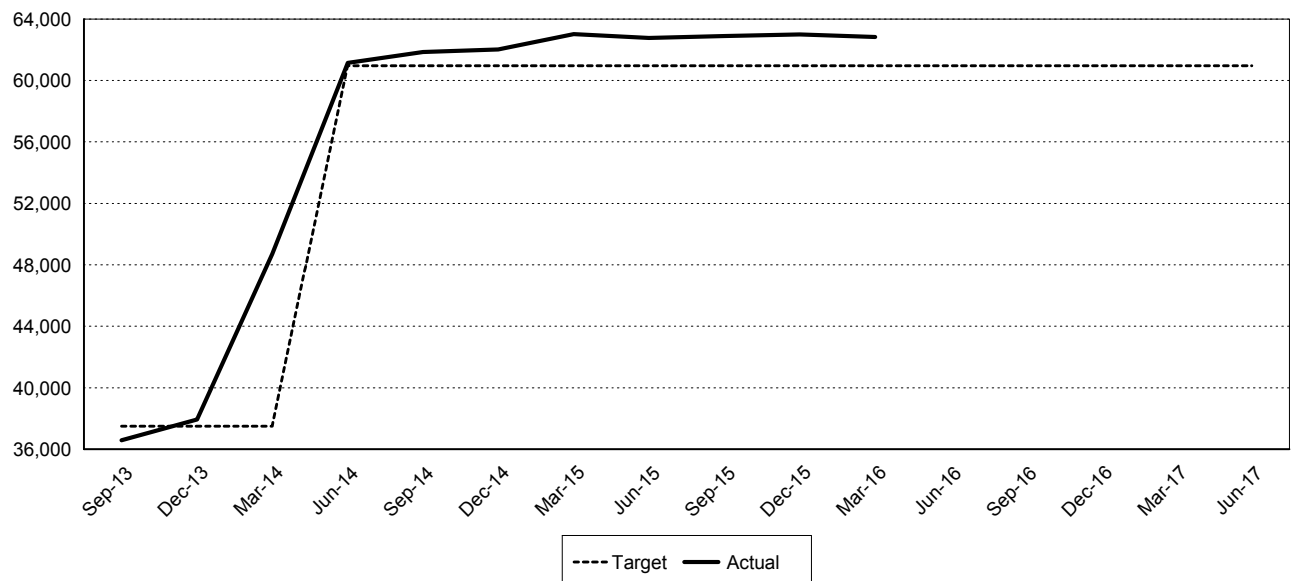
Reduce the number of homeless individuals and help those individuals attain self-sufficiency.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

<b>002629 The number of total individuals (including singles and people in families) in the quarter receiving short-term housing assistance (in the form of rent, shelter and/or other services) to ensure their homelessness is rare, brief and non-recurring.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		60,933
	Q7		60,933
	Q6		60,933
	Q5		60,933
	Q4		60,933
	Q3	62,831	60,933
	Q2	62,995	60,933
	Q1	62,883	60,933
2013-15	Q8	62,759	60,933
	Q7	63,015	60,933
	Q6	62,017	60,933
	Q5	61,862	60,933
	Q4	61,136	60,933
	Q3	48,703	37,500
	Q2	37,937	37,500
	Q1	36,580	37,500
Performance Measure Status: Approved			

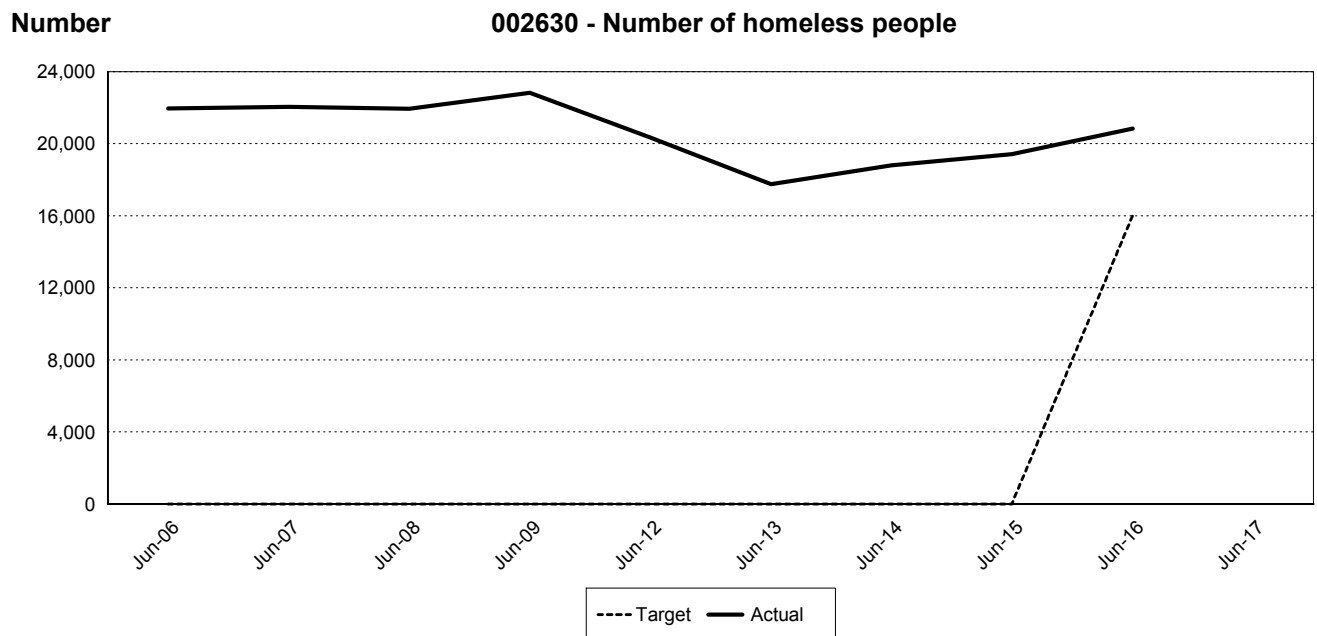
Number

002629 - Individuals Receiving Housing Assistance



**002630 The annual count of people who are homeless is organized by local governments in coordination with the state during third week of every January, and is required under federal and state laws. This is one of several measures of homeless housing efforts.**

Biennium	Period	Actual	Target
2015-17	A3		
	A2	20,844	16,000
2013-15	A3	19,418	0
	A2	18,797	0
Performance Measure Status: Approved			



## A159 Affordable Housing Development

Low-income and special needs households benefit from housing that is developed or preserved through this activity. Capital resources from the Housing Trust Fund and the federal HOME program provide grants and loans to eligible organizations to construct, acquire, and rehabilitate affordable housing. Grants are also available for down payment assistance programs. Funds are awarded on a competitive basis and successful projects must be maintained as affordable housing for persons at or below 80 percent of area median income for a period of 40 years. Operating and maintenance (O&M) subsidies are also available to projects that serve households at or below 30 percent of area median income. Funds for O&M grants are generated through a surcharge on document recording fees.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**Program 300 - Community Services and Housing**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	22.9	23.1	23.0
<b>12C Affordable Housing for All Account</b>			
12C-1 State	\$2,785,681	\$2,785,381	\$5,571,062
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$3,374,074	\$729,509	\$4,103,583
<b>001 General Fund</b>			
001-2 Federal	\$15,120,756	\$8,167,439	\$23,288,195
<b>532 Washington Housing Trust Account</b>			
532-1 State	\$8,456,376	\$4,955,817	\$13,412,193

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Help develop affordable housing**

**Expected Results**

Reduce homelessness by developing and preserving affordable housing.

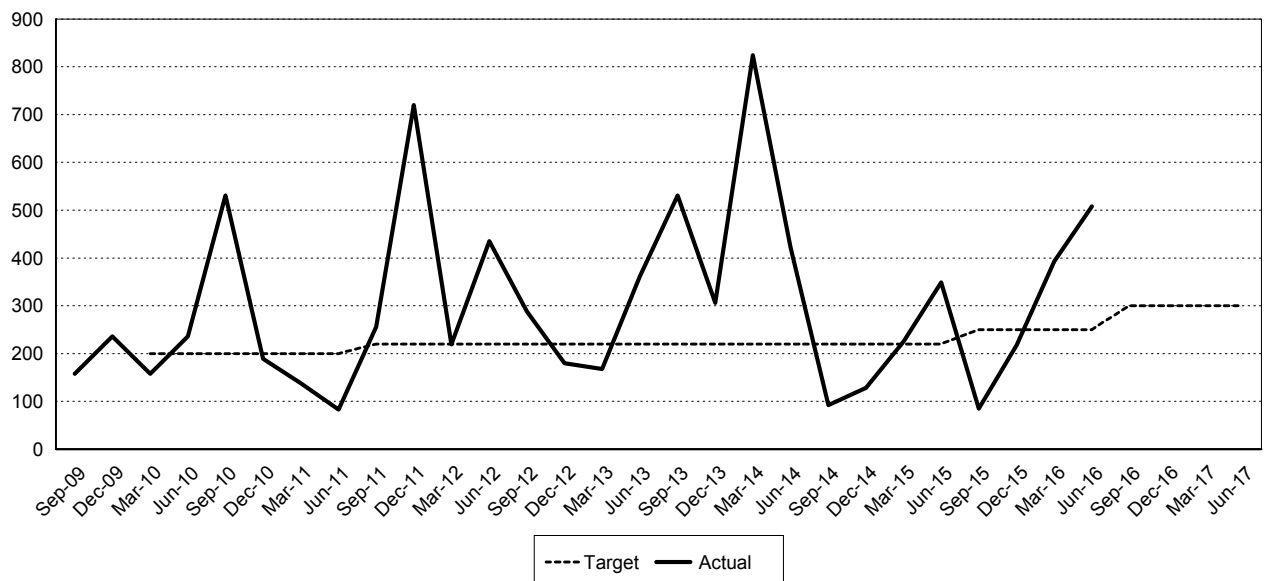
Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**001791 At-risk units preserved in the Housing Trust Fund portfolio through loan management, workouts and monitoring. Does not include data on HTF portfolio units that required no action during the reporting period (units "not at-risk.")**

Biennium	Period	Actual	Target
2015-17	Q8		300
	Q7		300
	Q6		300
	Q5		300
	Q4	508	250
	Q3	393	250
	Q2	218	250
	Q1	85	250
2013-15	Q8	349	220
	Q7	225	220
	Q6	128	220
	Q5	92	220
	Q4	423	220
	Q3	824	220
	Q2	306	220
	Q1	531	220
Performance Measure Status: Draft			

Number

**001791 - At-risk units preserved in HTF portfolio**

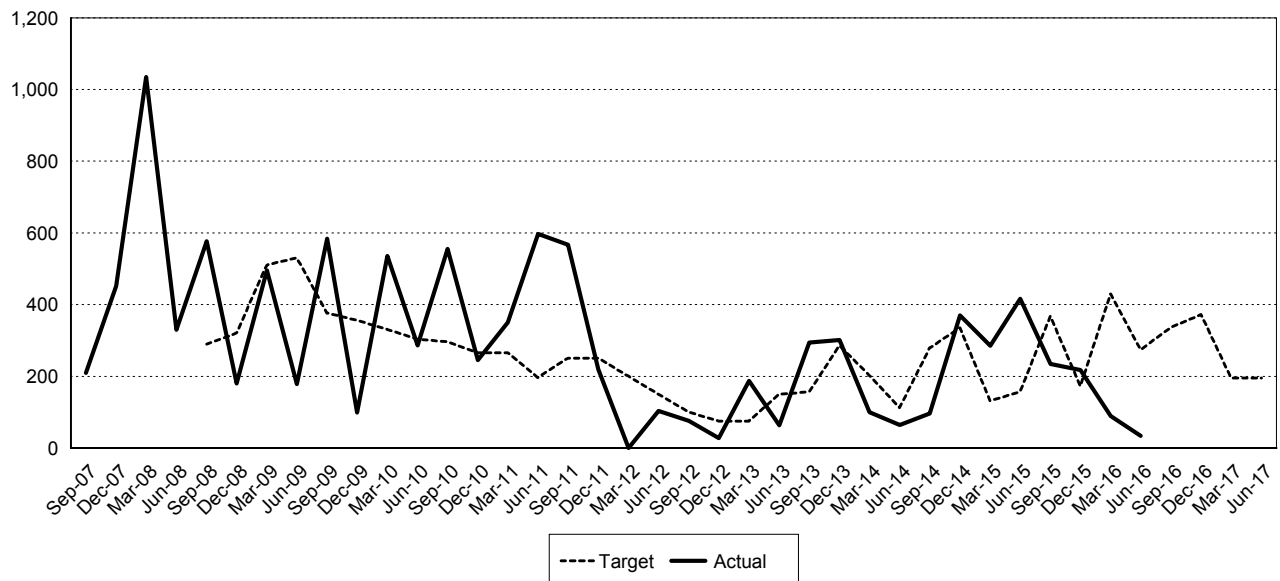


Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

001249 Number of units added to the Housing Trust Fund affordable housing stock.			
Biennium	Period	Actual	Target
2015-17	Q8		195
	Q7		195
	Q6		372
	Q5		336
	Q4	34	274
	Q3	89	430
	Q2	217	172
	Q1	234	367
2013-15	Q8	416	157
	Q7	285	131
	Q6	370	335
	Q5	96	278
	Q4	64	112
	Q3	100	202
	Q2	301	285
	Q1	294	156
Performance Measure Status: Approved			

Number

001249 - Units added to affordable housing stock



## A163 Business Development

As the state's primary economic development agency, the Department of Commerce coordinates local economic development projects with state, federal, dedicated, and private sector resources, proactively identifying and facilitating business recruitment, expansion, and retention opportunities to increase or preserve business investment. The department manages grants awarded to Associate Development Organizations (ADOs) and other economic development focused organizations and ensures grants meet legislative intent; funds, convenes, and facilitates the commercialization of technologies through Innovation Partnership Zones; develops and maintains a business website to promote Washington State as a place to do business; provides a branded platform for the state in communications, marketing, and online to consistently position Washington's innovative business environment; delivers support to ADO network through providing marketing tools, economic data, and access to capital; creates opportunities and forums for Washington companies to develop and promote their products and services; educates national site selectors on benefits of doing business in Washington; and provides marketing kits to third parties to promote Washington State.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
09R-1 State	1.0	1.5	1.3
<b>09R Economic Development Strategic Reserve Account</b>			
09R-1 State	\$622,238	\$688,844	\$1,311,082

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	2.9	1.6	2.3
<b>001 General Fund</b>			
001-1 State	\$461,652	\$341,910	\$803,562
001-2 Federal	\$56,245	\$27,285	\$83,530
<b>001 Account Total</b>	<b>\$517,897</b>	<b>\$369,195</b>	<b>\$887,092</b>

### Program 700 - Office of Economic Development and Competitiveness

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	13.8	13.7	13.8
<b>263 Community and Economic Development Fee Account</b>			
263-1 State	\$270,645	\$96,885	\$367,530
<b>001 General Fund</b>			
001-1 State	\$4,868,281	\$4,889,017	\$9,757,298
<b>746 Hanford Area Economic Investment</b>			
746-6 Non-Appropriated	\$288,000	\$100,000	\$388,000
<b>759 Miscellaneous Program Account</b>			
759-6 Non-Appropriated	\$11,887,000	\$175,000	\$12,062,000
<b>17H WA Global Health Technologies and Product Development account</b>			
17H-6 Non-Appropriated	\$209,000	\$0	\$209,000

### Statewide Result Area: Prosperous Economy

**Statewide Strategy:** Remove economic development barriers through targeted infrastructure and assistance

### Expected Results

Bring business to Washington while retaining and expanding those businesses already established in the state.



Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**001148 Businesses expanded:** Number of businesses which have been in operation in the state for at least 12 months and which are now expanding with ADO direct assistance. Expansion may include new job creation, new revenue creation, expansion of physical facility, or expansion to new markets out of state.

**Businesses recruited:** Existing companies directly assisted by the ADO in relocating to, or expanding from outside, Washington.

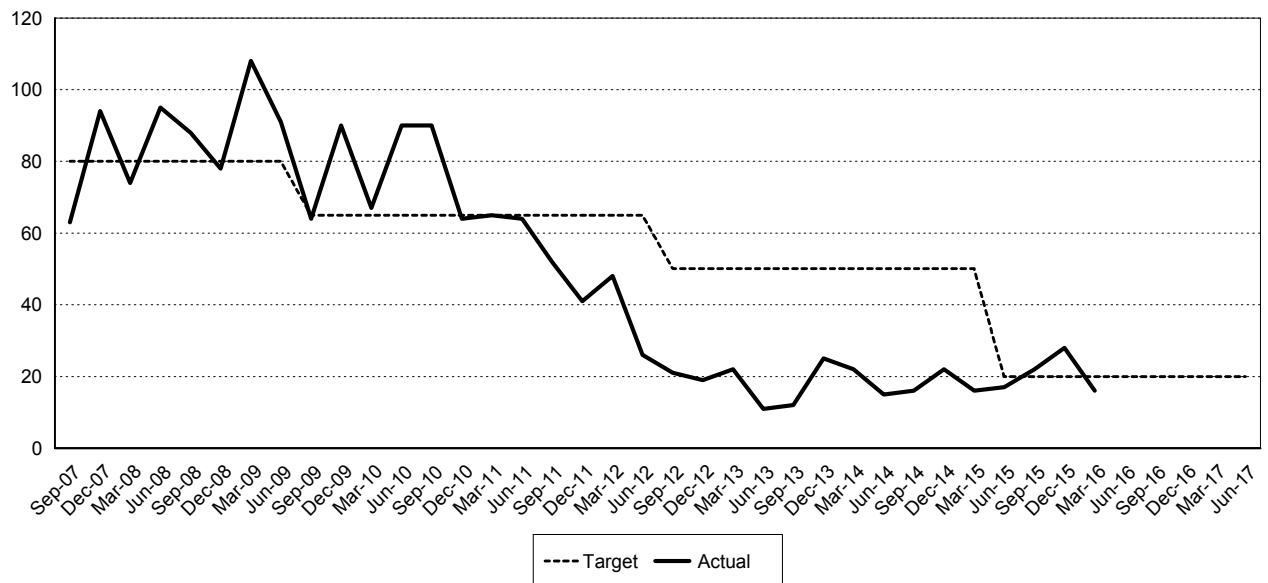
**Businesses retained:** A business which would have likely moved out of state or closed but remained open for 12 months after initial contact and direct assistance from the ADO.

Biennium	Period	Actual	Target
2015-17	Q8		20
	Q7		20
	Q6		20
	Q5		20
	Q4		20
	Q3	16	20
	Q2	28	20
	Q1	22	20
2013-15	Q8	17	20
	Q7	16	50
	Q6	22	50
	Q5	16	50
	Q4	15	50
	Q3	22	50
	Q2	25	50
	Q1	12	50
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

## 001148 - Businesses recruited, retained or expanded



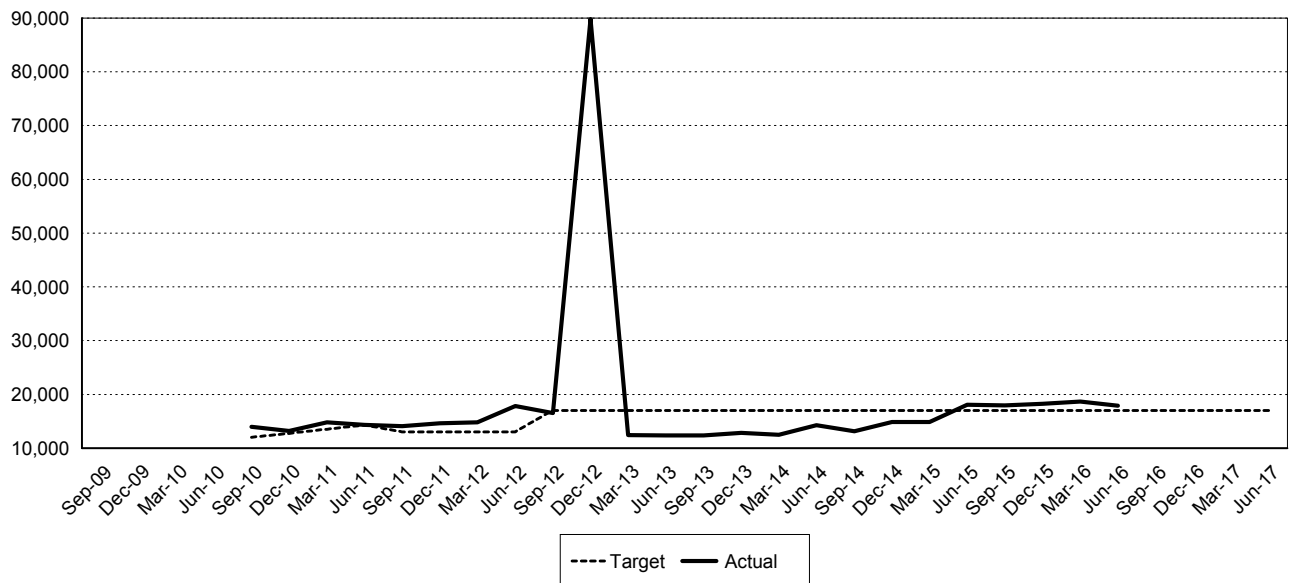
**001813 Subject Matter Experts are Robb Zerr ((206) 256-6111, robb.zerr@commerce.wa.gov) and Alexander Harper ((360) 970-1073, alexander.harper@commerce.wa.gov)**

Biennium	Period	Actual	Target
2015-17	Q8		17,000
	Q7		17,000
	Q6		17,000
	Q5		17,000
	Q4	17,911	17,000
	Q3	18,658	17,000
	Q2	18,254	17,000
	Q1	17,985	17,000
2013-15	Q8	18,088	17,000
	Q7	14,871	17,000
	Q6	14,842	17,000
	Q5	13,156	17,000
	Q4	14,257	17,000
	Q3	12,496	17,000
	Q2	12,845	17,000
	Q1	12,398	17,000
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001813 - ChooseWashington.com visits



**001149 Jobs Created** refers to new jobs created at businesses directly assisted by the ADO.  
**Jobs Retained** refers to the number of jobs which would likely end in the next 12 months but were kept with the ADOs direct assistance. The number of jobs retained is the number of jobs at risk but were saved.

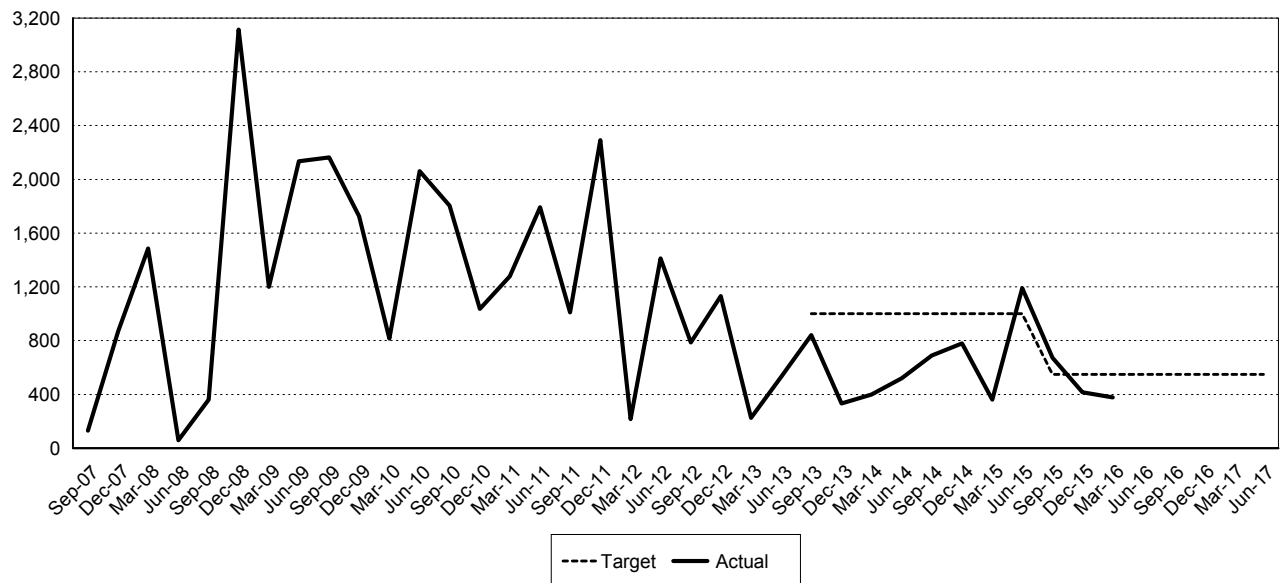
**Subject Matter Expert is Karen McArthur, 360-725-4027.**

Biennium	Period	Actual	Target
2015-17	Q8		550
	Q7		550
	Q6		550
	Q5		550
	Q4		550
	Q3	378	550
	Q2	416	550
	Q1	672	550
2013-15	Q8	1,190	1,000
	Q7	360	
	Q6	779	1,000
	Q5	689	
	Q4	520.5	
	Q3	399	
	Q2	333	1,000
	Q1	842.25	1,000
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

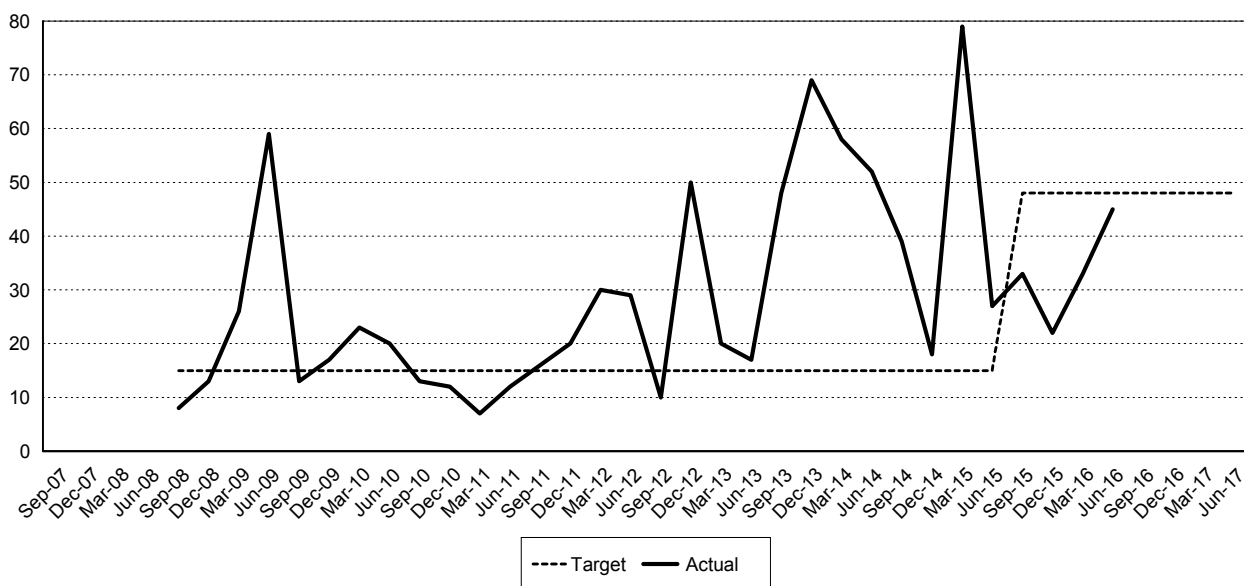
001149 - Jobs created and retained



001810 34 Number of leads generated			
Biennium	Period	Actual	Target
2015-17	Q8		48
	Q7		48
	Q6		48
	Q5		48
	Q4	45	48
	Q3	33	48
	Q2	22	48
	Q1	33	48
2013-15	Q8	27	15
	Q7	79	15
	Q6	18	15
	Q5	39	15
	Q4	52	15
	Q3	58	15
	Q2	69	15
	Q1	48	15
Performance Measure Status: Approved			

Number

001810 - Leads generated



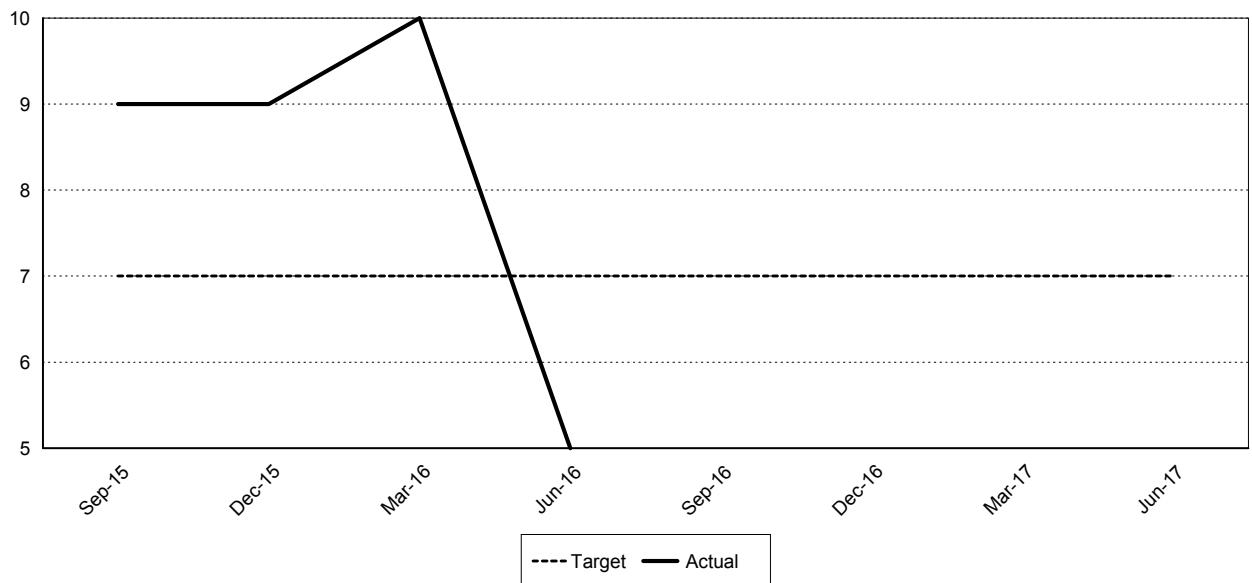
**002748 The number of cases opened each quarter demonstrates our proactivity in getting new leads and transforming them into active cases and later into won projects.**

Biennium	Period	Actual	Target
2015-17	Q8		7
	Q7		7
	Q6		7
	Q5		7
	Q4	5	7
	Q3	10	7
	Q2	9	7
	Q1	9	7
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

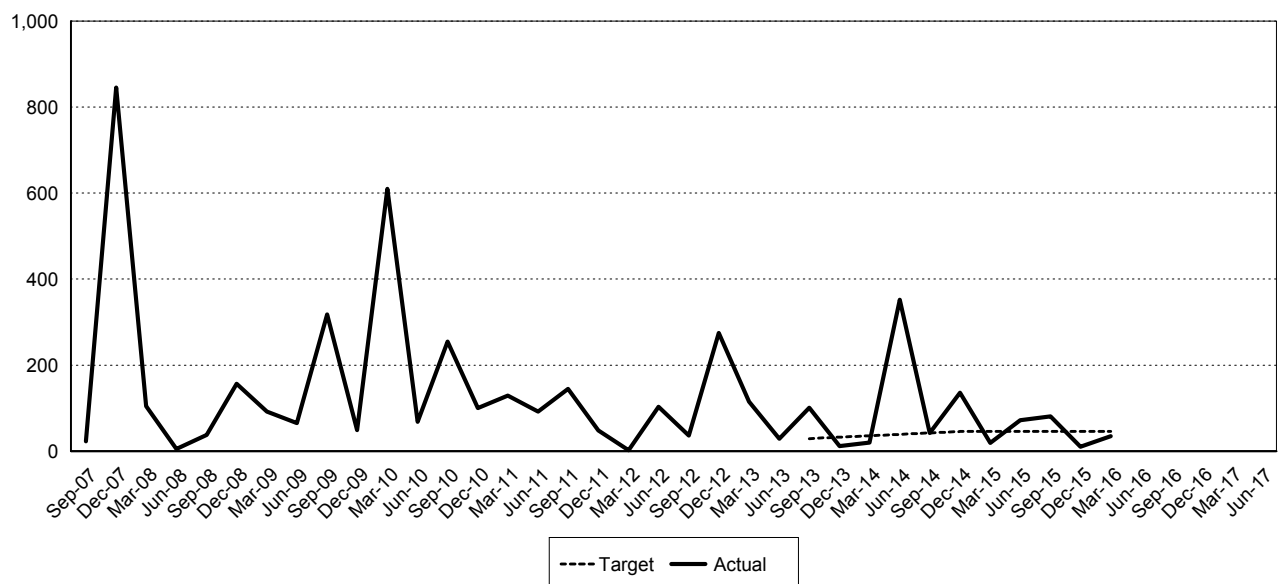
Number

002748 - New Active Cases



**001150 The amount of money invested by private, non-government entities in financing a business project. The project must have received direct assistance from an ADO.**

Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3	\$35	\$45
	Q2	\$10	\$45
	Q1	\$81	\$45
2013-15	Q8	\$72.1	\$45
	Q7	\$19.4	
	Q6	\$136.1	\$45
	Q5	\$42.5	
	Q4	\$352	
	Q3	\$20	
	Q2	\$12	
	Q1	\$101	\$29
Performance Measure Status: Approved			

**Dollars 001150 - Private Investment Leveraged (estimated)****A168 Asset Building for Working Families**

Asset building means improving financial education, planning, and outcomes for working families. Commerce is working with and helping fund the Washington Asset Building Coalition and local coalitions to promote savings and smart borrowing and spending by low and moderate-income residents. One program element is Individual Development Accounts, authorized by RCW 43.31.450 485, which contracts with providers and uses account matching funds to help low-income residents save and make major asset purchases like a home, higher education, or a small business. Additionally, Commerce promotes the Earned Income Tax Credit (EITC) and use of volunteer tax preparation services to increase EITC filing.

**Program 300 - Community Services and Housing**

Account	FY 2018	FY 2019	Biennial Total
<b>001 General Fund</b>			
001-1 State	\$234,000	\$234,000	\$468,000
<b>08E Individual Development Account Program Account</b>			
08E-6 Non-Appropriated	\$68,000	\$0	\$68,000

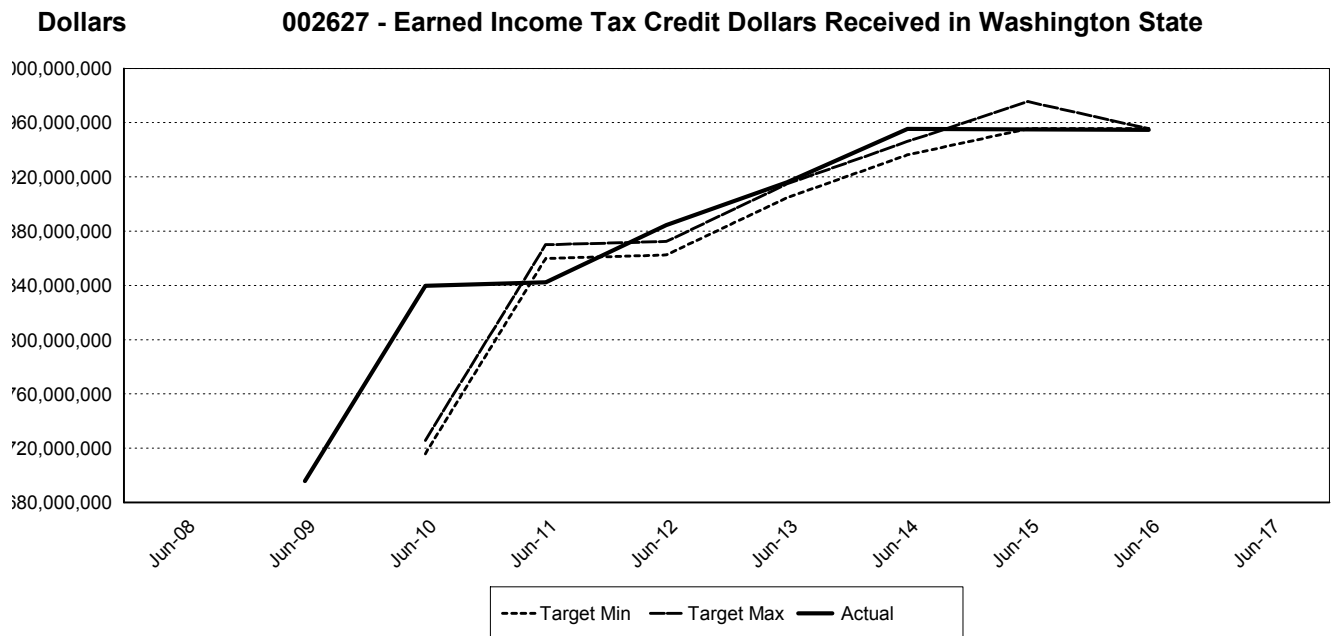
**Statewide Result Area: Prosperous Economy**

**Statewide Strategy:** Remove economic development barriers through targeted infrastructure and assistance

**Expected Results**

Low and moderate income working families have the skills and training to make sound financial decisions.

002627 Local Asset Building Coalitions partner with AARP, IRS, and community partners to promote the Earned Income Tax Credit (EITC) and free tax filing assistance in order to increase financial independence of low/moderate income families. Success is measured as increasing EITC dollars in Washington.				
Biennium	Period	Actual	Target Min	Target Max
2015-17	A3			
	A2	\$954,615,166	\$955,338,815	\$955,338,815
2013-15	A3		\$955,338,815	\$975,338,815
	A2	\$955,338,815	\$935,973,694	\$945,973,694
Performance Measure Status: Approved				



## A171 Global Trade Services

Global Trade Services (GTS) prepares companies to begin or expand exports, facilitates business introductions; identifies international business opportunities for Washington exporters, staffs high level trade missions to identify key business opportunities for the state, actively pursues strategic foreign direct investment projects, and reports results against the statewide export initiative targets. Also, GTS provides "new-to-export" training, assistance and support to Washington businesses to optimize their global supply chains, and a branded marketing platform for the state in print and online to consistently position Washington's innovative business environment globally. Since 2011, many GTS activities have been augmented through a State Trade and Export Promotion (STEP) grant awarded by the U.S. Small Business Administration to help more small businesses launch or expand their export activities. STEP and the federal Market Development Cooperator Program (MDCP) grant awarded by the U.S. Department of Commerce offer qualified companies new to exporting or expanding into new export markets assistance with export-related expenses.



Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**Program 700 - Office of Economic Development and Competitiveness**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	10.9	9.9	10.4
<b>001 General Fund</b>			
001-1 State	\$1,117,867	\$1,300,707	\$2,418,574
001-2 Federal	\$949,138	\$135,440	\$1,084,578
001-7 Private/Local	\$844,141	\$0	\$844,141
<b>001 Account Total</b>	<b>\$2,911,146</b>	<b>\$1,436,147</b>	<b>\$4,347,293</b>

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Develop markets by promoting Washington products and services**

**Expected Results**

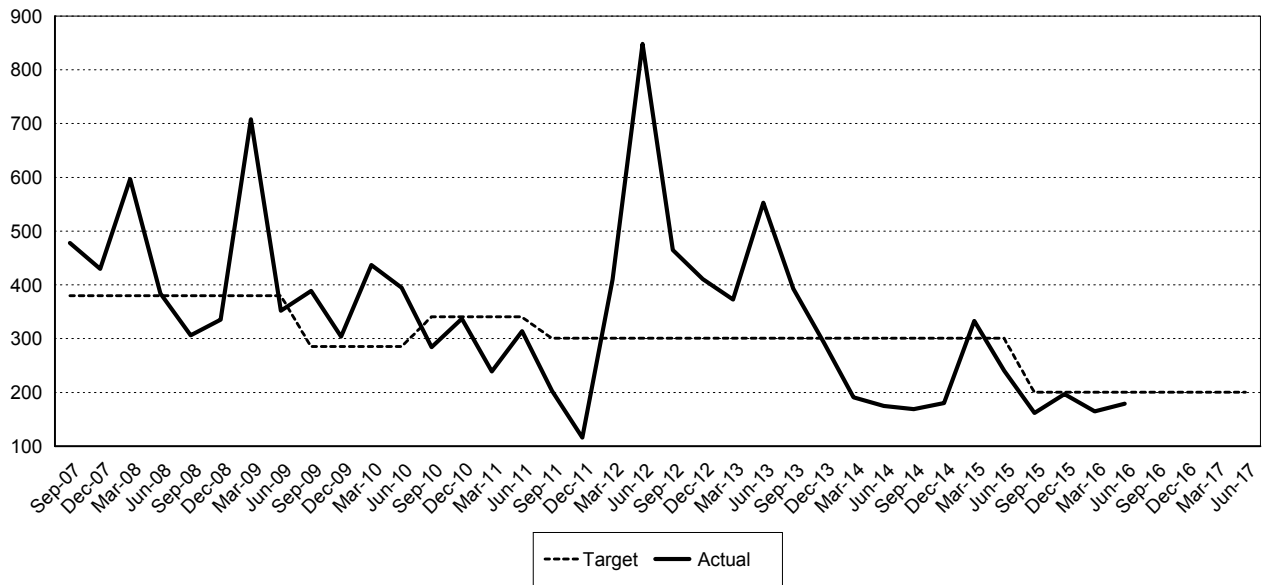
Washington's companies have the skills, training, and information necessary to conduct business in a global market.

001140 Commerce received 393 export assistance requests from 212 companies in the first quarter of the fiscal year 2013.			
Biennium	Period	Actual	Target
2015-17	Q8		200
	Q7		200
	Q6		200
	Q5		200
	Q4	179	200
	Q3	165	200
	Q2	197	200
	Q1	162	200
2013-15	Q8	240	300
	Q7	333	300
	Q6	180	300
	Q5	169	300
	Q4	175	300
	Q3	191	300
	Q2	294	300
	Q1	393	300
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

001140 - Export assistance cases

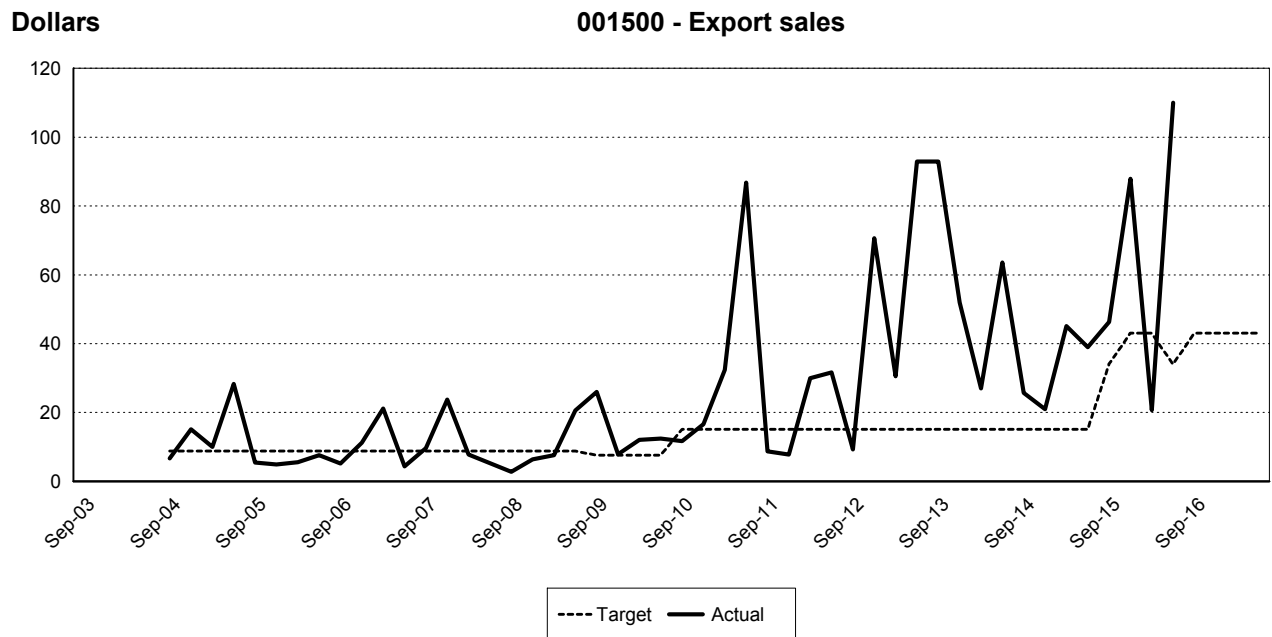


Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

**001500 The International Trade program drives Export Sales by**

- **Connecting Washington businesses and potential new international buyers through business-to-business meetings.**
  - **Conduct partner searches to find new buyers and distributors for Washington products and services.**
- **Expand international export opportunities for small- to medium-sized businesses.**
- **Provide export finance and risk mitigation counseling.**
- **Organize and lead trade missions with Governor and overseas trade shows coordinating delegates and Washington State businesses.**
- **Make government-level introductions for Washington businesses to open new doors to trade.**
- **Identify new markets for Washington products through foreign trade offices.**

Biennium	Period	Actual	Target
2015-17	Q8		\$43
	Q7		\$43
	Q6		\$43
	Q5		\$43
	Q4	\$110	\$34
	Q3	\$20.7	\$43
	Q2	\$87.9	\$43
	Q1	\$46.3	\$34
2013-15	Q8	\$39	\$15
	Q7	\$45.1	\$15
	Q6	\$21	\$15
	Q5	\$25.7	\$15
	Q4	\$63.6	\$15
	Q3	\$27	\$15
	Q2	\$52	\$15
	Q1	\$92.9	\$15
Performance Measure Status: Approved			



## A177 Criminal Justice Investments

This activity provides federal funds for local crime prevention, crime investigation, and the prosecution of crime. These programs increase communication and cooperation between governments, businesses, and community organizations in order to increase public safety. The Justice Assistance Grant Program funds multi jurisdictional drug/gang task forces, drug courts, youth violence prevention, crime victim advocacy, criminal records improvements, and tribal law enforcement coordination. The Financial Fraud and Identity Theft Program provides funds to King, Pierce, and Spokane counties for task forces, prosecutors, law enforcement, and other support to reduce financial fraud and identity crimes. The Financial Fraud and Identity Theft Program's funds are matched dollar-for-dollar by private sector sources.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	0.7	0.0	0.4
<b>001 General Fund</b>			
001-2 Federal	\$165,618	\$0	\$165,618

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	2.6	2.6	2.6
<b>14M Financial Fraud and Identity Theft Crimes Investigation and Prosecution Account</b>			
14M-1 State	\$980,225	\$981,105	\$1,961,330
<b>001 General Fund</b>			
001-1 State	\$496,605	\$496,605	\$993,210
001-2 Federal	\$1,490,028	\$2,877,165	\$4,367,193
<b>001 Account Total</b>	<b>\$1,986,633</b>	<b>\$3,373,770</b>	<b>\$5,360,403</b>

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Administer Justice**

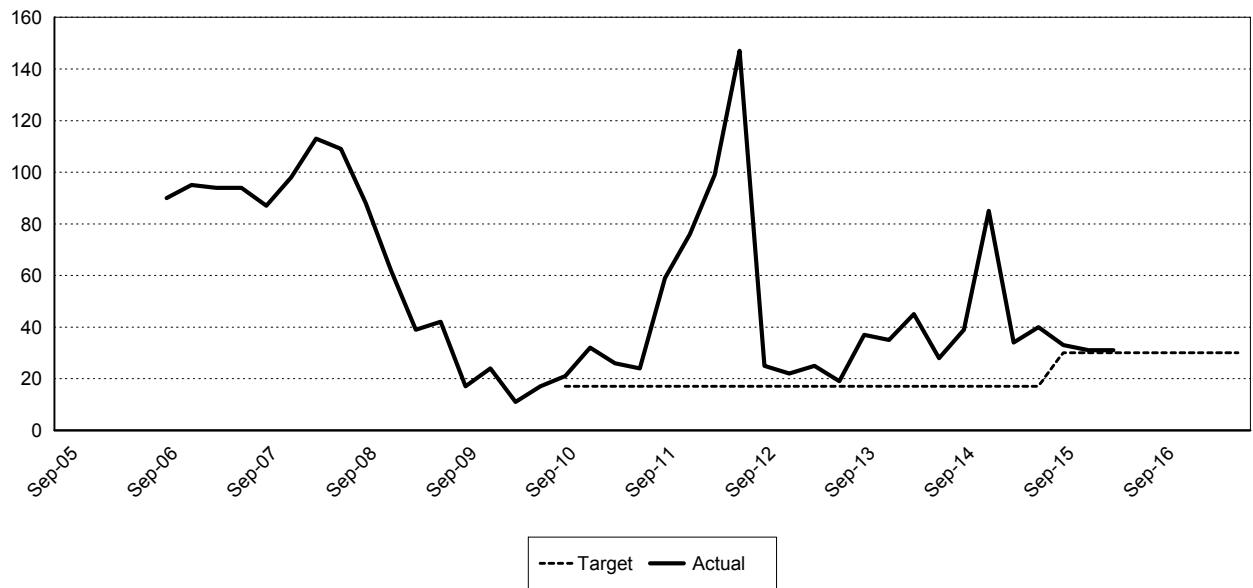
### Expected Results

Reduce crime in Washington.

*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

<b>001324 Number of drug trafficking/gang organizations disrupted/dismantled in counties served by Commerce funded programs.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2015-17	Q8		30
	Q7		30
	Q6		30
	Q5		30
	Q4		30
	Q3	31	30
	Q2	31	30
	Q1	33	30
2013-15	Q8	40	17
	Q7	34	17
	Q6	85	17
	Q5	39	17
	Q4	28	17
	Q3	45	17
	Q2	35	17
	Q1	37	17
Performance Measure Status: Approved			

**Number** **001324 - Drug trafficking and gang organizations disrupted**

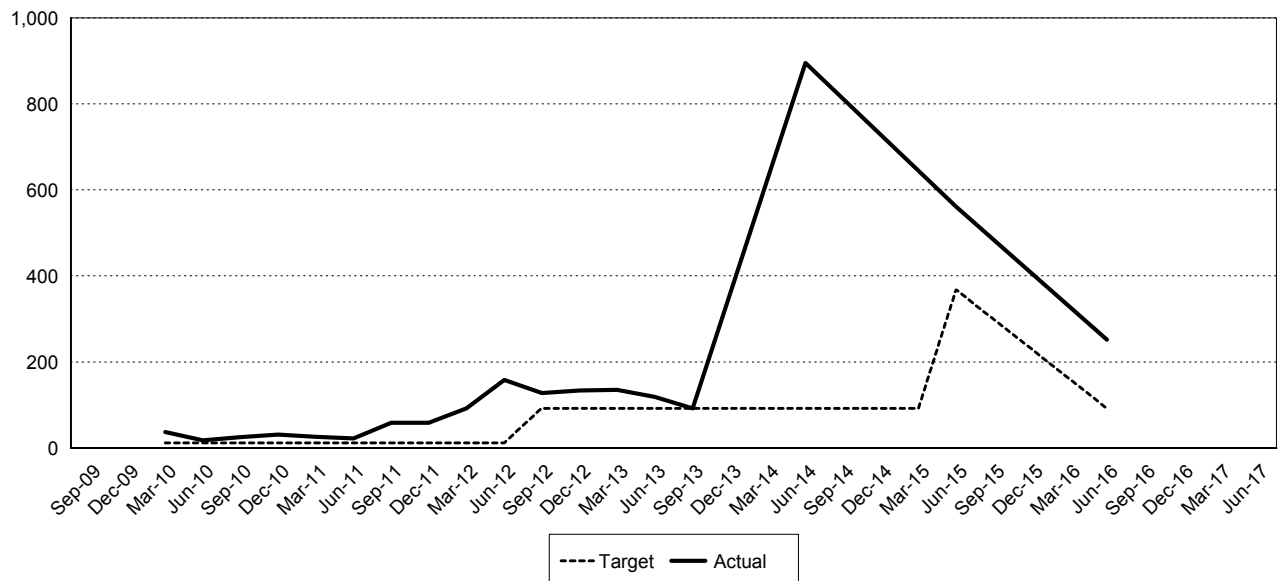


Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

001096 Number of convictions resulting from the prosecution of task force cases.			
Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4	252	92
	Q3		
	Q2		
	Q1		
2013-15	Q8	561	368
	Q7		92
	Q6		92
	Q5		92
	Q4	895	92
	Q3		92
	Q2		92
	Q1	92	92
Performance Measure Status: Approved			

Number

001096 - Financial fraud convictions



A179 New Americans



*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

The New Americans Program was created in 2008, consistent with the Governor's Executive Order 08 01 that affirmed the value new Americans bring to the workforce and state economy. The program provides naturalization assistance for the many legal permanent residents who come to Washington to work in high demand occupations in science and technology. This program funds U.S. citizenship preparation so the State of Washington can retain high demand workers. The program requires that participants are not receiving public assistance and meet all other U.S. citizenship requirements. This contract requires a 25 percent match of non-state funds.

### **Program 300 - Community Services and Housing**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	0.2	0.2	0.2
<b>001 General Fund</b>			
001-1 State	\$391,100	\$391,030	\$782,130

### **Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Upgrade the skills of current or returning retired workers**

### **Expected Results**

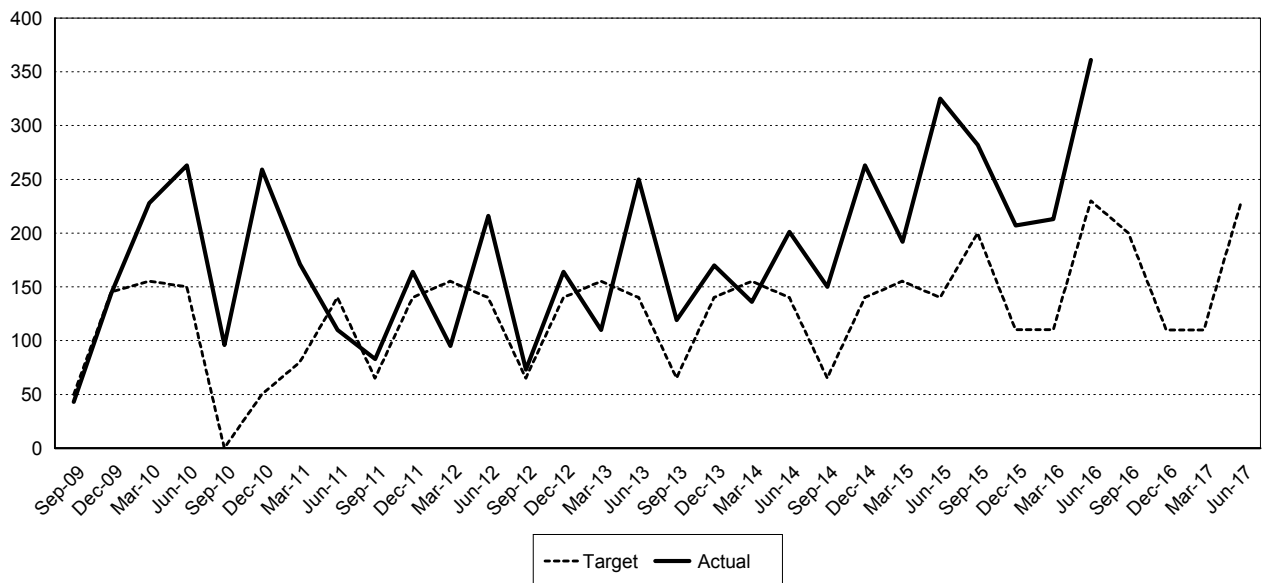
Legal permanent residents receive naturalization assistance.

<b>001100 Number of program participants completing N-400 applications for citizenship.</b>			
Biennium	Period	Actual	Target
2015-17	Q8		230
	Q7		110
	Q6		110
	Q5		200
	Q4	361	230
	Q3	213	110
	Q2	207	110
	Q1	282	200
2013-15	Q8	325	140
	Q7	192	155
	Q6	263	140
	Q5	150	65
	Q4	201	140
	Q3	136	155
	Q2	170	140
	Q1	119	65
Performance Measure Status: Approved			

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

Number

## 001100 - Applications for Citizenship

**A183 Public Facilities District Independent Financial Feasibility Reviews**

The Public Facilities District (PFD) Independent Financial Feasibility Review Program is required by RCWs 36.100.025 and 35.57.025, which provide that an independent review must take place before: a new public facilities district is formed; the issuance of new debt by a PFD; or the long-term lease, purchase, or development of a facility by a PFD. The reviews examine the potential costs to be incurred by the PFD and the adequacy of revenues or expected revenues to meet those costs, and are conducted by qualified private consulting firms, state agencies, or educational institutions under contract with Department of Commerce.

**Program 200 - External Relations**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	0.1	0.0	0.1
<b>001 General Fund</b>			
001-7 Private/Local	\$96,430	\$93,156	\$189,586

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy:** Remove economic development barriers through targeted infrastructure and assistance

**Expected Results**

Local decision makers, state officials and legislators, and the public, have access to objective and timely analysis of the financial feasibility of proposed PFD projects.

**A184 Sector Leads**

*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

Sector leads serve as the link between government and key industries in Washington State. The Department of Commerce, Office of Economic Development and Competitiveness has sector leads in the aerospace, agriculture, clean technology, , life science, maritime and military industries. They work with other Commerce staff and local partners to improve business recruitment, retention and expansion opportunities

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
09R-1 State	1.0	1.5	1.3
<b>09R Economic Development Strategic Reserve Account</b>			
09R-1 State	\$795,589	\$795,589	\$1,591,178

### *Program 500 - Energy Division*

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	6.9	4.6	5.8
<b>001 General Fund</b>			
001-1 State	\$530,220	\$366,775	\$896,995
001-2 Federal	\$3,567,872	\$705,306	\$4,273,178
001-7 Private/Local	\$194,615	\$77,800	\$272,415
<b>001 Account Total</b>	<b>\$4,292,707</b>	<b>\$1,149,881</b>	<b>\$5,442,588</b>

### **Statewide Result Area: Prosperous Economy**

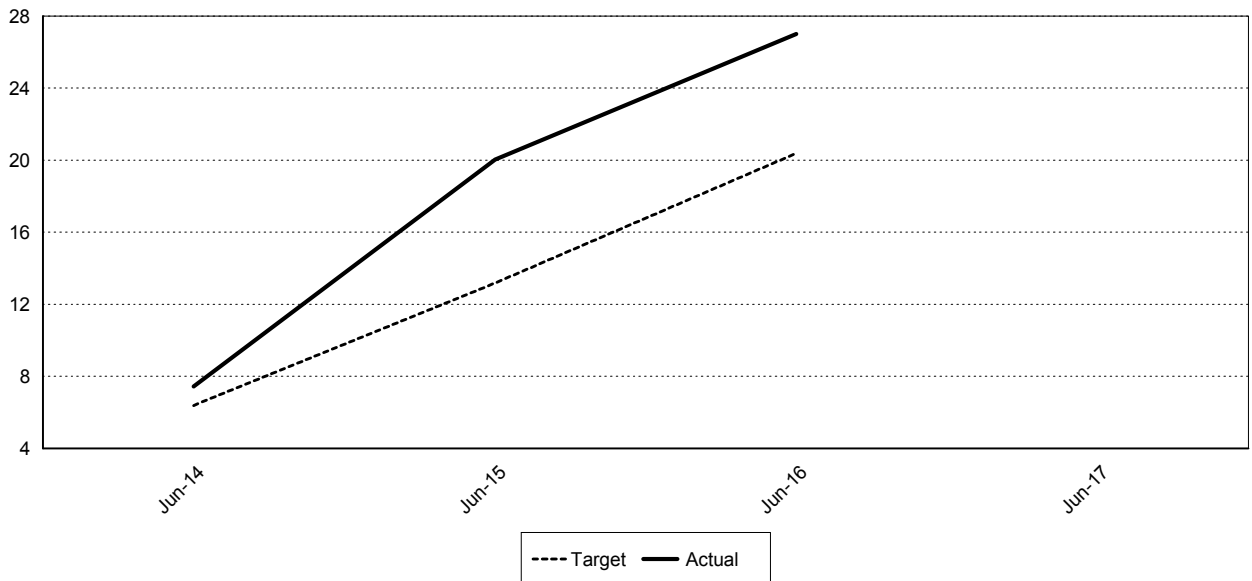
**Statewide Strategy: Remove economic development barriers through targeted infrastructure and assistance**

### **Expected Results**

To create and sustain a thriving economic climate that spurs job growth in every industry sector and every corner of Washington State.

<b>002631 Growth in total combined gross income for businesses in key industry sectors, reported quarterly by the businesses to the Washington State Department of Revenue.</b>			
Biennium	Period	Actual	Target
2015-17	A3		
	A2	27%	20.37%
2013-15	A3	20.04%	13.16%
	A2	7.44%	6.38%
Performance Measure Status: Approved			

**Percent 002631 - Sector Leads: Gross Business Income in Key Industry Sectors.**

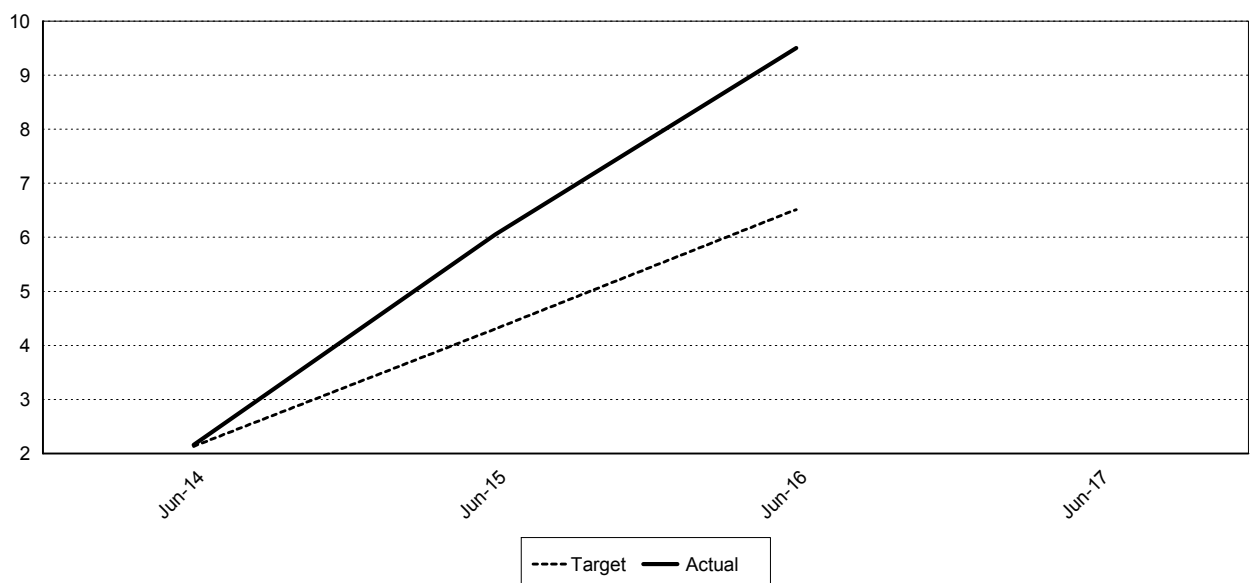


**002632 Growth in employment for businesses in key industry sectors, reported quarterly by the businesses to the Washington State Employment Security Department.**

Biennium	Period	Actual	Target
2015-17	A3		
	A2	9.5%	6.51%
2013-15	A3	6.05%	4.3%
	A2	2.16%	2.13%

Performance Measure Status: Draft

**Percent 002632 - Sector Leads: Job Growth in Key Industry Sectors**



**A185 Agricultural Labor Skills and Safety Training**

The Agricultural Labor Skills and Safety Program is designed to improve employability of agricultural workers in Washington state by increasing worker skills and knowledge. Based on available funding, Commerce awards grant funds to a community based organization to design and implement a skills development program and provide health and safety training. The training is delivered in a manner that is sensitive to the unique needs of agricultural employees and employers and is designed to overcome barriers to employment for agricultural workers.

**Program 300 - Community Services and Housing**

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	0.4	0.1	0.3

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Improve workplace safety and fairness**

**Expected Results**

Washington agricultural workers have improved labor skills, resulting in increased employment and workplace safety in the agricultural sector.

<b>002742 Washington agricultural workers have improved labor skills, resulting in increased employment and workplace safety in the agricultural sector.</b>			
Biennium	Period	Actual	Target
2015-17	A3		1,200
	A2	688	600
Performance Measure Status: Approved			



## A186 Youth Homelessness

The Office of Homeless Youth Prevention and Protection Programs (OHYPPP) works with partners and communities to establish ongoing and future funding, policy, and best practices related to improving the welfare of homeless youth in Washington. The Office's work is guided by a 12 member advisory committee comprised of legislators, advocates, law enforcement and service providers. OHYPPP funding is allocated to four programs, each with a targeted mission, working together to increase the well-being of youth and young adults in transition: 1) Crisis Residential Centers provide short-term, semi-secure, and secure facilities for runaway youth, adolescents in conflict with their families; 2) HOPE Centers provide temporary residential placements for homeless youth under the age of 18; 3) Independent Youth Housing provides rental assistance and case management for eligible youth who have aged out of the state foster care system; and 4) Street Youth Services provide services and resources to youth under the age of 18 who are living on the street. Services can include drug/alcohol abuse intervention, counseling, emergency housing, prevention and education activities, employment skill building, advocacy, family focused services, and follow-up support.

The Washington Youth and Families fund leverages matching private foundation funds to support innovative programs for homeless youth and families.

Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity

### Program 300 - Community Services and Housing

Account	FY 2018	FY 2019	Biennial Total
<b>FTE</b>			
996-Z Other	3.4	3.4	3.4
10B-1 State	2.0	2.0	2.0
532-1 State	0.1	0.1	0.1
<b>FTE Total</b>	<b>5.5</b>	<b>5.5</b>	<b>5.5</b>
<b>001 General Fund</b>			
001-1 State	\$337,834	\$677,664	\$1,015,498
<b>10B Home Security Fund Account</b>			
10B-1 State	\$2,000,000	\$2,000,000	\$4,000,000

**Statewide Result Area: Healthy and Safe Communities**

**Statewide Strategy: Provide support services to children and families**

#### Expected Results

Reduction in the count of homeless youth; reunification of youth with family whenever possible and appropriate; and an improvement in the safety and health of youth facing homelessness.

### A187 Small Business Retirement Marketplace

The Small Business Retirement Marketplace creates a voluntary virtual exchange where small businesses and their employees can access qualified retirement savings plans that are provided at a low costs to participants.

### Program 200 - External Relations

Account	FY 2018	FY 2019	Biennial Total
<b>001 General Fund</b>			
001-1 State	\$206,440	\$226,355	\$432,795

**Statewide Result Area: Prosperous Economy**

**Statewide Strategy: Coordinate government efforts to improve the effectiveness of economic investments**

#### Expected Results

Barriers to entry into the retirement market for small businesses will be removed by educating small employers on plan availability and promoting low-cost, low-burden retirement savings vehicles. The marketplace will increase retirement plan access and participation for residents of Washington and lessen retirement savings gaps.

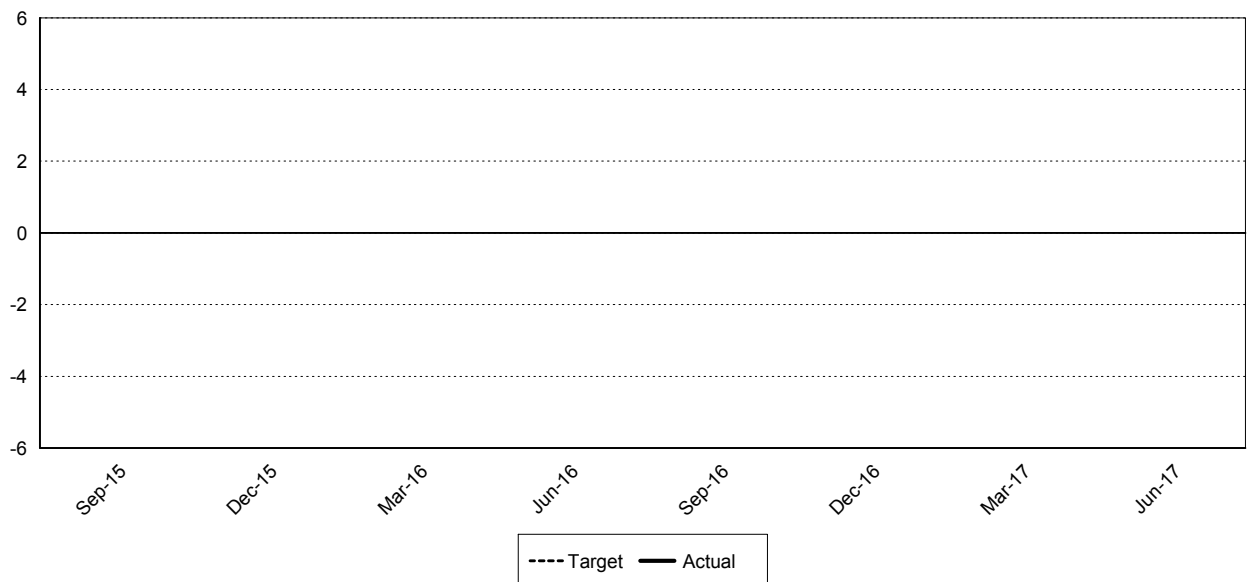
**002747 The Small Business Retirement Marketplace creates a voluntary virtual exchange where small businesses and their employees can access qualified retirement savings plans that are provided at a low costs to participants. This measure will track the number of visitors to that virtual exchange.**

Biennium	Period	Actual	Target
2015-17	Q8		
	Q7		
	Q6		
	Q5		
	Q4		
	Q3		
	Q2		
	Q1		

Performance Measure Status: Approved

Number

**002747 - Small Business Retirement Marketplace virtual exchange visits**



### Grand Total

	FY 2018	FY 2019	Biennial Total
FTE's	287.5	293.2	290.4
GFS	\$63,275,400	\$63,349,400	\$126,624,800
Other	\$241,278,233	\$239,033,377	\$480,311,610
Total	\$304,553,633	\$302,382,777	\$606,936,410



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*Appropriation Period: 2017-19 Activity Version: CL - Carry Forward Level Sort By: Activity*

<b><u>Parameter</u></b>	<b><u>Entered As</u></b>
Budget Period	2017-19
Agency	103
Version	CL - Carry Forward Level
Result Area	All Result Areas
Activity	All Activities
Program	All Programs
Sub Program	All Sub Programs
Account	All Accounts
Expenditure Authority Type	All Expenditure Authority Types
Theme	All
Sort By	Activity
Display All Account Types	Yes
Include Policy Level	Yes
Include Activity Description	Yes
Include Statewide Result Area	Yes
Include Statewide Strategy	Yes
Include Expected Results Text	Yes
Include Charts	Yes
Chart Type	Line
Include Parameter Selections	Yes
Version Source	Agency

# Agency Performance Measure Incremental Estimates for the Biennial Budget

**Agency: 103      Department of Commerce      Budget Period:      2017-19**

**Activity: A025      Agency Administration**

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

**Activity: A096      Community Development Block Grant (CDBG)**

PL	C4	Small Community Enhancements	No measures linked to decision package
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**Activity: A104      Growth Management**

<b>Output Measures</b>	<b>002635</b>	Noncompliance is defined as those jurisdictions that have a portion of their	
			<b><u>FY 2018</u></b> <b><u>FY 2019</u></b>
PL	C2	Growth Management Update Grants	(1.00%)      (1.00%)

**Activity: A157      Homeless Housing and Assistance**

<b>Outcome Measures</b>	<b>002630</b>	The annual count of people who are homeless is organized by local governm	
			<b><u>FY 2018</u></b> <b><u>FY 2019</u></b>
PL	C1	Reducing Homelessness	(400)      (400)

**Activity: A184      Sector Leads**

<b>Outcome Measures</b>	<b>002631</b>	Growth in total combined gross income for businesses in key industry secto	
			<b><u>FY 2018</u></b> <b><u>FY 2019</u></b>
PL	C3	Underserved Comm./Small Businesses	1.50%      1.50%

**Activity: A186      Youth Homelessness**

PL	C1	Reducing Homelessness	No measures linked to activity
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# Activity Inventory Indirect Cost Allocation Approach

**Agency:** 103 Department of Commerce

**Biennium:** 2017-2019

**Allocation Method:** Total Indirect costs are allocated to activities based on Salaries and Benefits in each activity.

Activity	Activity Name	% Allocation	FY18 Allocation	FY19 Allocation	Total Allocation
A003	Community Services Block Grant	0.7%	53,843	48,020	101,863
A005	Developmental Disabilities Council and Endowment	1.0%	80,033	71,378	151,412
A007	Streamline Housing and Community Development	1.9%	151,568	135,177	286,745
A008	Services to Crime Victims	3.7%	302,074	269,407	571,482
A011	Strengthening Criminal Justice Response to Victims of Crime	2.7%	215,738	192,408	408,146
A012	Long Term Care Ombudsman Program	0.1%	6,858	6,116	12,974
A013	Low Income Home Energy Assistance Program	3.7%	301,013	268,461	569,474
A019	Train and Maintain Volunteers Supporting Community Capacity	2.6%	213,799	190,679	404,478
A025	Agency Administration	2.9%	236,393	210,829	447,223
A035	Community Economic Revitalization Board and Program	1.2%	98,174	87,557	185,732
A049	State Energy Policy	4.4%	353,815	315,553	669,367
A064	Lead Based Paint Hazard Mitigation	1.2%	98,950	88,249	187,199
A065	Improve and Preserve the Affordability of Housing	6.7%	539,407	481,074	1,020,481
A068	Mobile Home Relocation Assistance	0.3%	28,126	25,084	53,210
A092	Bond Cap Allocation Program for Tax Exempt Financing Authorization	0.7%	54,863	48,930	103,793
A096	Community Development Block Grant	3.6%	287,011	255,973	542,985
A100	Drinking Water System Grants and Loans	2.3%	181,938	162,263	344,202
A104	Growth Management	6.5%	525,548	468,714	994,262
A106	Local Government Fiscal Notes	1.1%	90,194	80,440	170,634
A113	Public Works Infrastructure Grants and Loans	4.0%	325,893	290,651	616,544
A157	Homeless Housing and Assistance	8.9%	719,703	641,873	1,361,577
A159	Affordable Housing Development	12.0%	972,087	866,964	1,839,051
A163	Business Development	7.6%	615,128	548,607	1,163,735
A167	Economic Development - Business Loans	0.5%	36,885	32,896	69,781
A168	Asset Building for Working Families	0.0%	-	-	-
A171	Global Trade Services	4.7%	375,756	335,121	710,877
A177	Criminal Justice Investments	1.1%	91,745	81,823	173,568
A179	New Americans	0.1%	5,797	5,170	10,966
A182	Municipal Research and Services Center (MRSC)	0.1%	10,777	9,611	20,388
A183	Public Facilities District Independent Financial Feasibility Reviews	0.0%	2,004	1,787	3,791
A184	Sector Leads	3.5%	282,599	252,038	534,637
A185	Agricultural Labor Skills and Safety Training	0.0%	-	-	-
A186	Youth Homelessness	1.1%	88,855	79,246	168,102
A187	Small Business Retirement Marketplace	0.4%	32,311	28,817	61,128
	Non-Appropriated Non Budget	0.1%	5,894	5,257	11,151
	Capital Budget	8.6%	692,988	618,047	1,311,034
	<b>Total</b>	<b>100.0%</b>	<b>8,077,766</b>	<b>7,204,223</b>	<b>15,281,989</b>

Note: indirect costs support both statewide support functions and allocated costs, fees and other administrative obligations to the department.



**Department of Commerce**  
Innovation is in our nature.

# Department of Commerce Strategic Plan

*2017-2019*

September 2016  
Brian Bonlender, Director



Washington State Department of Commerce  
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For people with disabilities, this report is available on request in other formats. To submit a request, please call 360-725-4000 (TTY 360-586-0772).

## Overview

The Washington State Department of Commerce (Commerce) is a medium-sized, cabinet-level state agency. We administer a diverse portfolio of more than 100 programs and several boards and councils, with about 300 employees and a biennial operating and capital budget of approximately \$1.78 billion. Through our work, we get critical resources to communities in the form of grants and loans for a broad range of public purposes, including housing and infrastructure investments, economic development, clean and sustainable energy and community services. We also provide data, analysis and policy recommendations on a wide range of topics, including economic development, energy, growth management, housing, homelessness and crime victims. We aid businesses directly with international trade support and assistance to firms seeking to locate or expand in the state.

### **Mission**

The mission of the Washington State Department of Commerce is to grow and improve jobs in Washington by championing thriving communities, a prosperous economy and sustainable infrastructure. Commerce helps strengthen communities by bringing together people and resources.

### **Values**

Core values are instrumental in shaping the culture and supporting employee engagement. While Commerce is undertaking a process to update our core values, for the moment these core values guide our actions:

#### Quality

- We implement quality improvement by using Lean principles and methods in all our Agency functions.
- We hire subject matter experts in their field, bringing the highest quality knowledge and ability to the work we perform.
- We benchmark our work against peers.
- We use data to measure and improve our results.

#### Meaningful Results

- We use data collection processes that are simple, repeatable, defensible, and maintain the integrity of the data.
- We rigorously evaluate our processes, programs and services using the right data in the right way.
- We set clear expectations up-front with our staff, partners, and stakeholders.

- We advocate for and implement programs, policies, and practices that benefit people in Washington State.
- We accept responsibility for mistakes; learn from them, and apply lessons learned to completion of future work.

#### Collaboration

- We convene stakeholders in order to make decisions together.
- We seek and develop strong partnerships.
- We actively listen to diverse perspectives and provide constructive feedback.
- We work across functions, programs, and divisions and engage peers to achieve better outcomes.

#### Leadership

- We recognize and support leaders at every level.
- We are explicit in our decision-making process, being clear when it is a tell, test or co-create.
- We communicate decisions to affected parties and take time to explain the rationale for the decision.
- We establish and nurture an environment that welcomes new ideas.
- Commerce leaders fluently and coherently communicate the direction of the Agency.

#### Passion

- Our commitment to and enthusiasm for public service drives our behavior.
- We actively engage our co-workers and partners to advocate for and deliver services.
- We proactively share our expertise in support of the work of Commerce.
- We have fun at work.

## How Commerce is Improving Performance

### Results Washington

Commerce's diversity of programs means we play a unique role in Governor Inslee's performance management initiative *Results Washington*. Commerce is a lead agency for Outcome Measures and Leading Indicators on Goal Councils 2 and 3; lead agency for a leading indicator on Goal Council 4; and our staff routinely coordinates with, supports and participates in the work of the Goal Council 5.

## Results Commerce

In 2013, we established Results Commerce to measure our progress on the things our citizens and employees care about the most. Using this systematic approach, we have increased efficiency and improved our results. One reason for our success is that we reached beyond the executive team to identify owners of our core processes. In doing this, we built a performance management leadership team that includes our executive level leadership as well as managers from across the agency. The executive members sponsor the outcomes and work closely with the managers on the processes that are key to achieving those results.

One example of a process improvement we've gained is an increase from 79 percent to 94 percent in contracts executed by the target date. Having effective contracting processes is key to our ability to achieve results. An example of an outcome that depends on these processes is "Energy savings from Commerce-funded conservation projects." This outcome has exceeded its savings target of 14 MBTU (million British thermal units) and achieved a result of 14.97 MBTU in savings.

## Employee Engagement

We believe hearing from and responding to employees are critical components of our employee engagement efforts. Commerce does this through a variety of means:

- Employee-led teams responding to Engaged Employee Survey feedback
- A new employee-led recognition program
- A Leadership Academy that caters to the in-house training needs unique to managers
- New core competencies to help us align and develop specific behaviors that will reinforce our agency culture
- Ideas program to capture untapped ideas and employee suggestions for continuous improvement.

## Lean

Commerce introduced Lean management principles into its work culture in the mid-2000s and has realized the performance benefits ever since. When Governor Inslee incorporated Lean principles into *Results Washington*, Commerce was ready to apply Lean thinking and tools, report regularly on progress on the Governor's five goal areas, and make improvements to deliver results for the citizens of Washington.

Lean principles help Washington State:

- Create a culture that encourages respect, creativity and innovative problem solving.
- Continuously improve and eliminate waste from government processes.
- Align efforts across state agencies.
- Deliver results that matter to Washingtonians.



## Strategic Initiatives

For 2017-2019 biennium, Commerce is focused on enhancing a culture of continuous improvement, measuring and using data to drive decisions, and being strategic in efforts to improve outcomes for businesses, local governments, and communities. In this plan, three priority issues and key strategic initiatives are provided.

### **Affordable Housing and Homelessness**

#### **Homelessness**

Homelessness is increasing, despite improved implementation of best practices and additional investments.

##### Key Strategic Approaches

- Work with stakeholders to identify a combination of new investments, as well as policy changes in homeless programs and land use necessary to reduce homelessness
- Develop legislative decision packages containing agreed-upon investments and policy changes for consideration during the 2017 legislative session

#### **Preservation of Affordable Housing Stock**

We need to protect our investment in the rapidly aging portfolio in the Housing Trust Fund.

##### Key Strategic Approaches

- Review our 30-year Housing Trust Fund portfolio, with a focus on strengthening our funding and lending practices
- Work to align the Housing Trust Fund team with the Housing Assistance team, particularly in the area of serving homeless populations and homeless youth
- Aligning capital funding decisions and related policies with proven statewide practices to ensure we serve most effectively

## **Resilient Communities**

### **Cleaning Contaminated Properties through the Brownfields Revolving Loan Fund**

Washington communities have a great need for funding to clean up contaminated properties, ranging from large industrial sites to small parcels of land that housed services such as gasoline and laundromats.

#### **Key Strategic Approaches**

- Staff will continue to aggressively pursue additional sources of funding through competitive processes offered by the federal government and other organizations.
- Enhance competitiveness for funding by continuing to build a pipeline of potential and ready-to-go projects that can be used to demonstrate need and readiness to proceed.
- Explore options with the Department of Ecology and other state partners to access additional funding when the Model Toxic Control Account or some other funding stream can be improved

### **Energy Independence Act Oversight**

The Energy Independence Act (EIA) requires electric utilities in Washington to use renewable energy and energy efficiency to meet a portion of their customers' electricity demand. Commerce works with other state agencies to oversee utility performance.

#### **Key Strategic Approaches**

- **Climate Policy** – The EIA was not enacted with a specific objective of reducing greenhouse gases, but it has emerged as a key mechanism in the state's climate policy. Proposals such as the state Clean Air Rule and the federal Clean Power Plan have the potential to affect the EIA. We work closely with Ecology and the UTC to ensure emissions regulations in the energy sector are consistent with and complementary to the requirements of the EIA. For example, one element of the proposed Clean Air Rule is to allow non-utility emitters to use electric renewable energy credits for compliance.
- **Further Legislative Action** – Utilities and industrial customers have been the proponents of virtually all of the legislative amendments proposed since the EIA was enacted, and we can expect these groups to continue these efforts. Environmental and consumer advocates recently discussed ideas for an amendment to the law that would prohibit utilities from using fossil-fuel generation to serve load growth or to replace retiring power plants.

- Interpretation of the Cost Cap – The EIA includes a “safety valve” provision that limits a utility’s renewable obligation if the cost of full compliance would exceed 4 percent of its revenue. The cost cap provision has proven difficult to interpret and enforce, and the state agencies have already been sued once over this provision. It is likely to be a continuing trouble spot for the law, especially since the renewable requirements increase over time while the cost cap does not change. A rulemaking specific to the cost cap provision and agency request legislation to revise the cost cap language are both possible next steps.

## **Support Expansion of Washington’s Clean Energy Industry**

Washington has established statutory requirements for reducing our emissions of greenhouse gases (GHG) (RCW 70.235) and has begun work on adoption of a statewide GHG cap and reduction rule. To achieve those goals, we will need to continue to see both substantial innovation and major investment in the development and deployment of clean energy technologies, especially energy efficiency and renewable energy.

### **Key Strategic Approaches**

- Provide at least \$80 million in capital funds for Clean Energy Fund 3 in the 2017–2019 biennium
- Continue to support a Clean Technology sector lead in Commerce’s Office of Economic Development and Competitiveness
- Fund the development of policies that support clean energy such as energy code development, energy independence act, and solar incentives by Commerce’s Energy Division

## **Underserved Communities**

### **Weatherization Plus Health**

Many of Washington’s most vulnerable people—including seniors, families with young children, people with disabilities, and veterans—live in deteriorating, unhealthy, and inefficient housing. They are facing high utility costs and high medical bills, as well as absences from work and school. A patchwork of healthy homes programs exists throughout the state, providing an incomplete, non-comprehensive approach to addressing healthy homes issues in deficient housing. The state needs a sustainable, comprehensive and coordinated program to address the needs of these households.

### **Key Strategic Approaches**

- Evaluation - The Weatherization Plus Health evaluation approach will analyze the Weatherization Plus Health program, document results and make recommendations. Commerce will incorporate lessons learned to improve the program and ensure that our approach is viable, effective, and replicable. Commerce has partnered with the Washington State Department of Social and Health Services (DSHS) to share data to support the next key step toward demonstrating positive health outcomes and Medicaid program savings. Demonstrating cost-effective health outcomes will fill a key gap in existing national research and will aid in attracting additional funding to sustain a comprehensive and long-term Weatherization Plus Health program.
- Funding – Funding is currently authorized for the Weatherization Plus Health Program through June 30, 2017. On-going support from the state capital budget in 2017-2019 is critical to the success of this program and its ability to scale up to meet the need.
- Securing agency data and technology resources.

### **Lead-Based Paint Certification Fees**

There is not an adequate level of oversight and enforcement to ensure contractors are trained and certified, which puts more Washington families at risk of lead-based paint poisoning due to improper treatment of the hazard.

#### **Key Strategic Approaches**

- Meet with stakeholders to discuss possible changes to the lead-based paint program fee structure and amounts
- Pursue legislation to authorize changes

### **Alignment of Strategic Approaches with *Results Washington* Goals**

Commerce Strategic Initiative	<i>Results Washington</i> Goal
Homelessness and Affordable Housing	Goal 2: Prosperous Economy Goal 4: Healthy and Safe Communities
Resilient Communities	Goal 2: Prosperous Economy Goal 3: Sustainable Energy and a Clean Environment Goal 4: Healthy and Safe Communities
Underserved Communities	Goal 3: Sustainable Energy and a Clean Environment Goal 4: Healthy and Safe Communities

**Tab B**

State of Washington  
**Recommendation Summary**

11:30:55AM

**Agency: 103 Department of Commerce**

9/16/2016

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
<b>2015-17 Current Biennium Total</b>				
CL CF Carry Forward Level	280.0	126,279	429,465	555,744
<b>Total Carry Forward Level</b>	<b>280.0</b>	<b>126,279</b>	<b>429,465</b>	<b>555,744</b>
Percent Change from Current Biennium				
M1 90 Maintenance Level Revenue				
<b>Carry Forward plus Workload Changes</b>	<b>280.0</b>	<b>126,279</b>	<b>429,465</b>	<b>555,744</b>
Percent Change from Current Biennium				
M2 8L Lease Rate Adjustments		346	7	353
M2 9E Other Fund Adjustments			740	740
<b>Total Maintenance Level</b>	<b>280.0</b>	<b>126,625</b>	<b>430,212</b>	<b>556,837</b>
Percent Change from Current Biennium				
PL C1 Reducing Homelessness	6.7		44,127	44,127
PL C2 Growth Management Update Grants			2,511	2,511
PL C3 Underserved Comm./Small Businesses	2.5		2,902	2,902
PL C4 Small Community Enhancements	1.2		560	560
PL C5 Lead Based Paint Enforcement				
<b>Subtotal - Performance Level Changes</b>	<b>10.4</b>		<b>50,100</b>	<b>50,100</b>
<b>2017-19 Total Proposed Budget</b>	<b>290.4</b>	<b>126,625</b>	<b>480,312</b>	<b>606,937</b>
Percent Change from Current Biennium				
<b>M2 8L Lease Rate Adjustments</b>				

The Department of Commerce leases space in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The lease costs for these two buildings will increase in the next biennium. In order to maintain the Department of Commerce's operations without interruption, the department will need to fulfill these lease requirements.

**M2 9E Other Fund Adjustments**

The department requests additional expenditure authority for Financial Fraud & Identity Theft Account and Mobile Home Park Relocation Account to reflect available revenue.

**PL C1 Reducing Homelessness**

The Department of Commerce (department) proposes four strategies to reduce homelessness in families and chronically homeless individuals, to ensure no young person is discharged into homelessness after exiting a public system, and to expand the document recording fee (RCW 36.22.179) to provide necessary funding to accomplish these strategies.

**PL C2 Growth Management Update Grants**

The Department of Commerce requests that \$2,511,263 be appropriated in the 17-19 Biennium to provide grants to counties and cities reviewing and updating their comprehensive plans and development regulations as mandated by the Growth Management Act. This funding will be distributed to those counties and cities with update due dates in 2017 and 2018.

**PL C3 Underserved Comm./Small Businesses**

The Department of Commerce requests funding for small business and underserved community development strategies for rural economic development, industry sector based economic development and regulatory reform.

**PL C4 Small Community Enhancements**

Assist communities to overcome infrastructure project barriers, create funding strategies and maximize available financing to carry out necessary and high priority capital projects: 1) increase capacity to the Small Communities Initiative Technical Assistance (TA) services; and 2) provide targeted micro grants through the Community Impact Fund to help small communities overcome project barriers and access funding.

**PL C5 Lead Based Paint Enforcement**

The Department of Commerce (department) requests an increase to the Lead Based Paint (LBP) renovation and abatement certification fee in order to expand the State's capacity to provide adequate enforcement of the lead based paint abatement and renovation rules in Washington State.

**Tab C**



**Agency Budget Request Decision Package Summary****(Lists only the agency Performance Level budget decision packages, in priority order)****Agency: 103 Department of Commerce**9/16/2016  
11:34:23AM**Budget Period: 2017-19****Decision Package****Code****Decision Package Title**

PL-C1	Reducing Homelessness
PL-C2	Growth Management Update Grants
PL-C3	Underserved Comm./Small Businesses
PL-C4	Small Community Enhancements
PL-C5	Lead Based Paint Enforcement



**Department of Commerce  
State of Washington Decision Package**

**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** 8L – Lease Adjustments  
**Budget Period:** 2017 – 2019  
**Budget Level:** ML – Maintenance Level

**Agency Recommendation Summary Text:**

The Department of Commerce (department) leases space in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The lease costs for these two buildings will increase in the next biennium. In order to maintain the department's operations without interruption, the department will need to fulfill these lease requirements.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 General Fund State	\$113,400	\$232,400	\$307,500	\$548,400
001-2 General Fund Federal	\$200	\$2,700	\$35,500	\$13,800
001-7 General Pvt. Local	\$0	\$100	\$1,700	\$700
058-1 Public Works Account	\$0	\$400	\$4,700	\$1,800
05R-1 Drinking Water Asst. Acct.	\$0	\$100	\$1,000	\$400
06K-1 Lead Paint Acct.	\$0	\$0	\$500	\$200
084-1 Bldg. Code Council Acct.	\$0	\$0	\$100	\$0
10B-1 Home Security Acct.	\$100	\$700	\$9,600	\$3,700
12C-1 Aff. Housing for All Acct.	\$0	\$100	\$1,100	\$400
1501 Low Inc. Weath. Asst. Acct.	\$0	\$0	\$300	\$100
17L-6 Foreclosure Fair. Acct.	\$0	\$300	\$4,300	\$1,700
195-6 Energy Acct.	\$0	\$300	\$3,500	\$1,400
205-6 Mob. Hm. Park Relo Acct.	\$0	\$0	\$500	\$200
263-1 Comm. Econ/Dev. Fee	\$0	\$200	\$2,800	\$1,100
501-1 Liquor Rev. Acct.	\$0	\$0	\$200	\$100
532-1 WA Housing Trust Acct.	\$100	\$1,000	\$12,800	\$5,000
887-1 Pub. Fac. Const. Loan Acc.	\$0	\$200	\$2,600	\$1,000
<b>Total</b>	<b>\$113,800</b>	<b>\$238,500</b>	<b>\$388,700</b>	<b>\$580,000</b>

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A – Salaries				
B – Benefits				
C – Personal Service Contracts				
E – Goods & Services	\$113,800	\$238,500	\$388,700	\$580,000
G – Travel				
J – Capital Outlays				
T – Intra-agency Reim.				
<b>Total</b>	<b>\$113,800</b>	<b>\$238,500</b>	<b>\$388,700</b>	<b>\$580,000</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

The Department of Commerce has offices in Thurston County (Olympia Town Square) and Seattle (Westin 26th and 27th floor). The costs of these leases will increase in the next biennium. In order to maintain the department's operations without interruption, the department will need to fulfill these lease increase requirements.



Additionally, the department's obligation related to Pacific Tower must be covered. The department holds the master lease and supports the rent that includes a 3% rent accelerator each calendar year the master lease is in effect.

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information):*

The base budget level for all lease obligations for FY2017 (through June 30, 2017) is \$5,538,839. Each year thereafter, there are compounding increases of about 3%, which has been the historical trend for the department's lease renewals.

**1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

Financial obligations for mandatory cost increase must be met. By approving this funding request, Commerce can continue operations without interruption of providing services to our stakeholders.

This package requests funding for lease increases for the Seattle Westin and Olympia Town Square buildings for FY2018 \$800 and \$8,900 respectively and for FY2019. The department assumes subleases to continue.

The department assumes a 3% rent accelerator to the Pacific Tower lease:

- \$113,140 increase above initial base in FY2018
- \$229,675 increase above initial base in FY2019
- \$271,496 increase above initial base in FY2020
- \$534,399 increase above initial base in FY2021

**2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

To be consistent with the Governor's Results Washington priorities in Goal 5: Efficient, Effective and Accountable Government, the Department of Enterprise Services negotiates and executes the lease agreements for Department of Commerce, ensuring that the department is in the most efficient and effective space to serve the public.

This decision package does not link to any specific performance measures, however the funding will support the agency's operations which provide effective direction, management, and support of the agency priorities and mission to grow and improve jobs in Washington State by championing thriving communities, a prosperous economy and a sustainable infrastructure. The department's agency administration costs are supported by all programs and fund sources, through a combination of direct appropriation and indirect assessments.

**3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served.** *Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)*



This decision package does not link to any specific performance measure; however, it does link to the activity listed below:

Agency Activity Code: A025

Agency Activity Title: Agency Administration

**4. What are the other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below)**

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?	N	Identify:
Other local gov't impacts?	N	Identify:
Tribal gov't impacts?	N	Identify:
Other state agency impacts?	N	Identify:
Responds to specific task force, report, mandate or exec order?	N	Identify:
Does request contain a compensation change?	N	Identify:
Does request require a change to a collective bargaining agreement?	N	Identify:
Facility/workplace needs or impacts?	N	Identify:
Capital Budget Impacts?	N	Identify:
Is change required to existing statutes, rules or contracts?	N	Identify:
Is the request related to or a result of litigation?	N	Identify:
Is the request related to Puget Sound recovery?	N	Identify:
Identify other important connections	N	Identify:

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

N/A

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**



The cost of this package is considered fixed costs. There are no additional funding options beyond the submittal of this package.

**7. What are the consequences of not funding this request?**

Services will be affected if funding is not provided and would likely affect multiple programs. The department would have to explore cheaper office space options which may incur one-time costs and be a potential disruption to services.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**


Agency leases are a fixed cost and assumed in the current appropriation level. Lease increases are expected in FY18 which would exceed anticipated carry forward levels.

**Expenditure and Revenue Summary:**

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	\$113,800		
FY 2019	\$238,500		
<b>Total</b>	<b>\$352,300</b>		
FY 2020	\$388,700		
FY 2021	\$580,000		
<b>Total</b>	<b>\$968,700</b>		
<b>Four Year Total</b>	<b>\$1,321,000</b>		

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

**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.)



**Department of Commerce  
State of Washington Decision Package**

**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** 9E – Other Funds Adjustments  
**Budget Period:** 2017 - 2019  
**Budget Level:** ML2

**Agency Recommendation Summary Text:**

The department requests additional expenditure authority for Financial Fraud & Identity Theft Account and Mobile Home Park Relocation Account to reflect available revenue.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
14M Financial Fraud and Identity Theft Account	100,000	100,000		
205-6 Mobile Home Park Reloc. Account	540,000			
<b>Total</b>	<b>\$640,000</b>	<b>\$100,000</b>		

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
14M Financial Fraud and Identity Theft	100,000	100,000		
<b>Total</b>	<b>\$100,000</b>	<b>\$100,000</b>		

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
N-Client benefits and grants	640,000	100,000		
<b>Total</b>	<b>\$640,000</b>	<b>\$100,000</b>		

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

**Financial Fraud & Identity Theft Account:**

With the passage of Senate Bill 5058, the revenue being recorded in the Financial Fraud and Identity Theft account (14M) has increased. The department requests additional expenditure authority in order to increase the funding allocation that is provided to the four counties task force: King, Pierce, Snohomish and Spokane counties. The additional expenditure authority will assist the counties with maintaining their programs.

**Mobile Home Park Relocation Account:**

The Mobile Home Park Relocation Account provides relocation assistance to park tenants when a mobile home park is closed or converted to another use. The department requests an increase from the carry forward level authority of \$257,000 to \$797,000. The department has been notified of an



**Department of Commerce  
State of Washington Decision Package**

additional 148 households (spaces) that will need to be relocated due to park closures in the beginning of Fiscal Year 2018.

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information):*

Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
14M-1	889,000	887,000	886,000	888,000
205-6	668,000	127,000	129,000	128,000
<b>Total</b>	<b>\$1,557,000</b>	<b>\$1,014,000</b>	<b>\$1,015,000</b>	<b>\$1,016,000</b>

Base Staffing	FY 2018	FY 2019	FY 2020	FY 2021
14M-1	0.5	0.5	0.5	0.5
205-6	1.0	1.0	1.0	1.0
<b>Total</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

Activity	FY 2018	FY 2019	FY 2020	FY 2021
A177	889,000	887,000	886,000	888,000
A068	668,000	127,000	129,000	128,000
<b>Total</b>	<b>\$1,557,000</b>	<b>\$1,014,000</b>	<b>\$1,015,000</b>	<b>\$1,016,000</b>

- 1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

**Financial Fraud & Identity Theft Account:**

With additional expenditure authority, the department would be able to increase the contracts with the county task forces. The additional funding will assist the counties with check fraud, chronic unlawful issuance of bank checks, embezzlement, credit/debit card fraud, identity theft, forgery, counterfeiting and organized counterfeit check rings, and organized identification theft rings.

**Mobile Home Park Relocation Account:**

With additional expenditure authority, the department would be able to provide funding to additional participants in the relocation program that are anticipated with the notification of the five additional park closures that are scheduled to close during in Fiscal Year 2018.

- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

**Financial Fraud & Identity Theft Account:**

This decision package will impact Priorities of Government measure 1096 – Number of convictions resulting from the prosecution of task force cases. With the increase in funding the department



expects at least one new staff person in the Greater Puget Sound region to be dedicated to Financial Fraud and Identity Theft activities. The department also expects funds to enhance technologies to make investigations easier. This will result in approximately 30 more convictions each quarter in the first year and an additional 30 more each quarter in the following years, once the new technologies are available.

**Mobile Home Park Relocation Account:**

This decision package will impact Priorities of Government measure 2744-Percent of completed relocation assistance applications that result in assistance. With the increase in funding the department expects to increase the number of homeowners receiving relocation assistance from the current thirty percent of applications received up to fifty percent of applications received.

- 3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served.** *Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)*

**Financial Fraud & Identity Theft Account:**

These funds go towards individuals that have been targeted and had their identities stolen. In the first year, approximately 30 more Financial Fraud and Identity Theft convictions will occur due to an additional staff person dedicated to this activity in the Greater Puget Sound region. The following year, we expect to see 30 more each quarter in the following years due to technological enhancements to assist with investigations and analysis.

**Mobile Home Park Relocation Account:**

These funds provide relocation assistance to park tenants when a mobile home park is closed or converted to another use.

- 4. What are the other important connections or impacts related to this proposal?** *Please complete the following table and provide detailed explanations or information below)*

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?		Identify: King, Pierce, Snohomish and Spokane County will receive additional funding to assist with maintaining the current task force.
Other local gov't impacts?		Identify:
Tribal gov't impacts?		Identify:
Other state agency impacts?		Identify:
Responds to specific task force, report, mandate or exec order?		Identify:
Does request contain a compensation change?		Identify:
Does request require a change to a collective bargaining agreement?		Identify:
Facility/workplace needs or impacts?		Identify:





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Capital Budget Impacts?		Identify:
Is change required to existing statutes, rules or contracts?		Identify:
Is the request related to or a result of litigation?		Identify:
Is the request related to Puget Sound recovery?		Identify:
Identify other important connections		Identify:

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

RCW 43.330.300 requires an appropriation of the moneys deposited into Fund 14M. With the increased document fee associated with Senate Bill 5058, additional revenue is available. The current biennium expenditure authority to the department for this account is \$1,776,000; this leaves approximately \$375,000 of available revenue undistributed to the task force. The department is requesting the additional authority to ensure all available funding is fully utilized and available to the counties task force in order for them to accomplish their mission.

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**

N/A

**7. What are the consequences of not funding this request?**

**Financial Fraud & Identity Theft Account:**

Without the increase in authority, the increased revenue in the account remains unspent by the program and will limit the county task force services.

**Mobile Home Park Relocation Account:**

Without the increase in authority for the Mobile Home Relocation Assistance program, \$540,000 in funds already collected for relocation assistance will not be distributed to individuals and families displaced by mobile home park closures. The average payout for a single wide home is \$6,329 and a multiple wide home is \$9,053. These individuals and families rely on this assistance to maintain affordable housing. The population served includes a significant number of seniors on fixed incomes, non- or limited-English-speaking households, and first-time homebuyers.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**

N/A




**Expenditure and Revenue Summary:**

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	640,000		100,000
FY 2019	100,000		100,000
<b>Total</b>	<b>\$740,000</b>		<b>\$200,000</b>
FY 2020			
FY 2021			
<b>Total</b>			
<b>Four Year Total</b>	<b>\$740,000</b>		<b>\$200,000</b>

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

**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.)

## **Policy Level Decision Packages**



**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** C1 – Reducing Homelessness  
**Budget Period:** 2017 – 2019  
**Budget Level:** PL

**Agency Recommendation Summary Text:**

The Department of Commerce (department) proposes four strategies to reduce homelessness in families and chronically homeless individuals, to ensure no young person is discharged into homelessness after exiting a public system, and to expand the document recording fee (RCW 36.22.179) to provide necessary funding to accomplish these strategies.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Home Security Acct. (10B)	21,498,093	21,488,494	21,488,493	21,488,493
WA Housing Trust (532)	899,125	240,875	1,018,000	122,000
<b>Total</b>	<b>\$22,397,218</b>	<b>\$21,729,369</b>	<b>\$22,506,493</b>	<b>\$21,610,493</b>

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	6.8	6.5	5.7	5.4
<b>Total</b>	<b>6.8</b>	<b>6.5</b>	<b>5.7</b>	<b>5.4</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Home Security Acct. (10B)	25,480,000	26,244,400	27,031,731	27,842,684
<b>Total</b>	<b>\$25,480,000</b>	<b>\$26,244,400</b>	<b>\$27,031,731</b>	<b>\$27,842,684</b>

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A-Salaries	401,404	401,404	333,520	333,520
B-Benefits	142,402	142,402	118,482	118,482
C-Personal Service Contracts				
E-Goods and Services	865,927	216,107	1,083,536	187,536
G-Travel	11,000	11,000	12,500	12,500
J-Capital	30,000			
N-Grants, Benefits, Client Svcs	20,946,485	20,958,455	20,958,455	20,958,455
T-Intra-agy Reimbursements				
<b>Total</b>	<b>\$22,397,218</b>	<b>\$21,729,369</b>	<b>\$22,506,493</b>	<b>\$21,610,493</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

**Part A: Document Recording Fee (\$51.7 million biennium new revenue)**

As communities face an unprecedented homeless crisis due to increasing rents, stagnant wages, and flat public investments, document recording fees are no longer providing adequate revenue to maintain homeless housing programs that support youth, families, veterans and other populations funded by the department. With over 20,000 people homeless in our state at any point in time, the department's grants provide homeless housing services for highly vulnerable people including victims of domestic violence, and youth and young adults. This includes, outreach to people living on the street, short and long term rent assistance including deposits/utilities and permanent supportive housing and services to the chronically homeless.



The department seeks to expand the document recording fee to continue funding for homelessness programs at current levels and fund Parts B through D of this package. Currently, a portion of the department's programs are funded with one-time transfers which are not sustainable for the Home Security and Washington State Housing Trust Accounts (Housing Trust Fund).

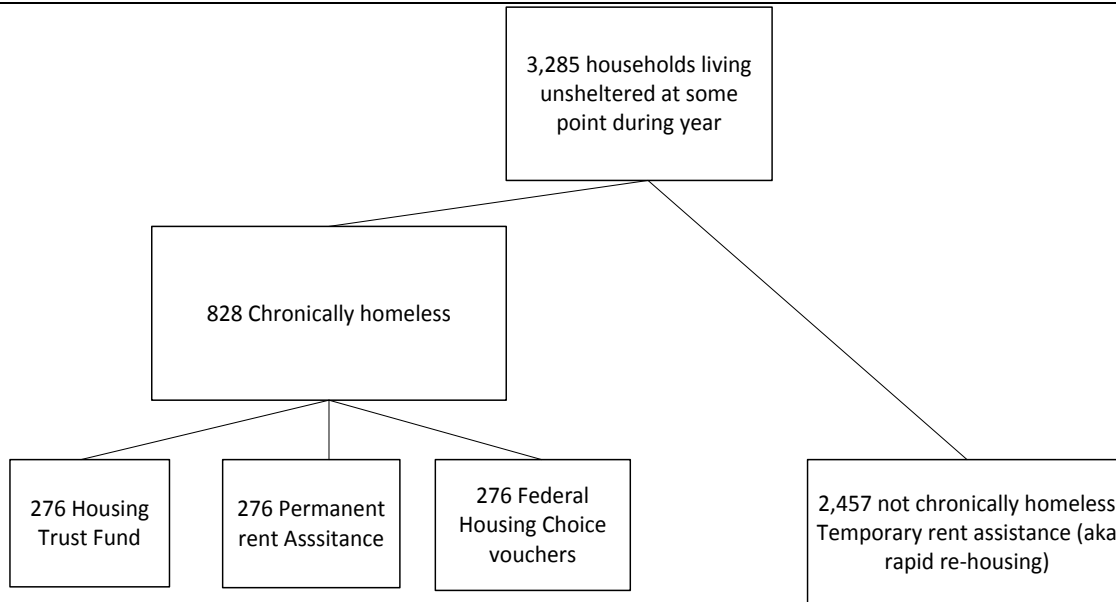
Increasing the fee from \$40 to \$90 (\$50 increase) would generate \$51.7 million more in 17-19 biennium for the state Home Security Account, and increase locally controlled homeless funding by \$80.2 million more in 17-19 biennium. These additional funds will support the existing funding state levels. The net increase in local funding (+104%) will partially offset the reductions in local program capacity due to rapidly increasing rents statewide (more than +11% since 2014).

**Part B: Functional Zero Unsheltered Homeless Families (\$24.8 million biennium)**

The department estimates there are 3,285 households with minor children who live outside or in other places unfit for human habitation for at least part of each year, of which 828 are chronically homeless. ("Chronically homeless" is defined as having been homeless for a year or more and having a family member with a significant disability.) The federal goal is to house families less than 30 days after they become unsheltered which is considered "functional zero" for homeless families. The department assumes that at any point in time the number of families experiencing homelessness in a community will be no greater than that community's capacity to house them. Housing homeless families is important because children who face homelessness have higher rates of health challenges, both physical and psychological, and lower academic success than their peers.

The department's goal of housing all families with children in less than 30 days after they become unsheltered (functional zero unsheltered) is estimated to require both capital and operating funding additions to the existing homeless and housing systems. The department requests \$24.8 million in 17-19 biennium of operating funding to house 3,009 homeless families with children in less than 30 days after they become homeless. The department also has a companion decision package of \$31 million of capital funding that would build 276 additional affordable housing units. Staffing to support the work on the capital companion decision package will be funded from this operating decision package (as per RCW 43.185A.030 administrative costs cannot be charged to the capital bond proceeds). The companion capital package is a one-time request.

Of the 828 chronically homeless families, 276 would be assisted under this proposal by providing them permanent rent assistance, 276 would be housed using federal funded and locally controlled housing choice vouchers incentivized for this use by some state services funding paid for by this proposal, and 276 would be housed in state Housing Trust Fund financed units funded in the companion capital proposal. The remaining 2,457 not chronically homeless families would be housed under this proposal with temporary rent assistance lasting between 3 and 24 months, with an average of 8 months of assistance. Rent assistance would be offered for private market units (aka rapid re-housing).



**Part C: Unsheltered Chronically Homeless Individuals (\$6.8 million biennium)**

Each year an estimated 4,000 chronically homeless people live in shelters, outside, or in other places unfit for human habitation. The federal goal (as issued by the Department of Housing and Urban Development) is to house people less than 30 days after they become unsheltered (defined as “functional zero for chronically homeless”). As noted in Part B, The department assumes that at any point in time the number of people experiencing homelessness in a community will be no greater than that community’s capacity to house them.

The department’s goal of housing all unsheltered individuals in less than 30 days after they become unsheltered is estimated to require both capital and operating funding additions to the existing homeless and housing systems. The department requests \$6.8 million in 2017-2019 biennium of operating funding to house 800 of the unsheltered chronically homeless individuals in less than 30 days after they become homeless by using ongoing rent assistance and federal housing choice vouchers. The department also has a companion decision package of \$45 million in capital funding to build 400 additional affordable housing units. Staffing to support the capital companion decision package would be funded from this operating decision package (as per RCW 43.185A.030 administrative costs cannot be charged to the capital bond proceeds). The companion capital package is part of a four year, multi-biennia effort.

**Part D: Public Partner Grants to Prevent Youth Homelessness (\$4.0 million biennium)**

Each year, thousands of youth and young adults fall into homelessness after exiting a public system, such as foster care, juvenile justice institutions, or behavioral health facilities. As a critical step to preventing and ending youth homelessness, public institutions must ensure that they are not discharging youth into homelessness.

This request would equip our state and local institutions with the necessary resources to ensure that no young person is discharged into homelessness after exiting a public system. Funding would be provided to the Office of Homeless Youth (OHY) to administer and oversee a strategy to prevent public institutions from discharging youth into homelessness. The OHY would contract with state and local institutions to implement the strategy provide technical assistance, and enable public entities to develop transition plans for youth exiting systems.

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual*



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*expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information):*

<b>Base Budget</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Home Security Acct. (10B)	4,010,000	4,010,000	4,010,000	4,010,000
<b>Total</b>	<b>4,010,000</b>	<b>4,010,000</b>	<b>4,010,000</b>	<b>4,010,000</b>

<b>Base Staffing</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
FTEs				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Activity</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
A157 – Homeless Hsg & Asst.	4,010,000	4,010,000	4,010,000	4,010,000
<b>Total</b>	<b>4,010,000</b>	<b>4,010,000</b>	<b>4,010,000</b>	<b>4,010,000</b>

- 1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

**Part A: Document Recording Fee**

Increasing the document recording fee from \$40 to \$90 (\$50 increase) would generate \$51.7 million more in 17-19 biennium for the state Home Security Fund (39.2% of the fee). Locally controlled homeless funding (60.8% of the fee) would increase by \$80.2 million more in 17-19 biennium.

This represents an average of 1.3 million documents recorded per fiscal year in 17-19 biennium at a rate of \$50 per document multiplied by 39.2% = \$25,862,200 (approximate), and an average of 1.4 million documents recorded per fiscal year in 19-21 biennium at the same rate increase for a total of \$27,437,208 (approximate). At this time, homelessness programs that are funded with one-time transfers in the 2015-2017 biennium are not sustainable for either program fund (Home Security Account and Washington Housing Trust Fund) unless the document recording fee was adjusted to cover the one-time transfer.

**Part B: Functional Zero Unsheltered Homeless Families (\$24.9 million)**

Funding will be used for administrative support to manage the program and also provide grants to cities, counties, and non-profits for rental assistance and services connected to federal Housing Choice Vouchers.

A Commerce Specialist 3 – 2 FTEs (17-19 Biennium) would be responsible for coordinating implementation of the funding with partner agencies, fiscal management, monitor contracts, and provide technical support

- Contract management (2,100 hours annually) - Developing fund applications, administer contracts, amendments, develop and maintain program guidelines.
- Fiscal management (1,140 hours annually) - Review and approve monthly invoices, monitor and analyze budget and expenditures in the Contract Management System.
- Monitoring (640 hours annually) - Evaluate program activities and monitor grant compliance.
- Technical Support (312 hours annually) - Provide support to meet local agency and program needs.

Commerce Specialist 3 – 1.5 FTEs (19-21 Biennium)



- Contract management (528 hours annually) – Develop fund applications, administer contracts and amendments, develop and maintain program guidelines.
- Fiscal management (756 hours annually) – Review and approve monthly invoices, monitor and analyze budgets and expenditures in the Contract Management System (CMS).
- Monitoring (1,404 hours annually) – Evaluate program activities and monitor grant compliance.
- Technical support (444 hours annually) – Provide technical support to meet local agency and program needs.

**Part C: Unsheltered Chronically Homeless Individuals (\$6.9 million)**

The department proposes that the work associated with this decision package will create sufficient workload to require additional FTEs within the department.

Commerce Specialist 3 - 2 FTEs (17-19 Biennium) would be responsible to coordinate the implementation of the funding with partner agencies, fiscal management, monitoring contracts, and provide technical support.

- Contract management (2,100 hours annually) - developing fund applications, administer contracts, amendments, develop and maintain program guidelines.
- Fiscal management (1,140 hours annually) - Review and approve monthly invoices, monitor and analyze budget and expenditures in the Contract Management System.
- Monitoring (640 hours annually) - Evaluate program activities and monitor grant compliance
- Technical support (312 hours annually) - Provide support to meet local agency and program needs.

Commerce Specialist 3 – 1.5 FTEs (19-21 Biennium)

- Contract management (528 hours annually) – Develop fund applications, administer contracts and amendments, develop and maintain program guidelines.
- Fiscal management (756 hours annually) – Review and approve monthly invoices, monitor and analyze budgets and expenditures in the Contract Management System (CMS).
- Monitoring (1,404 hours annually) – Evaluate program activities and monitor grant compliance.
- Technical support (444 hours annually) – Provide technical support to meet local agency and program needs.

**Part D: Public Partner Grants to Prevent Youth Homelessness (\$4.0 million)**

The budget request assumes that two staff would be needed within the Office of Homeless Youth. A Commerce Specialist 4 would be responsible for administering and providing oversight of the funding, coordinate implementation of the funding with partner agencies, monitor contracts, organize and staff an interagency workgroup, and develop and track data outcomes. A Commerce Specialist 2 would be responsible for planning and conducting trainings with staff at partner agencies and provide direct, onsite technical assistance with partner agencies at direct service sites (detention centers, treatment facilities).

Commerce Specialist 4:

- Administer/Coordinate implementation (528 hours annually) – Administering and coordinate implementation of the funding and strategy planning with partner agencies.
- Fiscal management (840 hours annually) - Monitoring contracts, review and approve monthly invoices, monitor and analyze budgets and expenditures in the Contract Management System (CMS)
- Leadership/Technical support (528 hours annually) – Coordinate, develop, and staff inter-agency workgroups.
- Performance management (192 hours annually) - Develop and track system data outcomes

Commerce Specialist 2:





- Program Outreach (1,044 hours annually) - Plan, develop, coordinator, and conduct training with staff at partner agencies.
- Technical Support (1,044 hours annually) – Provide technical assistance with partner agencies at direct service sites (detention centers, treatment facilities).

Funding is requested to cover travel costs to conduct onsite training and technical assistance, as well as cover travel for an annual convening of partner agencies.

An average amount of \$1,755,463 per fiscal year is estimated in public partner grants. The funding would be provided through contracts with Juvenile Justice Rehabilitation Administration, county juvenile detention centers, Children's Administration, and the Division of Behavioral Health and Recovery. Grants would cover the cost of one staff person per agency headquarters to oversee efforts to implement transition planning for youth and employ other strategies to prevent the discharge of youth to homelessness. Grants would also cover direct service staff who work with youth involved in public systems to implement strategies at the local level.

- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

This proposal would affect Results Washington Goal #4 3.1c (Healthy and Safe Communities).

Additionally, this proposal will have an impact on Results Commerce performance measure OM7-1A (Number of Homeless People – Point in Time Count). The increase in funding is necessary to partially address affordability driven increases in the Point in Time Count. Current funding cannot keep pace with the population growth or rent increases. Research shows each \$100 of rent increase is associated with between a 6 and 32 percent increase in homelessness. Providing housing assistance to people experiencing homelessness directly reduces the issue being tracked by Results Washington – the point in time count of homeless people.

Funding this package would also allow the state to create a crisis response system that ensures that no family with minor children is left on the street for more than 30 days – functional zero unsheltered homelessness. About 39% of jurisdictions tracked by the federal government have attained this level of performance using focused and adequately funded crisis response systems. This package will have an impact on Results Commerce performance measure OM7-1A (Number of Homeless People – Point in Time Count). The increase is necessary to house the 3,285 homeless families and reduce the annual Point in Time Count. This, combined with our companion capital request, would result in 828 fewer families reported during the annual point in time count.

This package will have an impact on Results Commerce performance measure OM7-1A (Number of Homeless People – Point in Time Count). Housing 1,200 of these individuals (with operating and capital funds) in addition to the chronically homeless families housed in our other proposal is estimated to reduce overall chronic homelessness by 50%.

Lastly, as a result of this request it is anticipated that no youth will experience homelessness after exiting a public system. Every youth who exits a public system will exit with stable housing and the services and supports they need to be healthy, safe, and secure.

Annual estimates of youth and young adults who experience homelessness within 12 months of exiting a public system:

- 1,488 exiting chemical dependency treatment facilities
- 168 aging out of foster care at age 18



- 125 exiting a state juvenile rehabilitation institution or residential facility

If the proposal were funded, the department would expect to see these exits to homelessness decrease. A rough estimate would be that we'd see a 10 percent decrease per year, impacting Results Commerce performance measure OM7-1A (Number of Homeless People – Point in Time Count).

**3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served. Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)**

**Part A**

Communities are already facing an increasing crisis of homelessness due to increasing median rents (+12.7% from June 2014 to June 2016 according to data from Zillow), slow growing incomes (median incomes still below the 2009 level as of 2014), and flat federal investments (large reductions in HUD affordable housing funding were only partially offset by smaller increases in federal homeless housing spending). This package would house approximately 2,580 people facing homelessness each biennium (\$8 million / \$3,100 average to house one homeless person) with state funding, and 3,935 each biennium with new funds to local governments, but is not enough to fully offset the affordability-driven increases in homelessness expected in the coming years.

**Part B**

An estimated 3,285 families with minor children live outside of other places unfit for human habitation for at least part of each year. Of those families, 828 are chronically homeless, meaning they have been homeless for a year or more and have a significant disability. These families need permanent supportive housing to stay housed. The Medicaid waiver will pay for the medically necessary supportive services and a small amount of non-Medicaid funded services are needed (gap services).

- 276 families – housed in private for-profit housing using ongoing rent assistance. The state would provide \$11.3 million in new funding, matched one-for-one by local homeless funds. Local matching funds would probably be redirected from existing programs that support families at-risk of homeless. \$1,200 per month for rent/gap services/administration x 276 families = \$1.9 million state funds + \$1.9 million local match per year ongoing.
- 276 families – housed using federal Housing Choice Vouchers controlled by local housing authorities. Housing Choice Vouchers (commonly known as “Section 8”) are funded by the federal government and managed by local housing authorities. The vouchers allow recipients to rent a unit (usually in the private for-profit market), and have the difference between what they can afford to pay and rent paid for by the voucher. Local housing authorities control about 40,000 vouchers. Vouchers would likely be diverted away from other low-income populations toward this specific population. Commerce and local governments do not directly control these vouchers, but some housing authority boards may be enticed to set-aside a portion of their vouchers if the state offered incentives such as having the state pay the first two years of rent assistance using the funding described in the paragraph above, in exchange for a matching number of permanent vouchers at the end of two years. \$100 per month for gap services x 276 = \$331,200 per year ongoing.
- 276 families – housed in units built with the new appropriation from the State Taxable Building Construction (Fund 355) – (As described in the capital companion decision package.). Assuming leverage historically available to HTF projects is used to fund the pipeline of affordable housing needed to keep pace with population growth, the HTF would be responsible for funding 90% of the average costs of \$250,000 per unit for permanent supportive housing. \$250,000 x 90% = \$225,000 x 276 units = \$62.1 million one-time.



The remaining 2,457 non-chronically homeless families could be successfully housed with temporary assistance lasting between 3 and 24 months, with an average of 8 months of assistance. These families would be offered temporary rent assistance in private market units (also known as rapid re-housing). (2,457 families x \$1,000 per month for rent/gap services/administration) x 8 months average = \$19.7 million (split between \$9.8 million state funding ongoing + \$9.8 million local match ongoing).

### Part C

An estimated 4,000 chronically homeless people (including families) live outside or other places unfit for human habitation for at least part of each year. Chronically homeless individuals have been homeless for a year or more and have a significant disability. These people need permanent supportive housing to stay housed. The Medicaid waiver will pay for the medically necessary supportive services. A small amount of non-Medicaid funded services are also needed (gap services). This decision package, and its Capital Budget companion, will provide funding to house 1,200 of those individuals.

- 400 individuals – housed in private for-profit housing using ongoing rent assistance. The state would provide \$2.6 million in new funding, matched one-for-one by local homeless funds. Local matching funds would probably be redirected from existing programs that support people at-risk of homeless. \$1,100 per month for rent/gap services/administration x 400 individuals = \$2.6 million state funds + \$2.6 million local match per year ongoing.
- 400 individuals – housed using federal housing choice vouchers controlled by local housing authorities. Local housing authorities control about 40,000 vouchers. Vouchers would likely be diverted away from other low-income populations toward this specific population. Commerce and local governments do not directly control these vouchers, but some housing authority boards may be enticed to set-aside a portion of their vouchers if the state offered to pay the first two years of rent assistance using the funding described in the paragraph above, in exchange for a matching number of permanent vouchers at the end of two years. \$100 per month for gap services x 400 = \$480,000 per year ongoing.
- 400 individuals – housed in units built with the new appropriation from the State Taxable Building Construction (Fund 355) – Capital component. Assuming leverage historically available to HTF projects is used to fund the pipeline of affordable housing needed to keep pace with population growth, the HTF would be responsible for funding 90% of the average costs of \$250,000 per unit for permanent supportive housing. \$250,000 x 90% = \$225,000 x 400 units = \$90.0 million one-time.

### Part D

Performance measures include a reduction in the number of youth who experience homelessness after exiting a public system, and increased stability and well-being of youth.

Youth who have involvement with child welfare, the juvenile justice system, or who experience mental health challenges or substance abuse, are at greater risk of homelessness. These youth stand to benefit the most from added housing stability and support services that help them transition to healthy adulthood.

Washingtonians, including communities across the state, businesses, and educational entities, also stand to benefit from the contributions of these youth to our economy and our future.

It is estimated that over 2,000 youth per year will benefit. Estimates are based on data collected on the number of youth exiting to homelessness from child welfare, juvenile rehabilitation, and residential treatment facilities in 2013-14. It is likely that many more youth will benefit given that the data does not reflect the number of youth exiting juvenile detention facilities or youth exiting extended foster care at age 21.



**4. What are the other important connections or impacts related to this proposal?** *Please complete the following table and provide detailed explanations or information below)*

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?		Identify:
Other local gov't impacts?		Identify: Statewide each year local governments will receive an average of \$41.3 million more a year with this additional funding request, two-thirds of which would be needed to fulfill local match requirements created by the new programs described in this package
Tribal gov't impacts?		Identify: N/A
Other state agency impacts?		Identify: N/A
Responds to specific task force, report, mandate or exec order?		Identify: N/A
Does request contain a compensation change?		Identify: N/A
Does request require a change to a collective bargaining agreement?		Identify: N/A
Facility/workplace needs or impacts?		Identify:
Capital Budget Impacts?		Identify: No
Is change required to existing statutes, rules or contracts?		Identify: RCW 36.22.179
Is the request related to or a result of litigation?		Identify: No
Is the request related to Puget Sound recovery?		Identify: No
Identify other important connections		Identify: N/A

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

Part of the document recording fee is going to local governments and will result in a statewide average yearly increase for them of \$41.3 million Local governments will spend the additional funds under local homeless housing plans, and the use of and effectiveness of the funds will be reported by Commerce using required reporting.

Although local governments directly control the use of funds, the majority of recent additional investments by local governments have gone to expand rapid rehousing (temporary rent assistance to move unsheltered people into private market rentals) and permanent supportive housing for chronically homeless people (a proven strategy to successfully house disabled people living outside, reducing net public spending due to lower medical and law enforcement costs).



**6. What alternatives were explored by the agency and why was this option chosen?** *(Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)*

The Interagency Council on Homelessness discussed that increasing the TANF benefit and expanding time limits, restoring the former General Assistance Program for Unemployable Adults program (or at least expanding the Age Blind Disabled program), and increasing the minimum wage. These alternatives were not among those chosen by the work group as proposals that went forward to the Governor's Office. Although these strategies may reduce the number of people who become homeless, their high costs, the controversy surrounding the proposals, and the poor targeting toward those who are actually homeless (i.e., most people receiving a minimum wage increase are not at risk of homelessness) resulted in those options not being selected.

**7. What are the consequences of not funding this request?**

If this request is not funded, approximately 6,515 more people will be homeless during the biennium. People who are homeless are three times more likely to die than the general population<sup>1</sup>. The average age of death of homeless persons is about 47 years old<sup>2</sup>.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**

It is not possible for Commerce to fully respond to the homeless crisis and adequately fund homeless crisis response systems that include access to housing within its current appropriation. Data from the January 2016 Point in Time Count, data from the Department of Social and Health Services, and data from the Office of the Superintendent of Public Instruction on homeless students all affirm the large and increasing number of people facing homelessness. At any point in time there may be as many as 35,000 homeless Washington state residents needing access to emergency shelter or other housing support.

**Expenditure and Revenue Summary:**

Based on RCW 43.185.050 (5) Commerce is requesting three percent of the full Capital Request of \$76,000,000 Fund 355 for administration in Fund 532 in the amount of \$2,280,000. However, the expenditures estimates for Fund 532 indicate spending \$588,750 in 17-19 biennium and \$339,000 in 19-21 biennium. The remainder would reside in reserve for future revenue and expenditures.

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	\$22,397,218	6.8	\$25,480,000
FY 2019	\$21,729,369	6.5	\$26,244,400
<b>Total</b>	<b>\$44,126,587</b>	<b>6.7</b>	<b>\$51,724,400</b>
FY 2020	\$22,506,493	5.7	\$27,031,732
FY 2021	\$21,610,493	5.4	\$27,842,684
<b>Total</b>	<b>\$44,116,986</b>	<b>5.6</b>	<b>\$54,874,416</b>

<b>Four Year Total</b>	<b>\$88,243,573</b>	<b>12.3</b>	<b>106,598,816</b>
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**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**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?


<sup>1</sup> Premature Mortality in Homeless Populations: A Review of the Literature, James J. O'Connell, MD, National Health Care for the Homeless Council, December 2005

<sup>2</sup> Ibid



**Department of Commerce  
State of Washington Decision Package**

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☒ No 

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



**Department of Commerce  
State of Washington Decision Package**

**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** C2 – Growth Management Update Grants  
**Budget Period:** 2017 - 2019  
**Budget Level:** PL

**Agency Recommendation Summary Text:**

The Department of Commerce requests that \$2,511,263 be appropriated in the 17-19 Biennium to provide grants to counties and cities reviewing and updating their comprehensive plans and development regulations as mandated by the Growth Management Act. This funding will be distributed to those counties and cities with update due dates in 2017 and 2018.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
058 Public Works Admin Acct.	1,117,788	1,393,475	1,117,788	1,393,475
<b>Total</b>	<b>1,117,788</b>	<b>1,393,475</b>	<b>1,117,788</b>	<b>1,393,475</b>

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund				
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A-Salaries				
B-Benefits				
C-Personal Service Contracts				
E-Goods and Services	2,788	3,475	2,788	3,475
G-Travel				
J-Equipment				
N-Client Benefits, Grants	1,115,000	1,390,000	1,115,000	1,390,000
<b>Total</b>	<b>1,117,788</b>	<b>1,393,475</b>	<b>1,117,788</b>	<b>1,393,475</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

The Growth Management Act, in RCW 36.70A.130, mandates that local governments planning under the Act periodically review and update their comprehensive plans and development regulations, including their critical areas ordinance. This action is to ensure that local plans and regulations comply with the current statute; this being in addition to any other amendments to the comprehensive plan and development regulations.

Small, rural, counties and cities usually have very limited staff capacity, if they have any staff at all, to accomplish this. These governments generally have a poor tax base providing minimal opportunities to have the reserve funds to meet this mandate.





There has been the long-held acceptance that grants from the Department of Commerce would provide grant funding to assist with one-third of the cost of the initial adoption and the following mandated updates of comprehensive plans and development regulations. However, with levels of funding and ability to raise local revenues having changed over time this has altered this model. In the funding cycles for 2015 and 2016 local governments, a substantial number of grantees saw this ratio much higher; with a significant number of local governments were relying solely on the grant funding to meet the mandate.

Between the funding proposal and the base budget, the department would be able to provide grants to the 163 local governments with mandated GMA update due dates in 2017 and 2018 so they would have access to the resources needed to complete the updates in a timely manner.

Additionally, several funding sources need to take the status of local government's compliance with the Growth Management Act into account as a matter of awarding funds or executing contracts for those funds. These include the Public Works Board, Department of Ecology, the Transportation Improvement Board, and the Recreation and Conservation Office.

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information)):*

Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
058-PWAA	375,000	100,000	375,000	100,000
<b>Total</b>	<b>375,000</b>	<b>100,000</b>	<b>375,000</b>	<b>100,000</b>

Base Staffing	FY 2016	FY 2017	FY 2018	FY 2019
FTEs				
<b>Total</b>				

Activity	FY 2016	FY 2017	FY 2018	FY 2019
<b>Total</b>				

**1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

The total funding request is based on the number of jurisdictions with a statutory deadline during this budget period and the funding formula established at the beginning of the 2015-2018 update cycle. The amount allows Commerce to provide 2017 jurisdictions and 2018 jurisdictions with a grant equitable to the amount other jurisdictions of their size received in 2015 and 2016. This was:

- For cities under 3,000 in population: \$5,000 a year for two years
- For cities with a population between 3,000 and 10,000: \$9,000 a year for two years
- For counties under 100,000 in population: \$48,000 a year for two years

Under the Growth Management Act there is a subset of counties and cities that only plan for the critical areas portion of their development regulations. These local governments receive one-half the base amount of funding.





- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

Performance Measure: The percent of local governments accepting grant funding will have completed their mandated GMA updated by June 30, 2019.

Priorities of Government (POG) Measure # 001336: Percentage of city/county actions not complying with the GMA. Without resources to complete the update, jurisdictions in rural Washington will fall out of compliance with the GMA. This will significantly increase the number of jurisdictions ineligible for state assistance. The proposal will at least partially fund the bare bones update needed to remain in compliance. Fifty-eight cities and eight counties are eligible. Although some grant recipients will still be unable to meet their deadline, between 40-50 jurisdictions will come into compliance that would not have done so without basic planning assistance.

Results Commerce Outcome Measure 6-1A Ratio of Commerce contracted funds that benefit persons living in rural and urban counties on a per-capita four-quarter rolling request will provide funding to the smallest cities and counties on the southwest and east side of the state, except for Clark County (2016 update). A total of 113 of the state's smallest jurisdictions would receive funding to review and update to look ahead over 20 years and plan for today's challenges and anticipate those to come. Failure to fund 2017-2018 updates will affect rural communities disproportionately because updates due in these years are predominately rural. Updates funded with a 2015-2016 due date included metropolitan cities in Western Washington.

- 3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served.** *Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)*

A total of 655,000 people (OFM 2016 population estimate) live in jurisdictions eligible for the update grant. Grant funding allows the affected cities and counties to update their comprehensive plans and development regulations. These counties and cities will have adjusted their plans to align with state law while also addressing local needs and quality of life by preparing for the cost-effective provision of roads and utilities and providing for the inclusion of affordable housing in the communities. At the same time critical areas will continue to be protected ensuring that flood risk is minimized and clean drinking water is protected. Completion of this requirement will allow these communities to maintain eligibility for state financial assistance, and also assure that local plans implement pending changes in state law.

- 4. What are the other important connections or impacts related to this proposal?** *Please complete the following table and provide detailed explanations or information below)*

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?	Y	Identify: Twenty-two counties are eligible for funding.



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Other local gov't impacts?	Y	Identify: 141 cities are eligible for this funding.
Tribal gov't impacts?	N	Identify:
Other state agency impacts?	Y	Identify: Transportation, Ecology, Fish and Wildlife, and Natural Resources are all agencies that assist in reviewing comprehensive plans and development regulations.
Responds to specific task force, report, mandate or exec order?	Y	Identify: The statutory mandate of RCW 36.70A.130 requiring all cities and counties to update their comprehensive plans and development regulations on an eight-year cycle.
Does request contain a compensation change?	N	Identify:
Does request require a change to a collective bargaining agreement?	N	Identify:
Facility/workplace needs or impacts?	N	Identify:
Capital Budget Impacts?	N	Identify:
Is change required to existing statutes, rules or contracts?	N	Identify:
Is the request related to or a result of litigation?	N	Identify:
Is the request related to Puget Sound recovery?	N	Identify:
Identify other important connections		Identify:

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

Both cities and counties must update their plans and development regulations on a mandated cycle. They must also work together to ensure the plans are consistent with those of neighboring local governments. Other state agencies are partners of the department in providing assistance to local governments in completing the updates in a timely manner that is consistent with state law. The grant funding that the department would provide would incentivize local governments in meeting their update requirements. This would provide economies of scale for the department and sister state agencies to provide professional guidance in the field and would provide a greater probability of plans being consistent with one another.

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**

Two alternatives were considered:

- 1. Apply only the carry-forward level of funding to the update grants:** The total number of communities with an update deadline in 2017 and 2018 is significantly higher than those eligible in 2015 and 2016 because the counties with a due date are as a group smaller and more rural. In 2015 and 2016, 63 cities and 5 counties were eligible. In 2017 and 2018, 141 cities and 22 counties are eligible. Spreading the same amount in the carry-forward budget



across the much larger number eligible communities would result a grant amount is less than the cost to administer the grant.

2. **Hire agency staff to assist local governments:** Department of Commerce staff is highly regarded by local governments in providing timely assistance in implementing the requirements of the Growth Management Act. However, agency staff would not be able to do the same work that either local staff or consultants could. If agency staff were directly drafting local government plans and regulations there would be appearance of fairness issues, both in who received assistance and whether Commerce could provide an impartial review of local ordinances that Commerce staff developed. The basic bottom-up structure of the GMA necessitates that those conducting the update be directly accountable first to the local government and not to a state agency.

The reason that enhanced grant funding is the best alternative is that, being by formula, it is an impartial award that provides the greatest flexibility for local governments to meet their mandated review requirements with the resources they choose. It also treats Eastern Washington local governments equitably with Puget Sound jurisdictions.

## 7. What are the consequences of not funding this request?

There are several consequences of not funding this request:

- Local governments would not be able to complete the required update and would fall out-of-compliance with the update requirement. As their plans fall further out-of-date, their ability to address long-term problems will steadily decrease and diminish their ability to maintain infrastructure and attract economic development.
- Local governments would have diminished resources for capital projects. With the state funding programs requiring compliance with the GMA taken away from them, local governments would have to rely on either bond funding or commercial borrowing, both of which may be more expensive and less reliable avenues.
- Reduced protection for critical areas, including salmon habitat. Part of the mandated update process is updating the best available science used to protect critical areas. Without this update residents of the state will see greater risk both for themselves (danger of flooding, polluted drinking water, landslides) and the environment (fish and wildlife habitat.)

## 8. How has, or can the agency, address the issue or need within its current appropriation level?

Commerce has devoted the small amount of resources in its current carry forward level to grants for the 2016 updates, but the greater number of small jurisdictions in 2017 and 2018 precludes grants distributed to them.

The amount available to any one jurisdiction is less than the cost in staff time to file and application. Commerce is providing direct technical assistance to help with the updates using existing staff. It's direct assistance and review program has been devoted almost entirely to managing periodic updates. Commerce has also relied on staff from other agencies such as Ecology and WSDOT to provide expertise in specific topic areas.

Commerce and other state agency staff will continue to provide technical assistance to these local governments. Such help includes guidance documents, training workshops, good examples and direct one-on-one technical assistance can help. Ultimately, the responsibility rests with the local government. But even accessing this assistance takes local capacity that small rural jurisdictions do not have.

## Expenditure and Revenue Summary:



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Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	1,117,788		
FY 2019	1,393,475		
<b>Total</b>	<b>2,511,263</b>		
FY 2020	1,117,788		
FY 2021	1,393,475		
<b>Total</b>	<b>2,511,263</b>		

<b>Four Year Total</b>	<b>5,022,526</b>		
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**Other supporting materials:** Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

**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.)



**Department of Commerce  
State of Washington Decision Package**

**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** C3 – Underserved Communities and Small Businesses  
**Budget Period:** 2017 - 2019  
**Budget Level:** PL

**Agency Recommendation Summary Text:**

The Department of Commerce requests funding for small business and underserved community development strategies for rural economic development, industry sector based economic development and regulatory reform.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 09R	1,433,641	1,468,619	1,401,251	1,468,545
<b>Total</b>	<b>1,433,641</b>	<b>1,468,619</b>	<b>1,401,251</b>	<b>1,468,545</b>

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	2.0	2.5	2.0	2.5
<b>Total</b>	<b>2.0</b>	<b>2.5</b>	<b>2.0</b>	<b>2.5</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund 09R	18,125	18,125	18,125	18,125
<b>Total</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>	<b>18,125</b>

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A – Salaries and Wages	376,752	412,411	376,752	412,411
B – Employee Benefits	123,282	135,565	123,282	135,565
C – Prof Svcs Contracts	700,500	672,500	672,500	672,500
E – Goods & Other Svcs.	208,926	228,962	209,536	227,550
G – Travel	19,181	19,181	19,181	19,181
J – Equipment	5,000			1,338
<b>Total</b>	<b>1,433,641</b>	<b>1,468,619</b>	<b>1,401,251</b>	<b>1,468,545</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

In pursuit of growing Washington's economy statewide, the department will employ a holistic strategy for supporting the growth of small businesses and underserved communities – specifically rural parts of the state and disadvantaged, minority communities – through the delivery of new and integrated services. The department has an outstanding track record of delivering high demand services to small businesses across the state as well as minority and women owned businesses. However, it remains clear that businesses in rural parts of the state as well as women and minority owned businesses typically don't have as much access to resources as others.

With this funding, the department plans to emphasize the work in incorporating these categories of businesses into programs aimed at assisting their growth both in employment and overall business income. This is a new approach to delivering these services in order to target resources to areas and



populations that do not have a large capacity of resources and that have not kept up with the gains in the economy since the recession.

This funding request is for a suite of programs dedicated to Small Businesses and Underserved Communities. More than 70% of the new jobs created since the recession have come from small businesses. Additionally, there is rare opportunity to help additional small and mid-sized enterprises (SMEs) grow dramatically, however, SMEs often do not have the internal infrastructure or resources that large companies do to effectively scale the firm, even though there may be a great market demand for their product. This package is aimed at the middle of the market, to extend resources to SMEs that are poised for growth, as well as firms in underserved communities around the state that do not have access to all of the resources that some firms in more mature market areas of our state do. The department proposed to address this by focusing resources on services to small businesses and underserved communities.

This package will fund the following:

**Economic Gardening** – funding for grants to assist second stage companies with strategic issues and provide them with customized research. This will include staff time to manage the program and communicate with business groups to explain the Economic Gardening Program, conduct research on companies to establish eligibility, participate in industry phone calls, monitor metrics and send out press releases announcing companies. **\$579,977**

**Startup 365** – funding to provide technical assistance, mentorship and education and training to those communities without the necessary resources to develop entrepreneurs. **\$235,393**

**Small Business Exports** – funding to provide business-to-business matchmaking services with foreign based firms for Washington's small and mid-sized enterprises that are interested in exporting. **\$495,710**

**Sector Based Economic Development** – technical assistance funding for lean manufacturing processes for firms that are impacted by changes in defense spending and staff time to manage those activities. This position will conduct outreach to businesses throughout Washington State about government contracting opportunities, guide them through the process of finding, bidding, and performing on government contracts, assist businesses by assessing their capacity/suitability for government contracting and assess firms' training and technical assistance needs and develop a service plan outlining recommendations for how that client can most efficiently meet their strategic objectives for succeeding in the government marketplace. **\$667,211**

**Sector Lead Funding** – funding for the State's Sector Lead on Information, Communications and Technology, who is charged with building a business environment throughout the entire state for the growth of the technology sector, as well as the Forest Products Sector Lead. Some additional funding is included in this request for continued unmet need in funding overall sector positions. **\$621,319**

**Regulatory Roadmaps** – funding to scale regulatory reform programs beyond the current pilot stage to create streamlined permitting and regulatory resources and tools for small businesses in a variety of industries around the state. More specifically, this funding would assist the department to collaborate with businesses in developing additional business assistance materials, identify and coordinate with businesses in key industry sectors, convene working partnerships with relevant regulatory agencies and other partners, and facilitate development of the regulatory roadmap tools, checklists, materials and online presence. **\$302,648**

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information)):*



The items below are the department's budget today for the Sector Based Economic Development, Regulatory Roadmaps (reform), Startup 365, Economic Gardening and Small Business Export Assistance. The breakdown is included in the package working paper and available upon request. The 2017-2019 amounts depict carry forward. *Note:* some of the department's funding for Sector Based Economic Development is technically not considered base, rather, there are interagency agreements with the Office of Financial Management (OFM) to assist with funding.

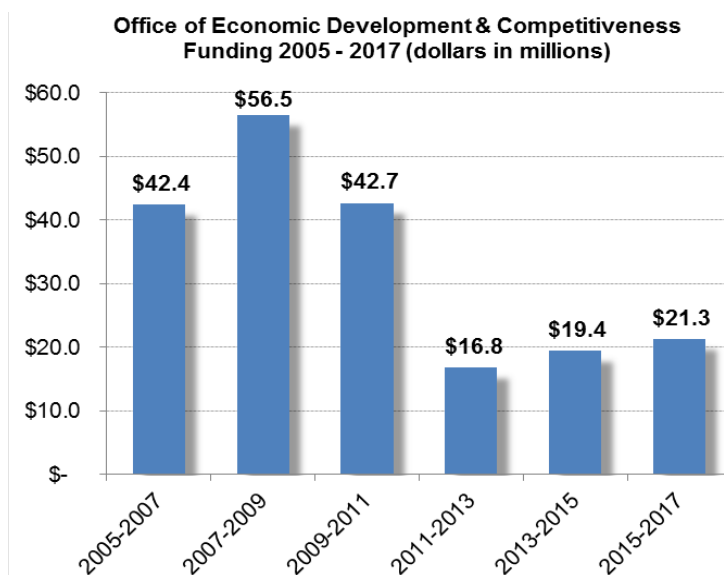
The base budget for these activities is as follows:

- \$1.49 million in FY16
- \$1.64 million in FY17

The assumed carry forward level for 2017-2019 is as follows:

- \$1.29 million in FY18
- \$1.16 million in FY19

This decision package requests \$2.9 million above the base levels shown above. For further context, the department's funding for the Office of Economic Development and Competitiveness since 2005 has declined 49.8 percent:



The slight increase since the 2013-2015 biennium represents base funding for the Sector Lead Program. While this package does not seek to restore prior reductions, it does seek targeted investments for economic development programs that will respond to a clear unmet need across the state for small businesses and underserved communities and identifies Strategic Reserve Funds to accomplish the activities outlined below.

**1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

Each of the programs in which funding is being requested above is significantly oversubscribed. Demand and need for these services far exceeds the supply or resources or time available from department staff. At present funding levels these programs will continue to turn down firms that request these services and/or cease to operate completely. For Economic Gardening specifically, a bill was passed in 2016 to fund a small portion (\$50,000) for this program, but strong legislative





support was nonetheless demonstrated for Economic Gardening. The funding requested for FTE is to accommodate existing workload, for which there is no carry forward funding for, or to accommodate increased workload to respond to demand for these resources aimed at SMEs.

- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

If full funding of this Small Business and Underserved Communities package is achieved, performance outcomes would include a positive business environment as a result of new job creation, measured increases in revenue at existing companies, new business starts, efficiency measures around regulatory reforms enacted and efficiency measures related to lean technical assistance training. Here are some projected metrics related to the net impact of this specific budget package request.

**Results Washington Goal 2 – Prosperous Economy**

- 1.1a - Approximately \$775 million in export sales from Washington companies over the next four years.
- 1.1b – Promotes the goal to “maintain or improve” the state’s ranking in the US Chamber of Commerce Innovation and Entrepreneurship metric by continued funding of Startup Washington programs. If no funding is provided, this metric would be at risk of decreasing.
- 1.2a – Increase in the Gross Business Income (GBI) for identified key sectors by 5% over the next four years.
- 1.2b – Increase in small business GBI by \$2.5 billion over the next four years.
  - – Increase in new or retained jobs of 10,000 jobs over the next four years.
- 2.1a – Increase in employment in key identified sectors by 1.5% over the next four years.
- 2.1b – Increase in people participating in WorkSource who find jobs by 4% over the next four years.
- 2.1c – Increase in employment rate of veterans by .5 - 1% over the next four years.
- 2.1e – Increase in employment by small businesses by 5,000 over the next four years.
- 2.2b – Expected nominal increase in overall average salary as a key criteria is to promote high wage jobs, although compared to increasing this metric in a measurable increment on the statewide level requires dozens if not hundreds of additional inputs, this decision package would be a relatively small amount statistically.

Results of this decision package will continue to be measured in the Results Washington management tool, and supplemental data can also be provided for both direct and induced results based on data provided by private firms to the department.

In each of the programs there are efficiencies gained by leveraging partner organizations. This decision package will increase the department’s efficiency by maximizing state resources.

- 3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served.** *Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)*

This package for Small Businesses and Underserved Communities will have the specific impact of creating jobs, developing entrepreneurs and bringing increased prosperity to rural and minority or disadvantaged communities that have traditionally not had the host of resources that many other businesses have had. In smaller communities where there are fewer jobs available for residents, job





growth and entrepreneurship will provide opportunities for families to achieve financial security and rely less on state related aid programs.

Regulatory roadmaps will save businesses time and costs in complying with regulatory requirements. Also, Washington communities will be seen as more business-friendly, boosting Washington's ability to help grow and attract new businesses.

Funding from this decision package will result in the following impacts specifically on small businesses and businesses in underserved communities:

- **Economic Gardening** – 100 additional businesses served over the next four years.
- **Startup Washington** – 25-30 viable startup firms over the next four years (based on funding for the two existing pilot program counties in the State – this is not a statewide program, and this request is simply to continue funding the pilot – to create statewide would be a considerably larger request).
- **Technical Assistance, Department of Defense (DOD) Procurement and Training** – 300 businesses assisted over the next four years.
- **Export Assistance** – 550 businesses assisted over the next four years.
- **Regulatory Reform** – 250 businesses assisted over the next four years.

**4. What are the other important connections or impacts related to this proposal?** *Please complete the following table and provide detailed explanations or information below)*

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?	Y	Identify: An increase in job opportunities and building a revenue base for local governments.
Other local gov't impacts?	Y	Identify: An increase in exports that will positively impact local governments and port districts.
Tribal gov't impacts?	Y	Identify: Tribal firms and communities will benefit similarly to other communities.
Other state agency impacts?	Y	Identify: Implementing funding for this package will reduce the burden and cost on other agencies and programs like Department of Social and Health Services, Department of Corrections, Office of the Superintendent of Public Instruction and several other agencies and programs that have costs which statistically correlate to the financial wellbeing of individuals and families of state residents. Also, Department of Revenue will benefit due to the increased tax base of the state.
Responds to specific task force, report, mandate or executive order?	Y	Identify: Carrying out these tasks will be in response to our mandate in RCW 43.330.060 trade and business responsibilities for the Department of Commerce.
Does request contain a compensation change?	N	Identify: No
Does request require a change to a collective bargaining agreement?	N	Identify: No
Facility/workplace needs or impacts?	N	Identify: No



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

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

This package will increase economic prosperity around the entire state, providing job opportunities in communities that sorely need them and providing pathways toward financial security to families and residents, and subsequently reducing cost and burden on other state agencies that have high costs to provide financial resources to residents and children or services to individuals that have high demand specifically from residents who have low incomes.

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**

The department evaluated several options to resolve the overall unmet need for services for the state's small businesses and underserved communities.

**Option 1**

Request no new funding and operate within the means of the existing carry forward budget. This would result in elimination of the Startup Washington Program, elimination of the Economic Gardening Program, reduction in DOD procurement technical assistance by 50%, elimination of the Information and Communication Technology (ICT) Sector program statewide, reducing capacity of the Forest Products program, and reduced capacity for the Aerospace, Military and Defense, Maritime, Life Sciences and Clean Technology programs. Additionally this would also result in the elimination of plans to expand and scale the Regulatory Roadmapping program beyond the current pilot program. This option was not selected due to the unmet need that would be created in an environment when small businesses have increasing demand on the state for services.

**Option 2**

Request no new State funding, and employ a strategy to secure funding from additional sources such as federal grants. There are grants on occasion from the Small Business Administration, Economic Development Administration and other agencies that the department is occasionally eligible for. The department has been successful in some cases of securing grants; however, these grants have key criteria attached to them typically, requiring some match of local state dollars, and also requiring that federal dollars not be used to supplant state dollars that were formerly used for the same activity. Federal agencies are stepping up the matching requirements and increasing restrictions on utilization of grant funds for administrative or FTE costs. The department typically has strict auditing standards that need to be met per these federal grant requirements and could risk being assessed fiscal penalties should there be an audit finding that indicates as such. Based on the audit requirements and match funding requirements, Option 2 was not selected.

**Option 3**

Request some state general funds and also evaluate options on an ongoing basis for grants that



could enable our economic development goals, and that can be matched to the state's funds. This option was selected in the end to 1) provide certainty over the next two to four years that these programs and services can be delivered and with that certainty, the department can plan strategically to deliver services in a more efficient and streamlined manner, and 2) to be able to control focus of these funds to target small businesses and underserved communities specifically.

**7. What are the consequences of not funding this request?**

Not funding this request would lead to a reduction of services to small businesses or elimination of services in some cases. Large businesses often have the means and resources to initiate growth strategies, but most small businesses and firms in underserved communities do not, although they do have a very high possibility of growth in most cases if put in the right environment. Washington State, on a per capita basis, spends the second *lowest* on economic development related expenditures of any state (Council for Community and Economic Research - <https://www.c2er.org/>). Not funding this request would decrease the state's ability to grow businesses, create new ones and compete for businesses to stay in Washington when many other states have significant resources to offer.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**

At current funding levels, or levels of assumed carry forward funding for the 17-19 Biennium, the department would operate at reduced levels in providing services to small businesses around the state that demand export assistance, encourage lean manufacturing technical assistance, identify market trends, and provide strategic intelligence. The department has created efficiencies by limiting the size of contracts for vendors critical to providing economic development resources to stakeholders, and reducing activity related to small business outreach.


The Office of Economic Development and Competitiveness, which once had more than 70 FTE to provide resources to small businesses around the state has also reduced significant staff over the past eight years and now less than 40 FTE, achieving significant cost savings. However, as the state continues to recover from the recession it is clear to the department that there is an increasing demand on state services for economic development programs and the unmet need from small businesses is the most significant.

**Expenditure and Revenue Summary:**

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	1,433,641	2.00	18,125
FY 2019	1,468,619	2.50	18,125
<b>Total</b>	<b>2,902,260</b>	<b>2.25</b>	<b>36,250</b>
FY 2020	1,401,251	2.00	18,125
FY 2021	1,468,545	2.50	18,125
<b>Total</b>	<b>2,869,796</b>	<b>2.25</b>	<b>36,250</b>
<b>Four Year Total</b>	<b>5,772,056</b>	<b>4.50</b>	<b>72,500</b>

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

**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.)



**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** C4 – Small Communities Initiative  
**Budget Period:** 2017 - 2019  
**Budget Level:** PL

**Agency Recommendation Summary Text:** Assist communities to overcome infrastructure project barriers, create funding strategies and maximize available financing to carry out necessary and high priority capital projects: 1) increase capacity to the Small Communities Initiative Technical Assistance (TA) services; and 2) provide targeted micro grants through the Community Impact Fund to help small communities overcome project barriers and access funding.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for four years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 058-1 PWAA	280,000	280,000	280,000	280,000
<b>Total</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
Commerce Specialist 3	1.0	1.0	1.0	1.0
Commerce Specialist 5	.2	.2	.2	.2
<b>Total</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
Fund				
<b>Total</b>				

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A-Salaries	83,630	83,630	83,630	83,630
B-Benefits	29,111	29,111	29,111	29,111
E-Goods/Other Services	36,500	36,500	36,500	36,500
G-Travel	5,759	5,759	5,759	5,759
N-Grants	125,000	125,000	125,000	125,000
<b>Total</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>	<b>280,000</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

With significant funding decreases in infrastructure assistance to small communities, primarily due to the diversion of the Public Works Assistance Account and continuing decreases in infrastructure investment at the federal level, the need to maximize and target available resources is becoming much more critical than ever. Small, rural communities suffer from lack of financial, technical and staff resources to plan, construct, operate and maintain complex infrastructure systems needed to maintain quality of place and quality of life. The Small Communities Initiative (SCI), a technical assistance program housed at Commerce, is funded through a three-state agency partnership that provides comprehensive assistance to low capacity communities carrying out high cost, complex capital improvements to water and



wastewater systems. This proposal adds: 1) the Public Works Board as a fourth partner to the SCI program; and 2) establishes the Community Impact Fund.

#### **Additional Technical Assistance Provided by SCI**

The new partnership and additional funding will provide increased SCI technical assistance services to small, lower capacity communities in need during a time when infrastructure assistance is decreasing. Enhancing the SCI program will strengthen communities by adding additional resources that provide a combination of longer term, hands on, capacity building assistance and targeted, short-term financial support to overcome specific barriers to completing a project.

Since the Small Communities Initiative's inception in 1999, 55 communities have been assisted by SCI staff. Over 45 communities have secured more than \$165 million in state and federal funding. Thirty-five drinking water projects and 34 wastewater projects either achieved or are currently working towards achieving safer drinking water or greater environmental protection (SCI 2016 Annual Report). All of these combined efforts result in improved infrastructure that serves as a foundation for community and economic development activities and future economic vitality.

SCI staff meet with communities on an as-needed basis (usually between once a month and once a quarter) serving as facilitators, technical advisors and resource brokers. In addition, staff help local elected officials, local staff and citizens define, prioritize and identify links between public health, environmental protection and local development issues. They also work with each community to develop and implement an action plan to make necessary system improvements. The implementation of these plans result in SCI assisting a community over a longer period of time than many other governmental programs. Sometimes the length of this assistance can be for several years, depending on the community's needs.

Adding another staff person will help facilitate 7 to 12 additional communities to receive assistance on one or more high priority infrastructure projects. While water and sewer projects would continue to be eligible for assistance, additional infrastructure systems would also be considered for SCI services. The Public Works Board (Board) would identify and authorize assistance to communities under this enhancement. SCI staff will coordinate with the Board to manage expected project outcomes and monitor progress.

#### **Community Impact Fund**

The Community Impact Fund, by offering small targeted grants, will assist approximately 17 communities to resolve specific project barriers or to help them qualify for infrastructure funding. The Board and the Small Communities Initiative will partner to help communities in need access grants that average \$15,000 each for activities that remove barriers and move a high priority infrastructure project forward. All grant requests would be considered and approved by the Board. Grants would be available statewide, when needed in a "just in time" format and may or may not currently receive assistance from SCI staff. Funded activities would be very flexible and customized to a specific community or project need.

Examples of activities include:

- Capital Project Prioritization
- Income Surveys to Determine Funding Eligibility
- Infrastructure Life Cycle Studies
- Utility Rate Analyses
- Asset Management Planning
- Project Impediments Review
- Training and Education (Better Project Management and System Sustainability Practices)
- Community Outreach (Citizen Support for Infrastructure Improvements)

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual*



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expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information):

Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
Interagency Reimbursements	240,000	223,000	205,900	210,135
Federal	40,000	37,000	34,100	34,865
<b>Total</b>	<b>280,000</b>	<b>260,000</b>	<b>240,000</b>	<b>245,000</b>

Base Staffing	FY 2016	FY 2017	FY 2018	FY 2019
COM 3	1.0	1.0	1.0	1.0
COM 4	1.0	1.0		
COM 5			.8	.8
<b>Total</b>	<b>2.0</b>	<b>2.0</b>	<b>1.8</b>	<b>1.8</b>

Activity	FY 2016	FY 2017	FY 2018	FY 2019
NA-Interagency	240,000	223,000	205,900	210,135
A096 – CDBG	40,000	37,000	34,100	34,865
<b>Total</b>	<b>280,000</b>	<b>260,000</b>	<b>240,000</b>	<b>245,000</b>

- 1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** (Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)

Assumptions for enhancements include:

1. Staffing for 1.0 FTE Commerce Specialist 3 for Program Services.
2. Staffing for .2 FTE Commerce Specialist 5 for Program Management/Supervision. Duties would include day to day oversight of Commerce Specialist 3, interaction with the Public Works Board as necessary and facilitation/interaction of issues affecting this position with the SCI steering Committee and agency administration.
3. Staffing for grant administration will encompass a total of approximately 60 hours each fiscal year to administer the Community Impact Grant program. Between 16 and 24 non-construction funding applications would be reviewed, selected and administered by the Public Works Board and existing staff. Since the contracts are small and highly targeted, an abbreviated contracts process would be established to reduce administrative costs.

- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).

This enhancement will support *Results Washington* goal: 3.1.c. Maintain the percent of non-transportation infrastructure assets in satisfactory condition at 2013 baseline levels through 2020. With the added technical assistance capacity to the Small Communities Initiative 7 to 12 small, low capacity communities will be able to rectify a deficiency in one or more of its local infrastructure systems by providing a comprehensive assistance approach. An additional 17 targeted grant awards





through the Community Impact Fund will be made to small communities to address an issue that results in an infrastructure improvement project being able to move forward. In total, up to 30 communities will be provided assistance to move a priority infrastructure project forward.

This proposal also supports several of the goals and outcomes identified in Results Commerce. *Moving the needle on Results Commerce goals* – enhancing SCI technical assistance and making the Community Impact Fund available to communities in need moves these goals forward in several areas in a two to four-year longer-term timeframe:

1. Reliable and sustainable infrastructure will be created in up to 30 communities when infrastructure is built that corrects a deficient system and a community is able to manage that system in a sustainable manner.
2. An entrepreneurial agency culture is created by providing customized services to clients that address their needs, and when funding is acquired in a collaborative manner that taps into resources offered by as many as a dozen agencies at the state, federal and local levels depending on project needs.
3. Strong partnerships are created by developing 6 to 10 collaborative assistance opportunities among state, federal, nonprofit and local governments and agencies.
4. Up to 30 communities that are able to tap into the resources available through the implementation of this proposal will support the creation of vibrant communities.
5. Conscientious stewardship of state resources is achieved when infrastructure systems are built in the most affordable and effective way possible for both communities and funders. According to the most recently available quarterly report, approximately \$20 million in public funds are being directed towards current SCI assisted infrastructure projects. Because this amount is a consistent indicator of potential funding, the additional staff person would be able to, over a longer term timeframe exceeding the two-year biennial period, yield an additional \$10 million dollars in efficient investment of public dollars towards infrastructure projects assisted by SCI staff.

This proposal supports Results Commerce Outcomes and moves the needle in the following ways:

By leading and carrying out work in community capacity building and infrastructure project development, the SCI position will support five agency outcomes.

1. Building and maintaining local capacity through training and consulting with 7-12 local communities so they can successfully plan, build and operate drinking water and wastewater facilities that meet regulatory requirements.
  2. Assisting a broad array of small communities throughout the state, most of which are located and include disadvantaged areas or populations within their service areas.
  3. Creating and maintaining partnerships with other governmental programs and agencies.
  4. Investing in Washington state increases when construction projects are built and businesses have access to adequate infrastructure that meets their needs.
  5. Achieving a healthy economic climate occurs when communities are able to plan for and implement high priority infrastructure projects, which then allow communities to capture new and enhance existing community economic opportunities.
- 3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served. Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)**



Since 1999, SCI has achieved a proven track record assisting communities and state agencies with moving forward on projects with low capacity communities. Over the biennium, through technical assistance and using the Community Impact Fund, we can expect to see significant progress among smaller communities benefitting from this enhancement:

- Up to 10 coordinated funding strategies that maximize the use of available local, state and federal funds.
- Addressing capacity issues that resolve barriers for up to 30 projects that allow them to move forward.
- Better up front planning ensures 7-12 communities statewide that will be receiving technical assistance resulting in reduced project costs by ensuring projects are properly scoped and planned.
- Ensuring that value for money (assessing life cycle costs), asset management and other best practices are used in the project development phase. Numerous studies show that appropriate upfront planning can yield cost savings not just in the cost of new construction or improvements, but also throughout the life cycle of the investment. This ensures that projects are right sized and are optimally designed so that a community can afford to properly operate and maintain an infrastructure system.

In a recent customer satisfaction survey (conducted spring 2016), 100% of the respondents rated the level of service provided by SCI staff as a “5,” the highest rating possible. One client community responded:

*Our SCI representative comes to our meetings (with various) state and local officials and provides valuable materials for us. She acts as a liaison with our various engineering companies and briefs our city council whenever she is asked...which is often! She helps organize and orchestrate those meetings as well, makes herself available for counsel and guidance to me (the mayor), and to our city staff and answers our difficult questions and deciphers the engineering jargon that we so often don't understand. She helps us navigate the often befuddling bureaucracy which is the Department of Ecology.*

*She provides invaluable assistance with the complexities of funding sources and is there when we need her and willingly (and patiently) shares her considerable experience with us. Her indomitable spirit gives us a sense of hope that our utility problems can, and will, eventually be resolved even when things seem particularly hopeless.*

**4. What are the other important connections or impacts related to this proposal? Please complete the following table and provide detailed explanations or information below)**

Impact(s) to:	Y/N?	Identify/Explanation
Regional/County impacts?	N	Identify:
Other local gov't impacts?	Y	Identify: SCI Technical Assistance: 7 to 12 additional communities will receive comprehensive program development assistance to correct critical deficits in infrastructure systems. Community Impact Fund (CIF): Up to 17 communities will receive small grants to assist them in overcoming obstacles to carry out a highly needed infrastructure project.
Tribal gov't impacts?	N	Identify:





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Other state agency impacts?	Y	Identify: Both the Departments of Health and Ecology will benefit from an additional emphasis on infrastructure assistance, both from a regulatory and financing standpoint.
Responds to specific task force, report, mandate or exec order?	N	Identify:
Does request contain a compensation change?	Y	Identify: The department will reallocate the supervisor from a Commerce 4 to a Commerce 5 due to increased responsibility.
Does request require a change to a collective bargaining agreement?	N	Identify:
Facility/workplace needs or impacts?	Y	Identify: Standard cubicle workspace and office equipment.
Capital Budget Impacts?	Y	Identify: A beneficial impact will be obtained through SCI Technical Assistance.
Is change required to existing statutes, rules or contracts?	N	Identify:
Is the request related to or a result of litigation?	N	Identify:
Is the request related to Puget Sound recovery?	N	Identify:
Identify other important connections	N	Identify:

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

***Other Local Government Impacts***

Improving a community's infrastructure will lead to opportunities in the community that weren't previously available. For example, after the City of Tenino built a municipal wastewater system and completed construction in 2010, the City was able to lift its moratorium on new business development. Study after study indicates that infrastructure investments lead to both short-term economic benefits (i.e., construction jobs) and long-term economic viability (adequate water, streets, roads and other infrastructure provides a foundation for business creation and retention).

***Other State Agency Impacts***

Both SCI Technical Assistance enhancements and establishment of the CIF Program will increase capacity of current efforts funded by Departments of Health and Ecology to correct water/wastewater systems not in compliance with current standards, support additional efforts in transportation and perhaps other systems that are connected to other state agencies. For example, if a community needs improvements to distribution systems for both drinking water and wastewater, the work could be coordinated and completed at the same time though the capital improvements projects that are often conceived and prioritized separately.

***Request Contains a Compensation Change***

A Commerce Specialist 4 Technical/Program Manager will be reclassified to a Commerce Specialist 5 Supervisor due to this enhancement. This enhancement will pay for .2 of that FTE, with .8 of that FTE being charged through the base program's interagency agreements with the Departments of Health and Ecology.

***Capital Budget Impacts***



The SCI technical assistance enhancement will assist communities to access funding for projects appropriated through programs funded by the Capital Budget. Though the amount is not determinable until the need for each project is established, the projects assisted will result in better designed projects funded through the Capital Budget.

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**

Option 1:

Redirect staff—this was not considered viable as each program has its own funding stream. These funding streams do not allow activities other than for activities necessary to implement their own programs.

Option 2:

Request additional funding from other partner State Agencies—conversations with other funding partners indicated that other commitments and budget constraints prevented them from providing additional resources for the program, especially since this enhancement can provide assistance to communities with infrastructure systems other than water and wastewater.

Option 3:

Do not request enhancement—since the department is strategically aligning its goals and priorities to strengthen communities, the SCI enhancement would provide a significant step to support that strategic direction. The Public Works Board has established priorities that encourage both financial and system sustainability in infrastructure and this option helps to support those that need assistance in this area the most.

None of the options described above are viable. The enhancement option was selected because of its potential to: 1) maximize the resources that are currently available and create the ability for low capacity communities to access those resources; 2) carry out such activities in a cost efficient and effective manner; and 3) address priorities of the Departments of Commerce, Health, and Ecology and the Public Works Board.

**7. What are the consequences of not funding this request?**

With significant funding decreases in infrastructure assistance to small communities, primarily due to the diversion of the Public Works Assistance Account and continuing decreases in infrastructure investment at the federal level, the need to maximize and target available resources is becoming much more critical. Those most affected are those who can least afford costly improvements to their infrastructure. The inability to maintain their infrastructure in the past has created a greater urgency to address improvements before they become threats to Public Safety and Health. Smaller, lower capacity communities will not be able to correct infrastructure deficiencies in an efficient, timely and affordable manner.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**

Funding for infrastructure has been significantly reduced over the past several years and the capacity for the Public Works Board and Commerce to fund an additional position and a small grant fund has not been possible. During the FY 2011-2013 Biennium the Public Works Board funded an SCI position, but then eliminated that position due to a significantly reduced administrative budget. Over the past several years funding for the positions has been dependent on commitments from other state agencies and a small allocation from Commerce's Community Development Block Grant program. However, as each year passes the ability for small, financially disadvantaged communities to keep abreast with needed improvements has decreased, while the need has increased.

**Expenditure and Revenue Summary:**

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	280,000	1.2	



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FY 2019	280,000	1.2	
<b>Total</b>	<b>560,000</b>	<b>1.2</b>	
FY 2020	280,000	1.2	
FY 2021	280,000	1.2	
<b>Total</b>	<b>560,000</b>	<b>1.2</b>	
<b>Four Year Total</b>	<b>1,120,000</b>	<b>2.4</b>	

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

Reference Materials:

- Small Communities Initiative Annual Report - July 2016
- Small Communities Quarterly Report - April 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.)



**Department of Commerce  
State of Washington Decision Package**

**Agency:** 103 – Department of Commerce  
**Decision Package Code/Title:** C5 – Lead Based Paint Enforcement  
**Budget Period:** 2017 - 2019  
**Budget Level:** PL

**Agency Recommendation Summary Text:**

The Department of Commerce (department) requests an increase to the Lead Based Paint (LBP) renovation and abatement certification fee in order to expand the State's capacity to provide adequate enforcement of the lead based paint abatement and renovation rules in Washington State.

**Fiscal Summary:** Decision package total dollar and FTE cost/savings by year, by fund, for 4 years. Additional fiscal details are required below. Object of expenditure should only contain objects that have costs.

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
06K-1 – Lead Paint Account	\$168,691	\$207,543	\$207,543	\$207,543
<b>Total</b>	<b>\$168,691</b>	<b>\$207,543</b>	<b>\$207,543</b>	<b>\$207,543</b>

Staffing	FY 2018	FY 2019	FY 2020	FY 2021
06K-1	1.5	2.0	2.0	2.0
<b>Total</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

Revenue	FY 2018	FY 2019	FY 2020	FY 2021
06K-1 – Lead Paint Account \$25.00 Fee	\$192,800	\$192,800	\$192,800	\$192,800
OR \$30.00 Fee	\$241,490	\$241,490	\$241,490	\$241,490
<b>Total</b>				

Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
A-Salaries	\$87,827	\$117,102	\$117,102	\$117,102
B-Benefits	\$33,242	\$44,322	\$44,322	\$44,322
E-Goods and Services	\$29,262	\$36,119	\$36,119	\$36,119
G-Travel	\$7,500	\$10,000	\$10,000	\$10,000
J-Capital	\$10,860			
<b>Total</b>	<b>\$168,691</b>	<b>\$207,543</b>	<b>\$207,543</b>	<b>\$207,543</b>

**Package Description:**

*(What is problem, opportunity, or priority the agency is addressing with this request? How does the agency propose to address this problem, opportunity, or priority? What will the package actually buy?)*

Lead poisoning negatively affects every system of the body. It is harmful to individuals of all ages and is especially harmful to children, fetuses, and adults of childbearing age. The effects of lead on a child's cognitive, behavioral, and developmental abilities may necessitate large expenditures of public funds for health care and special education. The irreversible damage to children and subsequent expenditures could be avoided if exposure to lead is reduced. Lead poisoning due to improper treatment of lead based paint is extremely hazardous to Washington residents.

The department is responsible to administer the Lead Based Paint (LBP) program and enforce the lead based paint renovation and abatement rules. The program is funded through a Federal award from the Environmental Protection Agency (EPA) and through revenues generated by accrediting LBP trainers, certifying renovation and abatement specialists, and issuing penalties when lead based paint rules are



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not adhered to.

The current administrative capacity of the program supports one LBP enforcement officer. This is not an adequate level of staffing to effectively regulate the lead based paint rules and reduce the risk of lead poisoning due to the improper treatment of lead based paint. On July 25, 2016, the Environmental Protection Agency (EPA) performed an award monitoring of the program. In the final report, concerns were raised of Commerce's ability to protect human health and the environment as required under the award. The EPA recommended that the department hire two additional LBP enforcement officers to provide adequate enforcement.

The current LBP certification fees for both firms or individuals are \$25 for a five year renovation certification and \$25 for a three year abatement certification. This is well below the average fee for similar LBP certifications in other states. For example, the national average fee per year for a firm renovation certification is \$150; where as Washington's yearly fee is \$5.

In order to increase the department's enforcement capacity by two FTE's, a LBP certification fee increase is needed to generate the required revenue to support the associated costs. Approximately \$207,543 is needed to fund the two positions. It's estimated that a modest fee increase to \$25/\$30 per year will provide the financial resources to expand the current capacity. The increased revenue per fiscal year based on that range would be \$192,800 - \$241,490.

**Base Budget** *(If the proposal is an expansion or alteration of an existing program or service, please provide information on the resources now devoted to the program or service. Please include annual expenditures and FTEs by fund and activity (or provide working models or backup materials containing this information)):*

Base Budget	FY 2016	FY 2017	FY 2018	FY 2019
06K-1 Lead Paint Account	90,500	90,500	133,000	87,000
<b>Total</b>	<b>\$90,500</b>	<b>\$90,500</b>	<b>\$133,000</b>	<b>\$87,000</b>

Base Staffing	FY 2018	FY 2019	FY 2020	FY 2021
06K-1	.90	.90	.90	.90
<b>Total</b>	<b>.90</b>	<b>.90</b>	<b>.90</b>	<b>.90</b>

Activity	FY 2018	FY 2019	FY 2020	FY 2021
A064 – Lead-Based Paint Hazard Mitigation	90,500	90,500	133,000	87,000
<b>Total</b>	<b>\$90,500</b>	<b>\$90,500</b>	<b>\$133,000</b>	<b>\$87,000</b>

**1. Decision Package expenditure, FTE, revenue assumptions, calculations and details.** *(Clearly articulate workload or policy assumptions used in calculating expenditure and revenue changes proposed. Note: backup documentation or fiscal models are strongly encouraged.)*

Funding will be used for administrative support to manage the program and also provide research best practices, develop state/federal compliance and enforcement models, provide compliance and technical assistance, and enforcement coordination. Currently there has been only program 1.0 FTE associated to state-wide lead-based paint program mitigation and enforcement.

A Commerce Specialist 2 - 1.5 FTES (17-19 Biennia) would be responsible for lead base paint certification/accreditation training, best practices, compliance and enforcement and technical assistance. This will also require frequent travel mostly to Eastern Washington and also normal



startup for FTEs, such as furniture, computers, monitors, etc. Commerce is anticipating for ramp-up in the first biennium only 1.5 FTE and then move to 2.0 FTEs in 19-21 biennia.

- Certification and Accreditation Training- (626 hours in 17-19 Biennia and 836 hours in 19-21 biennium Conduct licensing and accreditation training, process and review certification and accreditation applications for the lead-based paint program.
- Best Practices – (2,506 hours in 17-19 Biennia and 3,340 hours in 19-21 Biennia) - Research best practices and state/federal compliance and enforcement modes to develop and implement lead-based paint abatement compliance and enforcement policies and procedures are up to date. Reviews and updates inspection and investigation protocols and templates necessary to standardize investigatory, enforcement and compliance processes.
- Compliance and Enforcement – (2,192 hours in 17-19 Biennia and 2,924 hours in 19-21 Biennia) Conduct compliant intake interviews, investigate complaints, recommendation compliance or enforcement action, work with state and local agency for referrals or coordinated response, conduct inspections and desk audits to determine compliance with program rules and laws, create reports, and compliance notices.
- Technical Assistance – (940 hours in 17-19 Biennia and 1,252 hours in 19-21 Biennia) Research and interpret federal and state regulations, work practice standards, and information resources to provide compliance and technical assistance to licensees, local jurisdictions, business and the general public. Use technical knowledge to create newsletter articles and other information al documents for distribution.

- 2. 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. If one or more activity performance measures the agency reports on in Results WA, Results Commerce or in Results through Performance Management (RPM) system are affected by the decision package, identify the expected incremental change in performance targets for each measure and for each applicable year).*

The department anticipates that this proposal will have an impact on Priority of Government 1235 – Number of certifications issued. The additional revenue brought in from certification fees will allow us to hire more compliance monitors. As we work towards compliance throughout the state, we expect to see more firms and individuals become certified in order to avoid penalties. Until staff are hired and the increased monitoring occurs, the department is unable to quantify the expected rate of increase.

- 3. Performance Measure detail. Please fully describe and quantify expected impacts on state residents and specific populations served.** *Who will be affected by the package? How? How many clients will/will not be served? Include annual estimates when a service is expected to grow or decline over time.)*

This will have a direct impact on the health and safety of all Washington residents, particularly young children, due to exposure to lead poisoning. Increasing the capacity of the LBP enforcement efforts will improve oversight of the lead based paint renovation and abatement rules. It is extremely important that these rules be adhered to when lead based paint is present. The improper treatment of lead based paint creates exposure to lead poisoning and is severely hazardous to human health and development. One LBP enforcement officer can perform approx. 50-75 enforcement visits each year. Those efforts will be tripled as a result of this package to approx. 150-225 per year.

- 4. What are the other important connections or impacts related to this proposal?** *Please complete the following table and provide detailed explanations or information below)*



**Department of Commerce  
State of Washington Decision Package**

<b>Impact(s) to:</b>	<b>Y/N?</b>	<b>Identify/Explanation</b>
Regional/County impacts?	Y	Identify: State of Washington
Other local gov't impacts?	N	Identify:
Tribal gov't impacts?	N	Identify:
Other state agency impacts?	Y	Identify: Washington State Department of Health
Responds to specific task force, report, mandate or exec order?	N	Identify:
Does request contain a compensation change?	N	Identify:
Does request require a change to a collective bargaining agreement?	N	Identify:
Facility/workplace needs or impacts?	N	Identify:
Capital Budget Impacts?	N	Identify:
Is change required to existing statutes, rules or contracts?	Y	Identify: RCW 103.70.030 (6), and WAC 365-230-260 (1).
Is the request related to or a result of litigation?	N	Identify:
Is the request related to Puget Sound recovery?	N	Identify:
Identify other important connections		Identify:

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

This package directly impacts the health and safety of all Washington residents. Commerce and the DOH have partnered to work on lead poisoning issues in the state. This proposal aligns with the work being performed by the DOH under executive order 16-06. They have been a key participant in Commerce's stakeholder discussions regarding this proposal. With a certification fee increase, the associated RCW and WAC will need to be updated to reflect the new per year fee.

**6. What alternatives were explored by the agency and why was this option chosen? (Describe the pros and cons of the alternatives and why they were not selected. Why is this request the best option?)**

This issue can only be addressed by increasing administrative capacity, which requires additional revenues. Given the current state of the budget, it is important to pursue all options that don't require the need for state resources. This program has the ability to generate non-state revenue through the form of LBP trainer accreditations, LBP renovation and abatement certifications, and penalties issued for non-compliance. Washington's current LBP certification fees are the lowest in the country and





well below the national average. A modest fee increase, still well below the national average, would generate the needed revenue to support expanding the program's administrative capacity. This was determined to be the best option to pursue, because it has been vetted through and supported by key stakeholders, it is a more than reasonable increase, and it has no fiscal impact to the state.

**7. What are the consequences of not funding this request?**

The consequences of not funding this request will limit the capacity of Commerce to adequately enforce the LBP renovation and abatement rules. It increases the likelihood of improper treatment of lead based paint exposing Washington residents to lead poisoning hazards. This request also has an impact on the security of future federal funding and the sustainability of the program overall. The EPA reported these concerns in a recent award monitoring. The EPA's recommendations are being addressed in this package.

**8. How has, or can the agency, address the issue or need within its current appropriation level?**

This issue cannot be addressed within Commerce's current appropriation level. The proposed fee increase will have no impact on state funding.


**Expenditure and Revenue Summary:**

For revenue purposes if the fee was to increase to \$25, the additional revenue per fiscal year would be \$192,800; if the fee were to increase to \$30, the additional revenue per fiscal year would be \$241,490.

Fiscal Year	Expenditures	FTEs	Revenue
FY 2018	\$168,691	1.5	
FY 2019	\$207,543	2.0	
<b>Total</b>	<b>\$376,234</b>	<b>1.7</b>	
FY 2020	\$207,543	2.0	
FY 2021	\$207,543	2.0	
<b>Total</b>	<b>\$415,086</b>	<b>2.0</b>	
<b>Four Year Total</b>	<b>\$791,320</b>	<b>1.9</b>	

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

**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.)



**Tab D**

# State of Washington

## Summarized Revenue by Account and Source

Budget Period: 2017-19  
Dollars in thousands  
103 - Department of Commerce  
Agency Level  
CL - Carry Forward Level  
Supporting Text Included

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	Maintenance Level		Performance Level		Biennium Totals		
	FY2018	FY2019	FY2018	FY2019	FY2018	FY2019	Total
<b>04R - Drinking Water Asst.</b>							
Total - 0409 - Interest Income - S	5,001	5,668			5,001	5,668	10,669
Total - 0444 - Grant Repayments - S	9,813	9,804			9,813	9,804	19,617
Total - 0866 - Loan Principal Repay - S	16,145	18,180			16,145	18,180	34,325
<b>04R - Drinking Water Asst. - State</b>	<b>30,959</b>	<b>33,652</b>			<b>30,959</b>	<b>33,652</b>	<b>64,611</b>
<b>Total - 04R - Drinking Water Asst.</b>	<b>30,959</b>	<b>33,652</b>			<b>30,959</b>	<b>33,652</b>	<b>64,611</b>
 <b>058 - Public Works Assist</b>							
Total - 0409 - Interest Income - S	5,655	4,764			5,655	4,764	10,419
Total - 0444 - Grant Repayments - S	10,262	10,207			10,262	10,207	20,469
Total - 0866 - Loan Principal Repay - S	102,103	94,380			102,103	94,380	196,483
<b>058 - Public Works Assist - State</b>	<b>118,020</b>	<b>109,351</b>			<b>118,020</b>	<b>109,351</b>	<b>227,371</b>
<b>Total - 058 - Public Works Assist</b>	<b>118,020</b>	<b>109,351</b>			<b>118,020</b>	<b>109,351</b>	<b>227,371</b>
 <b>06K - Lead Paint Account</b>							
Total - 0299 - Other Licenses Permi - S	63	63			63	63	126
<b>06K - Lead Paint Account - State</b>	<b>63</b>	<b>63</b>			<b>63</b>	<b>63</b>	<b>126</b>
<b>Total - 06K - Lead Paint Account</b>	<b>63</b>	<b>63</b>			<b>63</b>	<b>63</b>	<b>126</b>
 <b>09R - Econ Dev Strat R A</b>							
C3 - Underserved Comm./Small Businesses			18	18			
Total - 0477 - Lottery Ticket Procd - S			18	18	18	18	36
<b>09R - Econ Dev Strat R A - State</b>			<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>36</b>
<b>Total - 09R - Econ Dev Strat R A</b>			<b>18</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>36</b>

**10B - Home Security Fund**

0425 - Filing/Legal Svcs - S	20,384	20,996					
C1 - Reducing Homelessness			25,480	26,244			
Total - 0425 - Filing/Legal Svcs - S	20,384	20,996	25,480	26,244	45,864	47,240	93,104
<b>10B - Home Security Fund - State</b>	<b>20,384</b>	<b>20,996</b>	<b>25,480</b>	<b>26,244</b>	<b>45,864</b>	<b>47,240</b>	<b>93,104</b>
<b>Total - 10B - Home Security Fund</b>	<b>20,384</b>	<b>20,996</b>	<b>25,480</b>	<b>26,244</b>	<b>45,864</b>	<b>47,240</b>	<b>93,104</b>
<b>12C - Affordable Housing</b>							
Total - 0425 - Filing/Legal Svcs - S	6,380	6,571			6,380	6,571	12,951
<b>12C - Affordable Housing - State</b>	<b>6,380</b>	<b>6,571</b>			<b>6,380</b>	<b>6,571</b>	<b>12,951</b>
<b>Total - 12C - Affordable Housing</b>	<b>6,380</b>	<b>6,571</b>			<b>6,380</b>	<b>6,571</b>	<b>12,951</b>
<b>14M - Fin Fraud Ident Acct</b>							
9E - Other Fund Adjustments	100	100					
Total - 0299 - Other Licenses Permi - S	100	100			100	100	200
<b>14M - Fin Fraud Ident Acct - State</b>	<b>100</b>	<b>100</b>			<b>100</b>	<b>100</b>	<b>200</b>
<b>Total - 14M - Fin Fraud Ident Acct</b>	<b>100</b>	<b>100</b>			<b>100</b>	<b>100</b>	<b>200</b>
<b>150 - Low-Inc Weathr Asstc</b>							
Total - 0499 - Other Revenue - S	658	690			658	690	1,348
<b>150 - Low-Inc Weathr Asstc - State</b>	<b>658</b>	<b>690</b>			<b>658</b>	<b>690</b>	<b>1,348</b>
<b>Total - 150 - Low-Inc Weathr Asstc</b>	<b>658</b>	<b>690</b>			<b>658</b>	<b>690</b>	<b>1,348</b>
<b>15P - Energy Recovery</b>							
Total - 0409 - Interest Income - S	203	108			203	108	311
Total - 0866 - Loan Principal Repay - S	2,656	1,756			2,656	1,756	4,412
<b>15P - Energy Recovery - State</b>	<b>2,859</b>	<b>1,864</b>			<b>2,859</b>	<b>1,864</b>	<b>4,723</b>
<b>Total - 15P - Energy Recovery</b>	<b>2,859</b>	<b>1,864</b>			<b>2,859</b>	<b>1,864</b>	<b>4,723</b>
<b>17L - Foreclosure Fairness</b>							
Total - 0425 - Filing/Legal Svcs - S	3,360	3,360			3,360	3,360	6,720
<b>17L - Foreclosure Fairness - State</b>	<b>3,360</b>	<b>3,360</b>			<b>3,360</b>	<b>3,360</b>	<b>6,720</b>
<b>Total - 17L - Foreclosure Fairness</b>	<b>3,360</b>	<b>3,360</b>			<b>3,360</b>	<b>3,360</b>	<b>6,720</b>
<b>263 - Comm Economic Devel</b>							
Total - 0420 - Charges for Services - S	65	65			65	65	130
Total - 0499 - Other Revenue - S	907	940			907	940	1,847

<b>263 - Comm Economic Devel - State</b>	<b>972</b>	<b>1,005</b>	<b>972</b>	<b>1,005</b>	<b>1,977</b>
<b>Total - 263 - Comm Economic Devel</b>	<b>972</b>	<b>1,005</b>	<b>972</b>	<b>1,005</b>	<b>1,977</b>
 <b>532 - Wa Housing Trst Ac</b>					
Total - 0409 - Interest Income - S	1,399	1,392	1,399	1,392	2,791
Total - 0444 - Grant Repayments - S	3,840	5,812	3,840	5,812	9,652
Total - 0866 - Loan Principal Repay - S	289	292	289	292	581
<b>532 - Wa Housing Trst Ac - State</b>	<b>5,528</b>	<b>7,496</b>	<b>5,528</b>	<b>7,496</b>	<b>13,024</b>
<b>Total - 532 - Wa Housing Trst Ac</b>	<b>5,528</b>	<b>7,496</b>	<b>5,528</b>	<b>7,496</b>	<b>13,024</b>
 <b>731 - Child Care Facility</b>					
Total - 0409 - Interest Income - S	11	7	11	7	18
Total - 0866 - Loan Principal Repay - S	73	72	73	72	145
<b>731 - Child Care Facility - State</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>79</b>	<b>163</b>
<b>Total - 731 - Child Care Facility</b>	<b>84</b>	<b>79</b>	<b>84</b>	<b>79</b>	<b>163</b>
 <b>759 - Miscellaneous Pgm</b>					
Total - 0409 - Interest Income - S	250	248	250	248	498
Total - 0444 - Grant Repayments - S	852	860	852	860	1,712
Total - 0866 - Loan Principal Repay - S	103	104	103	104	207
<b>759 - Miscellaneous Pgm - State</b>	<b>1,205</b>	<b>1,212</b>	<b>1,205</b>	<b>1,212</b>	<b>2,417</b>
<b>Total - 759 - Miscellaneous Pgm</b>	<b>1,205</b>	<b>1,212</b>	<b>1,205</b>	<b>1,212</b>	<b>2,417</b>
 <b>777 - Prostitution Prevent</b>					
Total - 0299 - Other Licenses Permi - S	23	23	23	23	46
<b>777 - Prostitution Prevent - State</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>46</b>
<b>Total - 777 - Prostitution Prevent</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>46</b>
 <b>887 - Pub Facil Const Ln</b>					
Total - 0409 - Interest Income - S	570	613	570	613	1,183
Total - 0444 - Grant Repayments - S	299	301	299	301	600
Total - 0866 - Loan Principal Repay - S	3,091	3,168	3,091	3,168	6,259
<b>887 - Pub Facil Const Ln - State</b>	<b>3,960</b>	<b>4,082</b>	<b>3,960</b>	<b>4,082</b>	<b>8,042</b>
<b>Total - 887 - Pub Facil Const Ln</b>	<b>3,960</b>	<b>4,082</b>	<b>3,960</b>	<b>4,082</b>	<b>8,042</b>

<b>103 - Department of Commerce - State</b>	<b>194,555</b>	<b>190,544</b>	<b>25,498</b>	<b>26,262</b>	<b>220,053</b>	<b>216,806</b>	<b>436,859</b>
<b>Total - 103 - Department of Commerce</b>	<b>194,555</b>	<b>190,544</b>	<b>25,498</b>	<b>26,262</b>	<b>220,053</b>	<b>216,806</b>	<b>436,859</b>
<b>9E - Other Fund Adjustments</b>							

The department requests additional expenditure authority for Financial Fraud & Identity Theft Account and Mobile Home Park Relocation Account to reflect available revenue.

**C1 - Reducing Homelessness**

The Department of Commerce (department) proposes four strategies to reduce homelessness in families and chronically homeless individuals, to ensure no young person is discharged into homelessness after exiting a public system, and to expand the document recording fee (RCW 36.22.179) to provide necessary funding to accomplish these strategies.

**C3 - Underserved Comm./Small Businesses**

The Department of Commerce requests funding for small business and underserved community development strategies for rural economic development, industry sector based economic development and regulatory reform.

State of Washington  
Request for Fees or Taxes  
2017-19 Biennium

	Code	Title
AGENCY	103	Dept. of Commerce

							Incremental Revenue (Dollars in Thousands)						
							GF-S		Other Funds				
Agy #	Agency Name	Fee Code	Name of Fee or Tax	Is a bill required?	Z-Draft # (or Pending)	New, Increased, Continued?	FY 2018	FY 2019	FY 2018	FY 2019	Tied to Expenditure Change?	Fee Payer Position	Explanation of Change See Instructions
103	Dept. of Commerce	4003	Lead Based Abatement Certification	Bill	Z-0094.1 (\$25 fee per year) Z-0095.1 (\$30 fee per year)	Increased	-	-	241,490	241,490	Supports new expenditures. See RecSum PL-C7	Fee payers support the fees	The current LBP certification fees for both firms or individuals are \$25 for a five year renovation certification and \$25 for a three year abatement certification. This is well below the average fee for similar LBP certifications in other states. For example, the national average fee per year for a firm renovation certification is \$150; where as Washington's yearly fee is \$5.
103	Dept. of Commerce		Homeless House and Assistance Document Filing Fee	Bill	Z-0096.1	Increased			25,480,000	26,244,400	Supports new expenditures. See RecSum PL-C1		The department seeks to expand the document recording fee to continue funding for homelessness programs at current levels and fund Parts B through D of package PL-C1. Currently, a portion of the departments programs are funded with one-time transfers which are not sustainable for the Home Security and Washington State Housing Trust Accounts (Housing Trust Fund). Increasing the fee from \$40 to \$90 (\$50 increase) would generate \$51.7 million more in 17-19 biennium for the state Home Security Account, and increase locally controlled homeless funding by \$80.2 million more in 17-19 biennium. These additional funds will support the existing funding state levels. The net increase in local funding (+104%) will partially offset the reductions in local program capacity due to rapidly increasing rents statewide (more than +11% since 2014).
Additional Comments													

**State of Washington**  
**Working Capital Reserve**

**Budget Period:**     **2017-19**  
**Agency:**         **103 Department of Commerce**  
**Version:**         **CL Carry Forward Level**

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**FUND ADMINISTRATOR AGENCY  
ONLY**

**RECOMMENDED ENDING FUND  
BALANCE**

**FUND ADMINISTRATOR AGENCY  
ONLY**

**RECOMMENDED ENDING FUND  
BALANCE**

<b>FUND</b>	<b>FUND TITLE</b>	<b>Current Biennium</b>	<b>Ensuing Biennium</b>
06K	Lead Paint Account	205,431	250,356
08E	Individual Development Account Prog	14,341	
10B	Home Security Fund Account	6,782,284	3,211,046
12C	Affordable Housing for All Account	2,383,861	1,554,499
14M	Financial Fraud & Id Theft Crimes	375,509	296,015
150	Low-Income Weatherization Asst Acct	2,159,237	1,406,758
15A	Transitional Housing Oper & Rent	365,284	166,311
17L	Foreclosure Fairness Account	882,015	482,015
205	Mobile Home Park Relocation Account	1,743,985	2,384,057
263	Community/Economic Development Fee	720,260	460,830
532	Washington Housing Trust Account	327,958	375,371

State of Washington  
Working Capital Reserve

**Budget Period:** 2017-19  
**Agency:** 103 Department of Commerce  
**Version:** CL Carry Forward Level

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FUND ADMINISTRATOR AGENCY  
ONLY

RECOMMENDED ENDING FUND  
BALANCE

FUND ADMINISTRATOR AGENCY  
ONLY

RECOMMENDED ENDING FUND  
BALANCE

FUND	FUND TITLE	Current Biennium	Ensuing Biennium
689	Rural Washington Loan Account	599,596	689,358
731	Child Care Facility Revolving Acct	1,505,188	1,505,188
746	Hanford Area Economic Investment	7,384	
759	Miscellaneous Program Account	1,362,649	698,848
777	Prostitution Prevent/Intervention	48,031	49,193
833	Develop Disability Endowment Trust	282,194	307,467
887	Public Facility Const Loan Revolv	59,931,336	59,980,023



## Department of Commerce

### 2017-19 Revenue Transfer Reconciliation Statement

Fiscal Year	Amount	Source 06-22 Transfer Out	Source 06-21 Transfer In	Purpose
2018	\$5,000,000	058 Public Works Assistance Account	04R Drinking Water Assistance Account	Estimate match for EPA Drinking Water Grant
2019	\$5,000,000	058 Public Works Assistance Account	04R Drinking Water Assistance Account	Estimate match for EPA Drinking Water Grant
2018	\$5,000,000	058 Public Works Assistance Account	727 Water Pollution Control Revolving Account	State Match for Ecology Water Pollution Control
2019	\$5,000,000	058 Public Works Assistance Account	727 Water Pollution Control Revolving Account	State Match for Ecology Water Pollution Control
2018	\$7,500,000	10B Home Security Fund Account	15A Transitional housing operating and rent account	Estimate based on 2015-2017 biennium Legislature authorizes transfer for Transitional housing assistance or partial payments for rental assistance program
2018	\$3,500,000	532 Housing Trust Account	10B Home Security Fund Account	Estimate based on 2015-2017 biennium Legislature authorizes transfer
2019	\$3,500,000	532 Housing Trust Account	10B Home Security Fund Account	

AGENCY	Code	Title
	103	Department of Commerce

## 2017-19 Federal Funding Estimates Summary

CFDA NO.*	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source [001-1, XXX-1, etc.]
	Agency Total				
	FY 2016	120,076,300	90,577,728	2,261,485	
	FY 2017	114,908,270	90,547,639	2,446,782	
	FY 2018	112,836,688	88,675,062	2,358,494	
	FY 2019	108,068,467	85,230,078	2,323,917	
12.617	Department of Defense Activity Code: A				
	FY 2016		0		
	FY 2017	1,006,912	1,006,912	112,502	001-1
	FY 2018	335,637	335,637	37,507	001-1
	FY 2019		0		
14.228	Housing & Urban Development (HUD) Activity Code: A096				
	FY 2016	11,319,386	11,319,386	202,843	001-1
	FY 2017	11,148,658	11,148,658	199,784	001-1
	FY 2018	10,406,868	10,406,868	186,491	001-1
	FY 2019	10,094,662	10,094,662	180,896	001-1
14.231	Housing & Urban Development (HUD) Activity Code: A157				
	FY 2016	2,500,872	2,500,872	625,218	10B-1
	FY 2017	2,871,372	2,871,372	717,843	10B-1
	FY 2018	2,871,372	2,871,372	717,843	10B-1
	FY 2019	2,871,372	2,871,372	717,843	10B-1
14.239	Housing & Urban Development (HUD) Activity Code: A159				
	FY 2016	4,369,093	4,369,093	1,092,273	355-1
	FY 2017	4,302,012	4,302,012	1,075,503	355-2
	FY 2018	4,302,012	4,302,012	1,075,503	355-3
	FY 2019	4,302,012	4,302,012	1,075,503	355-4
14.241	Housing & Urban Development (HUD) Activity Code: A157				
	FY 2016	740,640	740,640		
	FY 2017	737,000	737,000		
	FY 2018	737,000	737,000		
	FY 2019	714,890	714,890		
14.267	Housing & Urban Development (HUD) Activity Code: A157				
	FY 2016	70,682	70,166		
	FY 2017	72,802	72,272		
	FY 2018	72,802	72,272		
	FY 2019	72,802	72,272		
14.326	Housing & Urban Development (HUD) Activity Code: A157				
	FY 2016	143,082	100,157		
	FY 2017	74,082	51,857		
	FY 2018	243,000	170,100		
	FY 2019	55,377	38,764		

AGENCY	Code	Title
	103	Department of Commerce

### 2017-19 Federal Funding Estimates Summary

CFDA NO.*	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source [001-1, XXX-1, etc.]
16.575	Department of Justice (DOJ) Activity Code: A008				
	FY 2016	18,877,665			
	FY 2017	18,160,066			
	FY 2018	18,124,076			
	FY 2019	17,030,584			
16.588	Department of Justice (DOJ) Activity Code: A011				
	FY 2016	2,898,100	2,898,100		
	FY 2017	2,869,119	2,869,119		
	FY 2018	2,811,737	2,811,737		
	FY 2019	2,727,385	2,727,385		
16.738	Department of Justice (DOJ) Activity Code: A177				
	FY 2016	3,243,000	3,274,268		
	FY 2017	3,192,638	3,224,564		
	FY 2018	3,849,243	3,887,735		
	FY 2019	3,141,131	3,172,542		
16.750	Department of Justice (DOJ) Activity Code: A177				
	FY 2016	161,518	161,518		
	FY 2017	163,188	163,188		
	FY 2018	162,467	162,467		
	FY 2019	156,219	160,906		
66.707	Environmental Protection Agency (EPA) Activity Code: A064				
	FY 2016	362,788	348,631		
	FY 2017	378,608	362,788		
	FY 2018	367,388	378,608		
	FY 2019	356,366	367,388		
CFDA NO.*	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source [001-1, XXX-1, etc.]
66.818	Environmental Protection Agency (EPA) Activity Code: A167				
	FY 2016				
	FY 2017				
	FY 2018	500,000	500,000		
	FY 2019				
81.F17	Bonneville Power Administration (BPA) Activity Code: A065				
	FY 2016	2,269,134	1,588,394		
	FY 2017	2,269,134	1,588,394		
	FY 2018	2,212,789	1,548,952		
	FY 2019	2,212,789	1,548,952		
81.042	Department of Energy (DOE) Activity Code: A065				
	FY 2016	3,885,453			
	FY 2017	4,325,258	4,368,511		
	FY 2018	4,325,258	4,368,511		
	FY 2019	4,325,258	4,368,511		
81.117	Department of Energy (DOE) Activity Code: A065				

AGENCY	Code	Title
	103	Department of Commerce

### 2017-19 Federal Funding Estimates Summary

CFDA NO.*	Agency	Federal Fiscal Year	State Fiscal Year	State Match Amounts	State Match Source [001-1, XXX-1, etc.]
	FY 2016	1,420,750	1,420,750	284,150	001-1
	FY 2017	1,420,750	1,420,750	284,150	001-1
	FY 2018	1,420,750	1,420,750	284,150	001-1
	FY 2019	1,420,750	1,463,373	292,675	001-1
93.568	Department of Health and Human Services (HHS) Activity Code: A065				
	FY 2016	11,044,040	10,270,957		
	FY 2017	7,918,901	7,364,578		
	FY 2018	7,681,334	7,143,641		
	FY 2019	7,489,938	6,965,642		
93.568	Department of Health and Human Services (HHS) Activity Code: A065				
	FY 2016	46,936,525	42,242,873		
	FY 2017	44,873,770	40,386,393		
	FY 2018	43,527,557	39,174,801		
	FY 2019	42,442,979	38,198,681		
93.569	Department of Health and Human Services (HHS) Activity Code: A003				
	FY 2016	8,434,169	8,012,461		
	FY 2017	7,953,421	7,555,750		
	FY 2018	7,714,819	7,329,078		
	FY 2019	7,483,374	7,109,205		
93.630	Department of Health and Human Services (HHS) Activity Code: A005				
	FY 2016	1,399,403	1,259,463	57,000	001-1
	FY 2017	1,170,579	1,053,521	57,000	001-1
	FY 2018	1,170,579	1,053,521	57,000	001-1
	FY 2019	1,170,579	1,053,521	57,000	001-1

Code	Title
103	Department of Commerce

## PROPOSED 2017-19 Federal Funding Estimates Summary for RCW 43.88.096

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2017	E) Federal Grant Projections Under a 25% Reduction from FY 2017	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
	<b>Agency Total</b>								
	FY 2016	120,076,300	90,577,728	0	0	0			
	FY 2017	114,908,270	90,547,639	0	0	0			
	FY 2018	112,836,688	88,675,062	0	108,206,290	85,426,019			
	FY 2019	108,068,467	85,230,078	0	108,206,290	85,426,019			
12.617	<b>Department of Defense</b>								
	<b>Activity Code: A</b>								Comment: office of Economic Adjustment Grant ends 9/30/2017
	FY 2016		0						
	FY 2017	1,006,912	1,006,912						
	FY 2018	335,637	335,637		956,566	755,184	1	1	
	FY 2019		0				1	1	
14.228	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A096</b>								Comment: CDBG grant-Reduction to this grant is factored into the President's budget.
	FY 2016	11,319,386	11,319,386						
	FY 2017	11,148,658	11,148,658						
	FY 2018	10,406,868	10,406,868		10,591,225	8,361,494	2	3	
	FY 2019	10,094,662	10,094,662		10,591,225	8,361,494	2	3	
14.231	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A157</b>								Comment: Emergency Solutions Grant
	FY 2016	2,500,872	2,500,872						
	FY 2017	2,871,372	2,871,372						
	FY 2018	2,871,372	2,871,372		2,727,803	2,153,529	1	1	
	FY 2019	2,871,372	2,871,372		2,727,803	2,153,529	1	1	
14.239	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A159</b>								Comment: HOME Investment Partnership Program
	FY 2016	4,369,093	4,369,093						
	FY 2017	4,302,012	4,302,012						
	FY 2018	4,302,012	4,302,012		4,086,911	3,226,509	1	1	
	FY 2019	4,302,012	4,302,012		4,086,911	3,226,509	1	1	
14.241	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A157</b>								Comment: Housing Opportunities for People with AIDS (HOPWA)
	FY 2016	740,640	740,640						
	FY 2017	737,000	737,000						
	FY 2018	737,000	737,000		700,150	552,750	1	3	
	FY 2019	714,890	714,890		700,150	552,750	2	3	
14.267	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A157</b>								Comment: Continuum of Care Grant
	FY 2016	70,682	70,166						
	FY 2017	72,802	72,272						
	FY 2018	72,802	72,272		69,162	54,602	1	1	
	FY 2019	72,802	72,272		69,162	54,602	1	1	
14.326	<b>Housing &amp; Urban Development (HUD)</b>								
	<b>Activity Code: A157</b>								Comment: 811 Project-Due to extensive process for HUD application approvals, slower than anticipated reimbursements. Grant ends 8/14/19.
	FY 2016	143,082	100,157						
	FY 2017	74,082	51,857						
	FY 2018	243,000	170,100		70,378	55,562			
	FY 2019	55,377	38,764		70,378	55,562			
16.575	<b>Department of Justice (DOJ)</b>								
	<b>Activity Code: A008</b>								Comment: VOCA Grant
	FY 2016	18,877,665							
	FY 2017	18,160,066							
	FY 2018	18,124,076			17,252,063	13,620,050	1	1	
	FY 2019	17,030,584			17,252,063	13,620,050	2	3	
16.588	<b>Department of Justice (DOJ)</b>								
	<b>Activity Code: A011</b>								Comment: Violence Against Women Act (STOP Grant)
	FY 2016	2,898,100	2,898,100						
	FY 2017	2,869,119	2,869,119						
	FY 2018	2,811,737	2,811,737		2,725,663	2,151,839	1	1	
	FY 2019	2,727,385	2,727,385		2,725,663	2,151,839	1	1	
16.738	<b>Department of Justice (DOJ)</b>								
	<b>Activity Code: A177</b>								Comment: JAG Grant
	FY 2016	3,243,000	3,274,268						
	FY 2017	3,192,638	3,224,564						
	FY 2018	3,849,243	3,887,735		3,033,006	2,394,479	1	1	
	FY 2019	3,141,131	3,172,542		3,033,006	2,394,479	1	1	
16.750	<b>Department of Justice (DOJ)</b>								
	<b>Activity Code: A177</b>								Comment: SORNA Grant
	FY 2016	161,518	161,518						
	FY 2017	163,188	163,188						
	FY 2018	162,467	162,467		155,029	122,391	1	1	
	FY 2019	156,219	160,906		155,029	122,391	1	1	
66.707	<b>Environmental Protection Agency (EPA)</b>								
	<b>Activity Code: A064</b>								Comment: Lead Base Paint Hazard Control Grant-National trends show a decline in lead based paint therefore the department assumes a slight reduction could occur to this grant.
	FY 2016	362,788	348,631						
	FY 2017	378,608	362,788						
	FY 2018	367,388	378,608		359,678	283,956	2	3	
	FY 2019	356,366	367,388		359,678	283,956	2	3	

AGENCY	Code	Title
	103	Department of Commerce

CFDA NO.*	Agency	A) Federal Fiscal Year	B) State Fiscal Year	C) Federal Funds % of Agency Budget for State FY	D) Federal Grant Projections Under a 5% Reduction from FY 2017	E) Federal Grant Projections Under a 25% Reduction from FY 2017	F) Probability Grant Will be Subject to Reduction (1 to 5)	G) Agency Plans to Implement Reduction (Categories 1 to 5)	Comments
66.818	Environmental Protection Agency (EPA) Activity Code: A167								Comment: Brownfield Assessment & Cleanup Grant
	FY 2016								
	FY 2017								
	FY 2018	500,000	500,000		0	0	1		
	FY 2019				0	0			
81.F17	Bonneville Power Administration (BPA) Activity Code: A065								Comment:
	FY 2016	2,269,134	1,588,394						
	FY 2017	2,269,134	1,588,394						
	FY 2018	2,212,789	1,548,952		2,155,677	1,701,851	1	1	
	FY 2019	2,212,789	1,548,952		2,155,677	1,701,851	1	1	
81.042	Department of Energy (DOE) Activity Code: A065								Comment:
	FY 2016	3,885,453							
	FY 2017	4,325,258	4,368,511						
	FY 2018	4,325,258	4,368,511		4,108,995	3,243,944	1	1	
	FY 2019	4,325,258	4,368,511		4,108,995	3,243,944	1	1	
81.117	Department of Energy (DOE) Activity Code: A065								Comment:
	FY 2016	1,420,750	1,420,750						
	FY 2017	1,420,750	1,420,750						
	FY 2018	1,420,750	1,420,750		1,349,713	1,065,563	1	1	
	FY 2019	1,420,750	1,463,373		1,349,713	1,065,563	1	1	
93.568	Department of Health and Human Services (HHS) Activity Code: A065								Comment: LIHEAP-Weatherization
	FY 2016	11,044,040	10,270,957						
	FY 2017	7,918,901	7,364,578						
	FY 2018	7,681,334	7,143,641		7,522,956	5,939,176	1	1	
	FY 2019	7,489,938	6,965,642		7,522,956	5,939,176	1	1	
93.568	Department of Health and Human Services (HHS) Activity Code: A065								Comment: LIHEAP-Utilities
	FY 2016	46,936,525	42,242,873						
	FY 2017	44,873,770	40,386,393						
	FY 2018	43,527,557	39,174,801		42,630,082	33,655,328	1	1	
	FY 2019	42,442,979	38,198,681		42,630,082	33,655,328	1	1	
93.569	Department of Health and Human Services (HHS) Activity Code: A003								Comment: Community Services Block Grant
	FY 2016	8,434,169	8,012,461						
	FY 2017	7,953,421	7,555,750						
	FY 2018	7,714,819	7,329,078		7,555,750	5,965,066	1	1	
	FY 2019	7,483,374	7,109,205		7,555,750	5,965,066	1	1	
93.630	Department of Health and Human Services (HHS) Activity Code: A005								Comment: Developmental Disabilities Basic Support & Advocacy Grant
	FY 2016	1,399,403	1,259,463						
	FY 2017	1,170,579	1,053,521						
	FY 2018	1,170,579	1,053,521		1,112,050	877,934	1	1	
	FY 2019	1,170,579	1,053,521		1,112,050	877,934	1	1	

	Code	Title
AGENCY	103	Department of Commerce

### NON-BUDGETED LOCAL FUND SUMMARY

**DATE** September 16, 2016

[illegible]

\* This column must agree with the 6/30/15 CAFR balance.

\*\*Balance from CAFR report CAFR1031G

## **Department of Commerce**

### **Puget Sound Action Agenda Update**

The department has two budget requests in the 2017-2019 Capital Budget submission that may or may not impact the Puget Sound Action Agenda (agenda). These packages are centered on the Public Works Construction Loan Program and a new initiative tied to public infrastructure efforts and leveraging affordable housing development investments.

At the time of submittal, the department does not have a construction loan list to be able to discern whether or not there is an impact to Near Term Actions (NTA) and the overall agenda.

The department also considered a funding request around the Building Green Cities NTA strategy. Under this proposal, the department would use a social marketing/economic behaviors approach and a work group to develop and test guidance on barriers and motivations/incentives for developers to include low impact development (LID) treatments in urban center redevelopment projects. At the time of the submittal, the department has not determined next steps in funding this effort.



## **Department of Commerce**

### **JLARC Audit Responses**

The Department of Commerce does not currently have any outstanding Joint Legislative Audit and Review Committee (JLARC) audit responses.

**Tab E**

## **Department of Commerce**

### **Specified Documents for IT Related Decision Packages**

The Department of Commerce did not submit information technology related decision packages and also did not have information technology related impacts in other decision packages. The department's 2017-2019 Capital Budget submission includes an IT addendum for a capital decision package (please refer to the department's Capital Budget submission).

## Department of Commerce

### 2017-2019 Central Services Model Fund Splits\*

Fund	App Type	Title	Percent
001	1	General Fund	35.92%
001	2	General Fund	25.14%
001	7	General Fund	9.90%
04R	1	Drinking Water Assistance Account	1.64%
058	1	Public Works Assistance Account	5.22%
05R	1	Drinking Water Assistance Admin	0.65%
06K	1	Lead Paint Account	0.32%
10B	1	Home Security Fund Account	5.62%
12C	1	Affordable Housing for All Account	0.60%
150	1	Low-Income Weather/Struc Rehab Assist. Acct.	0.47%
15A	6	Transitional Housing Operating & Rent Acct.	0.05%
174	1	Local Toxics Control Account	0.04%
17L	6	Foreclosure Fairness Account	2.47%
205	6	Mobile Home Park and Relocation Account	0.34%
263	1	Community/Economic Development Fee Acct.	2.17%
501	1	Liquor Revolving Account	0.12%
532	1	Washington Housing Trust Account	7.75%
887	1	Public Facility Construction Loan Rev. Account	1.58%
<b>Total</b>			<b>100%</b>

\*Updates based on 2016 expenditures through June 2016 close and consideration of dedicated funds no longer available for the 2017-2019 biennium.

# **Department of Commerce**

## **Enterprise Risk Management Update**

To comply with Executive Order 16-06 (State Agency Enterprise Risk Management), the Department of Commerce (department) completed its first Agency Risk Register along with a new policy, Implementing Enterprise Risk Management. A workgroup was formed with members from each division to identify potential barriers that could keep the department from achieving specific goals and objectives.

Although there were many risks identified that were specific to individual programs, the department chose to concentrate on risks that reached across the agency and could impact all programs. The Agency Risk Register consists of 61 agency-wide risks. Risk analysis (likelihood and impact analysis), indicated 18 identified risks and the department is currently working on treatment plans. Included in this report are some of the common risks identified, along with some initiatives to address them.

### **Contracting**

The department works closely through local governments, businesses, and non-profit organizations to provide services to Washington citizens by distributing funding through more than 6,000 grants, loans, or contract each year. Because funds are distributed primarily through contracting, it is important that contracts meet legal requirements. The department recently provided training to staff regarding Federal Procurements and ensured that all required staff completed the required DES contracts training. Additional trainings, contract resources/manual, and establishing workgroups with contracting expertise are all planned for fiscal year 2017 and 2018. The department is also working with Tribes to ensure the department's Tribal contracts are legally compliant.

### **Emergency Management**

The department has recently hired an Emergency Manager. With this new hire and the use of the Safety Committee, the department identified the following as important priorities: Identify programs that are necessary in a state disaster so that we can plan to effectively help the state respond and recover from disasters; be able to be responsive to workplace violence, and lastly, remain proactive to risks before they become a tort liability.

### **Funding**

Fluctuations in federal, state, or federal funding can result in us stretching resources to meet mandated programs. Department employees must ensure and maintain public stewardship of funds. Many initiatives are currently underway in ensuring priority use of matching funds, internal control testing, new proactive ethics and whistleblower initiatives, and identifying the need for new and updated policies.

## ELECTRONIC SUBMITTAL CONFIRMATION FORM

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**Agency Number:** 103

**Agency Name:** Department of Commerce

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:

- ☒ This agency posts all decision packages for our 2017-19 budget request to our public facing website at the following URL:

URL: <http://www.commerce.wa.gov/about-us/commerce-budget-legislative-information/>

Option 2:

- ☐ This agency does not post decision packages and has forwarded copies via e-mail to [OFM.Budget@ofm.wa.gov](mailto:OFM.Budget@ofm.wa.gov).

These decision packages conform to our agency's ADA accessibility compliance policy.

**Agency Contact:** Martin McMurry

**Contact Phone:** (360) 725 - 2710

**Contact E-mail:** [martin.mcmurry@commerce.wa.gov](mailto:martin.mcmurry@commerce.wa.gov)

**Date:** 9/16/2016